



**Thurrock**

**Clinical Commissioning Group**

**Finance Committee Meeting**

**22 May 2015**

**The Thames Room**

<b>Present:</b>	Dr S Das	The Chair
	Mr A Olarinde	Chief Finance Officer
	Ms L Buckland	Deputy Finance Chair/Lay Member
	Dr Nimal Raj	Board Member/Safeguarding Lead
	Ms F Otukoya	Head of Finance
	Ms C Celentano	Business Support Team Manager (minutes)
<b>Apologies:</b>	Ms M Ansell	(Acting) Interim Accountable Officer
	Dr Anand Deshpande	Chair of Thurrock CCG
<b>In Attendance:</b>	Mr Mark Tebbs	Integrated Commissioning Manager

<b>1. Welcome, declaration of interest &amp; Apologies</b>
<p>Dr S Das welcomed all to the meeting. It was asked if there were any new interests to be declared, none were declared.</p> <p>Apologies received as above, due to clinical commitments the meeting was not quorate.</p>
<b>2. Minutes of the meeting held on April and Action Log</b>
<p>The minutes of the meeting held on 15 April were reviewed for accuracy, but could not be formally approved due to the lack of quoracy. It was also noted that the agreed extra-ordinary meeting took place on 21/04/15 and the minutes should also be reviewed. . The committee agreed both set of minutes should be shared -virtually and subsequently ratified at the next meeting. <b>Action CC</b></p> <p>The following change was noted: Item 4 – The term “ERT” needed to be defined in full (Emergency Rate Thresholds) within the minutes – <b>Action CC</b></p> <p>Action Log:</p> <ol style="list-style-type: none"><li><b>1. Committee Workplan 2015 / 16</b> – Changes to be made to the workplan. – Action Complete</li></ol> <p>Carried Forward:</p> <ol style="list-style-type: none"><li><b>1. Month 10 Finance Report</b> – It was asked how overspend on ITU at UCLH would be tackled. – Mr A Olarinde confirmed that this is still outstanding and asked for Mr R Chaudhari to take forward. It was noted that this was a relatively small contract with over-performance on the ITU costs, and the Committee were concerned about getting assurance that Commissioners were</li></ol>

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sighted on caseload and taking appropriate action Although last year's contract would have been settled and officers need to continuously review critical care activity ensure activity levels are managed appropriately.. Action Closed

The committee were advised that there had been an Extra Ordinary Finance & Performance meeting on Tuesday 21 April 2015. It had been accommodated during the scheduled Executive Committee meeting in order to review the draft annual accounts and draft annual report. These minutes are to be circulated virtually. These would then be presented to the next Finance and Performance meeting in June 2015  
**Action CC**

### **3. Annual Accounts**

Mr A Olarinde and Ms F Otukoya presented the annual accounts to the committee, the following points were noted and discussions took place.

The committee were advised that the audit process was still on going and that the draft accounts had been previously discussed at the extraordinary Finance and Performance committee meeting on 21 April 2015.

Mr A Olarinde presented the draft accounts template to the committee.

Mr A Olarinde advised the committee that whilst the bottom line position of £1.99m surplus has not changed and that auditors had identified some change pertaining to the correct classification of costs/recharges. This was welcome news and the committee congratulated the finance team on their hard work and achievement.

The following points were highlighted:

- Note 5:- which is the overview of the CCG's expenditure. One item needed to be re-mapped. This was the high cost drugs recharge to NHS England which was moved from supplies and services general to within prescribing. It was agreed with the auditors that this will be moved for completeness and does not affect the bottom line.
- Note 42 – Finance performance. The CCG achieved its financial statutory duty which is not to exceed the resource limit. It was also highlighted that the CCG has achieved its required surplus in two successive years.
- Running costs Budget: Mr A Olarinde highlighted some points on the Running costs budget of £4.326m. He reminded member's that the quality premium budget of £205k was placed within running costs budget nationally. This relates to reward earned based on previous year's performance. The CCG running cost budget excluding quality premium in 2014/15 was £4,121m.
- This year there has been no change to the draft accounts bottom line as a result of the audit. The only adjustment required was the re-classification of prescribing costs (as explained above).

