NHS
Vale of York
Clinical Commissioning Group

Item 3

Minutes of the Meeting of the NHS Vale of York Clinical Commissioning Group Governing Body held 2 June 2016 at West Offices, Station Rise, York YO1 6GA

Present

Mr Keith Ramsay (KR)	Chairman
Mr Michael Ash-McMahon (MA-M) for Mrs Tracey Preece	Deputy Chief Finance Officer
Dr Louise Barker (LB)	GP Member
Mr David Booker (DB)	Lay Member
Mrs Michelle Carrington (MC)	Chief Nurse
Dr Paula Evans (PE)	GP, Council of Representatives Member
Mrs Helen Hirst (HH)	Interim Accountable Officer
Dr Arasu Kuppuswamy (AK)	Consultant Psychiatrist, South West Yorkshire Partnership NHS Foundation Trust – Secondary Care Doctor Member
Dr Tim Maycock (TM)	GP Member
Dr Shaun O'Connell (SOC)	GP Member
Dr Andrew Phillips (AP)	GP Member/Interim Deputy Chief Clinical Officer
Mrs Rachel Potts (RP)	Chief Operating Officer
Mrs Sheenagh Powell (SP)	Lay Member and Audit Committee Chair

In Attendance (Non Voting)

Miss Siân Balsom (SB)	Manager, Healthwatch York
Mrs Louise Johnston (LJ)	Practice Manager Representative
Dr John Lethem (JL)	Local Medical Committee Liaison Officer, Selby and York
Mrs Victoria Pilkington (PL) for items 7 and 15	Head of Partnership Commissioning Unit
Ms Michèle Saidman (MS)	Executive Assistant
Mrs Sharon Stoltz (SS)	Director of Public Health, City of York Council

Apologies

Dr Emma Broughton (EB)	GP Member
Dr Stuart Calder (SC)	GP, Council of Representatives Member
Dr Mark Hayes (MH)	Chief Clinical Officer
Mrs Tracey Preece (TP)	Chief Finance Officer

Eight members of the public were in attendance.

The following matters were raised in the public questions allotted time.

1. Anne Leonard, 'Defend Our NHS'

- *What are the Vale of York CCG's plans for public consultation regarding the Sustainability and Transformation Plans required by NHS England by the end of June? What plans are there for public consultation on STPs in any of the CCGs included in the same 'Footprint' as the Vale of York?*

- *What are the Vale of York CCG's arrangements for public consultation regarding the Sustainability and Transformation Plans required by NHS England by the end of June 2016? What plans are there for public consultation in CCGs across the whole Footprint in which York CCG will be involved.*

2. Chris Brace

Sustainability and Transformation Plans

Given the fragility of the private health sector and widespread poor practices that have been reported in the corporate social care sector, in terms of the quality of care and in employment practice, what assurances can the CCG give in terms of the arrangements for public consultation within the relevant footprint?
Furthermore, what safeguards exist to secure services in the event of a private operator going out of business?

As citizens we are entitled to:

- *transparency in the awarding of contracts to a private provider and the continuing scrutiny arrangements;*
- *know whether or not providers are complying with minimum standards around workforce terms and conditions;*
- *be clear about accountability and strategic leadership.*

So, what are the arrangements for public consultation?

RP provided a joint response to the questions advising that the CCGs in the Sustainability and Transformation Plan (STP) footprint were working with Healthwatch to gather information to inform the STP submission to NHS England by the end of June. This would be developed from a review of information available from previous engagement activity, Public Health data, Health and Wellbeing Board statistics and operational plans. There would then be a programme of involvement and engagement across the CCG footprint with as many groups as possible through the summer.

RP reported that a Communication and Engagement Lead had been appointed for the Sustainability and Transformation Plan footprint but emphasised that the CCG would be working locally with York Teaching Hospital NHS Foundation Trust, the Local Authorities and all stakeholders to develop a Vale of York plan which would feed in to the overall footprint plan. RP also emphasised that formal consultation would also take place in accordance with national guidance where required.

In respect of provider accountability, RP advised that the CCG contracted with providers through the standard NHS contract which required organisations to have a business continuity plan. The CCG did not commission any services from private providers that were not also commissioned from NHS providers and the standard NHS Contract provided for termination of contract by providers including recovery of excess costs, a succession plan and co-operation in ensuring continuity and transfer of service to avoid any inconvenience or risk to health and safety.

