Minutes from the Health and Well-Being Board – Financial Planning Group
Monday 13th January 2014
NLBP
11.30am -1.00pm

Present:
(KK) Kate Kennally (Chair), Strategic Director for Communities, 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
(JH) John Hooton, Assistant Director of Strategic Finance, LBB

In attendance:
(KS) Karen Spooner, Head of Integrated Care (Joint Commissioning), Barnet CCG
(KA) Karen Ahmed, Later Life Lead Commissioner, LBB
(CM) Claire Mundle, Policy & Commissioning Advisor, LBB

	ITEM	ACTION
2.	**Minutes of the previous meeting** **i) Accuracy of minutes** Make clear that the Customer and Information Management Board is a Board within LBB Make clear that the winter pressures money may have gone to Barnet and Chase Farm hospitals **ii) Update on actions** The proposals for the Shared Care record has not gone to the Customer and Information Board in LBB yet, but Chris Naylor (CFO) is coming to speak to Adults and Communities on 20th January which will clarify the process to review this business case MO'D confirmed that the lead for the shared care record at the CCG is Muyi Adekoya DW confirmed that there had been progress with receiving the Section 256 money and that the purchase order has been signed off. JM confirmed that the Section 75 work would be completed by the 30th January.	**CM** **CM** **MK to update the Board at the next meeting**

	The group discussed the CCG's deficit and clarified the financial position of the CCG. JH confirmed that the CCG would need to let LBB know about its non-recurrent underspend, that they want to use to support integration next year, by year end (end of March 2014). HMG told the group that the CCG had just received an updated financial review report from PWC, indicating an outturn deficit of £19.5m. This report has been shared with NHS England. The group agreed that the savings figures within the CCG's recovery plan and commissioning plan, and LBB Adults and Communities MTFS and PSR, need to be fully understood by group. JH to bring a profile of the adults budget and savings profile to the next financial planning group meeting.	**HMG** **JH**
3.	**<u>Better Care Fund (draft template)</u>** <u>Discussion about document</u> KS and MOD explained that they have tidied the BCF up to reflect updates to the outline business case. MO'D will check the updated OBC once it is circulated again (COP Monday 13th January) and ensure the documents align DW highlighted the need to discuss 'key next steps' on p14-15 of the document- and said more work was needed on this section before it is submitted. The group discussed public health's contribution to the model and agreed a need to record in the HWBB cover report on the BCF, as a recommendation, that the HWBB identify public health investments that will feed into tier 2 of the model i.e. what elements of additional investment need to be considered as part of model KK also asked for the recommendations for the model design that have come out of the design and steering groups need to be made explicitly within the HWBB cover paper on the BCF so they can be considered by the HWBB when they discuss the public health commissioning intentions DW asked to see a copy of the public health commissioning intentions for 2014/15 The group also agreed that a line should be added to the covering report to HWBB, that tier 2 of the integration model should include public health grant funding and that commissioning intentions of public health need to be informed by this model The group agreed that the document needed to include a description of the Barnet context to make the key challenges and risks in Barnet clear to NHSE- this descriptions should include: money; demography; the implications of the Barnet Enfield and Haringey clinical strategy; fixed costs of NHS buildings that don't add value for citizens; care homes (that make Barnet a net importer of frail elderly people); Care Bill. This section needs to outline the scale of	**MOD** **KS** **KS** **KS** **KS**

	challenge in the system. JM/DW to agree on context section	**JM/DW**
	KS suggested this section recognises that Barnet is at the start of journey, and explain how Barnet will get learning out of current practice	**JM/DW**
	KK asked for the vision on Page 6 to be re-described, along the lines of 'in 3 to 5 years' time, the health & social care system will be integrated'	**KS**
	The group also discussed the fact that the BCF application narrative relates to frail elderly- but this will need to be reconsidered if Barnet brings in other client groups to the integrated care model. The group agreed that the entire NHS and LBB spend on Learning Disabilities should be in the budget, with the organisations proceeding on an aligned basis in 14/15 with a view to clarifying longer-term arrangements	**KS**
	KK also requested that this section of the BCF reference the high levels of admissions to residential care from acute care	**KS**
	The group agreed to leave the BCF document largely as it is for the purposes of presenting it to HWBB- making it very clear in the cover report that the document is in draft, and setting out in the cover paper what the process is for finalising the application.	**KS**
	<u>Governance arrangements</u>	
	The group discussed future governance arrangements, and concluded that this would remain work in progress. For the purposes of the BCF submission, the document should describe the intentions for/ plans to agree the final governance arrangements.	**KS**
	The group agreed that the HWB Financial Planning Group should become the BCF governance group with joint accountability into the HWBB and CCG Board. The group also discussed the changes to the governance arrangements in the Council, with move to a committee system. The group noted that any changes relating to the governance arrangements in the BCF governance structure that have implications for Council Members, committees or officers, need to be identified by the Annual Council meeting in June 2014.	
	JM asked the group to consider the inclusion of a GP and a CCG Board member in the Financial Planning Group, in the new governance structure.	
	<u>Budgetary considerations</u>	
	The group agreed to include the following budgets within scope: • Learning disabilities	

