

## Oxfordshire Clinical Commissioning Group Board Meeting

<b>Date of Meeting:</b> 27 July 2017	<b>Paper No:</b> 17/54b
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<b>Title of Paper:</b> Minutes of the Finance Committee, 22 June 2017
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<b>Paper is for:</b> (please delete tick as appropriate)	<b>Discussion</b>		<b>Decision</b>		<b>Information</b>	✓
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### **Purpose and Executive Summary:**

The Committee draws to the attention of Board members, the following:

**A&E Streaming Model:** The Committee received an update on the development of the business case and discussed some of the financial and workforce risks. CapEx funding has been confirmed for the John Radcliff site only. This work is being led by the A&E Delivery Board but the case will have to come back to this Committee because of the financial implications. The Board should note that this service development is national policy.

**Activity date in primary care:** Despite over 20% of the total budget allocated to Primary Care, the performance data demonstrating how effectively Primary Care was working on a system-wide perspective, was not available. It was agreed that a draft Board primary care quality performance report would be reviewed by the Executive Team and Clinical Directors. OPCCC is the lead Committee.

**MSK Contract and Business Case:** The Committee received and reviewed a paper on the Contract Award Recommendation for the provision of MSK and Physiotherapy Service, together with copies of correspondence between OCCG and Oxford Health. Concern was expressed that there was insufficient level of granularity within the transition plan to provide assurance that the changes could be delivered within 3 months. Further assurance will be provided in relation to the activity baseline and a detailed transition plan will be made available to the Committee.

**System Risk Mitigation and Savings:** The Committee received and scrutinised the papers on system risk mitigation (SRM) and a comparative analysis of Nuffield Trust Evidence and Oxfordshire Initiatives. The SRM paper did not provide assurance on the satisfactory implementation of the mitigating actions and it highlighted the challenges of working in new partnership arrangements. The CEO updated the Committee on the work undertaken in respect of appointing an Improvement Director to head up future work on system risk mitigation. This work would be rolled out in two stages, analysis and implementation. The Committee supported the proposal to utilise the report by Nuffield Trust 'Shifting the Balance of Care', providing an assessment of the most and least effective approaches to reducing activity and costs, as a framework for OCCG Savings Plan. The list of saving schemes would be refined to leave prioritised schemes, with clear set of deliverables and those

accountable. At its next meeting, the Committee will focus on the current position around £18.0m of risks identified at the point of agreeing the 2017/18 contracts and a revised list of mitigating actions with specific values attached to them.

**Financial Implications of Paper:**

As set out above.

**Action Required:**

The detailed work of the Finance Committee provides further assurance to the Board that OCCG is managing its finances effectively and in accordance with the financial plans and budgets approved by this Board. Board members are asked to consider if they are receiving sufficient information in the Board's finance report and through the minutes of Committee meetings, to assure themselves in relation to OCCG's financial performance.

The Board should formally receive a paper following the next Finance Committee on the System Risk Mitigations, OCCG Savings Plan and an update on the performance analysis being undertaken by the Improvement Director.

**OCCG Priorities Supported** (please delete tick as appropriate)

✓	Operational Delivery
✓	Transforming Health and Care
✓	Devolution and Integration
✓	Empowering Patients
✓	Engaging Communities
✓	System Leadership

**Equality Analysis Outcome:**

Not applicable.

**Link to Risk:**

**AF25:** There is a risk that demands on the OCCG allocation exceeds available funds. In 2017/18 there is a 'system' risk sharing agreement in place in relation to £18.0m of identified cost pressures. If the full risk crystallises, OCCG will manage its 40% share of the risk from reserves and other mitigation plans, providing no further significant financial risk materialise. The Committee was notified that there is a significant financial risk associated with RTT compliance at Oxford University Hospital NHS FT Trust. The full extent of the financial risk has not been quantified but could be as high as 4.0% of the annual budget. Mitigation - OCCG will be party to the agreement of an improvement plan with the provider and regulators but at this stage, OCCG would not be able to mitigate a risk at this level without support.

**AF21:** There is a risk that NHS services will not be able to respond to the anticipated level of demand over next 5 year. OCCG is leading the development of transformation plans with other key stakeholders across Oxfordshire, that deliver financial sustainability over the next 5 years. The Committee has requested early sight of the financial modelling to be assured that financial risk is fully mitigated and is a major item on the next Finance Committee meeting agenda.

**761:** There is a risk that OCCG savings plans will not deliver in full. The Committee is not assured that the £18.0m of system financial risk will be mitigated

by the savings schemes identified and therefore, if the £18.0m of risk crystallises, OCCG will manage its 40% share of the risk from reserves and other mitigation plans, providing no further significant financial risk materialise.

