

**NHS Nottingham and Nottinghamshire Clinical Commissioning Group
Finance and Resources Committee**

ratified minutes of the meeting held on
25/05/2022 09:00-11:00
MS Teams Meeting

Members present:

Shaun Beebe	Non-Executive Director (Chair)
Lucy Branson	Associate Director of Governance
Maxine Bunn	Associate Director of Commissioning, Contracting and Performance - Mental Health and Community (joined at 9:30)
Michael Cawley	Operational Director of Finance
Lisa Durant	System Delivery Director – Planned Care, Cancer and Diagnostics
Andrew Morton	Operational Director of Finance
Caroline Nolan	System Delivery Director
Stuart Poynor	Chief Finance Officer
Maria Principe	Director of System Analytics and Intelligence Unit
Jonathan Rycroft	Associate Director of Financial Recovery (Operations)
Dr Stephen Shortt	Joint Clinical Leader
Amanda Sullivan	Accountable Officer
Sue Sunderland	Non-Executive Director
Jon Towler	Non-Executive Director

In attendance:

Siân Gascoigne	Head of Corporate Assurance
Marcus Pratt	Programme Director – Finance and System Efficiency
Jack Rodber	Deputy Director – ICS System Analytics and Intelligence Unit
Shannon Wilkie	Corporate Governance Officer (Minutes)

Apologies:

Dr James Hopkinson	Joint Clinical Leader
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Cumulative Record of Members' Attendance (2022/23)					
Name	Possible	Actual	Name	Possible	Actual
Shaun Beebe	02	02	Stuart Poynor	02	02
Lucy Branson	02	01	Maria Principe	02	01
Maxine Bunn	02	02	Jonathan Rycroft	02	02
Michael Cawley	02	02	Stephen Shortt	02	02
Lisa Durant	02	02	Amanda Sullivan	02	01
James Hopkinson	02	00	Sue Sunderland	02	01
Andrew Morton	02	02	Jon Towler	02	02
Caroline Nolan	02	02			

Introductory Items

FR 22 015 **Welcome and Apologies**

Shaun Beebe welcomed members to the Finance and Resources Committee meeting, which was held on MS Teams due to the current COVID-19 situation.

The apologies were noted as above.

FR 22 016 **Confirmation of Quoracy**

The meeting was confirmed as quorate.

FR 22 017 **Declaration of interest for any item on the shared agenda**

No interests were declared in relation to any item on the agenda. The Chair reminded members of their responsibility to highlight any interests, should they transpire because of discussions during the meeting.

FR 22 018 **Management of any real or perceived conflicts of interest**

As no conflicts of interest had been identified, this item was not necessary for the meeting.

FR 22 019 **Minutes from the meeting held on 27 April 2022**

The minutes were agreed as a correct record.

FR 22 020 **Action log and matters arising from the meeting held on 27 April 2022**

An item was scheduled on the agenda at item FR 22 023 to satisfy action FR 21 154. Jack Rodber was in attendance to present the analysis work detailed in the action. Action FR 21 154 could, therefore, be marked as complete.

Financial Position and Contract Management

FR 22 021 **CCG Finance Report**

Michael Cawley presented the item and highlighted the following points:

- a) The paper outlined the CCG financial position, which also included information pertaining to the financial performance of the wider system.
- b) The financial plans for 2022/23 had been finalised with NHS England / Improvement (NHSE/I) since the previous meeting.
- c) It was explained that the CCG's financial performance will be monitored for the first three months of the financial year up until 30 June 2022. As of 1 July 2022, the Integrated Care Board (ICB) will be established and reporting for the remaining nine months of the financial year will be in relation to the ICB.
- d) It was explained the full year plan was of gross of allowable "excess" inflation. The term "allowable" inflation has been used in conjunction with the NHS England & Improvement (NHSEI) to cover "excess" inflation due to material recent events impacting on costs of energy, fuel, and care costs since the publication of planning guidance.

- e) The full year plan is a £6.9m deficit plan (£7.7m ICB wide), inclusive of excess inflationary of allowable excess.
- f) It was explained that there is a £31.8m efficiency requirement in place for the CCG (£37m ICB wide). This level of efficiency presents a risk in terms of the challenge to deliver it.
- g) The year-to-date performance against the financial plan describes an on-plan position, with a £0.6m overall deficit inclusive of 'excess' inflation. This position reverts to one of breakeven after adjusting back for additional inflation.
- h) This is an assumed position as a detailed ledger transaction does not take place for month one.
- i) It had been forecasted that the CCG/ ICB would deliver against the full year capital allocation of £2.018m.
- j) At the time of the meeting, there were no known material variances to the reported position.

The following points were raised in discussion:

- k) Members discussed the planned delivery of efficiency savings. It was explained that the plan is not heavily backloaded, however, adjustments will be made to the phasing of the plan as the year goes on. Currently, plans for Q1 had not been met but this was being offset by balance sheet flexibilities. Work is ongoing to identify additional savings. Members noted that the plan comes with an element of risk to delivery, however, mitigations are being identified.
- l) Members discussed the cultural changes ongoing withing the local NHS and the way in which the 'focus' on finances must move away from twelve monthly delivery, to a more sustainable way of working which addresses the underlying deficit and the overall run rate. It was also noted that the system must work to deliver the maximum amount of recurrent savings possible, to put the ICB in the best financial position in coming years.

The Committee:

- **NOTED** and **APPROVED** the CCG Finance Report for onward submission to the Governing Body.

