



## GOVERNING BODY REPORT

<b>Agenda Item No.</b>	<b>14</b>
<b>Reference No.</b>	<b>IESCCG 19-58</b>
<b>Date.</b>	<b>24 September 2019</b>

<b>Title</b>	<b>Financial Performance Committee Annual Report 2018/19</b>	
<b>Lead Chief Officer</b>	Jane Payling, Director of Finance	
<b>Author(s)</b>	Jane Payling, Director of Finance	
<b>Purpose</b>	To present the Financial Performance Committee Annual Report	
<b>Applicable CCG Clinical Priorities:</b>		
<b>1.</b>	To promote self care	
<b>2.</b>	To ensure high quality local services where possible	
<b>3.</b>	To improve the health of those most in need	
<b>4.</b>	To improve health & educational attainment for children and young people	
<b>5.</b>	To improve access to mental health services	
<b>6.</b>	To improve outcomes for patients with diabetes to above national averages	
<b>7.</b>	To improve care for frail elderly individuals	
<b>8.</b>	To allow patients to die with dignity and compassion and to choose their place of death where appropriate	
<b>9.</b>	To ensure that the CCG operates within agreed budgets	
<b>Action required by Governing Body:</b>		
To note the annual report.		

**Ipswich and East Suffolk CCG  
Financial Performance Committee  
Annual Report 2018/19**

## Contents

1. Purpose of the Report .....	3
2. Executive Summary .....	3
3. Establishment and Ways of Working .....	3
3.1 Membership and Quorum.....	3
3.2 Arrangements for Meetings and Circulation of Minutes.....	5
4. Specific Duties and Responsibilities.....	5
4.1 Delivery of financial targets.....	5
4.2 QIPP Schemes.....	5
4.3 Financial plans .....	5
4.4 Investment and Transformation Funds .....	5
4.5 Key Financial Issues .....	5
4.6 Performance Issues .....	6
5. Committee Effectiveness and Compliance with Terms of Reference.....	6
5.1 Ongoing learning and improvement.....	6
5.2 Terms of Reference.....	6
6. Future Development of the Committee .....	6

## 1. [Purpose of the Report](#)

The Financial Performance Committee (FPC) has prepared this report to the Governing Body of NHS Ipswich and East Suffolk Clinical Commissioning Group to provide assurance that it has satisfied its terms of reference during 2018/19 in relation to its ways of working, and the discharge of its specific duties and responsibilities in relation to the oversight and scrutiny of:

- Delivery of financial targets
- QIPP schemes
- Financial plans
- Investments and transformation funding
- Key financial issues
- Key performance issues

The report covers the period from April 2018 to March 2019.

## 2. [Executive Summary](#)

The Financial Performance Committee has complied with, and satisfied, its terms of reference during 2018/19 by ensuring appropriate attendance at meetings, reviewing the schedule of meetings and the annual calendar of agenda items and regular reporting to the Governing Body.

In respect of its specific duties and responsibilities, the committee has reviewed and scrutinised the reports and assurances from senior officers and managers of the CCG shared management team covering:

- 2018/19 Financial performance
- 2018/19 QIPP delivery against plan
- 2018/19 Quality premium and Rightcare delivery
- 2019/20 Financial plans & budget setting
- 2019/20 QIPP plans

## 3. [Establishment and Ways of Working](#)

### 3.1 Membership and Quorum

The committee consists of not less than three members appointed by the Governing Body of NHS Ipswich and East Suffolk Clinical Commissioning Group as set out in its constitution and may include individuals who are not on the Governing Body. A Lay Member of the Governing Body chairs the Financial Performance Committee and a quorum consist of three members, one of whom being the Lay Member.

Meeting attendance was as follows, with all meetings held throughout the year having been quorate (see attendance register on the next page).

**Financial Performance Committee – Ipswich and East Suffolk CCG – 2018-19**

<b>Committee Member</b>	<b>17 Apr 18</b>	<b>19 Jun 18</b>	<b>17 Jul 18</b>	<b>18 Sep 18</b>	<b>16 Oct 18</b>	<b>20 Nov 18</b>	<b>18 Dec 18</b>	<b>15 Jan 19</b>	<b>26 Feb 19</b>	<b>19 Mar 19</b>
<b>Chicken Steve</b> <i>(Lay Member)</i>	Yes	No	Yes							
<b>Garratt Ed</b> <i>(Chief Officer)</i>	Yes	Yes	Yes	Yes	Yes	Part	Yes	Yes	Yes	No
<b>McCullagh Michael</b> <i>(GP Member)</i>	Yes	Yes	Yes	Yes	Yes	No	Yes	Part	Yes	Yes
<b>Payling Jane</b> <i>(Chief Finance Officer)</i>	Yes									
<b>Qureshi Imran</b> <i>(GP Member)</i>	Yes	No	No	Yes	Yes	Part	Yes	Yes	Yes	Yes
<b>Shenton Mark</b> <i>(GP Member – CCG Chair)</i>	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No
<b>Reserve - Leaf Graham</b> <i>(Lay Member for Governance)</i>									Yes	

