

Meeting of the Governing Body

Summary sheet

Date of meeting: 1December 2021

For: Public session (Part 1)

For: Information

Agenda item: Chairs report Finance committee

Author(s): John Yarnold

Presented by: John Yarnold

Lead director/GP from CCG: Clare Bryan

Clinical lead: Francis Old and John Garmin

Executive summary

Finance report

The committee received the finance report and noted that despite the new fixed envelope financial regime NHSKernow financial position was better than plan by £282k.

Risk assurance framework

The committee were advised by Jess James that there were a number of risks that were being reassigned to this committee from Quality as there was little risk of patient harm so these were thought to still present a performance risk. These had been passed over in the first place as there was little chance in the pandemic of improving on current performance levels. The committee asked that these be rescored for risk as the impact currently recorded represented patient harm risk.

The risk about SLS costs, following recent discussions and an unexpected invoice for £1.8 m for 2019/20 was considered to be much higher with an impact of 5 and probability of 4 so would need to be included in the report to the GB next month.

In previous months we had highlighted the fact that the actions and control listed on 62 day treatment target in UHP were insufficient to reduce the risk so we asked for a full report on UHP proposals. We had the benefit of a full report on the actions being taken by UHP to expand capacity in diagnostics reduce administrative delays through the appointment of pathway co-ordinators and address capacity issues in beds and theatres. These proposed actions will be captured in the risk register and progress monitored by the team and the committee will keep a close eye on this item over coming months.

BCF update

The report covered the final submission on 2019/20 to the centre for information and also a report on Q2 2020/21. It was noted that the detailed financial plan for this year had not yet been agreed, partly due to the fact that national guidance has not been published but there were planned elements such as the GSW for £1.8m that were not included in the iBCF and are being covered non recurrently through Covid funding. This together with the agreement on shared of the SLS remain unresolved for this year and future years.

Performance reporting

The committee raised a number of issues around OP performance in RCHT in particular the low level of virtual appointments compared to other hospitals and the increase in FU ratios. John Groom advised the committee that the OP transformation group are addressing these issues and the committee looked forward to seeing an improvement in these figures going forward.

The level of E Coli and C Diff cases increasing was raised in the light of the changes in infection control , the trust responded saying the increase possibly driven by increased antibiotic prescribing, difficult to say whether this explains the increase or not.

The report continues to show reduction in dementia diagnosis and referrals to memory clinic and it seems that the data is not being picked up in the report so we will await future month's figures when this has been corrected.

Recommendations and specific action the Governing Body needs to take at the meeting

The committee is asked to:

1. Note the report set out above
2. Receive a further update in January 2021.

**Minutes of the Finance Committee
held at 13.30hrs on Tuesday 29 September 2020, via MS TEAMS conference call
due to COVID-19 pandemic**

Members:	John Yarnold (Chair)	Lay Member for Fiscal Management
	Clare Bryan	Chief Finance Officer
	John Garman	GP & KCCG Governing Body Lead
	Francis Old	GP & KCCG Governing Body Lead
In attendance	Jess James	
	Sarah Jenkin	Deputy Director Finance
	Sam Cox (Minutes)	PA to Chief Finance Officer
Apologies	Helen Charlesworth-May	Chief Officer

FPC2020/079	<u>Welcome and Apologies</u>
	John Yarnold welcomed all to the meeting, held via MS Teams due to COVID-19 pandemic.
FPC2020/080	<u>Conflicts of Interest</u>
	<p>Declarations of Interest made by members of the Finance Committee were circulated with the Agenda and supporting papers. The full Declaration of Interest Register is available via the Corporate Governance Team.</p> <p>John Garman advised he is the CCIO for NHS Kernow and will check with Trudy Corsellis if a DOI form is required to be completed.</p> <p>John Yarnold noted MBI Healthcare has been rebranded MBI Technologies. John Yarnold to request this DOI is removed from the register as no longer valid.</p>
FPC2020/081	<u>Minutes from the Finance Committee meeting held on 25 August 2020</u>
	<p>The minutes of the meeting held on 25 August 2020 were agreed and signed as a correct record.</p> <p>Action Grid: The Action Grid was reviewed and updated.</p> <p>Matters arising: There were no matters arising.</p>
FPC2020/082	<u>Finance update - month 5 including COVID-19 expenditure update:</u>
	<p>As reported previously, NHS Kernow continued to operate within the financial framework which covered the first half of the year up to 30 September 2020. Under this regime, NHS Kernow, subject to NHSE/I approval can receive retrospective monthly top up funding to cover any overspend arising from the impact of COVID expenditure. This results in NHS Kernow's financial position being brought back retrospectively to financial balance. The framework ceases in October and for the second part of the year will be required to operate along with system partners within a fixed funding envelope and as a result local expenditure plans are being considered. Further clarity on non-recurrent allocations are expected towards the latter part of the</p>