RP clarified that consultation was a formal process and that NHS guidelines were followed as required; engagement was a means of informing and involving in decision making.

Anne Leonard issued an open invitation to a Defend Our NHS public meeting in Clements Hall, York, at 7pm on 15 July.

AGENDA ITEMS

KR welcomed everyone to the meeting. He especially welcomed HH to her first meeting in public of the Governing Body.

A number of items that were 'to note' were not discussed due to time constraints.

1. Apologies

As noted above.

2. Declaration of Members' Interests in Relation to the Business of the Meeting

There were no declarations of interest in the business of the meeting. Members' interests were as per the Register of Interests.

3. Minutes of the Meetings held on 7 April 2016

The minutes of the meeting held on 7 April were agreed subject to a typing error on page 10, at the end of item 9.

The Governing Body:

Approved the minutes of the meeting held on 7 April 2016 subject to the above amendment.

4. Matters Arising from the Minutes

Turnaround - Clarification to be sought regarding presentation on the allocation graph of NHS Vale of York CCG moving towards target over the five years but the North Yorkshire and Humber neighbouring CCGs moving away: MA-M agreed to follow this up and circulate the information electronically.

Chief Clinical Officers Report – System Leaders Board minutes: RP agreed to follow this up and inform members electronically.

Turnaround Action Plan: RP confirmed that the action plan had been re-circulated.

Quality and Performance Governing Body Report: MC advised that the report in respect of the Never Event due to over administration of insulin was still awaited and would be received in the CCG following the scrutiny process. She would circulate it to members on receipt.

The Governing Body:

Noted the updates.

5. Interim Accountable Officer Report

HH presented the report which provided updates on the CCG's forecast financial position and turnaround progress; the footprint of the Humber, Coast and Vale Sustainability and Transformation Plan; strategy development; System Leaders Board; Better Care Fund 2016/17; review of the CCG's scheme of delegation and additional financial control; CCG 360^{o} stakeholder survey results; emergency preparedness, resilience and response; Health and Wellbeing Boards; North Yorkshire Syrian Refugee Resettlement Scheme; and national plans and strategic issues.

HH highlighted the capacity and capability review to help address the CCG's financial challenge and return the organisation to a sustainable position. In addition to HH's appointment additional finance capacity had been agreed and a senior manager had joined the CCG to work on the Better Care Fund. A number of short term appointments had been approved by Senior Management Team with a view to meeting identified capacity requirements, key to these was a Programme Management Office Manager. HH noted that consideration was also being given to providing support for the Council of Representatives to ensure they were kept fully informed of issues. HH noted that the investment in capacity necessary to improve the CCG's position would come at a cost to QIPP savings.

HH advised that the previous transformation work, suspended in view of the financial challenge, should be resumed as part of the recovery programme. She referred to discussion at the Council of Representatives and the Governing Body Workshop when the CCG's commissioning intentions had been confirmed. HH emphasised that the CCG was committed to working collaboratively and would commission with partners, including City of York Council and North Yorkshire County Council, to ensure development of shared priorities.

In respect of the Better Care Fund HH reported that response was awaited to an additional offer made to North Yorkshire County Council to resolve the position. This had been factored in to the financial position.

Discussions were continuing with City of York Council to try and reach agreement on the Better Care Fund plan before an Escalation Panel meeting on 7 June. All schemes were

currently being jointly reviewed in detail, and for the first time this was being done jointly, to address the c£2m gap between the 2015/16 and 2016/17 plans. HH explained that the CCG approach complied with the Better Care Fund minimum contribution and Care Act requirements; the contribution to the social care protection fund had been reduced. Work was taking place to ensure the best possible deliverable plan.

Members sought clarification on the Estates and Technology Transformation programme noting that the Primary Care Commissioning Committee later in the day would consider investment applications. Any schemes, if not revenue neutral, were required to be affordable. MA-M explained that the prioritisation process had been agreed with Primary Care and that Practices had been offered support to maximise opportunities within the tight timescale for submission of applications. TM additionally confirmed that the CCG was working with partner organisations in respect of estates transformation.