	• Equipment • Continuing Health Care • Balance of CLCH budget • Residential care • Domiciliary care • All commissioning Section 75s plus campus re-provision. The group agreed that mental health was not currently in scope. DW proposed that over 14/15, the group develops an aligned budget arrangement to help them see the totality of the collective spend that affects the model- including LBB's entire older people spend (staffing and care purchasing); LBB and CCG carer's spend; and the broader prevention spend (excluding mental health) [these spends are currently captured in the OBC] The group agreed that through an aligned budget approach, the savings and accountability flow back to the individual organisations, but that there is joint governance/ decision-making over spend. The expectation through this arrangement will be that problems that arise from spend of these budgets will be for both organisations to resolve together. The group agreed that work on determining the budgets in scope should involve decisions about the size of the savings from these budgets that the group want to make. The group also need to have confidence about whether pooling these budgets is the most effective way to achieve the required savings, and be clear about the risk transfer mechanisms to providers. DW told the group she would like to give further consideration to whether LBB's physical disabilities spend should be in the model. In light of the discussion above, the group agreed that the first paragraph on Page 16 of the BCF needs to be changed to reflect other Social Care savings on older people in the MTFS, and the broader financial challenge for adult social care JH asked the BCF application to change on Page 26 to reflect that the total BCF budget is £21.5m, with the addition of £1.8m for DFGs The group agreed to receive an updated version of the BCF which includes a section on what the money in scope is currently being spent on- the group agreed this could be done virtually KK suggested that the budget section also referenced the local capital being used to top-up DFGs, and the adaptations budget	**KS** **KS** **KS**

	<u>Performance indicators</u> KS and Rodney D'Costa were commissioned by the group to complete the performance indicator forecasting- and making it clear in the BCF how these indicators link to the OBC in terms of level of resource shifts	**KS/RC**
	The group agreed that the HWBB cover report on the BCF should include a recommendation for the HWBB as to the local performance measure	**KS**
	KK asked the group if they wanted to consider a public health indicator. JM suggested the group propose 2/3 local measures- which may include public health indicators (such as hospital admissions due to falls), and admissions from nursing homes.	
	DW and JM agreed to prepare a presentation for HWBB on the day.	**DW/JM**
	Rodney, KS and public health will work up a set of proposals for local performance indicators to inform this presentation	**KS/RC/ public health**
	KA to make connection between this work and the Adults and Communities management agreement	**KA**
	<u>Definition of protecting social care</u> DW to send over to the CCG the council's position on protecting social care- if there is disagreement about this definition the group agreed this should be picked up between JM and DW	**DW**
	The group agreed that the BCF application needs to set out the local definition of protecting social care and the principles that will support delivery of this	**KS**
	<u>Sign-off of BCF application</u> DW agreed to check whether an officer or Member needed to sign off the BCF.	**DW**
	<u>Work with Ernst and Young on the Outline Business Case</u> E&Y are re-working the financial modelling- an updated OBC will be circulated by COP today (13/1)	
	The group agreed the need to form a view on when end of E&Y's assignment is. JM/HMG and Anisa Darr will be validating E&Y's amended numbers and KA/DW will critique the revised content	**JM/HMG/AD /DW/KA**
	KK proposed 2 further meetings with E&Y to scrutinise the financial modelling:	

	• One with E&Y and Andrew Travers/ KK • A further one with Andrew Travers/ KK/ JM/ JH/ DW/ HMG The group agreed to take a finalised OBC to the March HWBB	**JM/DW**
4.	**AOB** The group questioned if the BCF should include any reference to children's services. KA explained that the view from Children's Services at LBB at this current time was that their services shouldn't be included in scope. KK agreed to send a note to other DCSs to see if other London Councils are including children's services in scope	**KK**
5.	**Date of the next meeting** **Monday 10th February, 10am-12pm, Board Room, NLBP**	

Minutes from the Health and Well-Being Board – Financial Planning Group
Monday 10th February 2014
NLBP
2pm -4pm

Present:
(KK) Kate Kennally (Chair), Strategic Director for Communities, 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
(JH) John Hooton, Assistant Director of Strategic Finance, LBB

In attendance:
(KS) Karen Spooner, Head of Integrated Care (Joint Commissioning), Barnet CCG
(AD) Anisa Darr, Head of Finance, LBB
(CM) Claire Mundle, Policy & Commissioning Advisor, LBB