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**Date of Paper:** 11 July 2017

**MINUTES:**

**Finance Committee**

**22 June 2017, 13:00-14:30**

**Conference Room A, Jubilee House, Oxford**

<b>Present:</b>	Duncan Smith (EDS), Lay Member for Finance - Chair	Roger Dickinson (RD), Lay Vice Chair
	Mike Delaney (MD), Lay Member	Gareth Kenworthy (GK), Director of Finance
	Diane Hedges (DH), Chief Operating Officer and Deputy Chief Executive	David Smith (DS), Chief Executive
<b>In attendance:</b>	Elena Thorne (ET) - minutes	Jenny Simpson (JS), Deputy Director of Finance – from 14:20
<b>Apologies</b>	Dr Paul Park (PP), Deputy Clinical Chair and Chief Information Officer	

		<b>Action</b>
1.	<p><b>Declarations of Interest</b></p> <p>The Chair welcomed everyone to the meeting and declared the meeting <b>quorate</b>.</p> <p>There were no declarations of interest in relation to any items on the agenda.</p>	
2.	<p><b>Minutes of the Meeting held on 23 May 2017</b></p> <p>The minutes of the meeting held on 23 May 2017 were approved as an accurate record of the meeting.</p> <p><b>Matters Arising</b></p> <p>The Action Tracker was noted and updated as follows:</p> <p><u>Action 17.15</u> – Capital was confirmed for the John Radcliffe (JR) Hospital only. The Risk Mitigation Delivery Group (RMDG) would review the case further and submit recommendation to the A&amp;E Delivery Board. The Chief Operating Officer highlighted opportunities offered through the use of the GP Access Fund (GPAF). Reflecting on the previous discussions, the Lay Member reminded members of the concerns expressed around shortage of GPs and potential issues arising due to the same-day appointments at hospitals. The Chief Operating Officer proposed the use of the service specification to address same-day appointments being diverted from GP practices into hospitals. The OUH Director of Finance is reviewing the costings and pulling together a mitigation log which will be shared through the A&amp;E Delivery Board. The directive from the regulator was non-optional, even though implementation of the model in certain hospitals could make A&amp;E services unviable. <b>The Chief Operating Officer offered to share the A&amp;E streaming model bid with Lay Members (Action 17.21).</b></p>	<b>DH</b>

	<p>The Chair referred to the discussions held at the Audit Committee's meeting earlier that day around the quality of data, and stressed that despite 20% budgetary allocations to Primary Care, the performance data demonstrating how effectively Primary Care was working on a system-wide perspective, was not available. <b>It was agreed that a draft Board quality performance report would be reviewed by the Executive Team and Clinical Directors. (Action 17.22)</b></p>	DH
3.	<p><b>MSK Contract and Business Case</b></p> <p>The Committee received the paper on Contract Award Recommendation for the provision of MSK and Physiotherapy Service to OCCG.</p> <p>The agenda item had previously been reviewed by OCCG Executive Team, where additional assurances were requested around transition risk and demand management. The Chief Operating Officer confirmed that a more comprehensive transition plan had been circulated to the Executive Team members. Questions by OCCG Clinical Chair in relation to incentives for demand management had also been addressed.</p> <p>The Lay Member remarked on the insufficient level of granularity within the transition plan and expressed concerns around the feasibility of its implementation in three months' time. <b>The Chief Operating Officer would forward a copy of the mobilisation plan to the Lay Members (Action 17.23).</b></p> <p>The Committee felt confident that OCCG Clinical Chair received appropriate assurances regarding transition risk and demand management. It was confirmed that demand risk around staffing was with the provider. <b>The Executive Team would make further checks around the reference to 2013-14 activity baseline within the business case and provide assurance to the Committee (Action 17.24).</b></p> <p>The Committee noted OCCG's response to the letter from Oxford Health NHS Foundation Trust (OHFT) and the concerns expressed regarding destabilising the existing service.</p>	<p>DH</p> <p>DH</p>
4.	<p><b>Savings Plan</b></p> <p>The Committee received the paper on System Risk Mitigation and was asked to note the Progress Report. An additional draft paper providing a comparative analysis of Nuffield Trust Evidence and Oxfordshire Initiatives was also tabled at the meeting. The Chair noted that the System Risk Mitigation Progress Report failed to provide positive assurances on satisfactory implementation of the mitigating actions. Furthermore, it highlighted the challenges of working in new partnership arrangements.</p> <p>The Chief Executive updated the Committee on the work undertaken in respect of appointing an Improvement Director to head up future work on System Risk Mitigation. The work would be rolled out in two stages (analysis and implementation) with Ann Eden chairing an Oversight Committee.</p> <p>The Director of Finance presented the paper on <i>Nuffield Trust – Summary of Evidence</i> and pointed out the following:</p> <ul style="list-style-type: none"> <li>• The paper was a draft version of the work in progress;</li> <li>• It was proposed to utilise the report by Nuffield Trust "<i>Shifting the Balance of Care</i>", providing an assessment of the most and least effective approaches to reducing activity and costs, as a framework for OCCG</li> </ul>	