Further discussion on the information relating to national plans and strategic issues included: the need for appropriate horizon scanning with consideration of adding web links in reports; assurance that a lead for 'Securing excellence in GP IT services 2016/18' had been identified as an urgent priority in the capacity review to support TM who provided clinical leadership ; and confirmation that the Personal Medical Services reviews would be considered by the Primary Care Commissioning Committee.

In relation to strategic development HH advised that the Integration and Transformation Board was the forum where commissioners and providers met. Commissioners needed to be clear on their strategic intentions for commissioning services for the population through appropriate use of available funds.

The Governing Body:

Noted the Interim Accountable Officer Report

6. Corporate Risk Update Report

RP referred to the report that was presented early on the agenda to inform later discussion regarding identified risk. She noted that corporate risk was discussed in detail at the Quality and Finance Committee and also at the Audit Committee for assurance. The CCG's risk management was currently being reviewed to ensure alignment with the NHS England Improvement and Assessment Framework for which technical guidance had recently been published.

RP advised that risks which had materialised, i.e. events, related to failure to submit agreed Better Care Fund plans with City of York Council and North Yorkshire County Council and four hour A and E performance at York Teaching Hospital NHS Foundation Trust. A new event had materialised in respect of unfulfilled fast track Continuing Healthcare packages and two events remained active from 2015/16 both relating to the delivery of mental health services arising from the closure of Bootham Park Hospital and implementation of inpatient facilities in the York area.

RP noted that compared with the same time in 2015/16 there were a high number of risks due to the organisation being in turnaround and the financial challenges but also because of improved reporting, particularly in respect of finance. She explained that

discussion at the Quality and Finance Committee and the Audit Committee focused on reporting processes and highlighted the need for improvement on action to mitigate risk. RP reported that following discussion at the Audit Committee the Governing Body Workshop on 7 July would review the CCG's decision making and governance structures, including risk. She also advised that risk management and risk reporting training was taking place with Chief Officers and staff.

In response to SP noting improved reporting of risk but highlighting that performance targets were organisational, not the responsibility of a single director, RP explained that the Lead Director was responsible for ensuring risk registers were up to date but line of responsibility would be included in the current review.

MC clarified that the unfulfilled packages of care related to patients not receiving support in the last few weeks of life due to lack of carers. She emphasised that it was not a financial issue.

Further discussion included the need for public engagement with a consistent message from all partners to inform the community of the challenges faced by health and social care. RP noted that Communication Leads from these organisations were working together with support from the Integration and Transformation Board and System Leaders Board to manage communications and reputational risks.

KR additionally emphasised the need for a proactive approach to managing performance, including in respect of the four hour A and E target, referring to the impact of failure on access to transformation funding.

The Governing Body:

1. Noted the Risk Register report and the burden of risk in specific areas.
2. Reviewed the level of assurance received on the areas of significant risk through the forward plan.
3. Requested the strengthening of mitigation in respect of communications and reputational risk.
4. Noted that the CCG Board Assurance Framework in line with new national Improvement and Assessment Framework would be presented at a Governing Body workshop.
5. Noted that the Governing Body workshop on 7 July would review the CCG's decision making and governance structures.

7. Learning Disabilities: Building the Right Support Across York and North Yorkshire

VP attended for this item

LB referred to the report that described the proposed local response to the national 'Building The Right Support' plan to develop community services and reduce inpatient facilities for people with a learning disability and/or autism who display behaviour that challenges, including those with a mental health condition. CCGs were required to put in place a plan to deliver the principles of holistic care in the community by March 2019. LB noted that numbers were low but the plan, being developed in co-ordination with the North Yorkshire CCGs and Local Authorities, would be challenging.

LB explained that there was up to £30m national money for Yorkshire and Humber to bid against noting the main risk was financial, particularly in view of the potential for double running initially to enable development of community teams. She also noted a potential risk to Primary Care in view of the challenging behaviour aspect.

VP highlighted that the plan was being developed jointly by health and Local Authorities and that, although numbers were small, these were people with complex high cost needs. She noted that in addition to health and social care in the community there was a need for low and medium secure forensic community outreach. VP emphasised the requirement to work differently within the existing financial envelope and noted that CCGs were required to match fund bids to the national money. She also highlighted that the plan would be considered in the context of Sustainability and Transformation Plans to achieve potential economies of scale.

