NHS
Blackpool
Clinical Commissioning Group

Approved 3 May 2016

Minutes of a Meeting of NHS Blackpool Clinical Commissioning Group Governing Body Held in Public on Tuesday, 5 April 2016 in the Boardroom, Blackpool CCG

Part I

Present: Mr R Fisher, CCG Chairman
Dr A Doyle, Chief Clinical Officer
Mr D Bonson, Chief Operating Officer
Mr G Raphael, Chief Finance Officer
Ms H Skerritt, Chief Nurse
Mr D G Edmundson, Lay Member
Mrs C McKenzie-Townsend, Lay Member
Mr C Brown, Lay Member
Dr S Singh, GP Member
Dr C Augustine, GP Member
Dr M Martin, GP Member
Dr L Rudnick, GP Member

In Attendance: Ms H Uttley, Team Co-Ordinator, NHS Clinical Commissioners
Ms P Crawford, Interim Deputy Chief Finance Officer
Mrs S Lishman, PA

Public Attendees: Mr I Johnston, Chair, Blackpool Teaching Hospitals NHS Foundation Trust

The Chairman welcomed Ms Uttley and Mr Johnston to the meeting.

GB61/16 Apologies for Absence

Apologies for absence had been received from Dr Green, Mr Cain, Dr Fairhead, Dr Williams, Dr Rajpura, Mr Harrison and Mr Alizai.

GB62/16 Declarations of Interest Relating to the Items on the Agenda

RESOLVED: That the interests declared by members of the Governing Body as listed in the CCG's Register of Interests be noted. The Register is available either via the Secretary to the Governing Body or the CCG website at the following link: http://blackpoolccg.nhs.uk/about-blackpool-ccg/who-we-are/our-governing body/

That Mr Raphael declared an interest in relation to the governance arrangements for Healthier Lancashire.

GB63/16 CCG Financial Plan 2016/17

In Mr Harrison's absence, Mr Raphael spoke to a previously circulated document, presenting a summary of the progress in setting the CCGs financial plan for 2016/17 and its current status. It was explained that for 2016/17 it is looking more difficult to achieve the plans. For the 2015/16 financial year, the CCG developed a budget based on the 2014/15 outturn. This did not assume any growth for acute or prescribing services. An assessment made at the start of 2015/16 concluded that acute, prescribing and continuing healthcare expenditure would not rise above the 2014/15 outturn levels for a number of reasons and in any event no further money was available to put against activity

growth in 2015/16 once 2014/15 outturn had been funded. The Governing Body took an explicit decision to fund extensive care, district nursing services and GP £5 per head. This was to start the strategic programme of service transformation that also looked to deliver savings in the future. If this investment had not been made, the level of savings required in 2015/16 would have been lower but the CCG would not have been able to look forward to the future savings anticipated from the schemes. During 2015/16 the continuing healthcare team has managed spending to below the level of the budget and should be congratulated for this achievement. However, substantial over-performance on acute contracts of circa £5 million and prescribing of about £1 million has contributed to an underlying recurring shortfall of about £4.5 million going into 2016/17.

For 2016/17, Blackpool received the highest level of growth in core funding; growth being 4.59%, compared to approximately 3.27% in other areas. This reflects the CCG being below its target allocation. Mr Raphael explained that the budget for 2016/17 represented a balance being struck among the following factors:

- The growth funding received by the CCG
- The underlying deficit brought forward
- The need to deliver the new business rules of a 1% surplus, 1% headroom and 0.5% contingency fund
- The need to fund growth in 2016/17 contracts

The headroom fund can only be committed when NHS England have agreed that this is ok; notification is expected around December. Despite the level of growth received, the combination of business rules, brought forward underlying deficit, growth funding for contracts and other requirements, such as Parity of Esteem funding, the CCG must deliver savings of £6.4 million in order to balance the budget and meet the requirements. This is double the amount that was planned for 2015/16, which we did not achieve. Even then, we have not been able to confirm that we will achieve the 1% surplus and instead have looked to deliver 0.5%. Mr Harrison has agreed with NHS England a 0.5% surplus, rather than 1%. NHS England's assessment of our financial performance will most likely be downgraded in 2016/17 as a result of not being able to plan to deliver the full 1% surplus.

The main financial risks for 2016/17 are likely to be contract over performance and delivery of the savings plan. However, despite this the main contracts have been agreed. There is no guarantee that 1% headroom will be adequate to cover the potential risks. Within NHS England's rules, it states that if the headroom funds were not required locally, the funds could be utilised elsewhere in the County. There is a general reserve fund of £400,000 to be utilised against variations in contracts.

