The next meeting of the NHS Stockport Clinical Commissioning Group Governing Body will be held at Regent House, Stockport at 1.15pm on 24 May 2017

<table>
<thead>
<tr>
<th>Agenda item</th>
<th>Report</th>
<th>Action</th>
<th>Indicative Timings</th>
<th>Lead</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Apologies</td>
<td>Verbal</td>
<td>To receive and note</td>
<td>1.15pm</td>
<td>J Crombleholme</td>
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<tr>
<td>2. Declarations of Interest</td>
<td>Verbal</td>
<td>To receive and note</td>
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<tr>
<td>3. Approval of the draft Minutes of the meeting held on 26 April 2017</td>
<td>Attached</td>
<td>To receive and approve</td>
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<td>J Crombleholme</td>
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<td>4. Actions Arising</td>
<td>Attached</td>
<td>To comment and note</td>
<td>1.15pm</td>
<td>J Crombleholme</td>
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<tr>
<td>5. Notification of Items for Any Other Business</td>
<td>Verbal</td>
<td>To note and consider</td>
<td>1.20pm</td>
<td>J Crombleholme</td>
</tr>
<tr>
<td>6. Annual Report of Audit Committee and CCG Annual Report and Accounts 2016/17</td>
<td>Written Reports</td>
<td>To consider and approve</td>
<td>1.20pm</td>
<td>M Chidgey and Audit Committee Representative</td>
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<td>7. Any Other Business</td>
<td>Verbal</td>
<td>To discuss</td>
<td>1.40pm</td>
<td>J Crombleholme</td>
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Date, Time and Venue of Next meeting

The next NHS Stockport Clinical Commissioning Group Governing Body meeting will be held on 28 June 2017 at Regent House, Stockport. Potential agenda items should be notified to stoccg.gb@nhs.net by 1 June 2017.
PRESENT
Ms J Crombleholme Lay Member (Chair)
Mrs G Mullins Chief Operating Officer
Mr M Chidgey Chief Finance Officer
Dr R Gill Chief Clinical Officer
Mrs A Rolfe Executive Nurse
Dr D Kendall Secondary Care Consultant
Dr A Johnson Locality Chair: Marple and Werneth (Vice-Chair)
Mr J Greenough Lay Member
Dr J Higgins Locality Chair: Heatons and Tame Valley
Dr C Briggs Clinical Director Quality and Provider Management
Dr P Carne Locality Chair Cheadle and Bramhall
Dr V Owen Smith Clinical Director Public Health

IN ATTENDANCE
Dr D Jones Director of Service Reform
Mr T Ryley Director of Strategic Planning and Performance
Cllr T McGee Stockport Metropolitan Borough Council
Ms S Carroll Healthwatch
Mr R Roberts Director for General Practice Development
Mrs L Latham Associate Director Corporate Governance

1/17 APOLOGIES
Apologies were received from Dr L Hardern and Councillor McGee (in attendance)

2/17 DECLARATIONS OF INTEREST
Dr J Higgins and A Johnson declared a pecuniary interest in Item 13 Stockport Together Business Case, the nature of the interest being that they had a financial interest as existing providers of services included within the Intermediate Tier scope. The Chair agreed that both individuals could remain in the room and participate in discussion but not vote on the matter.

G Mullins declared a pecuniary interest in Item 14 – Remuneration Committee report, the nature of the interest being that she had a financial interest in the recommendation from the Committee regarding the remuneration of the Chief Operating Officer role. The Chair agreed that she could remain in the room but not participate in the discussion or vote on the matter.
R Gill declared a pecuniary interest in Item 14 – Remuneration Committee report, the nature of the interest being that he had a financial interest in the recommendation from the Committee regarding the remuneration of the Chief Clinical Officer role. The Chair agreed that he could remain in the room but not participate in the discussion or vote on the matter.

