NHS Cambridgeshire and NHS Peterborough
working in partnership

Minutes of the Finance and Performance Committee Meeting held on 23 October 2012 at 8.30AM in the Cedar Room, Lockton House, Cambridge

Present

CCG
Peter Southwick (Chair)
Maureen Donnelly
Glen Clark
Andy Vowles
Tim Woods
Harper Brown
Victoria Corbishley
Dr Geraldine Linehan
Catherine Mitchell

Cluster PCT
John Barratt
Professor Colin Coulson
John Leslie
Alan Mack (Dual membership)
Sharon Fox (Dual membership)

In attendance

Edward Libbey (Audit Committee Chair)
Melissa Mottram
Simon Barlow (Minutes)

1. Apologies for Absence

Apologies for absence were received from Sally Williams, Dr Neil Modha and Sarah Shuttlewood.

2. Declarations of Interest

There were no declarations of interest made.

3. Notification of Any Other Items of Business

There were no additional items of business raised.

4. Minutes of the Last Meeting

The minutes of the previous meeting held on 25 September 2012 were agreed as a true record subject to the following amendments.

Minute 7.2.1: QIPP Forecast 2012/13 – Correct NHS Peterborough QIPP target figure to read £21.737M and delete reference to £28.218M).

Minute 9: Performance Report– Delete the final paragraph relating to the total numbers of performance indicators that were currently being reported as green and replace with the following paragraph. "The report provided to the Committee was an exception report highlighting those indicators that were either red or amber. Melissa Mottram highlighted that the "Deaths at Home" figures shouldn't have been included in the exception report as they were showing 0% due to the fact that the data had not yet been received and consequently this indicator was included in error. There were over 500 indicators in total and the exception reported submitted at the September meeting showed 61 reds and 33 ambers which related to data for the latest month available. The 9 greens passed the indicator for the month, but were underperforming on a year to date basis.

Minute 9 – Performance Report (Health Checks) – Add additional sentence as follows - "Melissa Mottram highlighted that the figures shown in the performance report were incomplete and should have shown that 2,005 health checks were undertaken for NHSC in August and 249 for NHSP".

5. Matters Arising

5.1 Actions List

The Action List was updated and is appended to the minutes.

CUHFT - Urology

It was noted that this action related to CUHFT rather than HHC as indicated in the Action log. The Committee was informed that Public Health were leading on a piece of work to understand what was driving change in demand and supply for urology services in the local health system around Cambridge. It was noted that a local GP, Dr Mark Brookes, was contributing to this work and would take the lead for engaging with the Acute Trust consultants around any conclusions. At the present time no completion date had been set for this work.

6. CLINICAL COMMISSIONING GROUP MATTERS

6.1 CCG Finance Report

Tim Woods presented a finance report for the Shadow CCG which covered the first half of the 2012/13 financial year.

The report provided the half-year position for the CCG together with that of the eight Local Commissioning Groups. Overall the CCG was currently reporting a small surplus of £48K and a break-even position was being forecast at year end. Whilst this was considered to be a satisfactory bottom-line position it was recognised that within this there were significant variances being reported.

In terms of the LCG position the Committee was advised that each were showing adverse financial variances before the application of centrally managed funds, which were allocated on a fair share basis. Post application the LCG position was improved, although CamHealth, Catch and Peterborough LCGs were still showing an adverse position, although this had been reduced.

Key areas of pressure related to the over-performance of the acute contracts and the less than full delivery of the QIPP schemes.

The Committee was informed that at this time the CCG Finance report could only be produced following completion of the monthly NHSC and NHSP finance reports, and that this would continue to be the case for the time being. Accordingly, the received report had been reconciled with the figures that appeared in the PCT finance reports. Victoria Corbishley queried this as she had identified a number of variances between the CCG and PCT figures. Tim Woods explained that these were likely to have occurred during the process of translating the PCT numbers into CCG figures. The objective, moving forward, would be to eradicate these differences and achieve a full reconciliation between the separate sets of figures. The importance of achieving this as early as possible was highlighted. In future the Committee asked that where differences in the numbers did appear these should be followed up and an explanatory note included within the reports. **ACTION: Tim Woods/John Leslie.**

The importance of further developing and improving upon the process for reporting financial information to the CCG Governing Body, LCGs and the Clinical Executive Management Team (CEMT) was recognised.