Members sought and received clarification on aspects of service provision noting out of contract purchasing due to under establishment and over commissioning in terms of bed availability. The need to understand actual costs was highlighted. VP explained that a Delivery Board comprising commissioners and providers would focus on delivering the required capacity in the context of the financial challenge. She emphasised that the planned reduction related to admissions due to challenging behaviour, not access to mental health services.

In respect of user and care engagement VP advised that available feedback, including from café style events, the *Discover!* programme and one to one meetings, had been utilised. She also noted that the Learning Disabilities and Mental Health Partnership Board had considered the report.

In response to further clarification sought VP noted that Personal Health Budgets were a fundamental part of the plan provided the appropriate support structures were in place and emphasised the need for flexibility of budgets to avoid admissions. She added that to date no feedback had been received to the bid submitted for £2.6m.

The Governing Body:

1. Supported the plan's visionary principles, underlying ethos and main objectives during development phase to allow members' comments to be incorporated into the final version.
2. Noted the associated challenges and risks with Building the Right Support delivery.
3. Noted NHS England's requirement for the Transforming Care Partnership's plan to be approved (via local governance arrangements) and finalised by 24 June 2016.
4. Agreed that KR, HH and LB approve the final plan outside of the formal Governing Body meeting schedule, to achieve the NHS England 24 June deadline

8. Humber, Coast and Vale Sustainability and Transformation Plan Update

RP advised that the Humber, Coast and Vale Sustainability and Transformation Plan was an 'umbrella plan' above local plans. The key focus areas were the health and wellbeing gap with a core focus on prevention, the care and quality gap, and the finance and efficiency gap. The report described progress to date since announcement of the

requirement to develop a planning and delivery footprint at scale, a summary of the gaps, priority work areas (mental health, cancer, urgent and emergency care, acute and specialised care, and out of hospital services), a delivery model based on services being scaled up only when added value would be achieved, and the timetable for submission of the first plan at the end of June.

Additionally, the local system had come together to form the Integration and Transformation Board to develop the Vale of York Sustainability and Transformation Plan. This would require sign off by the end of June in terms of direction of travel with detailed work and local engagement taking place over the summer for delivery in October.

In response to clarification sought by members RP and SS referred to data that would be utilised to inform opportunities for improvements and efficiencies in care pathways emphasising the need to maintain the local focus at the same time as fulfilling the requirements of the wider footprint plan. AP additionally noted discussion at a recent Sustainability and Transformation Plan workshop had included demographic change, the increasing elderly population and emphasis on the need for prevention.

In respect of leadership Emma Latimer, Chief Officer of NHS Hull CCG, was co-ordinating the development of the Sustainability and Transformation Plan in the interim; local leadership was via the Integration and Transformation Board which would be a sub committee of the Health and Wellbeing Board. HH noted the complexity of infrastructure for local planning due to the requirement for CCGs to work collaboratively with providers and Local Authorities to achieve sustainability both locally and across the larger footprint. HH agreed to circulate the local governance arrangements

The Governing Body:

1. Delegated to HH authority for approval of the Humber, Coast and Vale Sustainability and Transformation Plan on the basis of the priority work areas and delivery mechanisms detailed.
2. Noted that updates would be provided on the development of the Humber, Coast and Vale Sustainability and Transformation Plan and the local plan for the Vale of York.
3. Noted that HH would circulate the local governance arrangements.

9. Integrated Quality and Performance Governing Body Assurance Report

9.1 Quality and Performance Assurance Data: Quarter 4 2015/16

MC advised that the quarterly report, presented for information, provided a full data update for quarter 4 of 2015/16 against key quality and performance measures. It included a detailed six month review with benchmarking where applicable and a two year trend overview.

9.2 Quality and Performance Governing Body Report

In presenting the report that provided narrative against key quality and performance measures, highlighting both positive and negative exceptions that may present clinical risk or challenge for patient care and safety, MC referred to the requirement for York

Teaching Hospital NHS Foundation Trust to achieve constitutional performance targets to access the £13.6m Transformation Fund. She noted that currently the four hour A and E and 18 week referral to treatment targets posed a risk and explained that recent information indicated the requirement for locally agreed performance trajectories to be achieved each month to access this funding. There would be a proportional loss of the funding if performance targets were not achieved.

