

**Meeting of the Governing Body  
Summary Sheet  
Date of Meeting: 04/04/2017  
For: Public session (Part 1)  
For: Information**

<b>Agenda Item and title:</b>	Finance Committee – Chair’s Report
<b>Author(s):</b>	John Yarnold, Sam Cox
<b>Presented by:</b>	John Yarnold
<b>Lead Director/GP from CCG:</b>	Simon Bell
<b>Clinical Lead:</b>	

**Executive summary:**

The Finance Committee provide monthly reports to the Governing Body in order to provide assurance and general updates on the work of the Finance Committee.

The Finance Committee meets regularly on the last Tuesday of each month.

The Minutes of the meeting held on 28<sup>th</sup> February 2017 have been submitted to Governing Body members for information.

Agenda items discussed were:

**Risk and Assurance Framework:** Noted.

**Month 11 Finance Report:** Position broadly in line with previous months. As agreed with NHS England the formal forecast outturn has been amended to reflect the fact the 1% headroom can be offset against the financial position and therefore the forecast outturn has been amended to £53m.

**Update on 2017/18 Plan Submission:** No change on previous months. Still awaiting signoff from NHS England which is expected in early April.

**CCG Accounts 2016/17:** Timetable as follows:

- 31<sup>st</sup> March - year End soft ledger close
- 26<sup>th</sup> April - submission of draft (unaudited) accounts by NHS E by 09.00am
- 27<sup>th</sup> April - External Audit on site
- 23<sup>rd</sup> May - Accounts presented to Audit Committee for review
- 30<sup>th</sup> May - Extraordinary GB meeting to approve accounts on the recommendation of Audit Committee.

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

The Governing Body is requested to:

Note the Finance Committee update and the Minutes of the meeting held on 28<sup>th</sup> February 2017.

<b>Evidence in support of arguments:</b>	Update to Governing Body
<b>Who has been involved/contributed:</b>	As noted above
<b>Cross Reference to Strategic Objectives:</b>	Financial turnaround
<b>Engagement and Involvement:</b>	Finance Committee
<b>Communications Issues:</b>	Update to Governing Body
<b>Financial Implications:</b>	As noted
<b>Review arrangements:</b>	None
<b>Risk Management:</b>	As noted
<b>National Policy/ Legislation:</b>	None
<b>Public Health Implications:</b>	None
<b>Equality &amp; Diversity:</b>	Update to Governing Body
<b>Other External Assessment:</b>	None
<b>For use with Private and Confidential Agenda items only</b>	
<b>FOI consideration – Exemption*</b>	<b>Qualified /Absolute*</b>
<b>None - item may be published</b>	<b>None - item may be published</b>
<p>If exemption is qualified then public interest test required. Check to see if the public interest in the information being released outweighs the exemption being used and record your consideration here to justify inclusion on the private and confidential agenda. Note the Information Commissioner states that there is a general public interest in transparency. For advice, contact <a href="mailto:KCCG.FOI@nhs.net">KCCG.FOI@nhs.net</a></p>	

FC201617/074

**Minutes of the Finance Committee  
held at 12.30pm on Tuesday 28<sup>th</sup> February 2017, in  
Cade meeting room, Sedgemoor Centre, St Austell**

<b>Members:</b>	Francis Old (Chair)	GP & KCCG Governing Body Lead
	Dr Rob White	GP& KCCG Governing Body Lead
	Judy Duckworth	GP & KCCG Governing Body Lead
	John Yarnold	Lay Member for Fiscal Management
<b>Attendees:</b>	Simon Bell	Chief Finance Officer
	Jackie Pendleton	Interim Chief Officer
	Iain Chorlton	NHS Kernow CCG Chair
	Kathryn Hudson	Director of Integrated Care (Community)
	Nick Jenkin	Head of Finance
	Chris Blong	Lay Member for Governance, Audit & Deputy Chair
	Sam Cox (Minutes)	PA to Chief Finance Officer
<b>Apologies:</b>	Anthony McKeever	Turnaround Director

<b>FC201617/091</b>	<b><u>Welcome and Apologies</u></b>
	<p>Francis Old welcomed John Yarnold to the meeting. John Yarnold has been appointed as the Non-Executive Director for Finance, and will be taking over as Chair of the Finance Committee from March 2017. John is also a member of the Governing Body. Francis Old also welcomed Chris Blong, who attended in his role as Chair of the Audit Committee.</p> <p>Francis Old thanked members for their continued support to him as Chair of the Finance Committee adding 2017/18 will be a challenging year.</p>
<b>FC201617/092</b>	<b><u>Conflicts of Interest</u></b>
	Francis Old, Rob White and Iain Chorlton declared a financial interest for the Dressing Procurement item under Part 2. Noted.
<b>FC201617/093</b>	<b><u>Minutes from the Finance Committee meeting held on 31<sup>st</sup> January 2017</u></b>
	<p>For consistency across all Committee minutes, Jackie Pendleton requested Finance Committee members and attendees be listed separately. Noted.</p> <p>There was a requirement to be consistent with abbreviations, in particular Cornwall Foundation Trust (CFT) and Cornwall Partnership Foundation Trust (CPFT).</p> <p>The minutes of the meeting held on 31<sup>st</sup> January 2017 were agreed and signed as a correct record.</p> <p><b>Action grid:</b> 009: Moved to Part 2 Action Grid</p>

	<p><b>063:</b> Edward Hain: On-going  <b>077:</b> Estates: On-going  <b>076:</b> Closed</p> <p><b>Matters arising:</b> Jackie Pendleton questioned why the Continuing Health Care report had been included under Part 2. Francis Old advised this was due to the nature of the decisions required to be made prior to being made public. Noted.</p>
<b>FC201617/094</b>	<b>Risk and Assurance Framework (RAF)</b>
	<p>The Finance Committee considered the RAF report and requested the following High Amber Risks be removed from the Risk Register:</p> <p><b>RR7032:</b> The Turnaround Director is now in place  <b>RR4164:</b> The CHC risk has been subsumed within RR7038 as the risk relates to savings requirement.</p> <p><b>RECOMMENDATION:</b> The Finance Committee were content for Risks RR7032 and RR4164 to be included in the Governing Body report for removal/approval.</p> <p>The Finance Committee also requested RR7038 be closed (risk of not meeting £26.6m FRP savings target) and a replacement risk regarding the size of financial savings needed for the 2017/18 financial plan to be created.</p> <p><b>ACTION:</b> The request to close RR7038 to be presented at the April Governing Body meeting.</p>
<b>FC201617/095</b>	<b>Individual Funding Requests</b>
	<p>The Finance Committee received the IFR update and noted the contents. The Finance Committee continued to be assured robust processes were in place.</p>
<b>FC201617/096</b>	<b>Finance Report: Month 10</b>
	<p>Francis Old welcomed Nick Jenkin, Head of Finance to the meeting.</p> <p>Nick Jenkin provided an update on Month 10, noting the position remained broadly in line with previous months, although as agreed with NHS England, the formal forecast outturn position had been amended to reflect issues previously disclosed as unmitigated net risk. The headline outturn position had increased by £7.83m from a reported deficit of £53.7m to £61m with a corresponding reduction in net risk from £7.83m to zero. This means that the CCGs risk assessed outturn has remained unchanged from Month 9.</p> <p>Nick Jenkin also requested an amended be made on the In-Year performance deficit on Month 10. The figure should read £46,296.</p> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Royal Cornwall Hospital Trust (RCHT) continues to be a monthly risk as remain on a variable contract.</li> <li>• Prescribing: The year on year growth rate has been converging with the national growth rate, but continues to overspend on budget, work continues to explore savings opportunities and improvements are starting to be seen. .</li> <li>• CHC: continues to be the focus of concern. It was noted that the profile of savings in the original plan was targeted towards the end of the year and there has been some slippage on these schemes.</li> <li>• Mental Health Out of County: Numbers fluctuated throughout the year with</li> </ul>

	<p>an escalation in numbers in July, but this appears to have been summer trend only.</p> <ul style="list-style-type: none"> <li>• A VAT refund of £720k continues to be chased.</li> </ul> <p><b>Running Costs:</b> A saving of £1.5m had been delivered in back office functions in year.</p> <p><b>QIPP:</b> The forecast remained as at Month 9.</p> <p><b>Underlying recurrent position:</b> At month 10, the CCG was spending £35m more than have income; this equates to approximately £100k a day. This is a considerable problem and an important message to be reported to the public.</p> <p>Francis Old thanked Nick Jenkin for his report.</p>
<b>FC201617/097</b>	<b>Living Well Feasibility Report</b>
	<p>Kathryn Hudson provided an update to the Finance Committee. Commissioning Better Outcomes was a national initiative to think about how to commission differently and to achieve better outcomes and it was planned to be developed through a CBO project board, which included Cornwall Council, CCG and provider organisations and the South West Academic Health Science Network (SW AHSN).</p> <p>At the Governing Body meeting in May 2016, a review was requested to be carried out in order to understand the position on the Commissioning Better Outcomes (CBO) work. This was considered in a paper presented at the July 2016 Governing Body meeting.</p> <p>The Commissioning Better Outcomes work was planned to be developed through a CBO project board with representation from Cornwall Council, CCG, provider organisations and the South West Academic Health Science Network (SW AHSN). In July 2016 the status of the plan indicated there was still work to be completed on the methodology and data analyses by the SW AHSN) which would be required to complete the business case. A final feasibility report was submitted to the CCG in September 2016. The feasibility report was reviewed by the Network Leadership Group (NLG) on 8<sup>th</sup> November 2016, where it was noted there were positive elements to Living Well, but no strong evidence of cash savings from the programme.</p> <p><b>RECOMMENDATION:</b> The Finance Committee considered the feasibility report and supported the following recommendations:</p> <ul style="list-style-type: none"> <li>• To not support the investment of £8.4m per annum to roll-out Living Well on the basis of the outcomes of the feasibility report.</li> </ul> <p><b>NOTE:</b> The CCG had heard the qualitative benefits described around the Living Well approach and recognised that in other areas there were benefits in looking at a coordinated approach around specific cohorts of patients with long term conditions and these should be considered as an outcome as part of the STP.</p>
<b>FC201617/098</b>	<b>Date of Next Meeting</b>
	The Finance Committee meeting will be held on Tuesday 28 <sup>th</sup> March 2017 in Cade Meeting Room.

**FINAL COPY FOR RATIFICATION**

Signed by the Chair.....

Dated.....