

MEETING: BOARD MEETING IN PUBLIC

AGENDA ITEM: 3.1

DATE: 5 DECEMBER 2012

TITLE: FINANCE AND PERFORMANCE COMMITTEE

FROM: MAUREEN DONNELLY, CCG CHAIR
(CHAIR 27 NOVEMBER F&P COMMITTEE)

FOR: FOR INFORMATION

1 ISSUE

- 1.1 The Finance and Performance Committee is a formal sub-committee of the PCT Board. It meets on a monthly basis and its aim is to monitor finance and performance on behalf of the Board, to forecast future performance, and engender a high performance culture. As part of the Transition arrangements the Committee also reports to the Shadow CCG Governing Body.
- 1.2 The latest meeting of the sub-committee took place on Tuesday 27 November 2012. This report provides a summary of the main issues arising from that meeting.
- 1.3 The minutes of meetings approved since the last Cluster Board are attached as **Annex A**, 28 August 2012; **Annex B**, 25 September 2012; and **Annex C**, 23 October 2012.

2. CORPORATE OBJECTIVE AND BOARD ASSURANCE FRAMEWORK LINK

- 2.1 This Report links specifically to the following risks set out in the Combined Board Assurance Framework:
 - BAF 1 – Risk of delivery of QIPP and system reform
 - BAF 2 – Risk to delivering financial balance in 2012/13
 - BAF 4 – Failure to achieve key performance targets
 - BAF 5 – Risk to Specialised Commissioning Group financial position and governance arrangements
- 2.2 It is also directly linked to Corporate Objective 3 – Finance and QIPP and EDS 1 – Better health outcomes for all.

3. SUMMARY OVERVIEW OF MEETING - 27 NOVEMBER 2012

3.1 PCT Specific Matters

3.1.1 PCT Finance Reports

The Committee received the month 7 finance reports for both NHS Cambridgeshire and NHS Peterborough. A small surplus for each Trust is currently being reported and, through a combination of further identified savings and non-recurrent resources, an end of year break-even position for both PCTs is forecast.

The key pressures on the respective budget were again highlighted as being the over performance on the acute contracts and the non-delivery of QIPP programmes. The national risk in relation to the management and provision for retrospective Continuing Health Care Claims was acknowledged and discussed by the Committee.

The Month 7 finance reports are included as a separate item elsewhere on the agenda for discussion.

3.1.2 PCT Close Down Action Plan

The Department of Health has issued a close down template and check-list to assist the closure of accounts process for the 2012/13 Financial Year. The populated plan was presented to the Committee and progress made to date noted. Development of the plan will continue and progress will be monitored by the Finance and Performance Committee at the December and January meetings before being presented to the Audit Committee for final sign-off.

In terms of the closure of this year's accounts the Committee was pleased to note that additional staffing capacity to support this had been secured for both Cambridgeshire and Peterborough.

The Committee were informed that further guidance is still awaited from the Department of Health about the arrangements that will need to be put in place post 31 March 2013 to enable the formal sign-off of the Annual Accounts and associated documents to be done. This will be reflected in the Close Down Plan once the position has been clarified.

3.1.3 Primary Care Commissioning – Draft Contract

The Committee supported the signing of a hosting arrangement between Peterborough PCT and the National Primary Care Commissioning Group (PCC). The PCT has been hosting the PCC for a number of years. The contract put in place sets out the responsibilities of NHS Peterborough and the PCC, which was now a Community Interest Company (CIC), and will protect the PCT from any potential liabilities that could arise post March 2013.

3.1.4 PCT Cluster Board Assurance Framework

The latest version of the Board Assurance Framework was received and reviewed by the Committee. The final version (Version 2.4) appears elsewhere on today's agenda for your consideration.

3.2 Shadow CCG Matters

3.2.1 CCG Finance Report

The received report detailed the current financial position for the Shadow CCG together with the eight Local Commissioning Groups. It was noted that overall the CCG was reporting a small surplus of £74K, compared to £48K reported in the previous month. Following previous discussions with the Finance and Performance Committee and CCG Governing Body, each LCG position was now presented in line with the overall CCG position, which equated to the end of year forecast following the use of central reserves:

- Fair shares allocation of the budget to each LCG
- Acute services actuals reported on a usage basis
- All other actuals reported on a fair share basis; and
- Reserves and central funds actuals reported at the LCG level to mirror the CCG summary position.

As identified in the PCT finance report the emerging risk relating to the number of re-assessments of continuing care packages was noted.

3.2.2 QIPP Update

A report on QIPP delivery for 2012/13 was received. The Committee noted that a total CCG wide QIPP outturn of £11.9M was now being forecast at year-end. The Committee acknowledged that while this showed a significant variance from the original plan of £38M, this figure provided a more accurate expectation on actual delivery and reflected the increased level of scrutiny and burden of proof that was now being applied to QIPP schemes.

In reviewing those schemes that had not delivered to original expectation, three broad themes in relation to their non delivery had been identified, namely non-robust implementation plans, resourcing issues and the issue of over-performing of acute contracts.

Improvements in the QIPP monitoring and reporting processes were noted. The current QIPP tracking sheet is now reviewed on a weekly basis and all Programme Managers will be required to submit monthly progress reports from this month.

Focus is continuing to be placed on the three 'big ticket' areas, namely end of life care, non-elective admissions and the Advice and Guidance campaign.

In terms of planning for 2013/14, discussions were already underway with the Local Commissioning Groups and their outline business plans received.

An aggregated summary of these plans will be shared with the Finance and Performance Committee in December.

3.2.3 LCG Update

A report that summarised the progress being made in developing the quarterly Local Commissioning Groups (LCG) reporting process, together with the main themes so far identified from the received submissions was received.

The contents of the Q2 reports received were variable in quality and coverage, and work with the LCGs was being done to address any specific issues and improve the consistency of reporting. A review with each LCG has been scheduled to discuss progress made to date and their forecasts for year-end. The outcomes of these meetings will be shared in a more detailed report to be presented to the Finance and Performance Committee in December.

3.2.4 Acute Contract Performance Report

The month seven performance overview report for acute contracts across the PCT cluster was received. The report focused on the following main contracts.

- Cambridge University Hospitals Foundation Trust (CUHFT)
- Hinchingbrooke Healthcare NHS Trust (HHT)
- Peterborough and Stamford Hospitals NHS Foundation Trust (PSHFT); and
- Queen Elizabeth Hospital Kings Lynn NHS Foundation Trust (QEHL)

A total acute overspend of £24.6M across the cluster was being forecast at year-end, caused in the main by a combination of increased population demand and hospital demand pressures. The Committee was advised that separate Action Plans had been developed with each Acute Trust to address performance issues and reduce current levels of demand. Other potential actions, such as reviewing charge codings and pricing of certain procedures, was also being looked into. The Committee also discussed the formal contractual options that were open to the PCT to support its management of the acute contracts.

The Committee noted the month seven report.

3.2.5 CCG Assurance Framework

The new format of the CCG Assurance Framework was received and noted. Work to further develop this document, such as increasing the level of detail shown in the action required column, will be progressed over the next month. Similar to the BAF this document will be received at both the Finance and Performance, Quality and Patient Safety and Audit Committees as a standing item for assurance purposes.

3.3 Combined Performance Report

The monthly performance dashboard was received and the main areas where performance was below required levels were noted. The Committee's attention was drawn to a decline in performance by Hinchingsbrooke Healthcare Trust (HHT) in certain indicators. Although not considered to be a significant risk at this stage due attention would be given to the next set of data received for HHT.

The Committee was informed that the existing performance report will be reviewed between now and February to ensure it appropriately reflected proposed changes for 2013/14. These changes relate directly to the publication of 'The Mandate' by the Secretary of State for Health, which sets out the objectives the NHS Commissioning Board will be legally required to pursue. In addition due account will need to be taken of two further documents, namely the revised NHS Outcomes Framework, which will underpin 'The Mandate', plus the publication of the draft consultation on the NHS Constitution, which will amend current and introduce new rights for patients.

The Performance Report is presented elsewhere on this agenda for discussion

3.4 Primary Care Matters: QOF Results 2011/12 and 2012/13 Planning

A paper was received which confirmed the PCT cluster has now completed an assessment of the Quality Outcomes Framework (QOF) in 2011/12 for all GP surgeries across the PCT Cluster. The results show an overall improvement in the average total scores. The largest increase shown is in the organisational areas which reflect the new quality and productivity indicators.

In respect of the process for the 2012/13, the PCT has provided guidance to practices about the evidence required for this year and highlighted that a greater reliance will be placed on self-assessment by practices during this period. The need to ensure that there is a careful handover to the NHS Commissioning Board of the 2012/13 QOF process was also highlighted.

The Committee noted the results and endorsed the process to be followed for 2012/13.

3.5 NHS 111 Preparations – Recommendation

At the point on the agenda when this agenda item was discussed the Committee was no longer quorate. Accordingly, the Committee was not in a position to make any formal decisions and understood that any subsequent recommendations made by those present would require ratification by the PCT Cluster Board and CCG Governing Body.

The Committee received a paper that outlined the current position regarding the implementation of the NHS 111 Service as mandated by the Department of Health. All PCTs are required to have a 111 Service in place before the end of March 2013. The responsibility for commissioning 111 Services will rest with Clinical Commissioning Groups from April 2013.

PCTs were originally asked to indicate how they intended to deliver 111, either through the procurement of a service or to undertake a pilot using existing service providers. This is known as the national 'opt-in' scheme, on the understanding that procurement will take place prior to April 2015. The PCT Board elected to follow the national opt-in scheme. The options for delivering 111 were again discussed in May 2012, and the decision was taken to provide 111 services across Peterborough and Cambridgeshire. The decision was also taken to ask Cambridgeshire Community Services to continue providing Out of Hours Services in Peterborough

111 set-up costs of £190K covering IT, pathways training and HR matters had originally been estimated based on information available at the time. Subsequent to this the actual costs of set-up have significantly increased and are currently set at £354,613.

In discussing this issue, the Committee made a **RECOMMENDATION** (to be ratified by the PCT Cluster Board and Shadow CCG Governing Body) that the CCG Chief Operating Officer and Director of Commissioning and Contracting be authorised to negotiate additional funding requirements for NHS 111 set-up arrangements - up to a ceiling of £355K.

4 RECOMMENDATION

The Cluster Board is asked to

- 3.1 note the summary report
- 3.2 approve the recommendation relating to NHS 111 Service arrangements (section 3.5) that the CCG Chief Operating Officer and Director of Commissioning and Contracting be authorised to negotiate additional funding requirements for NHS 111 set-up arrangements - up to a ceiling of £355K.
- 3.3 note the approved minutes for the Committee meetings held on 28 August, 26 September and 23 October (Appendices A, B and C)

Attachments

Annex A – Finance and Performance Committee minutes of 28 August 2012

Annex B – Finance and Performance Committee minutes of 26 September 2012

Annex C – Finance and Performance Committee minutes of 23 October 2012

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29 November 2012