In respect of the four hour A and E performance target for the Vale of York the latest validated data was 83.5% in March against the 95% target, with unvalidated data of 87.14% for week ending 8 May. MC noted the plan for commencement of the Primary Care Emergency Department Front Door model from 1 July 2016. She also noted that Yorkshire Ambulance Service handover performance was integral to the four hour target advising that fines which were not part of the Transformation Fund requirement could be applied. This had amounted to c£400k in 2015/16 which could potentially be reinvested.

MC reported achievement of performance in diagnostics as at March but unvalidated data for April indicated concern about audiology which was being investigated. She also noted a risk in cardiology, particularly in respect of echocardiogram, and advised that the diagnostics target had been achieved through increased spend at Yorkshire Health Solutions.

MC highlighted risk to 18 week referral to treatment performance due to theatre capacity and the cap on agency staff. She noted that an average of eight theatre lists was being cancelled each week.

MC noted that breaches in cancer performance were due to complex care pathways and patient choice.

In respect of healthcare associated infection MC advised that the final position for 2015/16 would be incorporated in the next report. She noted that there had been one case of MRSA bacteraemia on the York Hospital for 2016/17 against a zero trajectory; the root cause analysis was currently awaited.

MC highlighted in regard to Serious Incidents:

- A system wide investigation was taking place into the operational difficulties in April 2016 on the Scarborough Hospital site; lessons learnt would be reported.
- The serious incident relating to CT scans, previously reported, had been due to potential incorrect reporting. A look back exercise on 400 to 600 patients was currently taking place to determine any harm.
- The CCG's Bootham Park Hospital action plan had been submitted to NHS England in accordance with the timescale.
- The CCG remained an interested party in respect of the Judicial Review of the closure of Bootham Park Hospital.

MC noted poor performance in respect of Improving Access to Psychological Therapies, due in part to transfer of data systems from Leeds and York NHS Partnership Foundation Trust to Tees, Esk and Wear Valleys NHS Foundation Trust. She assured members that the latter was working to address the issues and planned to achieve performance targets by quarter 3 of 2016/17. MC advised that GP referral rates had improved.

MC reported that the Partnership Commissioning Unit, on behalf of the four North Yorkshire CCGs, was actively pursuing alternative options for procuring fast track continuing health care to respond to market interest. MC advised as no interest had been shown in this service consideration was now being given to offering smaller lots, potentially on CCG footprints, as there appeared to be market interest in this approach. MC advised that the Partnership Commissioning Unit was working to fulfil the needs of the c15 patients currently awaiting care packages.

In respect of the Quality Premium MC reported that NHS England had not agreed one of the local indicators. Consideration was now being given to its replacement by alcohol related admissions as an alternative local indicator.

MC advised of recruitment to the Patient Experience Officer post noting that enhanced information would be provided in the future due to increased capacity.

SS referred to the suicides at the University of York advising that a number of reports, including lessons learnt, were being produced. She proposed including this information in the next report to the Governing Body. SS additionally noted that an audit of suicides and suicide intent since 2010 was being undertaken in the City of York Council area. The Adult and Children's Safeguarding Boards would receive the reports.

SB noted work taking place with dementia groups, including a survey money which she proposed making available to GPs. LB advised that she had written to GP Practices about diagnosis and timely access and referred to the work with care homes in this regard.

In response to LB's commendation of proactive engagement with Practices by the new lead for Improving Access to Psychological Therapies, but concern at the loss of two Primary Care Mental Health workers, LB advised that Tees, Esk and Wear Valleys NHS Foundation Trust were looking to implement new ways of working.

KR requested that future reports provide detail of impact on access to the Transformation Fund from York Teaching Hospital NHS Trust performance. He emphasised that this funding was fundamental to the system and as a commissioner the CCG needed a comprehensive understanding of the issues.

The Governing Body:

1. Noted the quarter 4 2015/16 quality and performance assurance data report.
2. Noted the quality and performance exceptions.

10. Financial Plan 2016/17

MA-M referred to the delegation for amendments to the Operating and Financial Plan to the Chief Clinical Officer, Chief Finance Officer and Chair prior to submission to NHS England advising that the final plan was now presented. This had been submitted on 19 April as a joint plan between NHS England and the CCG. MA-M explained the factors that had resulted in the forecast for 2016/17 now being £13.3m deficit, previously £16.3m; level of risk of £7.1m, previously £4.3m; and QIPP of £13.8m, previously £12.2m. He noted that at the time of writing the report no national feedback had been received.