3/17 APPROVAL OF THE DRAFT MINUTES OF THE GOVERNING BODY MEETING HELD ON 25 JANUARY 2017

The minutes of the meeting held on 29 March 2017 were agreed as a correct record.

4/17 ACTIONS ARISING

The following updates on actions were provided:

29 03 2017 (1) Patient Story – Action complete
29 03 2017 (2) Resilience and Compliance Report – Both areas of work would be considered by the Quality Committee with information expected in the coming dates. The action could be removed from the log and any matters of concern would be escalated by the Committee to Governing Body in line with existing reporting arrangements.
29 03 2017 (3) Locality Chair’s Update – T Ryley noted that information governance matters remained ongoing however work regarding the Privacy Impact Assessment and Greater Manchester Indemnity Scheme had progressed significantly. He noted that the Health and Social Care Leaders Group would receive a proposal at the next meeting on 26 April 2017. The action could be removed. M Chidgey reported that digital working was being supported from strategic intention perspective by all Partners and the action could be removed. An update on the digital element of the Stockport Together Programme would be provided to Governing Body in summer 2017.

5/17 NOTIFICATION OF ITEMS OF ANY OTHER BUSINESS

There were none on this occasion.

6/17 PATIENT STORY

Governing Body heard the story of a patient who, in response to completing the bowel screening test which arrived through the post was diagnosed with cancer. She explained how she had put the test to one side at home and had not completed it as soon as she could have done. The test had shown abnormalities and following further tests she had been told that she had a tumour in her bowel. She explained that the diagnosis had been given to her when she was alone waiting for her husband to return to the hospital and had been delivered in a way which had not feel empathetic, supportive or reflective of the significance of the news. She explained that the treatment at Stepping Hill Hospital had been good with nursing care excellent, in particular the ongoing chemotherapy care and she had recuperated well. She highlighted her experience in the High Dependency Unit as less positive and noted that in particular her experience of nursing care had decreased over-night and she had been left in a panicked and upset state following a bad reaction to morphine. She explained she had felt vulnerable at a point where she had been very ill and that this was not something patients should experience. Her final message was to stress the importance of individuals doing the bowel screening tests sent to them by post in a timely manner as bowel cancer symptoms are often not immediately obvious and lives can be saved.
The Governing Body discussed the following matters:

- The potential impact of negative patient experience on the mental well-being of patients over a longer time period that the immediate episode of care.
- The importance and recommendation that those working as part of national screening programmes should have the same access to training as those working in hospital settings where they are dealing with cancer to ensure patients and their families are supported with compassion.
- The variation in take up between Practice areas ranged between 30% - 60%
- GPs and pharmacists were locally raising the profile of the kits by sharing what they looked like with patients and trying to personalise messages to patients regarding the importance
- The variability in the delivery of care between day and night shifts at Stepping Hill Hospital as highlighted by the patient was not acceptable given the vulnerability of people when they are ill and in HDU.
- The importance of acknowledging that understanding patient experience was a critical element of commissioning quality services and this case study demonstrated that just measuring that performance standards are being met across pathways was not sufficient.
- The importance of Stepping Hill Hospital learning from the patient’s experience and sharing the learning widely across the hospital.

Resolved: That:

1. The patient story be noted and thanks expressed to the patient for sharing her story.
2. The story be shared with Stepping Hill Hospital in order for the experience to be reflected on for learning purposes
3. A recommendation be made that those working as part of national screening programmes operating in Stockport should have the same access to training as those working in hospital settings to ensure when dealing with cancer, patient and their families are dealt with compassionately.

7/17 STRATEGIC IMPACT REPORT

T Ryley provided an overview of the content of the report and noted that the end of year position was a positive one, with the CCG having delivered to the plan in the majority of key areas. He noted the exceptions as elective activity and occupied bed days.

In response to the report the Governing Body considered the pressures being experienced by the current system and in particular the demands being placed on general practice and the risk of underperformance as a result of managing an unsustainable workload. A Johnson commented that patient expectations of the health service and demand continued to increase. With regard to prescribing, M Chidgey explained that cost effectiveness had increased demonstrated by an increase in the number of items prescribed whilst total expenditure has decreased.