Dr Geraldine Linehan advised that when reporting to the CCG Governing Body/LCGs it would be helpful to clarify within the report how the respective weighted practice populations had been estimated. **ACTION: Tim Woods.**

The Chair identified that the need to present and focus upon the underlying run-rate position was an area which would merit future discussion by the Committee at the appropriate time.

The Committee was pleased to receive its first CCG finance report and **noted** the contents.

6.2 QIPP Update

Victoria Corbishley presented a report that updated the Committee on the progress and action taken in relation to QIPP since the last meeting.

It was noted that the FIMS submission for month 6 indicated that the PCT was forecasting 100% QIPP delivery during the current year of which 53% had been identified as being already delivered. It was highlighted that this total would be achieved through a combination of recurrent and non-recurrent methods.

The QIPP tracker had now been shared with all Local Commissioning Groups (LCGs) to ensure that a consistent approach to QIPP monitoring was initiated and maintained moving forward.

It was recognised that further work was needed to iron out the inconsistencies that resulted in the slight variation in QIPP figurers reported across the PCT and CCG Governing Body. In particular Victoria Corbishley would be working with Tim Woods to the align numbers in the QIPP Tracker, although it was anticipated that it would not be possible to achieve a complete reconciliation in 2012/13.

It was highlighted that the focus during the current year would continue to be placed on the identified 'big ticket' items with a view to further reducing the QIPP challenge for 2013/14 namely, end of life care, non-elective admissions and advice and guidance.

In terms of planning for 2013/14 it was noted that initial planning guidance had been shared with LCG General Managers and LCG Chief Officers through the newly launched performance and delivery SharePoint site. All LCGs had been asked to submit quarterly progress reports and outline business plans in November. It was anticipated that a summary of these plans would be presented to the December committee. **ACTION: Victoria Corbishley.**

The observation was made that significant behavioural change across primary care and all other areas would be needed to achieve the required level of savings. Dr Geraldine Linehan expressed the view that this progress would only be made through a combination of behavioural change and investment to facilitate necessary system changes.

Colin Coulson-Thomas highlighted that although focus was understandably being placed upon the development of transformational schemes, it would be important not to lose sight of other more intrinsic but key responsibilities, such as ensuring clear sign-posting to services.

The Committee **noted** the latest update on QIPP.

6.3 Acute Contract Performance Report

Harper Brown presented the month 6 acute contract performance over-view report that focused on the main acute contract issue across the cluster. The key areas of over and under performance of each acute provider was referenced in the PCT finance reports which appeared later on the agenda (minutes 7.1 and 7.2 refer). Therefore, the received report focused specifically on activity, spend, performance and quality plus any matters of escalation. In considering this report the Committee concentrated its discussion around the CUHFT and PSHFT position. The main points raised during debate were noted as follows.

- CUHFT – Harper Brown reported that as at month 6 the contract was over-performing with an end of year forecast variance of £4.1M on the costed activity plan. It was noted that when the £8.1M QIPP delivery was

taken into account the forecast variance on the budget would be £10.2M. This showed an increase on the previous month's figure of £7.2M following a reassessment of previous savings programmes

- CUHFT – An improvement in the overall performance of A&E for the last reported period was noted.
- CUHFT - There were a number of issues where recovery plans had still to be put in places for areas of identified poor performance, such as Ear, Nose and Throat (ENT). Work to address this was being taken forward.
- CUHFT - The Committee noted that a key issue related to the need to review and achieve a clearer understanding about what the PCT was being charged for in terms of activity.
- CUHFT - The Committee discussed the formal levels of escalation and penalties that could be applied in the management of acute contracts.
- PSHFT – The position at Month 6 showed a significant over-performance with a year to date gross variance of £4.4M against the fixed value £116M contract profile. However, it was highlighted that although the various was significant the movement in month had slowed when compared to month 5 (£4.1M).
- PSHFT – The Committee noted that the recurrent financial problems that Peterborough City Hospital was experiencing.

The Committee **noted** the latest acute contract performance overview report.

6.4 Contract Variation: Intermediate Care Beds at Doddington

John Leslie presented a report that set out the proposed intention to initiate a contract variation with Cambridgeshire Community Services for the provision of intermediate care and rehabilitation at Doddington Court in line with the public consultation and decision taken by NHS Cambridgeshire Board in 2009 following the South Fenland Review.

The Committee was informed that for reasons outside of the PCT's control delays had occurred which had resulted in the project taking longer to complete than originally anticipated. However, the building was now nearing completion and the intention was to bring- the service on-line from January 2013.