Mr Edmundson observed that although Mr Raphael had mentioned an underlying deficit, it is the business rules that require the CCG to put aside at least £6 million plus; he suggested it could be inferred that the CCG is not actually running a deficit but is just unable to deliver the financial business rules as laid out by the Department of Health. Mr Raphael responded that the underlying deficit was a real problem, the risks facing the CCG were not likely to go away and as mentioned before, the headroom funds may not be adequate to cover the potential risks.

It was discussed that many QIPP proposals for 2015/16 and 2016/7 are around changing the way work is undertaken, for instance, GPs not referring to hospital procedures of limited clinical value, etc. This requires GPs to be signed up to savings in terms of not referring in, etc, but it also means that doctors in provider settings need to be signed up to ensure procedures are not undertaken if a referral does come in. Concern was raised that in the past when looking at QIPP, often Consultants were undertaking procedures and were not aware of the procedures of limited clinical value.

David Edmundson requested clarification whether the £6.4 million that had been identified for savings actually is this amount, asking is there £900,000 still to be identified; is the savings £5.5 million currently with £900,000 to find, or is the CCG more focussed on £6.4 million? A risk was taken last year that if investment was not made outside the hospital environment, no changes would be able to be made and savings arising from that should come into fruition in 2016/17. Mr Bonson confirmed that £900,000 is still to be identified.

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Mr Bonson commented that the NHS England business rules are yet to be clarified; therefore, it is unclear at this current time whether, in the future, access could be sought for the 1% headroom that has to be lodged and on what basis. Clinical engagement is critical and discussion has been held with the Trust and GP engagement has begun, ie, process across primary and secondary care clinicians regarding pathways, etc, budget reductions for QIPP. The CCG had been discussing alternative contracting/funding mechanisms with key providers. However, given the time constraints, the contract with BTH had been agreed on a PBR basis. Work would continue with providers to see whether it is possible to move to an alternative form of contract later in the year.

Mr Bonson also reported that not all contracts had been signed off by the CCG at this time as some of the estimates were still moving around; Blackpool Teaching Hospitals has signed the contract. Spire has assumed the outturn position and is currently negotiating and agreeing something less than outturn. Mr Harrison has set up a group looking at Fylde Coast work and what is required across the Fylde Coast to generate true cost reductions. Dr Doyle reiterated that we need to think in different terms in order to engage clinicians more effectively.

Dr Doyle confirmed that a letter had gone out to providers in the last few days stating there are very few circumstances where NHS England would approve block contracts for activity. The standard contract being PBR. This can be negotiated, however, a good case is required, plus the provider has to have good case for their regulators.

Pat Crawford explained that this year the CCG has been very transparent where QIPP and activity changes have come from. The CCG has been unable to reach the assured contract conclusion this year. The basis of the PbR contract was outturn with no growth, which had enabled us to trade some of our savings for the growth not applied to the BTH contract.

RESOLVED: That members of the Governing Body approve:

- **The approach taken to operate with a small general reserve fund of £0.4 million this year in order to be able to submit an acceptable plan to NHS England and the Executive Team to be able to resolve any minor adjustments in final contract amounts.**
- **The delegation of the necessary authority to the Executive team to make the necessary changes resulting from discussions with the Board and to submit the final Plan to NHS England.**

That members of the Governing Body note:

- **That the plan does not meet the full Business Rules requirement, notably the 1% surplus requirement (0.5% is planned).**
- **The overall balance identified in the report of recognising additional activity, developments, overall savings required and the need to achieve the control total.**
- **The risks around contract negotiations.**

- **The requirement for a £6.4 million (net) savings programme in 2016/17.**
- **The significant dependency of the savings plan on Vanguard funding.**
- **The need for additional initiatives and savings to be identified to support the position should this be necessary in year (contingency plan).**
- **The intended tightening of financial controls.**
- **Any further comments on this budget, as deemed necessary.**

GB64/16 **Healthier Lancashire Governance Arrangements and Resource Plan**

Mr Bonson reported that a paper had come out of various discussions across the system over the last few months. A large slide pack had been presented to the Governing Body at the March meeting, regarding the history and rational as to why the CCG are moving in this way. At that meeting, the Governing Body accepted the rational and:

- Agreed to the governance and programme arrangements for Healthier Lancashire and confirmed their commitment to working with these
- Noted the proposals for filling the gaps in the .dispersed leadership model and supported colleagues, from within organisations, to come forward and express their interest in the roles.
- Used this as background to support the decision on the resource plan and funding model to be presented by the finance leads separately for agreement.
- Noted that a final paper for public meetings would be provided for meetings in April.

This included a Joint Committee of CCGs which would have some delegated authority to make decisions.