- A number of amendments are being recommended by auditors to the narrative of the report. The revised report will be presented to the Audit committee meeting on the 26th May and then to the governing body meeting on 27th May. The final report will then be submitted by noon on the 29th May.
- Ms L Buckland shared with the committee that the issue of business critical issues was raised at an Audit Chairs meeting she had attended earlier in the month. She wished to highlight to the committee that the auditors would be looking at this.
- A further outstanding issue was around Continuing Healthcare Costs (CHC): The auditors had highlighted a ruling whereby cases take over 28 days to complete the eligibility assessment. Should the CCG have a material number of such cases there might be the need for a provision to be made in the accounts. This is currently being assessed along with Arden CSU colleagues who provide our CHC service.
- Ms L Buckland enquired about the process underlying the audit of Arden's performance on CHC and stated that she will be raising this issue at the next meeting of the Audit committee. Mr A Olarinde replied that the CCG has monthly performance review meetings with Arden CSU, at which all aspects of the service is reviewed and appropriate actions agreed to remedy any issues.
- Ms F Otukoya stated that NHS England hold a provision for retrospective cases up until the end of 2013/14. The CCG has liability for any claim post April 2013. Ms L Buckland stated that we need to be more robust with contract monitoring with Arden. Ms F Otukoya confirmed that this is picked up during the monthly meetings with Arden CSU.
- Better Payment Practice Code, Mr A Olarinde confirmed that the auditors are happy with the CCG's methodology for assessing performance- and that there was an improvement in 2014/15. The CCG has a duty to validate these.

-The committee was asked to note the draft accounts prior to submission to the Audit committee and the governing body.

**4. CCG Annual Financial Plan Update**

Mr A Olarinde presented the Annual Financial Plan for 2015/16 to the committee. The following points were noted and discussions took place.

An update was given to highlight that there have been previous iterations of the plan submitted. An extract of the Finance Operating Plan was presented to the committee. It was highlighted that another submission was due on 28th May. Mr A Olarinde confirmed that he has met with NHS England finance assurance lead and also

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mentioned that- CCGs might get a directive for an earlier submission.

Revenue allocation has not changed - £196.453m for 2015/16, however the allocation split across the different services expenditure has changed since the previous submission. QIPP requirements were detailed to the committee.

Mental Health spend has to increase year on year by 2.3% National Incentive.

It was detailed that Castle Point & Rochford CCG (CP&R) are co-commissioning primary care and they the only CCG in Essex to undertake this. Assurance has been given that Thurrock CCG would not be disadvantaged due this additional responsibility taken on by CP&R as our lead mental health commissioning CCG.

Mr A Olarinde reassured members that within the CCG, the current Head of Integrated Commissioning was previously the lead for Mental Health within South West. This will give us added assurance. Other CCGs within South West, such as Basildon & Brentwood CCG are taking the same approach as Thurrock CCG.

The planning assumptions include 3% growth.

The committee was advised that a detailed submission of QIPP plans and related business cases had been requested by 10am on Tuesday 26 May by NHS England. As this request was made yesterday, it has put significant pressure on the team.

#### Investment Plan

This is an indicative investment plan showing what we have set aside.

It was asked for the committee to note the update, there will be a further iteration of the plan submitted at the end of month, and this will be reported at the next Finance & Performance committee.

## 5. QIPP

Mr M Tebbs took the Committee through QIPP Plan being currently worked through. NHS England has instructed all Business Cases to be drawn up within a 2 day period.

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The following was noted from this presentation.

Thurrock CCG has been commended on the process that we are undertaking. NHS England are happy with the formats. It was detailed that additional support will be in place and we will be linking in with the Local Authority. The assurance process involved 10 tests that QIPP projects are assessed against. Mr M Tebbs reported that a number of the requirements were not met as the CCG was previously not aware of these tests.

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It was noted that this is not dissimilar to other CCGs but there is a timeframe to submit

all by Tuesday 26 May.

Ms L Buckland asked how explicit are they on what they require of the CCG.

Mr M Tebbs stated that there are 10 steps but these are not very clear.

We are currently operating within a very tough financial climate and a lot of our QIPP projects for 15/16 shift costs around rather than truly reduce costs in the system. With all of the schemes there are tough negotiations around responsibilities with providers or CCGs. →

Negotiations had been very difficult and there have been national delays in the planning process, we are currently a month behind on where we need to be, however we have secured some of the projects.

At the June 2015 governing body meeting, there will be further visibility of these QIPP plans and there will be difficult decisions to be made.

Mr A Olarinde stated that there is a resubmission on Tuesday 26 May, updated plan of QIPP encapsulated in this and will share this at the next Finance & Performance Committee in June.

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Formal noting next week.

**6. Risks**

Formally note risks:

1. QIPP
2. BCF increase in activity plans.
3. CCG not able to deliver the planned surplus

**7. AOB**

Next month go back to the work plan and shape the agenda going forward **Action FO**

**Date of the next meeting**

17 June 2015, The Thames Room



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