BARNET LONDON BOROUGH

NHS Barnet Clinical Commissioning Group

Minutes from the Health and Well-Being Board – Financial Planning Group
Friday 13th December 2013
NLBP
9.30 -11.30am

Present:
(KK) Kate Kennally (Chair), Director for People, London Borough of Barnet (LBB)
(JM) John Morton, Chief Officer, Barnet Clinical Commissioning Group (CCG)
(MOD) Maria O'Dwyer, Director for Integrated Commissioning, Barnet CCG
(DW) Dawn Wakeling, Adults and Communities Director, LBB
(MK) Mathew Kendall, Assistant Director, Adults & Communities, LBB
(HMG) Hugh McGarel-Groves, Chief Finance Officer, Barnet CCG

In attendance:
(NS) Neil Sartorio, Director, Ernst & Young (E&Y)
(JB) James Beard, Senior Consultant, E&Y
(HS) Helen Sunderland, Senior Manager, E&Y
(KA) Karen Ahmed, Later Life Lead Commissioner, LBB
(AD) Anisa Darr, Head of Finance, LBB
(CM) Claire Mundle, Policy & Commissioning Advisor, LBB

Apologies:
(JH) John Hooton, Assistant Director of Strategic Finance, LBB
(EW) Edith Wellwood, Advisor, E&Y

	ITEM	**ACTION**
2.	**<u>Update on actions</u>**	
	MK- The shared care record has not yet gone as a paper to the Council's Customer and Information Management Board but will go as a paper in the New Year	**MK**
	MOD- Maria will take forward Ian Fisher's action to identify a lead at the CCG to take forward the review of the shared care record from the previous meeting	**MOD**
	MK- Section 256 paperwork was signed off by DW and JM and submitted to NHS England (NHSE). MK understood that NHSE need to confirm they are happy with the submission before we can begin invoicing. KK suggested we should start invoicing NHSE for the money. MOD agreed to follow this up and report back to the group. DW to prepare invoice.	**MOD/ DW**
	DW raised that winter pressures funding has not yet been received, and said both organisations were now running at risk as a result. JM advised the money may go to Barnet and Chase Farm hospital.	

	MOD- MOD & KJ have not yet written a S75 schedule yet for spend of 700k. MOD said work had focused on contract variations with CLCH so far and that they were working to complete this work by end Jan 2014. MOD & JM will pick up with AD what the actual spend on reablement will be.	**MOD, JM, AD**
3.	**Section 256 Spend** MK reported a £0.5m underspend and a total of £1.2m uncommitted spend of the S256 monies this year. He said he would be taking forward discussion about how to carry over this underspend/ the uncommitted funds with MOD and AD. HMG flagged that the CCG is also forecasting an unanticipated non-recurrent surplus at year end. HMG to discuss further with AD a joint approach to carry forward any underspend, to support integration. DW/ MK explained that the high level of uncommitted funds is the result of an expectation of full year spends and a reality of time lags with recruitment and tendering processes. KK reflected that this meant the group needed to factor in the right resources/ capacity to deliver work at scale and pace in future. MOD updated the group that there should now be some spend against the children's budget line and also against rapid response. DW raised that some of the money is used to cover core social care costs, and that she was starting to see pressure in areas such as mental health, learning disabilities and dementia. She said the group may need to decide to use some of the S256 underspend to fund these pressures. KK suggested we needed to understand our historic S256 underspend so that we could make future assumptions about what will be spent in year. HMG and AD agreed to pick this up, to help the group agree some principles over S256 spend in future.	**MK, MOD, AD** **HMG/AD** **HMG, AD**
4.	**LBB contribution to future joint budget** AD presented her paper which calculates the assumed Barnet quantum of the Better Care Fund. AD had modelled that the Barnet allocation is estimated to be approximately £22m. HMG questioned the £1.2m additional NHS transfer in Barnet in the model AD agreed to pick this up with HMG outside of the meeting. However it was noted that the allocation is expected week commencing 16th December 2013. AD and HMG also agreed to meet at the time that the Better Care funding for Barnet was announced to check the assumptions in the paper against the confirmed total and report back to the group JM suggested that if the NHS total was c.£14m, the CCG would not be able to fund this from the strands of funding listed in the Better Care Fund model. He said the gap would need to be filled from the community health or mental	**AD/ HMG** **AD/ HMG**