R Gill noted the positive end of year position and the national emerging picture across Vanguard sites of faster improvement in the effectiveness of managing patients through the system and reducing preventable hospital utilisation. He echoed the view of the unsustainable nature of the current workload in general practice and noted the need to transform general practice and to work at scale. He referred to work underway across 10 practices as part of a pilot to capture consultation data in order to model current position and future impact to support the finalisation of the Neighbourhood Business Case.
Resolved: That Governing Body note the update.

8/17 FINANCE REPORT

M Chidgey provided an overview of the CCG’s financial position as at 31 March 2017 subject to external audit. He confirmed that the re-stated planned surplus of £7m had been achieved. This included the release of the 1% non-recurrent uncommitted reserve and as a result, the CCG planned surplus had increased to £7m from the original plan of £2.7m surplus. He highlighted in particular that Mental Health Parity of Esteem financial target had been met.

Governing Body commended the work of the finance team in managing the CCG’s financial position in year.

Resolved: That subject to external audit, Governing Body:

(i) Notes that the CCG will report a surplus of £7m.
(ii) Notes that the £7m surplus represents the delivery of the £2.7m planned surplus and the release of the £4.3m (1%) non-recurrent uncommitted reserve risk reserve as directed by NHS England.
(iii) Notes that the Mental Health Parity of Esteem (PoE) financial target has been met.

9/17 RESILIENCE AND COMPLIANCE REPORT

G Mullins provided an overview of the NHS Constitutional Standards and legal compliance indicators for February 2017 noting in particular the significant challenges with urgent care performance. She noted that based on the in-year position, the 4 Hour Emergency Department standard would not be delivered in 2016/17 and highlighted that the Urgent Care Plan was in place to address the immediate issues and was packaged as part of a wider forward looking transformation approach to the system, including changes to the Intermediate Tier.

Sustained improvement in the area of mental health was noted and the Governing Body was informed that the strategy and investment plan for mental health has been identified as a priority for the CCG in the 2017/18 year. It was noted that the Referral To Treatment (RTT) target had been achieved however NHS Stockport Foundation Trust were still undertaking work to reduce backlog in this area.

G Mullins proposed that reporting schedules for performance data would be considered by the Finance and Performance Committee with a view to moving to a quarterly cycle in order to provide adequate time between data being made available and analysis to be undertaken. She noted that flash reports on key issues could be provided between reports.

R Gill noted that Stockport’s achievement against the cancer targets demonstrated high performance.

Resolved: That Governing Body note the report.

10/17 STOCKPORT TOGETHER HIGHLIGHT REPORT

T Ryley presented the highlights of the work being undertaken as part of the Stockport Together Programme noting that the focus of recent work had been on further developing and refining the business cases and the overall economic case. He explained that work in areas such as the Intermediate Tier had continued to ensure that current system pressures regarding urgent care were managed as part of the wider transformation programme.
He explained that Stockport’s external profile as a Vanguard site was strong and that a number of economies had expressed an interest in visiting to learn from the scale of the work across the system being undertaken in Stockport. An event is being planned to communicate our work to other systems. In particular, the Governing Body noted the strength of local relationships between Partners which had been maintained despite the financial and performance challenges in existence within the system.

C Briggs highlighted that Stockport was the only economy to move from Phase 1 to Phase 2 of the 100 Day Rapid Testing Pilot following the positive impact of work in pathways include gastroenterology, trauma and orthopaedics and a breathlessness clinic. She noted Phase 2 would undertake work in diabetes, an expanded trauma and orthopaedics scope and a different element of gastroenterology. A briefing on this work was sought from C Briggs.