MA-M provided an update on subsequent developments. In respect of the contract with York Teaching Hospital NHS Foundation Trust, not yet signed, maintaining the principles of the Financial Plan submitted on 19 April had the potential to result in arbitration. In the absence of national guidance and following negotiation with York Teaching Hospital NHS Foundation Trust, the CCG had agreed to put the investment back in to the community contract at the value requested with an additional £0.25m to close the residual 2015/16 cost gap. This was based on the expectation of an additional equivalent impact reduction on the acute contract. The York Teaching Hospital NHS Foundation Trust budget was £180.5m but the contract the CCG expected to sign would be for £184.5m with agreement to work together to manage the demand down to within the affordability envelope as per the budget. MA-M noted that this £4m contract gap was included within the £7.1m risk and reported that work was taking place to agree Heads of Terms with the requirement for identification of schemes.

SP expressed concern that the Governing Body was being asked to approve the financial plan in the absence of a signed contract with York Teaching Hospital NHS Foundation Trust and no risk share agreement to manage the unmitigated risk from excess demand. Members sought further clarification about the level of risk within the plan and the lack of a signed contract, echoing concern about the approval requested. HH additionally referred to formal correspondence from NHS England which categorised the financial plan at level 3, “not assured” and requiring improvement, suggesting that, as this was the plan against which the CCG would be monitored, members may wish to accept, rather than approve, it. HH also proposed the letter from NHS England be attached to the minutes.

The Governing Body:

1. Accepted the 2016/17 Financial Plan noting the NHS England “not assured” assessment.
2. Agreed that the letter from NHS England be attached to the minutes.

11. Financial Performance Report

The Governing Body:

Noted the Financial Performance Report.

12. QIPP Report

The Governing Body:

Noted the QIPP Report.

13. Annual Report and Annual Accounts 2015/16

KR referred to the Annual Report and Annual Accounts circulated electronically to members. He noted approval on 24 May by the Audit Committee which he and HH had attended.

SP reported that the auditors had commended the presentation and accuracy of the accounts. She expressed appreciation on behalf of the Governing Body to TP and the Finance Team for their work in this regard.

The Governing Body:

1. Ratified the Annual Report and Annual Accounts 2015/16.
2. Expressed appreciation to Tracey Preece and the Finance Team for their work on the accounts.

14. North Yorkshire and the Humber CCGs and Yorkshire Ambulance Service Collaborative Commissioning

HH referred to the report which proposed the establishment of a formal Joint Collaborative Commissioning Committee across the six North Yorkshire and Humber CCGs for the Humber, Coast and Vale Sustainability and Transformation Plan footprint. For Yorkshire Ambulance Service commissioning a Memorandum of Understanding was proposed covering the 23 CCGs in Yorkshire and the Humber. These arrangements would be in shadow form until October 2016 so that the organisations could gain assurance prior to formal delegated agreements being put in place and associated amendments to the CCG's Constitution. At its meeting on 19 May the Council of Representatives had approved this approach and delegated the responsibility for signing off the collaborative arrangements and their monitoring to the Governing Body.

The Governing Body:

1. Noted that the Council of Representatives had delegated responsibility for sign off of collaborative commissioning arrangements for North Yorkshire and the Humber Collaborative Commissioning in respect of the Sustainability and Transformation Plan and Yorkshire Ambulance Service.
2. Approved the Memorandum of Understanding for the collaborative commissioning of 999 ambulance services and 111 between Clinical Commissioning Groups across Yorkshire and the Humber.
3. Approved the Memorandum of Understanding for the collaborative arrangements across the Humber, Coast and Vale CCGs.

15. Implementation of Special Educational Needs and Disabilities (SEND) Reform

The Governing Body:

1. Noted the update in relation to the Children and Families Act 2014, part 3.
2. Noted the Ofsted and Care Quality Commission framework for the impending local area inspection of special educational needs and disabilities and progress to date.

16. Quality and Finance Committee Minutes

The Governing Body:

Received the minutes of the Quality and Finance Committee of 27 April and 19 May 2016.