	health budgets with services attached to it.	
5.	**<u>Ernst and Young Integrated Model progress update</u>** E&Y fed back about the **outputs from the design groups** and agreed to feedback back this output to the design group itself. E&Y explained that the outputs from the groups were still being drawn up into the detail of the integrated care model, and would be presented to the Steering Group next Tuesday (17th December). E&Y talked through the **financial modelling** that had been completed. The group discussed the different approaches taken by the CCG and LA to calculate information to go into this model. The CCG also feedback that their figures look lower than expected because of difficulties to disaggregate acute figures by age group. MOD said that she hadn't validated the CCG data yet and could spot inaccuracies in the model presented to the group. MOD also fed back that she wanted further voluntary sector contracts included (such as MIND). She agreed to pick this up with E&Y. **The group agreed to take a pragmatic approach to validation and to make sure that all assumptions that were being made about the data were clearly stated in the model.** The group recognised the importance of outlining in the model the services that were core to the model, and the services that surround the model, to be absolutely clear on scope. They agreed that assumptions made about community mental health and home care, for example, needed to be consistent from both sides. MK explained that an 80:20 assumption had been used in the MDT model about older people's spend in social care and that this could be used in this model too. The group also agreed the importance of working out where savings will accrue, relative to the investment put into the model. HMG asked E&Y to consider what other CCGs, who were not facing financial challenges like Barnet CCG, would put into an integrated care funding pot. HMG also suggested that the model should assume that the CCG has a balanced budget, and could make use of PWCs work with the CCG to inform what this would look like. HMG said that PWC had identified opportunities for activity shifts that should be shared with E&Y. JM stated that he would be very happy to move more money into the Better Care Fund, but said that he wasn't sure what the risk appetite was across the CCG and LBB to make the pot larger. E&Y then talked through their list of **commercial options** and opened up a discussion with the group. MOD aid she thought Option 2 (alliance contracting) would have most benefit, based on her research of the New Zealand Canterbury model. E&Y highlighted that it would be possible to have a "pre-alliance" phase to bring partners together and establish new ways of working before entering into a full alliance.	**E&Y** **MOD** **HMG to share PWCs work when ready**

	DW suggested the group needed to be clear on the commissioning approach before deciding on the contractual model. The group discussed Option 3 (lead provider model) and distinguished between appointing a lead provider who provides services and sub-contracts with other providers; and a lead provider who manages a partnership of providers but isn't necessarily the principle provider. The group discussed both the higher level of competition in social care than in health care, and the possibility of a managed transition away from current providers. The group also looked at Option 4 and talked about the work being taken forward on value based commissioning, that aligns with this model. JM suggested different contracts would be used for different parts of the model: outcomes based commissioning with a lead provider; PbR to manage transitions with existing providers; and block contracts. The group discussed using a blend of options 2 and 4. KK highlighted that it was interesting that the group had not really considered use of a new joint venture, and asked the group to consider how innovative they were being. MK said that LBB and the CCG still needed to work on developing their relationship and agreeing between the organisations what they want to achieve. **The group agreed that E&Ys work was not going to suggest a preferred commercial option but that it would present options for the group to take forward.** KK proposed that the group needed to agree some underpinning commissioning principles from the E&Y work. She said the group needed to understand how well the current system had been delivering on its objectives. She also asked E&Y to include examples of where things hadn't worked in the outline business case so Barnet could learn from the mistakes made elsewhere.	**E&Y**
6.	**<u>AOB</u>** The Better Care Fund submission is being written by Karen Spooner and Rodney D'Costa, and being supported by DW, MK, MOD, and JM. DW fed back that they have a meeting scheduled on the 20th December to look at the funding application with E&Ys business case to hand. This application will also be presented to the Health and Social Care Integration Board on the 8th January, with the final Better Care Fund submission considered at the January Health and Well-being Board financial planning group.	

11.	<u>**Date of the next meeting**</u> **Monday 13th January, 11.30am-1pm, Board Room, NLBP**	