### 3.2 Arrangements for Meetings and Circulation of Minutes

The Corporate Governance Officer is the administrator for the Committee and the unconfirmed minutes of each meeting are presented to the next Governing Body meeting. This protocol applies for all Governing Body sub-committees.

## 4. Specific Duties and Responsibilities

### 4.1 Delivery of financial targets

The committee received detailed reports on the current month and forecast financial position, balance sheet and cash flow, including progress towards meeting its control total and other financial targets agreed within the CCG's financial plans. Where necessary, members challenged actual performance against agreed plans, asking for explanations of any variances from plan, and gaining understanding of how targets were being met, or challenging where they were not.

The Suffolk and North East Essex Sustainability and Transformation Partnership (STP) has continued to develop during the year; the committee has received regular reports on overall financial progress across the STP, providing feedback on content and usefulness and developing the CCG's awareness of the overall system finance position.

### 4.2 QIPP Schemes

The committee received and scrutinised regular detailed reports on the development and delivery of the CCG's QIPP plan in relation to both in year financial performance and plans for future years. At the start of the year the committee held a workshop to determine the best way to report the QIPP schemes, this was held jointly with West Suffolk CCG.

### 4.3 Financial plans

During the national planning round for 2019/20 the committee received regular reports on the development of the financial plan, scrutinising the way the plan was built-up within the overall allocation available. This work culminated in the receipt and scrutiny of the draft plan in March prior to the final plan for submission to NHS England in April 2019.

### 4.4 Investment and Transformation Funds

The committee received information on the financial forecast as part of quarterly financial reviews. These reviews enabled the committee to have a clear overview of the availability and use of reserves and contingencies, and thus were able to advise the Governing Body as to the level of resources which could be released for investment.

In addition, the committee oversaw the transformation fund process, receiving regular reports on the distribution of funding and progress of the schemes.

### 4.5 Key Financial Issues

Throughout the year, the committee challenged CCG management through reviews of key financial issues including budgetary performance and QIPP delivery. There was routinely a high level of focus on specific areas of expenditure which included:

- Prescribing

- Out of area commissioning activity

Other areas of focus during the year included

- ICS financial development
- System Control Totals
- Monitoring financial risks associated with a contractor
- Achievement of the 30 day payment policy

#### 4.6 Performance Issues

The committee reviewed and scrutinised the key financial performance indicators including progress towards achievement of the control total at each meeting. Where performance deteriorated or was not making the expected level of improvement, the committee challenged the organisation on whether existing actions were sufficient or if further remedial actions needed to be undertaken.

### 5. Committee Effectiveness and Compliance with Terms of Reference

#### 5.1 Ongoing learning and improvement

The committee chair undertakes reflection at the end of each meeting in order to summarise the discussion and check that members have a shared understanding of the items discussed. An action log is maintained which is reviewed and updated at each meeting.

During the year, the committee undertook a self-assessment of its own performance, pulling together the committee's views to look at areas of good practice and potential for further improvement. The committee generally found that practice was good, and responded positively to most questions. However, some members of the committee noted that they didn't feel the committee was always effective at providing full scrutiny over the implementation of investments and transformation schemes, and others felt that the frequency of meetings and overlap with other governance meetings meant there was unnecessary repetition. It was noted by one member that occasionally debate was cut short due to time constraints.

#### 5.2 Terms of Reference

A review of the Terms of Reference is undertaken annually. The latest review was undertaken in February 2019.

### 6. Future Development of the Committee

During the year the input of the committee has been key to the development of the financial governance for the Suffolk and North East Essex Integrated Care System and the Ipswich and East Suffolk Alliance. To support the delivery of the alliance agenda, and associated financial control totals an Ipswich and East Suffolk Alliance Finance Committee will be established in 2019/20, which will have significant input from members of the committee. The regularity of this committee has been reviewed and meetings reduced to quarterly running alongside the Alliance Finance meetings.