	<p>year. The financial plans covering October 2020 to March 2021 are due to be formally submitted on 5 October 2020 for system level and on 22 October for organisational level.</p> <p>Clare Bryan noted the meeting scheduled on 30 September had originally been scheduled to sign off the funding, but will now focus on priorities and affordability of clinical risk, this will require to be reworked before the financial plan is reviewed. Clare noted a feedback meeting with NHSE/I had been scheduled for 30 September.</p>
FPC2020/083	RAF
	<p>Jess James joined the call at 13.50. Risks are reviewed and updated on a regular basis. There are 13 red corporate risks owned by the Finance and Performance Committee. Of these risks, there were a number with little possibility of improvement to performance, but remained on the register as there was a risk of possible harm to patients. As a result the committee asked for the following risks to be allocated to the Quality Committee to action:</p> <ul style="list-style-type: none"> • RR4948: There is a risk SWAST do not achieve the national ambulance response times leading to an un-assessed clinical risk, poor patient safety/experience and reputational harm. • RR4108: There is a risk that ambulance turnaround at RCHT and PHT falls outside national expectations putting patient care at risk and resulting in failure of a key target. • RR6067: There is a risk that UHP are unable to see and treat/admit/discharge people attending their ED in a timely and effective manner and move closer to achievement of the constitutional standard of a four hour maximum wait in A&E. • RR10706: Risk NHS Kernow and providers are unable to restore elective inpatient and day case activity to the levels required by national guidance following C-19 and subsequently unable to restore and improve performance against national Referral to Treatment (RTT) and 52 week wait targets which impacts on patient safety, experience, performance and reputation. <p>The committee agreed to ask the Governing Body to accept the following risk as there is no further action to be taken, noting the risk is a cost pressure that NHS Kernow has not ability to influence or change and remove from the register:</p> <ul style="list-style-type: none"> • RR10648: Risk external pricing issues – particularly NCSO price concessions and Cat M adjustments will counteract and cancel savings made by GP practices and the Medicines Optimisation team and create a significant additional financial cost for NHS Kernow. <p>The committee agreed to reduce the likelihood of the following risk to a one, reducing the overall score to four as the current contracting arrangements are suspended:</p> <ul style="list-style-type: none"> • RR10704: Risks that fines levied by NHS Kernow are providers as a risk of 52 week waits result in significant loss of money to both the CCG and the wider system leading to impacts on financial balance. <p>The committee requested a detailed review from John Groom on: RR10711: UHP day cancer performance.</p> <p>ACTION: John Groom to provide an update on RR10711 as the October meeting.</p>
FC2020/084	2020/21 Performance Reporting month 2 (May)
	<p>Sarah Jenkin joined the call at 14.15hrs and provided an update to the committee on the work carried out since the August meeting.</p>

	<p>UHP:</p> <ul style="list-style-type: none"> • Elective care at UHP was recovering faster than RCHT. This is due to UHP having more access to IS providers. • 62 day cancer treatment: performance was not improving and clarification of the cause was not clear. John Groom will be attending the joint review meeting scheduled with Devon CCG and an update to be given at the October meeting. • UHP ED: reduction in performance is due to lack of flow due to bed capacity. A more comprehensive update to be provided to the October meeting to include the reasons for high bed occupancy as it is not clear if this is due to internal factors or lack of capacity in the hospital discharge programme. • UHP Stroke: reduction in performance due to delays in diagnosis or late notification. A further review required next month. <p>RCHT</p> <ul style="list-style-type: none"> • Never events: The committee requested an update on the work being undertaken following the recent cluster of never events reported.
FC2020/085	Future agenda planning
	<ul style="list-style-type: none"> • Clare Bryan to prepare a forward plan for 2020/21 for review at the October meeting.

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Signed by the Chair.....

Dated.....

Minutes of the finance and performance committee

27 October 2020

1.30pm

MS teams

Attendees

- John Yarnold, chair and lay member for fiscal management
- Clare Bryan, chief finance officer
- Fran Old, GP and governing body lead
- Sam Cox, pa to chief finance officer and minute taker

Apologies

John Garman, GP and governing body lead

Minutes from the meeting

Item FPC2020/092 – welcome and apologies

John Yarnold welcomed all the meeting held via MS teams due to COVID-19 pandemic.

Item FPC2020/093 – declarations of interest

Declarations of interest made by members of the finance and performance committee were circulated with the agenda and supporting papers. The full declaration of interest register is available via the corporate governance team.

There were no new declarations of interest made.

Item FPC2020/094 – Ratify minutes of meeting held 29 September 2020

The minutes of the meeting held on 29 September 2020 were agreed and signed as a correct record.

Action grid: The action grid was reviewed and updated.

Matters arising: there were no matters arising.

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Item FPC2020/095 – Finance update: month six including COVID-19 expenditure

As previously reported, the 2020/21 financial regime changed at the end of September 2020. Up to month 5, NHS Kernow has received top up funding totalling £7.3m bringing it back into financial balance and the CCG's in-month position for September showed a deficit of £1.03m and this will be the last month, subject to NHSE/I approval the CCG will receive 'top-up' funding to bring back to balance. From October onwards, the CCG will operate with a fixed envelope along with system partners and will be allocated a system pot of funding to cover core spend, provider top-ups, COVID-19 related costs and some very limited growth, but all with the total envelope.