17. Audit Committee Minutes

The Governing Body:

Received the minutes of the Audit Committee of 28 April and 24 May 2016.

18. Medicines Commissioning Committee

The Governing Body:

Received the recommendations of the Medicines Commissioning Committee of 16 March and 20 April 2016.

19. Next Meeting

The Governing Body:

KR noted that the next scheduled meeting was on 1 September 2016 at 10am at West Offices, Station Rise, York YO1 6GA and would be chaired by SP. However, in the event of the requirement for business to be considered before this, either an earlier meeting may be arranged or, alternatively, decisions may be taken to meet timescales with ratification being sought at the next available meeting.

20. Follow Up Actions

The actions required as detailed above in these minutes are attached at Appendix A.

A glossary of commonly used terms is available at:
http://www.valeofyorkccg.nhs.uk/data/uploads/governing-body-papers/governing-body-glossary.pdf

Appendix A

NHS VALE OF YORK CLINICAL COMMISSIONING GROUP

ACTION FROM THE GOVERNING BODY MEETING ON 2 JUNE 2016 AND CARRIED FORWARD FROM PREVIOUS MEETINGS

Meeting Date	Item	Description	Director/Person Responsible	Action completed due to be completed (as applicable)
4 February 2016 7 April 2016 2 June 2016	Turnaround	• Clarification regarding the CCG's presentation on the allocation graph to be sought • Response to be circulated electronically	TP MA-M	Ongoing
7 April 2016 2 June 2016	Chief Clinical Officers Report	• Clarification to be sought about circulation of System Leaders Board minutes • Response to be circulated electronically	KR RP	

Meeting Date	Item	Description	Director/Person Responsible	Action completed due to be completed (as applicable)
2 June 2016	Quality and Performance Governing Body Report (April minutes)	• Report in respect of the Never Event due to over administration of insulin to be circulated on receipt	MC	

North, Yorkshire and the Humber
Unit 3
Alpha Court
Monks Cross North
York
YO32 9WN

By email:

Tracey Preece
Chief Finance Officer
NHS Vale of York CCG

26th May 2016

Dear Tracey

2016/17 Financial Plan Assessment

Thank you for the submission of your 2016/17 Financial Plan. As you know, we have reviewed and discussed with you the iterations of your plan since the initial February 2016 submission.

Meeting the finance business rules has been a priority for the 2016/17 planning round. In order to achieve full confidence in a financial plan, commissioners need to plan for the delivery of financial business rules and demonstrate confidence in delivery, including the mitigation of risk. Attachment 1 accompanying this letter sets out why this must continue to be a key priority for all commissioners.

The 2016/17 CCG Improvement and Assessment framework was published on 31 March 2016 and covers four "domains": Better Health, Better Care, Leadership, and Sustainability. Financial sustainability, covering both financial planning and in-year financial performance, is a key contributor to the overall sustainability ranking in the 2016/17 framework.

The purpose of this letter is to provide you with feedback on our assessment of the CCGs financial plans. The 2016/17 Improvement and Assurance framework (paragraph 20) states that a discussion regarding CCG assurance and support requirements should be initiated during the early part of 2016/17. This letter provides the basis on which we will agree our **financial** assurance of and support required for the CCG.

In terms of financial confidence and support for plans across the North, we have developed the following categorisation to maximise consistency in approach and application:

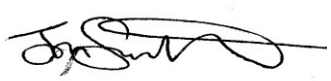
North category for determining financial support and confidence	**Comments and proposed support arrangements**
Category 1a	Assured and meets business rules. Low/medium risk.
Category 1b	Assured and meets business rules but increased or higher risk. For example: - efficiency plans require further development - risk mitigations rely on increased levels of QIPP - increased confidence is required in the recognition and/or management of overall net risk Self-declaration and evidence of confidence in plan achievement will determine whether a recovery/mitigation plan is required. Closer support and contact.
Category 2	Limited assurance as business rules not met. High risk and requires a recovery plan. Aligned support, the level of which is dependent on the seriousness and underlying nature of the financial position. See attachment 2 for detail of assurance
Category 3	Not assured and plan not capable of being supported without further improvement. Capability and Capacity review may be required or has been undertaken, flagging significant financial concerns FRP/Formal PMO and Turnaround input required. Significant financial challenges, underlying deficit position and high risk of under delivery against plan in year. Probable dedicated, aligned support. See attachment 2 for detail of assurance

Based on the last submission of the CCGs plan, our proposed categorisation of the CCGs Financial Plan for assurance and support is 3.