Resolved: That Governing Body:

1. Note the report
2. Request that C Briggs provide a briefing on the 100 Day Rapid Testing Phase 2 work.

11/17 LOCALITY CHAIRS REPORT

Locality Chairs provided an overview of the key work undertaken and issues raised within their Localities as follows:

- J Higgins confirmed that the Locality felt like it was experiencing a transition period and there was a gap between Locality Meetings ceasing and Neighbourhood Meetings being fully up and running. He noted that it was important GP’s continued to feel engaged and able to shape the work being undertaken across the system in Stockport.
- P Carne reported that in Cheadle and Bramhall work had been undertaken to look at variation across Practices over a consistent enough period of time to ascertain trends.
- A Johnson noted that Practices in Marple and Werneth were aware of their own performance and endorsed the continued need for engagement and communication with General Practice.

Resolved: That Governing Body:

1. Note the updates
2. R Gill and C Briggs to agree with Locality Chairs how communication and engagement with Practices will take place in future.

12/17 REPORT OF THE CHAIR

J Crombleholme confirmed that there had been a Part 2 meeting of the Governing Body to consider a financial matter and a Directorate Restructure Proposal. She confirmed that it was proposed that the next scheduled meeting date of 24 May 2017, in light of the General Election be used for Board Development with a shorter meeting in public to approve the CCG’s Annual Report and Accounts.

13/16 REPORT OF THE CHIEF OPERATING OFFICER

G Mullins presented the content of the report and highlighted the recent work which had been undertaken as part of the Home for Easter: Breaking the Cycle Scheme. She noted the purpose of the work and noted that the analysis of the findings would be built into the Urgent Care Delivery Plan as relevant. Thanks were expressed by the Governing Body to the CCG staff who volunteered to take part
over the course of the week and gained experience in the frontline operation of different elements of the health system. G Mullins agreed to share the briefing pack which had been provided to volunteer staff.

The Governing Body considered how the impact of such a week could be sustained and embedded in systems and processes. C Briggs noted that it was not intended to be a sustainable way to work given the required staff resource however, learning would need to be incorporated into the Urgent Care Plan. Those CCG Directors who had been on-call across the Easter weekend reported that it had made a positive difference.

Resolved: That Governing Body: Notes the update

**14/17 REPORT OF THE CHIEF CLINICAL OFFICER**

D Jones provided an overview of the recent work undertaken as part of Healthier Together and noted that significant progress had been made in establishing the Public Voice Group and in collaboratively progressing clinical pathway developments with surgeons from a range of specialities working across organisations. R Gill noted the organisational development challenges in bringing specialist teams together from different hospitals however the scope for clinical pathway and service transformation was significant. He noted the shared understanding of surgeon’s clinical experiences highlighted the opportunities to reduce admissions for acute surgical problems.

It was confirmed to Governing Body that 5 EUR policies in the areas of surgical drainage of the middle ear, headache disorder, knee arthroscopy, lavage and debridement and out of contract spinal procedures had been approved at Greater Manchester level.

R Gill provided an overview of progress which had been made in Stockport in delivering the requirements of the Five Year Forward View. In particular he noted the progress on work to deliver integrated neighbourhood based primary care, Urgent Care, Cancer outcomes and the continued focus on and investment in mental health services. A discussion took place regarding the local progress in digital technology and it was agreed that Governing Body would receive report on this area at a future meeting.

V Owen Smith noted the local relative poor rates for survival of patients with lung cancer and the importance of ensuring patients were empowered to take control of their own care.

Resolved: That Governing Body note the updates.

**15/17 STOCKPORT TOGETHER BUSINESS CASE**

T Ryley provided an overview of the Borough Wide Services – Intermediate Tier Business Case including the proposed model of care and the link between the case and existing work underway in Stockport as part of the Urgent Care Delivery Plan and related work streams. He explained that the case focussed on greater emphasis on step up crisis response capacity, greater emphasis on clinical and medical input into the system alongside that of social care, improvements in the discharge and transfer to assess processes and greater alignment of intermediate tier services. The business case had been developed collaboratively by Stockport together Partners.