The funding of the hospital discharge scheme (HDP) which came into effect on 1 September has changed and closed to all new discharges, although funding will continue to be available to support until relevant assessments are completed up until 31 March 2021. After this date, discharges can access funding under the new HDP2 programme, but is limited to a maximum of 6 weeks during which time any CHC eligibility or care act assessments are expected to be made.

Item FPC2020/096 – Planning month 7 to 12

Clare Bryan reported the system plan submitted on 20 October had been signed off by system chief executives. The plan had been refined based on feedback received by NHSE/I which addressed the regional ask for a c£12m improvement on the plan submitted on 5 October 2020. The system forecast financial plan showed a c£7m gap delivering a compliant delivery plan before £1.5m of elective incentive scheme income loss, amounting to a £8.4m deficit for remainder of the year. The represented 3 exceptional items:

- loss of normal non-NHS income to 19/2020 levels (this includes parking)
- Impact on increased annual leave accrual
- Elective incentive scheme income loss

Cornwall was one of only 3 STPs in the south west to submit a balanced plan based on the requirements detailed in the letter from Sir Simon Stevens. To note, the plan was not compliant on IAPT due to the impact on Outlook south west exiting the market last year.

It was important to note the exclusions:

- No revenue costs have been included for additional critical care beds;
- No additional revenue costs have been included for the Progressive Recovery Unit.
- No revenue costs have been included for additional domiciliary care packages not funded by HDP. However, CFT are undertaking a pilot for domiciliary care for carers living in people's homes to help care in the system, but it is not clear if this model will be funded as part of HDP.

- No additional costs associated with Newton Europe beyond end of October

Clare Bryan noted an ambitious plan had been put in place, noting there was a risk of non-delivery rather than overspend and noted the key risks which included:

- System funding provided for 2020/21 is non-recurrent
- Assumed additional funding may not be secured (aging well and NHS 111)
- Savings may not be delivered due to limited opportunity/capacity in current environment.
- Prescribing (further risks due to COVID-19/Brexit leading to higher prices)
- Availability of workforce
- Operational pressures around escalation into next year including winter planning
- Residual trading risks with Council/CFT/CCG
- Perceived productivity reduction at RCHT: cost to provide same level of activity and inability to provide same level of activity

John Yarnold thanked Clare Bryan for the report. To avoid duplication, in future, this report to be reviewed by Finance and Performance Joint Assurance Committee (JAC) and presented to the SEG for oversight.

In future this report will be reviewed by F&P JAC rather than F&PC. There a number of different forums looking at different elements of information and SEG also have oversight of the reports.

Palliative care has been identified as a risk. Cornwall Hospice have lost significant amount of charitable income due to pandemic and have been supported by the national hospice charity but this support ended at the end of September. The hospice have been signposted to RCHT and the CCG for help which may need to be addressed in the future.

The Committee recommend this report to the Governing Body to ensure sighted on the caveats, assumptions and level of risk.

Item FPC2020/097 – Risk and assurance framework (RAF)

Jess James joined the call at 2.15pm.

Risks are reviewed and updated and updated on a regular basis. Jess noted there were 4 live risks owned by the Finance and Performance Committee, but no draft risks, risks for removal or new risks to highlight this month.

RR:10711 UHP cancer performance: John Groom to be invited to join the November meeting to provide an update on cancer services following a number of questions asked by John Yarnold on this service.

RR: 10676 overall cost of the SLS cohort increasing, leading to adverse impact on financial performance. It was noted an update was not available on this risk and Jon Price to be invited to the November meeting in order to provide an update as this risk was established in 2019.

Action: Jon Price / John Groom to be invited to attend

RR10779: Insufficient governance and rigour to deliver actions identified as part of grip and control self-assessment. This risk has been removed from Trudy Corsellis portfolio, but it was noted Kevin Goater is unable to manage this risk as he is a contractor outside of the IR35 legislation, as a result, Clare Bryan to review and allocate to an appropriate manager.

Item FPC2020/098 – 2020/21 Performance reporting month 5 (August)

Sarah Foster joined the call at 2.25pm. Sarah noted she had not been able to obtain answers to the questions posed by John Yarnold in advance of the meeting. In future, Sarah will be asking colleagues to prepare exception reports in advance of November's meeting.

John Groom to be invited to provide an update on the following:
Elective care; 62 day cancer treatment; and 52 week wait.

Sarah Foster noted all 3 system organisations create a performance report which could cause duplication within and advised Paul Cooper was keen to move to a system reporting structure with only one report produced for each individual item, produced by the BI team and used across the system. Sarah Foster noted this report would not be available immediately and there would differing views to manage. However there is a statutory obligation to publish the CCG scorecard and answer any questions raised.

Action: Sarah Foster to liaise with Paul Cooper in order to take this piece of work forward in order to avoid duplicating reports in the system.

Item FPC2020/099 – Better care fund (BCF) update

Item deferred to the November meeting.

Action

Jon Price to be invited to attend the November finance and performance committee to provide an update on BCF.

Final copy for ratification

Signed by the chair:

Date: