

## Governing Body Public Meeting

29 January 2015  
Agenda Item No: 10.2

<b>TITLE OF REPORT:</b>	Finance, Contracting and QIPP (FCQ) Committee Summary Report
<b>PURPOSE OF REPORT:</b>	This report provides a summary of business considered at the Finance, Contracting and QIPP Committee held on 29 December 2014.
<b>KEY POINTS:</b>	The Finance, Contracting & QIPP Committee agenda covered the following areas:  Finance Monitoring Report (Month 08) Contracting & Procurement Update Programme Management Office QIPP Report FCQ Risk Register Review
<b>RECOMMENDATION TO THE GOVERNING BODY:</b>	The report is for assurance only.
<b>GOVERNING BODY ACTION REQUIRED:</b>	Assurance
<b>REPORT WRITTEN BY:</b>	Tony Gallagher, Chief Finance Officer
<b>REPORT PRESENTED BY:</b>	Tony Gallagher, Chief Finance Officer
<b>REPORT SIGNED OFF BY:</b>	Tony Gallagher, Chief Finance Officer
<b>REPORT PRESENTED AT FOLLOWING COMMITTEES</b>	
<b>TIME REQUIRED</b>	

The CCG has a duty to promote the NHS Constitution. Please indicate which principles of the NHS Constitution this report supports	
The NHS provides a comprehensive service available to all	n/a
Access to NHS services is based on clinical need, not an individual's ability to pay	n/a
The NHS aspires to the highest standards of excellence and professionalism	n/a
The NHS aspires to put patients at the heart of everything it does	n/a
The NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population	n/a
The NHS is committed to providing best value for taxpayers' money and the most effective, fair and sustainable use of finite resources	Yes
The NHS is accountable to the public, communities and patients that it serves.	Yes

**Positive general duties - Equality Act 2010**

The CCG is committed to fulfilling its duty under the Equality Act 2010 and to ensure its commissioned services are non-discriminatory. This report is intended to support delivery of our duty to have a continuing positive impact on equality and diversity  
 The CCG will work with providers, communities of interest and service users to ensure that any issues relating to equality of service within this report have been identified and addressed

Please indicate if there have been any equality of service issues identified in this report	No
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## 1 Finance Monitoring Report – Month 08 2014/15

The Chief Finance Officer informed members that he had received a draft internal audit report on Budgetary Control and Financial Reporting review which includes monitoring reports. A suggestion made is that the FCQ Committee sees the report before it goes to the Governing Body. The CFO's preference was after Governing Body and he asked for the Chairman's thoughts who said that his preference was to remain with the current reporting timetable as there is sufficient scrutiny.

The Chief Finance Officer presented the Month 08 report and confirmed that Walsall CCG was still on target to achieve the revised planned surplus of £5.1 million although things were getting tighter.

Items highlighted were:

- NHS Property Services (NHSPS) – in the previous financial year 2013/14 the CCG's expenditure forecast was increased mid-year which the CCG was able to accommodate. This year, 2014/15 NHSPS are undertaking an exercise to ascertain appropriate billing for use of properties, particularly bookable space, where utilisation has reduced and there is a potential risk therefore that the CCG would become responsible for these costs. The Chairman asked why and the CFO responded that the CCGs are seen nationally as the only organisations with any financial flexibility. The CFO said the cost of property has gone up tremendously as has associated admin cost and the risk of additional assigned void space in buildings. He has a meeting scheduled with NHSPS to discuss this. The value of the risk could be £300k. If the CCG's position worsens, then the CCG will review its non-recurrent expenditure plans particularly with Walsall Healthcare NHS Trust – no money will be released to them until the CCG has received detailed plans.
- CHC Legacy Provision – this is the cost of CHC cases that predates the CCG but the CCG will ensure that these are funded. Because the cases are taking longer to reach agreement, it is possible that they may overlap a number of years before settlement and only claims settled in-year will be charged to this financial year. This will lead to a refund of our contributions which may improve our bottom line.
- Primary Care Personal Care for the over 75's at £1,328k – there has been some helpful discussions around clawback.
- Estimated Penalties are £1m – in reality they currently exceed this sum. The CFO met with the NTDA to discuss this.
- The final three items on the recurrent reserves list relate to winter monies.
- Prescribing – forecast overspend of £1.5m.
- Walsall Healthcare NHST – overall to date WHNHST is under performing by 1% and the CCG expects them to break even.
- Vascular surgery at Dudley Group of Hospitals continues to be a risk. Further information was required e.g. what original contract was set for; if there were any repeat admissions; what the average length of stay is?

The report was received.

### 3 **Contracting and Procurement Update**

The Contracting and Procurement update report on activity undertaken since the previous meeting was received by the Committee.

Key development activities include:

- Contracting and Procurement Strategy – The consultation process is due to commence shortly.
- Commissioning Support – SLA and specifications being finalised. The Head of Contracting & Procurement is an evaluator for lead provider framework.
- Section 75 Agreement with the Local Authority – Meeting being arranged following latest guidance on Section 75 and Better Care Fund.

#### **C&P Team**

- Senior Contracts and Procurement Manager appointed.

#### **C&P Activity**

##### **Acute and Community Contract (Walsall Healthcare NHS Trust)**

- RTT – discussions ongoing re use of private capacity and on how GPs can assist with identification of patients.
- Breached November A&E trajectory so issuing First Exception Report
- Proposing to issue Information Breach
- RAPs for diagnostic waits and 62 day cancer being monitored.
- Readmission audit in process – phased approach.
- Total fines to date £1.8m excluding RTT incomplete that have been waived in September £700k.

##### **Management of Non-NHS Contracts**

- Badger Contract - A&E streaming extended to weekends.
- St Giles Contract – Discussions held re social care and hospital at home. Agreed to prioritise Staffordshire.

##### **Preparation of 2015/16 Contracts**

- Commissioning Intentions issued.
- Planning advice received.
- Negotiation meetings arranged.

##### **Procurement Activity**

- AQP diabetes re-opened and bids being evaluated.
- Urgent care procurement commenced – briefing meeting to be held on 8<sup>th</sup> January.
- PADs procurement – PQQs evaluated.
- MCA/DOLs training procurement commenced but no expressions of interest received.

**4 Update on Proposed 111 Procurement Process**

A procurement exercise for a replacement 111 service is to be conducted on behalf of all West Midlands CCGs led by Sandwell & West Birmingham CCG with the intention of the new service being in place by September 2015.

The FCQ Committee approved the recommendations within the report i.e:

- 1 Agreement to the principles within the report
- 2 Approval to prepare and deliver Supplier Briefing Event
- 3 Approval to continue to review and develop the Service Specification
- 4 Approval to prepare to issue a Contract Notice to advertise the procurement

**5 Contract Preparations 2015/16**

A paper entitled 'Contracting Process for 2015/16' showing the Spend Analysis of 2014/15 Contracts; Contracting Process 2014/15; and Key Principles for 2015/16 Contracts was received for information.

**6 PMO QIPP Report**

The Month 06 QIPP report was received which shows QIPP savings to date of £2,740k against a year to date target of £2,999k. The 2014/15 forecast of achievement is currently £5,281k against the full target of £5,998k.

Five schemes are currently at risk of not achieving target:

- Obstetrics & Gynaecology
- Ophthalmology
- Ring Pessaries
- Cardiovascular
- Medicines Management

Further work is required to verify the data produced from Lorenzo.

**7 FCQ Risk Register**

The FCQ Risk Register was updated.

**8 Local Commissioned Services Appeals Procedure**

This new procedure was ratified by the Committee.