

Minutes

Finance and Information Group

11th September 2017, 10.00-12.30

Committee Room, Civic Centre, Arnot Hill Park, Arnold, NG5 6LU

Present:

Terry Allen (TA)	Lay Member – Financial Management & Audit (<i>Chair</i>)
Maxine Bunn (MB)	Director of Contracting – South CCGs
Ian Livsey (IL)	Deputy Chief Finance Officer – South CCGs
Sergio Pappalettera (SPa)	Contracts & Information Manager
Sharon Pickett (SPi)	Deputy Chief Officer

In attendance:

Louisa Hall (LH)	Corporate Admin Officer (<i>Minute taker</i>)
Mark Sheppard (MS)	Director of Contracts
Debbie Stiles-Powell (DSP)	Senior Finance Manager QIPP/BCF

Apologies:

Hazel Buchanan (HB)	Director of Operations
Dr James Hopkinson (JH)	Clinical Lead
Sam Walters (SW)	Chief Officer

Cumulative Record of Members Attendance (2017/18)

Name	Possible	Actual	Name	Possible	Actual
Terry Allen	5	5	Sam Walters	5	1
Hazel Buchanan	5	2			
Maxine Bunn	5	5(4x deputy)			
Dr James Hopkinson	5	4			
Ian Livsey	5	5			
Sergio Pappalettera	5	5			
Sharon Pickett	5	5			

Purpose of Group

As per the Terms of Reference of the Finance & Information Group (FIG), this group has delegated authority from the Governing Body to monitor budgets and activity and ensure their delivery against plan, reporting all deviations and respective corrective action to the Governing Body. The FIG will also oversee the financial planning process, agreeing the financial plan assumptions and principles.

Item		Action
FI 17/066	<u>Welcome and Apologies</u> Terry Allen (TA) welcomed members to the meeting. Apologies were	

	<p>noted as above.</p> <p>Quoracy was confirmed.</p>	
FI 17/067	<p><u>Declarations of Interest</u></p> <p>The Chair reminded committee members of their obligation to declare any interests they may have on any issues arising at Finance and Information Group meetings that might conflict with the business of the CCG.</p> <p>Declarations of Finance and Information Group were listed in the CCG's Register of Interests. Terry Allen (TA) noted that the Register was available either via the secretary to the FIG Group or the CCG website at the following link:</p> <p>http://www.nottinghamnortheastccg.nhs.uk/contact-us/freedom-of-information/conflicts-of-interest/</p> <p>No Declarations of Interest were made in relation to the agenda.</p>	
FI 17/068	<p><u>Minutes and Actions of the previous meeting</u></p> <p>The minutes of the meeting held on 7th August 2017 were approved as a true and accurate record with the following agenda items revisited:</p> <p><u>Actions:</u></p> <p><u>17 056:</u> NCA Approvals: Ian Livsey (IL) updated the Committee that a paper had been drafted for the Financial Recovery Group (FRG) supporting internal recruitment.</p> <p><u>17 056:</u> Rebates approvals: It was confirmed by Lucia Calland (LC) that Hazel Buchanan had agreed the revised approval form.</p> <p><u>17 056:</u> November meeting date updated by Louisa Hall (LH)</p> <p><u>17 058:</u> A query raised by the Chair on the figure for Mental health savings target was confirmed by Debbie Stiles Powell (DSP) as correct at 3.1million.</p> <p><u>17 061:</u> Terms of Reference (TOR) with amendments with Deloitte suggestions re triangulation were agreed to go straight to Governing Body for approval.</p> <p><u>17 063:</u> The Chair queried if the action plan and structure devised from the Capacity & Capability Review recommendations will be presented to FIG, to enable the Committee to make assurances at Governing Body.</p>	<p>JB/IL</p>

