

Finance & Performance Committee
18th March 2015
The Thames Room, Civic Offices

Present:	Dr S Das	Chair of the Committee
	Ms L Buckland	Lay Member, Deputy Chair of the Committee (from 10.15am)
	Dr A Deshpande	Chair of the Board
	Ms M Ansell	(Acting) Interim Accountable Officer
	Mr A Olarinde	Chief Finance Officer
	Ms F Otukoya	Head of Finance
	Mr M Tebbs	Head of Commissioning
	Ms G Curtis	Deputy Business Manager (minutes)
In Attendance:	Ms M Tompkins	Head of Medicines Management
Apologies:	Dr Nimal-Raj	GP Board Member

1.	Welcome & Apologies
	<p>Dr S Das welcome all to the meeting. Apologies were noted as above.</p> <p>Dr S Das asked for any declarations of interest that were not already on the register, none were declared.</p>
2.	Minutes of the meeting held on 18th February 2015 and Action Log
	<p>The minutes of the previous meeting held on the 18th February 2015 were received and approved as an accurate account.</p> <p>Action Log:</p> <ol style="list-style-type: none"> Month 10 Finance Report – Dr S Das asked how we tackle overspend on ITU at UCLH as we are not the lead commissioner. Mr A Olarinde confirmed that this would be an action for the commissioning team to obtain patient level data and review further. Action Outstanding. Action SA Month 10 Finance Report – Medicines Management to review specialist funded Chemo treatment – Mr A Olarinde updated the committee that this action was for Chemo drugs. Action closed Month 10 Finance Report – A drill down of GP referrals by practice is to be reviewed by the QIPP committee and for a summary to be presented to this committee in April – Action to be completed at the April Committee. Better Care Fund – Process of the seal to be discussed to ensure the correct process is in place – Action outstanding, Mr A Olarinde to confirm if the seal is required for the section 75 agreement signing. Action AO

3. Prescribing/Medicines Management

Ms M Tompkins attended the meeting to present the prescribing/medicines management update. The following points were noted from the report.

Based upon Prescription Pricing Division (PPD) information for December 2014, Thurrock CCG is forecasting an outturn of £21.450 million compared to a Prescribing Allocation of £19.802 million, representing a forecast overspend of £1.648 million (8.3%).

In terms of comparative prescribing spend, Thurrock CCG has a cost per patient (measured in terms of cost per 1,000 AstroPUs) slightly above the average for East of England, Luton, Beds and Herts, although this comparative prescribing spend is below the England average.

Thurrock CCG does however demonstrate a relatively low rate of growth for December 2013 to November 2014 compared to the corresponding period the previous year. The rate of growth for Thurrock CCG is 1.5% which compares well to the national rate of growth of 3.0%, as well as the East of England, Luton, Beds and Herts average rate of growth of 3.2%.

Prescribing costs have been recently influenced by the impact of Category M (generic drugs), and the uptake of flu vaccines. This has been compounded by problems with the NHSBSA forecasting methodology and profiles, which have overestimated forecast outturns for recent months. The NHSBSA forecasting methodology was however revised in January 2015.

In addition to in-year fluctuations in prescribing costs such as category M, Thurrock CCG continues to demonstrate high costs and growth in certain therapeutic areas such as prescribing for diabetes, which currently has a 6.1% increase in costs compared to last year. Analgesics, bronchodilators and drugs for neuropathic pain are also demonstrating significant increases in costs. This influence on prescribing costs tends to reflect newer, more expensive drugs being prescribed, often under specialist recommendation.

The Medicines Management QIPP initiatives have however played an important role in helping to contain growth around prescribing costs for 2014/15. Initiatives around ScriptSwitch, asthma, COPD, unlicensed specials, home enteral feeds and dietetics have helped to ensure that Medicines Management QIPP delivery for 2014/15 is above target. It is noted however that some projects have not been successful during the current year. In particular, stoma and appliances, wound care, ophthalmology and diabetes are yet to show any savings this year, and further work is underway to address these areas in Quarter 1 of 2015/16 as part of the overall Medicines Management QIPP programme.

As well as enhancing these areas of poor delivery, The Medicines management Team will be working on many other QIPP initiatives during 2015/16. Projects to support/implement transformational changes for haematology, respiratory/home oxygen, cardiology (heart failure) and the End of Life pathway have been developed, as well as joint projects with BTUH to help promote and implement economy-wide use of the joint primary care/secondary care formulary. These projects will run in parallel with the existing Medicines Management projects which will continue to be promoted and monitored as part of Medicines Management "business as usual"