FR 22 022

System Financial Update

Marcus Pratt presented the item and highlighted the following points:

- a) The report detailed the system financial position as at month one. Due to the lack of available information at this early point in the financial year, the position is based on assumptions. Bassetlaw CCG will not be formally reported as part of the system position until Q2. At month one, Bassetlaw CCG is reporting no variance to plan.
- b) The report describes a £2.8m variance to plan at month one. This variance is wholly attributed to Nottingham University Hospitals (NUH) and contributing factors include Elective Recovery Fund (ERF) performance, shortfall in efficiencies savings and implementation of enhanced bank rates to support operational services.

- c) Throughout 2022/23, a delivery plan will be used to monitor performance in areas such as QIPP, system transformation, elective recovery, investment reviews and urgent care Demand and Capacity (D&C).

The following points were raised in discussion:

- d) Members discussed the national ambition to move towards a more sustainable NHS. To achieve this, a re-launch of financial priorities is required. This will aid a change in culture amongst NHS staff to move towards a system financial position rather than focusing on the finances of each individual organisation.
- e) Members recalled the assumptions made around ERF targets during 2021/22. The system underperformed against said targets. Members queried whether actions had been taken to ensure there are contingencies in place for such schemes. It was explained that the finance team are unable to carry out an impact analysis for each individual scheme put forward by each organisation, however, the commissioning team have a high-level overview of performance against efficiency schemes, such as ERF, each month.
- f) Members noted a decline in elective activity over the Easter period, which subsequently impacted on ERF. It was explained that plans are purposefully backloaded to account for and mitigate this decrease in activity.
- g) It was explained that providers are being subject to an increased level of scrutiny around activity levels against planned levels. This is a new way of working and it is important to ensure a positive relationship is maintained amongst the partners during this transitional period.
- h) Members noted the high level of risk associated with the 2022/23 financial plans at this early point in the year. Members recognised that NHS organisations across the country are experiencing similar financial challenges and in order to move towards a long term sustainable financial model, work must be undertaken to shift activity from an acute healthcare setting into the community.

The Committee:

- **NOTED** the report for information.

FR 22 023

Analysis of Demand and Activity Trends

Jack Rodber presented the report. The following points were raised:

- a) An action had been agreed at the previous meeting for a one-off analysis of demand and activity trends to be presented to the Committee. Jack Rodber shared a presentation during the meeting which detailed the findings of this work.
- b) At the previous meeting, the Committee were notified of some data quality issues within referrals reporting which had been uncovered because of this analysis. Since the previous meeting, a data cleanse had been undertaken. The team was now confident that the figures presented were accurate and meaningful.
- c) The analysis work included data for the period May 2019 to April 2022 and was inclusive of patient referrals for all specialties across Nottingham and Nottinghamshire CCG, as well as Bassetlaw CCG.

- d) The results show that referrals levels have, for the most part, returned to pre-COVID-19 levels. For the period April 2020 – March 2021 there were 30% fewer referrals. This was consistent across all four places and can be attributed to the COVID-19 pandemic.
- e) The presentation summarised the journey of referrals through the pandemic but did not provide detailed narrative as to the reason for the changes.

The following points were raised in discussion:

- f) Members discussed the direct relationship between the level of referrals in the local system versus the capacity in General Practice. As community transformation takes place, in theory GPs should have increased capacity and this will in turn drive referrals.
- g) It was explained that a series of dashboards are being developed to be shared across the system to provide an overview of activity levels. Having readily available information of this type, which can be easily shared amongst partners, will encourage system working.
- h) Members discussed the Mid Nottinghamshire region, which continues to see lower rates of referrals than the rest of the patch. Members queried whether there is evidence to suggest that this is resulting in worse outcomes for patients in this area. There was no evidence to support this at present however a deep dive into cancer outcomes is underway and the results of this will be reviewed in this context.
- i) Members discussed whether an increase in demand, which this presentation suggests is likely, will put efficiency plans at greater risk. Members agreed that whilst this is a possibility, the ongoing analytical work will put the CCG in the best position to influence capacity modelling and subsequently, savings plans.

The Committee:

- **NOTED** the report and the actions taken to manage the key acute contracts.

FR 22 024

Cross Provider Report

Maria Principe presented the item and highlighted the following points:

- a) The report provided the in-month position and the year-to-date position on activity against the H2 plan.
- b) The report provided a comparison of activity against the equivalent period of 2019/20, to provide a second point of comparison.

The Committee:

- **NOTED** the report.

Risk Management

FR 22 025

Risk Report

Siân Gascoigne presented the item and highlighted the following points:

- a) There are ten risks within the remit of the Committee, three of which are major. The detail of these is outlined within the report.

- b) The report requested that risk RR 158 (2021/22 ICS Financial Position), RR 172 (2021/22 CCG Financial Position), RR 151 (Increased NHS provider base cost) and RR 128 (COVID-19 Infection for redeployed BAME staff) be archived. The reason for the proposal is that the highlighted risks are no longer relevant.
- c) Work is ongoing to review the CCG risk register and carry over relevant risks to the ICB. This work includes updating the narrative of risks to be relevant to the ICB.
- d) Following the conversations throughout the meeting, the risks within the register pertaining to ERF and demand and activity would also be reviewed and the narrative updated.

The Committee:

- **COMMENTED** on the risk report **HIGHLIGHTING** risks discussed throughout the course of the meeting.
- **APPROVED** the archiving of risks RR 158 (2021/22 ICS Financial Position), RR 172 (2021/22 CCG Financial Position), RR 151 (Increased NHS provider base cost) and RR 128 (COVID-19 Infection for redeployed BAME staff).

Closing Items

FR 22 026

Any other business

Stuart Poynor thanked the Chair and Non-Executive members for their time and work within the Committee during their tenure at Nottingham and Nottinghamshire CCG and wished them well in their future endeavours.

FR 22 027

Key messages to escalate to the Governing Body

The Committee agreed the following key messages to escalate to the Governing Body:-

- An update on the ongoing work to mitigate risks within the system financial position.