

**West Leicestershire Clinical Commissioning Group
Minutes of the Finance Sub Group
Held on Tuesday 4 August 2015, 14.00 – 16.30
Board Room 1, Woodgate, Loughborough**



Present:

Mr Ray Harding	Lay Member (Chair)
Mrs Caron Williams	Assistant Director Strategy and Planning
Dr Y B Shah	Locality Lead, South Charnwood
Dr Edward Clode-Baker	GP, Park View Surgery
Mrs Angela Bright	Chief Operating Officer
Dr Geoff Hanlon	Locality Lead, North Charnwood (for item F/15/083))
Mrs Gill Killbery	Head of Financial Management (deputising for Mr Gay)

In Attendance:

Mrs Anne-Marie Harrison	Senior Pharmaceutical Advisor (for item F/15/082))
Mrs Amy Stevens	Corporate Services Officer (for item F/15/083)
Mrs Michele Morton	Senior Committee Clerk (Minutes)

		Action
F/15/076	<p>Welcome and apologies for absence</p> <p>Apologies for absence were received from Mr Spencer Gay, Dr Nick Pulman, Dr Chris Trzcinski and Mr Toby Sanders.</p>	
F/15/077	<p>Minutes from 7 July 2015</p> <p>The minutes of the meeting held on 7 July 2015 were approved and accepted as an accurate record with the exception of:</p> <p>F/15/069 – UHCW NHS Trust Update – first paragraph should read ... which amounted to a projected overspend at year end of £500,000. Third paragraph should read ... achieved the RTT targets.</p> <p>F/15/072 – Primary Care Co Commissioning – second paragraph should read ...a huge additional budget which was not included</p>	
F/15/078	<p>Matters Arising and Action Log</p> <p>Paper B, the action log, was updated. It was agreed that all further actions would be circulated as soon as possible following the meeting.</p> <p>Finance Sub Group Terms of Reference – Mrs Killbery confirmed the terms of reference had been deferred to the September Finance Sub-Group meeting.</p> <p>ACTION: The Finance Sub-Group:</p> <ul style="list-style-type: none"> • NOTED the above update. 	SG
F/15/079	<p>Finance Report Month 03</p> <p>Mrs Killbery presented paper C which provided details of the year to date financial performance for resources delegated to WLCCG for the two month period ended 31 May 2015, and highlighted key risks for the CCG and the actions being taken to mitigate them. Key points to note:</p>	

- WLCCG had submitted a final plan for 2015/16.
- The required surplus should be delivered for 2015/16, although there were significant risks for the CCG regarding costs associated with Continuing Healthcare, Prescribing and out of county activity.
- The CCG would be spending slightly more than the allocation and would be utilising money saved in previous years. As an contingency arrangement the CCG created a 1% surplus annually which was returned to the CCG (on production of a business case), and saved again the following year.

Underspends were currently showing on all the secondary care commissioning areas as activity was less than the plan at present. Mrs Killbery gave an explanation on how planned activity was measured and how this was balanced between the three CCGs. The underspend at West was currently benefitting East and City, however there might be the possibility of additional costs for CCGs at the year end.

Mrs Bright pointed out the importance of appropriately labelling the budget areas that linked to services in the community. She added it would be important to avoid the implication that Federated localities were overspending when this was not the case. Mrs Killbery agreed to look at this and she also said a review was planned to consider at how services were grouped together, with a view to making some changes, for example, there was a need to start to separate out areas of urgent care.

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Mr Harding reminded members at a similar point in time last year the CCG had been facing significant overspends and had introduced a financial management plan which brought the position back into line. He added that so far in the current year a steady state was being maintained and this should be commended.

Mrs Williams highlighted two challenging areas:

- The importance of UHL maintaining an acceptable financial position which would make it more manageable to reach agreement on contracts for the following year.
- The need to reassure contract teams sufficient action had been taken to handle RTT which could create a pressure later in the year.