In order to support QIPP, the Medicines Management Team is also developing a

	<p>Prescribing Incentive Scheme for 2015/16 which will focus on areas of high growth and cost. It is expected that the scheme will require practices to review prescribing for high priority areas such as diabetes, asthma, COPD, specials and dietetics, and the scheme will use PrescQIPP benchmarking data to highlight therapeutic areas where the CCG is highlighted as being an outlier.</p> <p>Dr S Das asked about the cost of prescribing incentive scheme. Mr A Olarinde stated that 170k funding for incentive schemes have been allocated and we make an accrual for costs. Dr S Das asked, what the forecast is for the coming year. Mr A Olarinde stated that as part of planning we set budget with forecast outturn for the year. We apply levels for growth and take in to account QIPP. This will be provided in the final budget for 2015/16.</p> <p>Dr A Deshpande stated that secondary care and primary care of prescriptions needs to be streamlined.</p>
4.	<p>Month 11 2014/15 Financial Performance Report</p> <p>Ms F Otukoya tabled the Month 11 Finance Update to the committee. The following points were noted from the report.</p> <p>The year to date financial position for the year to 28th February 2015 is summarised in the table below. This indicates a year to date expenditure of £173,780k against an allocation of £175,499k, resulting in an underspend of £1,718k. The forecast outturn position is a full year expenditure of £189,268k, against a budget of £191,247k, giving a projected underspend of £1,979k, thus delivering the mandated 1% surplus.</p> <p>2014/15 Budgetary Allocation - The opening resource allocation for 2014-15 is £187,454k, comprising £183,333k programme budget and £4,121k running costs budget. There have been some budgetary allocation changes in the year bringing the budget as at month 11 to £191,247k.</p> <p>Key Pressures Acute Services – Contract Performance Report</p> <p>BTUH: The forecast financial outturn based on M10 Flex activity profile is approximately £3m above plan. This forecast overspend is driven by a combination of increased level of activity (approx. £2m), planning risk on CQUIN (approx. £0.5m) and impact of the Non Elective and MSK block agreement (approx. £0.4m). The CCG observed significant increases in activity levels within A&E, Critical Care, Outpatient Procedure, Maternity Antenatal (currently offset by risk share adjustment), High Cost Drugs, Direct Access Tests and estimate for Un-coded activity.</p> <p>Non-Elective is under-performing and is forecast to be below the agreed threshold resulting in a risk share forecast cost of about £0.1mk to the CCG. In addition, the MSK activity is below the agreed threshold resulting in a risk share forecast cost of approx. £0.3m to the CCG.</p> <p>The CCG is working with the provider to agree a 2014/15 outturn position.</p> <p>Other contracts with significant over-performance within the acute portfolio include UCLH, Guys and St Thomas and Moorfields Eye Hospital, mainly as a result of critical care activity and high cost drugs.</p> <p>Continuing Healthcare - There has been constant pressure on Adult Continuing</p>

Care budgets. The number of people in receipt of continuing healthcare packages has continued to increase; by an average net monthly growth of 33 patients per month, Some of the cost pressure is mitigated by underspends within the Funded Nursing Care budget.

Prescribing - The prescribing forecast position indicates significant pressure on this budget; details were discussed under the agenda item in this meeting.

Running costs:

The running Costs budget is underspent as at month 11, and is forecast to underspend by £294k at the end of 2014/15. The running costs budget/allocation will be reduced in 2015/16 to £3,727k and budgets are currently being reviewed and modelled to ensure affordability.

QIPP

YTD plan is £5,046k, YTD achievement is £4,592k; i.e. YTD delivery is 91%. The plan includes unplanned care schemes which has now been validated, YTD plan (to M10) of £567k, and delivery of £500k, included in the current position.

Mr M Tebbs confirmed that there have been identified QIPP schemes in the SEPT contract. Of the Identified QIPP schemes there is a surplus of 56k has been delivered against target of 141k.

Dr S Das asked about the impact of ward closure. Mr M Tebbs confirmed that this ward was being used for CHC patients despite being set up for managing patients with challenging behaviour. This is a de-registration of the ward SEPT is working with CQC to de-register and use it for patients with nursing home needs. This change will make savings and give the best care required.

Ms F Otukoya informed that the Section 75 for children services is unlikely to deliver savings for this year, there are discussions on-going for next year. Mr M Tebbs stated that this is the final year of a 3 year agreement between the old PCT and the LA. However this is not delivering value for money and is detailed on the 2015/16 QIPP programme. There has been a meeting with the director of Children's Services; and it has been agreed that the current contract is rolled over for a quarter whilst work is on-going to develop a plan for the future. MS F Otukoya confirmed that there will be a progress update in line with the committee workplan.

Ms M Ansell confirmed that Continuing Health Care (CHC) now has a higher profile, and the CCG will have greater visibility on this. An enhanced role is being explored to support this service area. CHC has been identified as a risk and there is a strategy in place, with monthly meetings with Arden CSU to monitor patients and expenditure.

Ms F Otukoya confirmed that further analysis will be completed at the end of the year and the beginning of the 2015/16.