	<p>Savings Plan.</p> <ul style="list-style-type: none"> <li>• The evidence within the report indicated that: <ul style="list-style-type: none"> <li>○ The most positive evidence in Elective Care was around improving GP access to specialist expertise, and the Director of Finance explained the initiatives being rolled out by OCCG in that respect. The Chair referred to the Telemedicine initiative being rolled in the north of the UK, using digital healthcare services.</li> <li>○ There was mixed evidence around peer review and audit of GP referrals, as well as shared decision-making to support treatment choices. OCCG's approach was targeting high referring practices. The Chief Executive discussed the rationale behind OCCG implementing mixed evidence initiatives when these did not offer an overall cost reduction, and suggested that the work should be implemented anyway as it would improve patient pathways and care quality.</li> <li>○ When discussing projects and activities around Planned Care, the Director of Finance stressed that these could not be implemented by OCCG independently, and required joint effort and co-operation of the Oxford University Hospitals NHS Foundation Trust (OUHFF).</li> <li>○ Reviewing Urgent Care initiatives, urgent scoping work needed to be undertaken by OCCG in respect to several most positive initiatives. At the same time work was ongoing around diabetes, cardiology and clinical support to people in care homes. The Chief Executive referred to the initiative rolled out in Surrey, where each care home had a link to a dedicated matron, who was the first point of call for a care home before admitting a patient to a hospital.</li> </ul> </li> </ul> <p>It was proposed that OCCG initiatives outlined in the draft paper should be developed further to provide a clearer focus and recommendations. The Lay Member suggested that OCCG should do a "sense-check" of various schemes within the report and prioritise positive-evidence schemes delivering a material percentage of savings.</p> <p>The Committee expressed support for the proposed approach.</p> <p>The Committee reviewed OCCG savings initiatives, giving specific focus to red and amber RAG rated schemes, and the following observations were made:</p> <ul style="list-style-type: none"> <li>• <i>Access to consultant advice</i> – telephone: internal alternatives should be sought to substitute the use of external consultants for referrals.</li> <li>• <i>PLCV &amp; IRF Controls</i> – audits of compliance against PLCV policies were being carried out with independent sector providers and the Trusts. There was an agreement from OUHFT that Blueteq would be rolled out. The level of potential savings was around £250,000-£300,000.</li> <li>• <i>Follow-up appointments</i> – OUHFT agreed to run a pilot across 5 specialties to agree an approach aimed to reducing follow-up appointments. Despite the scheme not offering any cash releasing savings, it was decided that OCCG should proceed with the initiative as it would release capacity to tackle RTT issues.</li> <li>• <i>Right Care</i> – to be discussed outside the meeting with the Head of Portfolio Management.</li> <li>• <i>Diabetes</i> – diabetes incentive approach was already in place. The Lay Member stressed the importance of incorporating prevention measures to</li> </ul>	
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	<p>address pre-diabetic patients, and the Chief Operating Officer confirmed that OCCG was already bidding for STP funding for pre-diabetic work. In addition, responding to the Lay Vice Chair's question on linking the diabetes data from Primary and Secondary Care Providers, the Chief Operating Office explained that North East Oxfordshire Diabetes pilot scheme enabled the secondary care clinicians to access primary care data.</p> <ul style="list-style-type: none"> <li>• <i>Other pathways redesign</i> – opportunities had not been worked up around, cerebrovascular, chronic pain, cancer and cardiology.</li> <li>• <i>Decommissioning</i> – the Director of Finance to check if consensus for the proposals was present within OCCG.</li> <li>• <i>Integrated Locality Teams</i> – the level of opportunities had been derived from benchmarking ACS admissions, however further scoping exercise was required. The Chief Executive stated that urgent action was required around addressing Urgent Care initiatives.</li> </ul> <p>The Director of Finance noted that the initiatives would be discussed further at the Risk Mitigation Delivery Group meeting which reported to Chief Executives. The list of schemes would be refined to leave prioritised schemes with clear set of deliverables and those accountable.</p> <p><b>The Chief Executive proposed that the next finance report should reflect the current position around £18.0m of risks identified at the point of agreeing the contracts, and clarify up or down movement in figures. A revised list of mitigating actions with specific values attached to them had to be prepared (Action 17.25).</b></p>	<b>GK</b>
5.	<p><b>Annual Operational Plan and Budget</b></p> <p><b>Month 2 Finance Report</b></p> <p>The Committee received and <b>NOTED</b> Month 2 Finance Report.</p>	
6.	<p><b>Risk Appetite</b></p> <p>Agenda item deferred until the following meeting.</p>	
7.	<p><b>Risk Report</b></p> <p>Agenda item deferred until the following meeting.</p>	
8.	<p><b>Work Plan</b></p> <p>Noted.</p>	
9.	<p><b>Meeting Review</b></p>	
10.	<p><b>Any Other Business</b></p> <p>The paper outlining potential problems around Endoscopy procurements was tabled at the meeting.</p> <p>The Director of Finance reported that financial scoring carried out as part of the procurement processed identified a risk of the provider going bankrupt. The provider in question had been OCCG's incumbent provider of Endoscopy service for the last 4-5 years. The Director of Finance recommended to proceed with the award of the contract subject to the guarantee being</p>	

	<p>provided by a parent company.</p> <p>The Committee <b>APPROVED</b> the award of the contract subject to acceptable guarantees received.</p>	
11.	<p><b>Date of Next Meeting</b></p> <p>The next meeting would take place on 25 July 2017, 13:00-15:00. Forward apologies had been received from the Director of Finance.</p>	