Dr Clode-Baker queried whether any extra infra-structure costs had been transferred from NHSE when the CCG took over responsibility of co-commissioning. Mrs Bright replied the CCG currently had a staffing resource of a band 7 WTE plus access to a group of band 5/6's who provided a considerable amount of technical support on the contracts. The debate was still ongoing on a model to be adopted for the future and the CCG was currently considering three possible model types. The details would be incorporated into the management of change arrangements due to start from September onwards.

Dr Shah sought clarification on the total variances in appendix 2 and Mrs Killbery replied one of the risks faced by the CCG was the impact of OOC placements by LPT. LPT were moving staff from other areas in an attempt to reduce OOC placements, however this was impacting on staffing levels elsewhere. A series of contract queries had been introduced and LPT was being challenged on their use of previous resources provided by the CCG for other areas such as pro-active care.

Dr Clode-Baker referred to the overspend in prescribing the previous year and felt insufficient funding had been allocated for the current year. Mrs Bright replied considerable work had been carried out with practices on efficient and effective prescribing, in addition to the introduction of some costs which were out of the control of the CCG. She added it had been impossible to pinpoint any one cause for the

overspend. Mr Harding said there was always an awareness of the challenges faced with the prescribing budgets and 'left shift' implied that saving money on prescribing in acute settings would mean increased spending in the community. He felt the important factor would be to plan carefully.

ACTION: The Finance Sub-Group:

- **RECEIVED** the financial performance report for M3 of 2015/16, and
- **NOTED** the risks highlighted therein.

F/15/080

Assessment of Governance and Financial Reporting Arrangements

Mrs Killbery presented paper D, an assessment in response to a request from NHS England had each CCG completed a financial governance self-assessment. The requirement for a review had been prompted by the sudden deterioration seen in the financial position of some CCGs over the final three months of 2014/15.

The national assessment was for final submission on the 31 August and it was anticipated a review would take place by the Audit Committee and Board which was likely to include an internal audit discussion to support the process. A further regionally developed assessment had also been circulated for completion within the same timescales.

Mr Harding reminded members this had previously been discussed by the Finance Sub-Group and that the evaluation was based on entirely financial controls. Some moderation was anticipated following a meeting planned with the CCG and AT in August.

Mrs Williams said a concern for the CCG was the risk management profile and how the CCG managed risk outside of its control going forward. Mr Harding felt under 'risk management', 'the identification of monitoring process' should move from good to excellent and 'the level of net risk' should move from good to moderate. He said it would be difficult to demonstrate that mitigations were in place that eliminated net risk.

Mrs Bright informed the group the CCG worked collaboratively with the other CCGs and therefore had exposure to similar risk levels, though it was noted ELRCCG had rated themselves excellent in several areas (some documentation relating to these areas in East had been requested). Mrs Killbery confirmed working collaboratively was a risk across all organisations and attempts were being made to mitigate this via the UCB.

Mr Harding said under point 6 'financial reporting', 'comprehensiveness and use as a control mechanism' should be excellent instead of good. He felt the reports received by Board members were also comprehensive and of high quality. Mrs Killbery replied this score had been reached due to QIPP factors which was always a difficult area to report on, thought she acknowledged some changes had recently been made.

Dr Shah said that point 7, 'financial reporting', 'sufficiency of Board reporting to manage overall financial position' should also move from good to excellent, though Mrs Killbery replied this was scored due to the limited amount of activity information available.

Members question point 16, 'finance team capability and capacity including support services'. Mrs Killbery explained this related to the GEM financial services which were generally of good standard. She agreed to clarify the exercise was purely an assessment of the financial services. If the category included all GEM services

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members felt it should move from good to moderate.

Dr Clode-Baker asked if there would be input into the assessment from other sources and Mrs Killbery replied this would take place at MDs and AT level.

ACTION: The Finance Sub-Group:

- **DISCUSSED** the draft responses contained in the initial self-assessments identifying where scores could be changed and why.