Apologies:
(KA) Karen Ahmed, Later Life Lead Commissioner, LBB

	ITEM	ACTION
2.	**Minutes of the previous meeting** **i) Accuracy of minutes** The group agreed the previous meeting's minutes as an accurate record of their discussion. **ii) Update on actions** The changes requested to the previous minutes have been made. MK explained that there is increasing awareness in LBB about how the plans for the shared care record need to link with the council's investment in IT more generally. JM suggested that the group needed to look at what other Boroughs and CCGs are doing to develop shared care records to support integration. The group discussed the year-end financial position of the CCG, which remains uncertain. The group agreed that LBB and the CCG would continue to discuss the CCG's year-end financial position when it is confirmed. KK fed back that 4 or 5 other LAs are actively looking at including children's services within the scope of the BCF but explained that these plans were still in	

	very early stages of development.	
3.	**<u>Adults MTFS &PSR savings</u>** JH presented the LBB Adults and Communities MTFS and PSR savings targets up to 2020. He explained that the savings required from the Directorate are sizeable, but that all LBB delivery units are facing significant budget reductions through these savings programmes. JH explained that these figures have not been finalised and as such are not yet in the public domain. DW explained that she expects the Adults and Communities budget to be reduced to c£80m by 2016, without accounting for the impact of the Care Bill or demographic growth (NB. This budget also includes money for leisure provision, community safety and the LBB registrar service). The group agreed that it needs to see what the decreasing LBB Adults and Communities budget will be for each year moving forward. DW confirmed she had done this modelling and will share it with the group. AD and JH agreed to produce a more detailed picture of the savings profiles (MTFS and PSR) for the group, applying inflationary and demographic change principles, assumptions on pay and non-pay costs, and a clear indication of the scale of actual service budget reductions. The group requested a similar profile be developed for LBB Children's Services too. AD explained that LBB budgets are adjusted downwards in line with savings targets at the start of each year in line with what Elected Members have agreed during the February/ March financial planning rounds. She explained that centrally-held reserves are sometimes used to deal with in-year issues, and that the level of reserves available to each delivery unit is linked to the risks of not achieving anticipated savings in year. JH is responsible, with the CFO at LBB, for calculating these reserves for the Council. KK explained that NHS money used to support delivery of LBB services that have a health benefit does not form part of the Council's budget figures that these savings plans are applied to. Section 75 puts a clear identifier around these pots of money and protects NHS money from LBB saving plans. JH also explained that Section 256 money has been treated by LBB as income so is managed in a different way to the adult social care budget. The group acknowledged that c£4.2m of Section 256 money was paying for core adult social care services, but made clear that this money did not appear within the adult social care budget that has saving plans applied to it. The group agreed there was a need to review both organisations' individual saving plans/ the CCG's strategic plan and agree which budgets/ savings targets should be linked to the BCF. JM proposed that the BCF should acknowledge 3 separate budgets: a pooled BCF budget, an aligned LBB adult social care budget, and an aligned CCG	**DW** **JH/ AD**

	budget. He proposed that the aligned budgets remained under each organisation's individual control, and that over time the intention would be to shift towards a bigger pooled budget. The group agreed that there needs to be transparency about which budgets sit in pooled/ aligned arrangements, what savings targets are being applied to these budgets, and what governance arrangements sit above each budget.	
4.	**<u>Update on Barnet CCG financial recovery plan</u>** HMG explained that the CCG is still finalising its saving plans. He explained that the CCG has to use its 2013/14 month 9 financial position in its Recovery Plan projections. This figure is £19.5m. There is still uncertainty as to whether this will be the actual year-end financial position. The CCG is currently working on its 5 year financial projections, and is also in the middle of finalising its 2013/14 month 10 financial position. The CCG will need to make a more detailed financial submission to NHS England in early April. HMG told the group that the acquisition of Barnet and Chase Farm hospitals by the Royal Free would create costs for each CCG involved in this reconfiguration, but he explained that Barnet CCG was hoping these costs would be modest, especially when set against the longer-term benefits of the acquisition. He explained the CCG's key financial challenge of trying to bring activity levels down to within the CCG's budget. He said that the increase to the CCG's allocation (3.2%, or c£12.3m, including inflation) does not automatically put the CCG in a better financial position. If the CCG can negotiate its main provider contracts successfully then there is scope for them to retain the funds freed up from these negotiations within the CCG (PWC have worked out that this could equate to c£2.6m each year, with £c10m going to providers to meet cost pressures). HMG also set out the estimated c£250m benefits to the health economy that would be released through the acquisition of Barnet and Chase Farm hospital by the Royal Free, which would support the CCG's recovery. However, HMG explained that whilst block contract negotiations with the main providers have been favourable, their activity is still increasing, notably at the Royal Free and CLCH. This will prevent the CCG from recovering its financial position as planned. This will have to be factored into the Recovery Plan. HMG explained that the CCG will be submitting QIPP plans for the next 5 years (in draft), with more detailed saving plans for the next 2 years (in final version), to NHS England in April. He confirmed that the CCG would be in a position to share these plans by the end of March.	**HMG**
5.	**<u>Better Care Fund submissions</u>** The group discussed principles for including budgets in the BCF. One principle	