It was noted that the objective of the unit, which was located on the Doddington Community Hospital site, was to reduce hospital admissions where no medical input was required. Patients not ready to return home for whatever reason would be able to use the facility for a short period of rehabilitation to enable a return to living independently. The contract variation for CCS to manage this unit was £300K, which was the figure detailed in the original business case. John Leslie advised that this related to a full year and therefore £75K would be required to cover the remainder of 2012/13.

While acknowledging the potential benefits associated within this facility, the Committee commented that it would be important to ensure that relevant performance indicators and their associated monitoring and reporting was reflected in the contract with CCS.

It was noted that it would be important to ensure that relevant LCGs were kept fully informed of developments and confirmation of their support obtained.

The Committee **supported** the recommendations that the contract variation with CCS be signed as soon as possible to allow recruitment to commence with the objective of opening the beds at the earliest opportunity, subject to ensuring that appropriate performance management measures and reporting arrangements were identified. Harper Brown in liaison with the relevant Local Chief Officer (Ross Collett) and Alison Gilbert to progress the contract variation. **ACTION: Harper Brown.**

6.5 CCG Assurance Framework

The Committee received the current draft of the CCG Assurance Framework for review and comment. Sharon Fox informed members that a new assurance framework format was in the process of being developed for the CCG which it was anticipated, following initial consideration by CEMT and the CCG Governing Body, would be received at the next Finance and Performance Committee as a live document.
In considering the received document the Committee agreed that the existing scores of the two main finance risks (BAF 1 and BAF 2) of 25 should be retained for the time being.

The Committee received the Assurance Framework and **noted** that the new format would be presented to the next meeting. **ACTION: Sharon Fox.**

7. CLUSTER PCT MATTERS

7.1 NHS Cambridgeshire Monthly Finance Report

John Leslie presented the month-six finance report for NHS Cambridgeshire, which had been circulated in advance of the meeting.

The Committee was informed that the Trust was reporting a £29K underspend to date and that a break-even position was being forecast at year end. As had been reported in previous months the key areas of pressure related to the on-going over-performance on the acute contracts and an under-performance on QIPP delivery. As a consequence the break-even position was expected to be achieved through a combination of non-recurrent resources and the identification of further savings.

John Leslie commented that as had been raised at earlier meetings, there was still little evidence to suggest from the received data, particularly the acute trusts, that the QIPP programmes were having a noticeable impact on reducing current activity trends.

The Chair queried the position on High Cost Drugs QIPP, as there was an expectation that a positive return in this area would be achieved. Victoria Corbishley advised that significant work in this area was being progressed and that some substantial savings were being made, although possibly not at

the rate or magnitude originally anticipated. Tim Woods commented, that it may be pertinent to review the current approach of the prescribing team to ensure it was focusing on cost reduction measures as opposed to cost avoidance.

The committee received and **noted** the month six finance report for NHS Cambridgeshire.

7.2 NHS Peterborough Monthly Finance Report

John Leslie presented the month-six finance report for NHS Peterborough, which had been circulated in advance of the meeting.

The Committee was advised that to date the PCT was reporting a small surplus of £23K, and that through a combination of recurrent resources and other identified savings was forecasting a break-even position at year end. Similar to NHS Cambridgeshire the main areas of concern continued to relate to acute activity rate and the performance of QIPP.

A discussion regarding the potential risks associated with the retrospective Continuing Health Care Claims process was held. It was noted that the latest deadline for claim submissions had been reached on 30 September. It was anticipated that the position in terms of quantifying the number of received claims that would be worthy of further review would be known by early November. The inherent risk associated with this national issue was recognised, and as such had now been added to the Board Assurance Framework.

The Committee received and **noted** the month six finance report for NHS Peterborough.

7.3 PCT Cluster Board Assurance Framework

The latest version of the PCT Cluster Board assurance Framework was received for review and comment. The Committee identified the following.

- BAF 2 – Risk to Delivering Financial Balance: Include within the action planning column new activities and processes developed for the current and future management of QIPP delivery. Risk score to remain at current level (25).
- Proposed that a new risk be added to the document regarding the implementation of new legislation that would directly impact upon the future performance regime for Foundation Trusts. This risk to also be added to the CCG Assurance Framework.

Identified changes to be included in the final version of the BAF to be received at the PCT Cluster Board in December. **ACTION: Sharon Fox**.