F/15/081

Commitment of the CCG's Non Recurrent Funds

Mrs Killbery presented paper E which outlined arrangements for the CCG's non recurrent funds. The CCG had planned to spend a proportion of its allocation on a non-recurrent basis. This allowed for resources to cover upfront investment in project work, double running costs, set up costs and pilots. NHS England expected CCG's to spend a minimum of 1% of its allocation in such a manner, however the CCG had increased this by an additional £778k funded from additional savings made in 2013/14.

Various plans were still at the stage of being worked up which included Winter planning monies equating to £2 million across the CCGs and this would be considered by the UCB. Negotiations were also taking place at present with the local authority with regard to the BCT performance fund and where this would be utilised for some BCT projects.

A general discussion took place on the funding where Mrs Killbery reported the £2 million Winter funding was to add resilience to urgent care schemes and approximately £100,000 of this was expected to assist primary care in addition to some minor schemes from the BCF. In relation to the QIPP schemes the CCG was planning to reduce activity against plan at UHL by looking at a whole range of services such as the AVS and OPU. UHL were currently not convinced these schemes were reducing acute-sector activity. Further discussion on this would take place at Board level. Mrs Williams added the CCG intended to track the activity at UHL in order to map it back to system growth and to understand it better.

Dr Shah referred to the investment made in LPT where limited benefits had been realised and Mrs Williams replied some temporary benefits had been noted, however if the investment was not matched by the other CCGs, results were less efficient. It was therefore important to make consistent investments across LLR to receive consistent services across the patch.

Dr Clode Baker said a host of things might be achieved from non-recurrent funds around IT in primary care such as mobile working. Mrs Williams replied approximately £700,000 had been secured from capital monies for mobile working and further business cases would be added to this. Dr Clode Baker added that it would be important to have mobile access to records, particularly for the AVS. He said infrastructure for 7 day Federated working across practices would also be important. Mrs Bright replied discussions on IT projects were being held at the primary care implementation board which included moving all practices to a single system to enhance integration. An overall IT strategy did exist for primary and community services and this was being developed.

ACTION: The Finance Sub-Group:

- **NOTED** the proposed use of the non recurrent funds.

Prescribing QIPP Update

Mrs Harrison presented paper F, the Prescribing Incentive Scheme 2015-16, and also tabled a QIPP prescribing update. The following points were highlighted:

- The proposed scheme aimed to incentivise practices to undertake specific work-streams in prescribing which focused on both quality and cost effectiveness.
- Achievement of financial balance was not an option for payment under the scheme this year.
- The emphasis this year was on early completion of the QIPP component of the scheme to realise in-year savings.
- As in previous years, the scheme would be voluntary for practices. 100% of practices signed up to the scheme for 2015-16.
- Standard Operating Procedures & Audit Tools were available for all options chosen.

Mrs Harrison reported the majority of savings would come from the projects within prescribing incentive scheme, and some savings had already been realised. She referred members to page 2 which described the projects for prescribing QIPP aspirations. An extension to meet target/submit an audit had been granted for practices who had chosen 'emollients' until the end of October for this project area only.

One main aim for this year was to encourage practices to complete prescribing QIPP schemes early. Dr Clode Baker asked what percentage of practices chose financial balance as an option last year and Mrs Harrison confirmed it was approximately 15 – 20%. He subsequently emphasised the importance of ensuring progress was being made in order to be able to shape the things the CCG was able to influence, and Mrs Harrison replied projects were consistently being worked up, piloted and reviewed.

Dr Shah asked if the schemes had been shared with the three hospital prescribing teams and within this context he felt it would be advantageous to share information with the LMSG to ensure that discharged patients were given the appropriate medication. Mrs Williams acknowledged the difficulties of keeping track of medication arrangements once patients were back into community settings.