<p>FI 17/069</p>	<p><u>Rebate Schemes: Quarterly savings report</u></p>	
	<p>LC presented the first quarterly update on rebate schemes.</p> <p>The use of PrescQIPP was discussed for its usefulness around legality and future savings calculations. LC listed the current rebate schemes savings and any issues around schemes that have not come to fruition.</p> <p>The Committee was advised that further rebate schemes are being looked at with most benefitting Greater Notts. Contracts are currently being agreed so these will be presented to future FIG meetings when ready for approval. The Committee queried whether savings estimates presented were correctly stated over the quarter and not monthly. LC to review these and confirm where necessary.</p> <p><u>No Cheaper Stock Obtainable (NCSO):</u></p> <p>LC gave the Committee an update on a new cost pressure issue – drugs categorised as “no cheaper stock obtainable”. LC informed the Committee that if pharmacy contractors have been unable to purchase products at the set Drug Tariff reimbursement price, a NCSO may be granted and the reimbursement price is based upon the appropriate prescription endorsement rather than the fixed Drug Tariff price. It was advised that NCSO status has been granted on a number of occasions that has had a considerable impact on the prescribing budget within NNE. The cost pressure for April to June 2017 totals £95,300. The forecast cost pressure is increasing each month and is anticipated to be £78,625 for July and £109,529 for August. The impact nationally for August is expected to be in the region of £42 million. At present, it is not possible to predict for how long NCSO pressure will prevail.</p> <p>LC also advised the Committee that these costs could increase at any time during the month as there is no influence over the timing of returns from community pharmacy. LC suggested a key factor could be manufacturing reduction due to Category M drugs being no longer profitable and companies withdrawing from the market place.</p> <p>A discussion took place on wider awareness and what is happening nationally. The Committee asked for the impact of this to be escalated upwards through the prescribing networks as this could potentially wipe out any QIPP savings and is further compounded by NHSE decision to retain Cat M savings centrally. IL also agreed to raise through the finance network and Governing Body Finance Report. LC to complete a brief for IL.</p>	<p>LC</p> <p>LC/IL</p>

<p>FI 17/070</p>	<p><u>Financial Update:</u></p> <p>IL gave an update at Month 5 with the following points highlighted to the Committee:</p> <ul style="list-style-type: none"> • Reporting that hitting surplus target of £1.6m to date by deploying £2.6m Reserves (vs £1.2m at Month 4) • Key increased pressures in month were in acute services and community services and were a mix of reported pressures (activity and continence products) and untransacted QIPP. • Month 5 Reserves of £2.6m are from estimated full-year mitigations available of £4.0m: <ul style="list-style-type: none"> ○ Contingency £0.9m ○ Risk Reserves £0.5m ○ MRET/Readmissions £0.6m ○ Slippage on investment reserves £0.9m ○ Co-commissioning reserve £0.6m ○ Unused project funds £0.5m • Based on an annual forecast of current budget pressures and QIPP delivery it is estimated that £5.6m Reserves will be required to hit the planned annual surplus ie a shortfall of £1.6m. <p>The Chair requested that data be presented in a consistent format month on month and preferably in the Governing Body OCS format to allow changes to be readily identified.</p> <p>The Chair queried the un-transacted QIPP and suggested the need for greater granularity regarding what the CGG will be getting and when. IL confirmed the current assumption as a 60% under delivery of un-transacted QIPP and consequently 40% assumption of delivery.</p> <p>The agreed separation of recurrent and non-recurrent and forecast of position on QIPP schemes with upside, downside and likely outturn should be included with future reports.</p> <p>The Chair queried the interplay with finance, contracts and QIPP schemes. It was agreed by the Committee that a contract performance table or work plan would be useful to better understand issues and improve triangulation. A discussion took place on how SLAM data and information in the CUBE can be reflected effectively. Maxine Bunn (MB) explained how together with (JB) and (AH), Deloitte has supported ideas on how to improve the reporting set which are currently being considered and actioned.</p> <p>Action to revisit progress at the next meeting.</p>	<p>IL</p> <p>IL</p> <p>MB</p> <p>ALL</p>
<p>FI 17/071</p>	<p><u>Financial Turnaround:</u></p> <p>DSP presented an update to the Committee that had been shared at the NHSE Escalation meeting the previous week.</p> <p>The following key points were raised from the data:</p> <ul style="list-style-type: none"> • Escalation meeting proved positive with improved assurance - 	