8. JOINT CLINICAL COMMISSIONING GROUP AND CLUSTER PCT MATTERS

8.1 Performance Report

Victoria Corbishley presented the latest performance report that updated the Committee, by exception, on the progress made against key Cambridgeshire and Peterborough deliverables in 2012/13 and the contract notices being applied to service providers. The report in particular identified areas for improvement, identifying the reasons for poor performance and the actions put in place too improve these areas. The key areas for improvement highlighted upon in the latest report were noted as follows:

- Referral to Treatment (RTT)
- Diagnostic tests
- Cancer services
- Waits in accident and emergency (A&E)
- Choose and Book
- Delayed Transfers of Care
- Smoking Cessation
- Health checks received
- Health care acquired infections
- Stroke services; and
- Pressure ulcers.

Specific issues raised during discussion were noted as follows:

Referral To Treatment (RTT): The Committee noted that the section on RTT had been expanded so that it now provided details of performance by speciality for each of the Acute Trusts. The figures received for September indicated that CUFT performance had dipped, however, this was directly related to the positive action now being taken to clear the existing backlog. It was noted that action plans for all specialities were in-place or had been requested.

Diagnostic Tests: The Committee was advised that based on the latest data for September the total number of reported breaches had reduced, but that the number of tests identifying problems appeared to be increasing. The specific issues identified at Hinchingrooke and the actions put in place to improve there performance was noted.

Cancer: It was noted that PSHFT had delivered on all cancer targets during August. Issues in relation to the performance of CUHFT and HHCT during this period were highlighted.

In terms of the two month treatment post referral (62 days) target it was noted that data was presented for the first time which detailed the percentage of patients seen within target for the month at tumour type level.

Victoria Corbishley reported good progress was being made but that further work remained to be done to ensure action plans were fit for purpose. In particular Trusts' were still vulnerable to late referrals.

CUHFT Urology performance remained an area of concern. Accordingly increased focus was being placed on reducing the numbers of late referrals in this area. The potential for introducing additional performance indicators was being explored – e.g. removal of all administrative delays.

Accident & Emergency: Early Quarter 3 figures showed that all providers were currently performing above the 95% target. A key period was now coming up during which the robustness of the respective Winter Planning arrangements would be tested.

In respect of CUHFT Edward Libbey queried whether any assurance could be given that the management team were continuing to prioritise the meeting of performance targets. Victoria Corbishley advised that she believed this to be the case, particularly in light of the recent intervention of MONITOR.

DTOC: It was noted that the process to recruit additional numbers to the Reablement Teams' was underway. The Committee was also advised that the remit for DTOC would transfer from Cathy Mitchell to Nigel Smith.

Maureen Donnelly advised that she used to receive relevant performance and budget information from Cambridgeshire County Council as standard in her former role as PCT Cluster Chair. It was understood that this was no longer automatically received by the PCT. This matter to be raised with Nigel Smith with a view to re-establishing formal arrangements with the County Council to ensure data was received in the future. **ACTION: Victoria Corbishley** to raise with **Nigel Smith.**

8.2 Workforce Report

Alan Mack presented a workforce information report for the PCT Cluster and CCG workforce covering the period July 2011 to June 2012.

The report provided an update against a range of set key workforce productivity indicators.

- The overall sickness rates for NHS Peterborough over the last 12 months remained low at 3.3%. In June the Trust's monthly sickness rate was also 3.3%, which was currently lower than the NHS average of 4.7%. For NHS Cambridgeshire the average sickness absence rate for the 12 month period was 2.2% and the monthly sickness rate as at June 2012 was 1.9%.
- The Cluster PCT had a reported vacancy rate of 4.1% as at the end of June 2012.

  In terms of the CCG recruitment position it was noted that this process was nearing completion with all staff expected to be in post by the end of December 2012.

  The Committee noted that as requested staff appraisal data was now included in the workforce report. It was noted that completion numbers for the reported period were low for both Trusts, although it was recognised that the on-going transition had been the primary reason for this. The Chair highlighted the importance of operating a robust appraisal process in the new CCG structure, particularly in view of the matrix working that would be adopted. Andy Vowles assured the Committee

that this would be the case and the process would be actively monitored by CMET on a regular basis.

The Committee received and **noted** the contents of the workforce information report.

9. Annual Cycle of Business

The latest annual cycle of business for the Finance and Performance Committee was received and noted.

10. Date of Next Meeting

The date of the next meeting was confirmed as Tuesday 27 November 2012 at 8.30am in Meeting Room A, Town Hall, Peterborough.

Simon Barlow
Integrated Governance Manager
31 October 2012