We have discussed the revised assurance and support arrangements now in place to assist the CCG in addressing the financial challenge ahead. This includes the interim Accountable Officer arrangements, the interim turn-around leadership, the senior finance assurance and support role commencing next week and the work we are doing to support a cross-organisational consensus/plan about the change required in the York system to provide quality services to the population of York within the financial envelope available."

Thank you again for your submissions during the planning process and I look forward to discussing the contents of this letter further with you.

Yours sincerely



Jon Swift
Director of Finance, (North, Yorkshire and the Humber)

cc.
Helen Hirst, Accountable Officer, NHS Vale of York CCG
Moira Dumma, Director of Commissioning Operations, NHS England, North (Yorkshire and the Humber)
Julie Warren, Locality Director, (North) NHS England
Jonathan Webb, Head of Finance, NHS England, North (Yorkshire and the Humber)

Attachment 1

Financial Business Rules etc.

In-Year financial position

The 2016/17-2020/21 NHS Planning Guidance restates the business rule requirement that commissioners will be required to deliver a cumulative surplus of 1%. The guidance also states that "At the very least, commissioners who are unable to meet the cumulative reserve (surplus) requirement must deliver an in-year break-even position".

Access to prior year surpluses

Any reduction in surplus between the opening and closing positions in a year needs to be agreed with the local NHS England team and capable of being resourced to "draw down" prior year surpluses.

Draw down will only be available when the commissioner is currently maintaining a surplus above 1% and subject to affordability within the overall commissioner financial framework. In all other circumstances it is likely that the commissioner plan will be considered to be less than fully assured from a financial perspective.

The 2016/17-2020/21 NHS Planning Guidance confirms that commissioners should plan to draw down all cumulative surpluses in excess of 1% during the three financial years commencing 2016/17.

The significance of not delivering business rules

Commissioners reducing their surplus below 1% (or planning for/delivering an "in-year" deficit) are:

- spending more than their annual allocation, and as such creating an underlying financial issue which under the CCG financial framework will quickly multiply if not addressed swiftly.

- reducing the ability of other commissioners to access their accumulated surpluses, preventing them from improving healthcare, i.e. a CCG is spending other communities' resources.

- planning for a negative financial run rate (spending more than its annual allocation) represents poor resource utilisation. Any reduction on a 1% surplus will require to be recovered during the next year by returning to balance and addressing the underlying position, hence the level of required action and consequences will be greater.

  This is of particular concern during the middle 3 years of the 5 year forward view planning cycle when annual allocation growth rates are lower than in 2016/17, and hence should not be relied upon to recover financial overspends.

- for those commissioners in cumulative deficit, they are breaching their statutory financial duties in that CCGs are not authorised to spend more than their total allocation.

- overspending which will eventually lead to cash-flow difficulties either locally or nationally – this requirement to support deficit positions could reduce the level of resource available to the whole commissioner system.

1% non-recurrent resource utilisation

This resource is intended to insulate the health economy from financial risk and is required to be uncommitted at the start of the year. This is a HM Treasury requirement alongside being an NHS planning rule.

This requires risk reported by Commissioners in plans to be mitigated and initial planned use of this 1% non-recurrent resource should not be relied upon. Commissioner plans declaring unmitigated risks will require recovery plans and considered to be less than fully assured.

This 1% non-recurrent resource may be released in agreement with NHS England as evidence of risks not arising or being effectively mitigated through other means.

Attachment 2

Support and assurance for level 2 and level 3 CCGs

Step	**Level 2**	**Level 3**
Plan less than fully assured	Recovery plan required, may require turnaround support. Discussion with DCO team regarding the level of support required.	Recovery plan required Formal PMO and turnaround support required. Potential for a Capacity and Capability review considered
Assurance/support options include: - requirement for Financial Recovery Plan - PMO arrangements - turnaround support - sourcing additional leadership capacity - RightCare support - additional NHS England finance assurance/support role - external Capacity and Capability review		