Mrs Williams asked if heal rates were considered with regard to dressings. Mrs Harrison said this was not under consideration however the department did use a formulary. She added two methods of ordering supplies were currently used and both methods had recently been subject to prescribing increases which had prompted a review. Mrs Williams said Leicester University had carried out some significant work in the area of district nurse heal dressings and she felt it would be useful to revisit this. Dr Clode Baker felt some patients were being treated in primary care when they should be within the district nursing service.

Mrs Killbery asked if sufficient resources were available in the team to deliver all that was required. Mrs Harrison replied the team was under pressure, though a band 7 pharmacist was commencing shortly. Further prescribing support was required but it would not be possible to advertise until the management of change process was complete. One plan was to combine the pharmacy support role with technical duties which included visits to practices. GEM was also being utilised more than usual by requesting they download more data sets. Mrs Bright said what would help the situation would be the strategic drivers around the use of community pharmacist within general practice, as the important thing was what GPs were doing to support efficient and effective prescribing in the most appropriate way.

Mrs Harrison reported the rebate schemes were currently being reviewed, with a total of £128,000 potential savings over the year.

ACTION: The Finance Sub-Group:

- Received the Prescribing Incentive Scheme 2015-16.
- Received the QIPP Prescribing Update.

F/15/083

Gifts, Hospitality and Sponsorship Policy

Ms Stevens presented paper G, for the purpose of requesting approval of the CCG's new Gifts, Hospitality and Sponsorship Policy. She made the following points:

- The CCG currently had a section regarding gifts and hospitality contained within its Pharmaceutical Sponsorship Policy. However, work was currently being undertaken to strengthen the CCG's current arrangements in relation to conflicts of interest and the declaration of gifts, hospitality and sponsorship. As part of this work the new Policy had been developed which aimed to provide more detail and clarity regarding how gifts, hospitality and sponsorship should be managed and declared within the CCG.
- The Audit Committee had a role in reviewing the Policy prior to approval by the Finance sub-group, feedback on the document had been received by the Audit Committee.
- Members of the Corporate Management Team had also been given the opportunity to comment, and those comments received had been incorporated.
- In order to obtain additional comments and feedback regarding the comprehensiveness of the Policy, it had been checked by the CCG's Counter Fraud Specialist, whose comments had also been incorporated into the final version.
- Following approval of the Policy, it would be disseminated to all staff and Board members via internal communication and the staff intranet. Staff and Board members would also be reminded of their obligation to apply with the relevant codes of conduct, as referenced in sections 6.1 and 6.2 of the Policy.

Mrs Williams asked if the group should be aware of any significant issues and Ms Stevens replied one guiding principle was that staff should generally politely refuse any gifts offered. If gifts were received they should be recorded and anything worth in excess of £25.00 should be refused. Flexibility however had been built in so that when hospitality was provided some benefits could be afforded to staff in terms of networking.

Any staff unsure about accepting gifts should approach either their line manager or the Assistant Director Corporate Affairs for advice. One key message was that the CCG should act in a transparent way. Once approved, the policy would be disseminated to all staff as an awareness raising exercise. It would also be embedded in the CCG as part of the Counter Fraud work programme.

Ms Stevens confirmed to Dr Shah the policy was purely for CCG business and the Federations would be developing their own procedures.

Ms Stevens confirmed a link to the Pharmaceutical Policy was included in the Gifts and Hospitality Policy, and she agreed to consider if this should be strengthened any further.

ACTION: The Finance Sub-Group:

- **APPROVED** the Gifts, Hospitality and Sponsorship Policy.

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F/15/084

Risk Register 2015/16

Paper H, the finance risk register 2015/16 was received for information.

ACTION: The Finance Sub-Group:

- **RECEIVED** the Risk Register 2015/16.

F/15/085

Any Other Business

No other business.

F/15/086

Date and Time of Next Meeting

Tuesday 1 September 2015, 14.00 - 16.30, Boardroom 2, Woodgate, Loughborough, Leicestershire LE11 2TZ.