Mr Bonson explained that Paper 1 is purely around establishing a joint committee. As part of earlier discussion, it is recognised and supported that a need is required for a joint committee across the Healthier Lancashire programme. The Governing Body was being asked to consider draft Terms of Reference that have been prepared. All Governing Bodies have been asked to consider; views would be collated/considered from the whole system prior to final version for approval/sign off. CCGs are being asked to agree to the formation of the committee. The Terms of Reference can only be adopted by the Committee at their first meeting.

Members discussed the draft Terms of Reference were discussed as follows:

- Section in 1.5 - need to be clear the primary purpose is on public consultation and decision making on issues purely relating to Healthier Lancashire transformation system. CCGs are to delegate appropriate items to the Joint Committee.
- Section 3 describes the role of the Joint Committee, clarifying the prime role of formal public consultation. Two voting members per CCG would be members of the joint committee and it would be for the CCG to propose members. It is looked to get a mixture of Executive, clinical and lay input into membership.
- Section 7 is a proposal around voting arrangements, should a decision come to a vote. An approval would be more than 75% of the CCGs – every one therefore must be represented, each CCG would therefore have 12.5% of the total vote.
- All meetings would be held in public unless deemed otherwise.
- A formal report would come to CCGs on business, as described in section 12.
- Section on potential withdrawal. Schedule 1 talks in more detail about some of the work that may be delegated to the joint committee by the CCG. Mr Bonson stated there are issues within the proposal which need further clarification and discussion, ie, under services listed,

with separating Blackpool and Blackburn BCFs; currently governance of Blackpool's BCF is not held with the Lancashire wide arrangements. Members agreed the list required revising and clarification. CCGs would be asked to delegate work around managing a programme or consultation; anything delegated to the joint committee would still require requests to be sent to all CCGs asking if can delegate formally. A CCG could not be forced to delegate.

Dr Doyle clarified that if the CCG Governing Body agrees to delegate a decision, eg, about stroke reconfiguration, the CCG must uphold the decision of the Joint Committee. Some reconfigurations would be difficult and must happen for clinical outcome or cost reasons; there would be no time to negotiate nearing completion of the work. It was clarified that all work delegated to the Joint Committee would be work that the Governing Body feels could be undertaken at a pan Lancashire level. The Joint Committee would be a commissioning body.

Mr Raphael expressed his thoughts that when a consultation is decided, a case for change would have to be built and the necessary work to support undertaken. Central control would be required to enable proposals to stand up to legal scrutiny.

Healthier Lancashire is committed to whole system working, therefore, other stakeholders have input into the way things will happen in future. It would be the CCGs decision as to what to delegate. From a legal point of view, if the Joint Committee of CCGs is established, CCGs would need to recognise other stakeholders views.

RESOLVED: That members of the Governing Body agreed their support to establish a Joint Committee of CCGs.

Mr Bonson would respond and feedback today's discussion to Healthier Lancashire, on the understanding that the final Terms of Reference would come back to Governing Bodies for approval and providing feedback to the points above. Representatives are not required to be agreed at this stage. **ACTION: DB**

Resource Plan – Mr Raphael explained that the figure for a programme of this size has been identified as £4m, however, this is not all made up from extra cash; some costs would be required to be covered from existing staff as 'contributions-in-kind'. It was queried whether some of the work undertaken by the CSU, etc, could be changed to support Healthier Lancashire. Mr Raphael confirmed that he was working with the CSU to achieve this. CCGs have been asked to cover the core programme costs and would be asking NHS Trusts to make a specific contribution. Local authorities have not yet agreed to make contributions; Mr Raphael has arranged to meet with Blackpool Council's Chief Financial Officer next week to discuss. Healthier Lancashire and South Cumbria was seeking transformation funding of £280m for the programme. Concern was raised as both Providers and Council's are struggling financially. It was confirmed that the CCGs contribution towards this could not come from the 1% headroom.

RESOLVED: The Governing Body agreed to the following recommendations:

- Noted the role of the Finance and Investment Group in assuring the effective use of financial resources by the Healthier Lancashire and South Cumbria programme.
- Supported the overall approach to resourcing the Healthier Lancashire and South Cumbria (STP) programme.
- Approved the cash contributions as mentioned above.

GB65/16 **Any Other Business**

(a) **Extensivist Model Roll Out –** It was confirmed that this would roll out to the South of Blackpool in mid-April. All relevant practices had been contacted.

GB66/16 **Date, Time and Venue of Next Meeting**

The next meeting would be held on Tuesday, 3 May 2016 at 1.00 pm in the Boardroom, Blackpool CCG.

EXCLUSION OF THE PUBLIC

"That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest".

(Section 1(2) Public Bodies (Admission to Meetings) Act 1960).

Minutes approved as a correct record.

CCG Chairman ***.....***

Date ***.....***