	<p>Governing Body report will reflect this.</p> <ul style="list-style-type: none"> • NNE CCG is £0.4m off plan at month 5 but is still forecasting delivery of QIPP through the use of £2.4m of non recurrent resources <p>The CV for the reduction in outpatient activity taking it down to a block has been agreed generating savings of £2m. However it should be noted that the clinical variation work stream also targeted outpatient activity placing £0.9m of planned savings at risk.</p> <p>MS entered at 11.12am</p> <p>MS informed the group that the full year effect of the outpatient CV would be £4m and that a further challenge would be presented to NUH to reduce the outpatient block by an additional £1.4m. It was advised that the next set of data should reflect this and should reflect IR to be £5.8 million.</p> <p>Governing Body report will include escalation data. DSP to circulate report.</p> <p>DSP gave an update on the QIPP scheme tracker. DSP highlighted the forecast and under and over performing areas. Mitigations were included against QIPP schemes. It was highlighted that the information summarises Greater Notts and also individual CCGs to provide common assurance. Confirm and challenge sessions continue with Senior Responsible Officers (SROs) to secure realistic assessment of schemes and identify any new opportunities.</p> <p>DSP updated the Committee on the QIPP dashboard with the following points:</p> <ul style="list-style-type: none"> • Presented to Financial Recovery Group: Validation work talking place to decide the final content. • Compares activity from previous year and RAG rates this. • Establishing how baseline can give headline figures. • Prescribing and CHC have also been added. <p>M4 update to be circulated.</p>	<p>DSP</p> <p>DSP</p>
<p>FI 17/072</p>	<p><u>NNE Activity report Month 4:</u></p> <p>Sergio Pappalettera (SPa) gave an update on M4 activity: Key Points were as follows:</p> <ul style="list-style-type: none"> • Whilst GP referrals have reduced significantly QIPP target for Outpatient follow-ups is not being achieved due to an increase in consultant-to-consultant referrals that is being explored. MS confirmed that the data is being analysed within an activity query notice served on NUH. Not just specific to NNE. • Day Case admissions remain high but have steadied off. • Elective admissions are similar to last year. Activity reduction 	

	<p>at NUH but increase at Circle.</p> <ul style="list-style-type: none"> • Biggest area of over performance financially is Non-Elective (see below). • Overspend by POD compared to contracts for NUH and Circle highlighted. Sherwood Forest break-even overall but overspent on emergency admission. <p>In terms of the Non-Elective over performance:</p> <ul style="list-style-type: none"> • It was advised that NEMs “front door” admissions are being classed as GP so this could explain the higher numbers. Nikki Pownall is also in discussion with NEMs regarding the recent higher conversions rates. It was noted that difficulties in recruitment may be exacerbating the issue with non-experienced and locum GPs regularly providing the service. • SPa queried if AMRU is still classed as “admissions” even if patients are ultimately discharged. MB confirmed this could be the case and added that a steering group is looking at where variation has occurred so this can be highlighted. 	
<p>FI 17/073</p>	<p><u>Finance Risk register:</u></p> <p>IL presented the list of risks that reflects the last agreed changes.</p> <p>The Committee agreed the need to also add prescribing costs as a risk based on the discussion on No Cheaper Stock Obtainable.</p> <p>The Chair requested that when the register is updated all appropriate columns are fully completed.</p>	<p>IL</p> <p>IL</p>
<p>FI 17/074</p>	<p><u>AOB:</u></p> <p>No other business was received.</p>	
	<p>Date, Time and Venue of Next Meeting</p> <p>9th October 2017 9.30am-12.00pm, Committee Room, Civic Centre, Arnot Hill Park</p>	