5.	<p>Contract Performance Report</p> <p>It was detailed that this paper was presented to the committee for noting. The committee were advised of apologies from Mr S Adeniyi.</p> <p>Mr A Olarinde stated that the majority of the issues relate mainly to acute services and have already been covered within the monthly report. It was also stated that issues are sent to the host CCG to be raised.</p> <p>Mr A Olarinde stated that the impact is on our activity, and the overspend is across all commissioners. This is being discussed as part of the year end position with the provider.</p>
6.	<p>2015/16 QIPP</p> <p>Mr M Tebbs presented the 2015/16 QIPP update to the committee, with the view of agreement for the progression of schemes to business case development.</p> <p>The CCG has a QIPP requirement of £7.1m for 2015/16. The current QIPP plan does not fully meet this requirement. Due to the scale of the QIPP requirement, the CCG is having to consider a number of challenging schemes. The paper presented summarised the progress to date to bridge the gap in the 2015/16 QIPP plan. The paper was taken to the CCGs QIPP committee and included a number of newly identified schemes for which approval was sought to develop business cases. QIPP committee approved the business cases being developed.</p> <p>Ms M Ansell confirmed that there was positive feedback received from the QIPP committee.</p> <p>Mr M Tebbs reminded all that no consultations can now take place until after the elections due to the purdah period prior to the elections.</p> <p>Dr S Das asked if Paediatric services are provided by NELFT. It was confirmed that they are.</p> <p>Dr S Das enquired about stroke beds, current annual spend with BTUH tariff and top up being £234k. Mr A Olarinde clarified that the £352k is the additional investment. It was agreed that the text and values are reviewed for the full business case.</p>
7.	<p>Staffing Proposal</p> <p>This item was discussed as a part 2 item.</p> <p>Ms M Ansell presented the staffing proposal to the committee for approval. The following points resulted from these discussions.</p> <p>Dr S Das requested a comparable table to look at the financial summary. Dr Deshpande agreed this was necessary. Action FO</p> <p>Proposal to Board:</p> <ul style="list-style-type: none"> - Comparators of 2014/15 v 2015/16 structure and spend - Structures <p>Dr S Das requested other running costs to be shown clearly. Mr A Olarinde confirmed that this will be picked up in the running cost budget papers.</p> <p>All Head of Service to review their structure and make sure they are accurate. Action</p>

	FO to coordinate.
8.	<p>2015/16 Financial Planning Update</p> <p>Mr A Olarinde tabled the 2015/16 financial planning update.</p> <p>He explained that providers had had until the 4th March to advise of their decision tariff for 2015/16. CCG plans are to be signed off on the 10th April 2015 and will be ratified by the Board on the 25th March 2015. However the final plan will not be presented to the Board in March for sign off due to delays of the plans following tariff changes by the acute trusts. The plan will be tabled in April.</p> <p>The head line summary was tabled to the committee. It was detailed that level of reserves has reduced. There is a QIPP requirement of £7.1m this will be finalised once the CCG has the outcome of contract negotiations.</p>
9.	<p>AOB</p> <p>AQP Task & Finish Group</p> <p>Mr M Tebbs presented a paper from the AQP Task & Finish Group. This group has been formed to appraise the committee on the future governance structure and commissioning recommendations for those services where significant conflicts of interest exist.</p> <p>Following the first meeting of this group, the following recommendations were made:</p> <ul style="list-style-type: none"> - LES – CCG to go out to procure LESs in April and encourage practices to participate in the procurement process - Phlebotomy – Extend the contract for the current provider up until 31st March 2016, incorporating quality visits to allow time for the CCG to work with BTUH to design community phlebotomy model in collaboration with the patients, which will complement the wider community service provision agenda. - Community Ultrasound – CCG to monitor the capacity and activity of the new providers to ascertain undertaking future procurement in the short term. <p>It was detailed that a procurement seminar is being held on the 31st March, to which all practices have been invited to.</p> <p>Mr M Tebbs mentioned that this paper is presented to the committee to seek support for the above recommendations to take place.</p> <p>Dr S Das stated that as this is a sub-committee of the Finance & Performance Committee, the committee will need to approve the Terms of Reference.</p> <p>It was noted that the ToRs need to detail that the GP and Practice Manager members do not have voting rights, as this would cause a conflict of interest. It was also detailed that all decisions are to be made by the Finance & Performance Committee.</p> <p>The ToRs were approved, subject to the above changes being made. Action: Mark Tebbs to update as per recommendations.</p> <p>Committee Papers</p> <p>Dr S Das detailed that she would like the draft copy of the minutes to be shared with her at the same time as them being sent to the CFO and Finance Team to ensure that there is adequate time for amendments to be made. It was also reiterated that</p>

	<p>papers should be sent out the Friday prior to the meeting at the latest, however if time constraints do not allow this, then this is to be discussed with Dr S Das in advance. Action: AO/FO</p> <p>Dr S Das asked for sight of the agenda at least 1 week prior to the meeting.</p> <p>Ms F Otukoya to circulate a draft workplan prior to the next meeting. Action FO</p>
10.	Performance
	No paper provided.
Date of Next Meeting	
22 nd April 2015, 9.00am, Thames Room, Civic Offices	