	the group considered was transferring entire budgets into the BCF if there is a projection that a saving in this area going to be made from integrated care. For example, if investment in Continuing Health Care as part of integrated care arrangements creates a saving within learning disability budgets, the Council would need to transfer all relevant learning disability budgets that would impact on these savings into the BCF. The group agreed they would need to be clear of the implications of this principle for acute sector contracts before decision was taken about this being a sensible approach. The group agreed that budgets need to be firstly considered in terms of the organisational savings they contribute to. Above this, the group agreed to design a set of principles to determine which budgets are in scope for the BCF. The group also agreed that the benefits realisation piece created as part of the BCF arrangements needs to refer to the CCG's QIPP plan and LBB adults and communities savings. The group also agreed that aligned budgets will be governed by individual organisations, and progress on meeting savings from these budgets will be reported to HWBB (as is current practice). For those budgets within the BCF pooled budget, the future BCF partnership governing body will be able to influence spend of all budgets within the pool. The group reviewed the financial plan that will be attached to the draft BCF application. DW explained that this budget captures what Barnet is currently spending S256 money on. KS explained that there will be a more detailed budget attached to the 4th April submission that will account for modelling from the OBC etc. The group agreed that for the final BCF application submission, the budget would need to set out what is included in the pooled and aligned budgets. The group acknowledged that they hadn't yet developed principles about where liabilities are if these budgets are overspent or underspend, and agreed this work needed to be completed. KK delegated responsibility for developing this set of proposals to MK and MOD as heads of the JCU, with support from relevant finance leads. The group reflected on the progress that had been made with the Ernst & Young outline business case (OBC). DW explained that the final version of the OBC would provide an explanation of the spend in scope for the BCF, and scenarios about how money will shift across the system over the next 5 years as a result of more integrated working. She explained that the OBC wouldn't provide all the answers but it will help the group progress with operationalizing these plans. The group agreed that the business case did need to demonstrate that the 5 tier model will deliver the 5 year savings plans across both organisations. MOD fed back that the E&Y methodologies for calculating current system spend on the cohort groups may have been inconsistent across the CCG and LBB, and as such the calculations within the OBC were unlikely to be wholly	**MK/ MOD**

	accurate. MK said he had been hoping the OBC would provide a blueprint for mobilising integrated care for the JCU over next few years, and explained to the group that the OBC doesn't yet provide this level of granularity. JH reflected that the OBC didn't provide enough detail about what organisations are currently doing and spending on frail elderly. As such he said he was not clear on the 'starting point' for integrated care in Barnet, and wasn't clear how the group could start measuring the success of integrated care. JM warned that the current OBC will lack credibility with secondary care providers unless the financial modelling elements of the document were reviewed and revised. The group agreed that JM, MOD and HMG would take forward this validation exercise with E&Y. The CCG agreed to let E&Y know they will be sending further financial information through, and to follow up with E&Y early next week to check they have the information they need to complete the OBC. The CCG also agreed to meet with E&Y at end of next week to validate the revised financial assumptions. The group confirmed that they had been involved in providing information to E&Y: the investment needed to development of locality teams; the impact of Care Bill; the additional investment needed to fund the prevention tier of the model. MOD agreed to follow up with E&Y about the investment needed to support development of the locality teams. The group discussed the need for the HWBB paper on integrated care to present the E&Y business case, as the basis of Barnet's frail elderly model, and also for it to set out the relationship between the business case and the BCF submission. The group also said it was of critical importance that the OBC was successfully translated into the BCF submission ahead of the 4th April. The group agreed the need to develop a road map of what needs to happen to get the work completed by 10th March, in time for the Health and Well-Being Board on the 20th March. CM agreed to work this up with MK and MOD and circulate by the end of the week. KK agreed to circulate the health and social care integration paper that went to the first Partnership SCB that set out some proposals for governance arrangements of the BCF. CM agreed to circulate to the group confirmation of the PH money that will be included in the BCF. The group agreed that the JCU for 14/15 would be covered in the March agenda for this group. The group also agreed to develop a formal forward work plan for the group. CM	**MOD** **MOD** **CM** **KK** **CM**

	agreed to collate ideas from group members.	**CM**
5.	**Date of the next meeting** **TBC**	