The Governing Body considered the case in detail and highlighted the following key areas:

- The finances of the case were highlighted as requiring further clarify and in particular the proposed levels of recurrent investment and overall context of the summary economic case and
Integrated Service Solution overarching case considered by Governing Body in July 2016. M Chidgey responded to explain the financial activity which had taken place as part of the business case development process, including work at Director of Finance Level across all Partners and external financial input, locally and as part of the Greater Manchester Health and Social Care Partnership.

- The importance of viewing the business case and its related investment as part of the whole system transformation proposed to shift the balance of care from acute hospital settings into community and primary care based settings.
- The importance of ensuring children (not currently within scope of the Stockport Together Programme) remained in view of current work to ensure alignment as required both within the Stockport locality and across Greater Manchester in the future.
- The 22 considerations which had been raised by Healthwatch regarding the case were acknowledged and T Ryley confirmed they would be responded to in due course. S Carroll on behalf of Healthwatch expressed support for the overall case being approved by the Clinical Commissioning Group subject to clarification in the areas highlighted.
- The role of the proposed Provider Implementation Board was noted, including the importance of ensuring strong commissioner representation within its membership.
- The importance of ensuring strong clinical representation across the intermediate tier service and its related components was highlighted.
- The workforce analysis as referred to within the Business Case would be circulated.
- Concern was expressed about the lack of detailed risk assessment included within the document, in particular lack of detailed scoring.
- Risks relating to organisational culture, workforce and estates were noted as significant risks to delivery which should be captured fully as part of a more detailed risk assessment.
- The importance of ensuring the implementation of the model of care was underpinned by the right level of IM&T strategic and operational input to truly maximise the benefit, for those working across the system and for patients themselves of integrated health and care records and data sharing ability.
- The importance of ensuring robust organisational development plans were in place as part of all business cases to reduce the risks related to organisational culture and staff behaviour limiting the ability to implement the model.
- The importance of ensuring evidence used as part of business case development was robust and linked to benefits realisation and lessons learned.

Following the Governing Body’s discussion, J Crombleholme summarised the views of the Governing Body, noting the importance of understanding the request to approve the case within a wider context of multiple business cases. For future Business Cases, the Governing Body requested a clear executive summary detailing the decisions required, clarity regarding the financial elements, consistent approach to risk management, understanding of options available to decision makers and confirmation of assurances provided in advance of submission to the Governing Body.

Resolved: That Governing Body approves the Business Case with the following conditions attached:

- Approval of this case assumed on the overall suite of business cases being approved at a later date in pursuit of the required whole system transformation. Where elements were not implemented as planned, approval of the case would require re-visiting.
- A full scored risk assessment of the proposal be undertaken and mitigations identified and put in place to include additional risks regarding implementation of the clinical model and organisational development / culture risk.
• That implementation be staged and overseen by the proposed Implementation Board.
• Confirmation of the role and membership of the Implementation Board in managing change control and implementation of the model and inclusion on the board strong clinical representation from both Commissioners and Providers.
• Clarity within and assurance that the implementation of the model itself would include medical clinicians being used to maximum effect in the right places within the system.
• Future presentation of business cases be managed effectively including lear executive summary detailing the decisions required, clarity regarding the financial elements, consistent approach to risk management, understanding of options available to decision makers and confirmation of assurances provided in advance of submission to the Governing Body.

16/17 REPORTS FROM COMMITTEES

(a) QUALITY COMMITTEE

A Rolfe provided an overview of the work undertaken by the Quality Committee as its April meeting, including highlighting a number of issues for the Governing Body’s attention including safeguarding in General Practice, Looked After Children, development of the Care Home Quality Dashboard and a continued focus on performance of the Emergency Department. Governing Body noted the focus on care homes and the importance of ensuring alignment between the CCG and Stockport Council and a focus on continued quality improvements and collaborative work with the care homes and home care sector.

Resolved: That Governing Body note the update.

(b) FINANCE AND PERFORMANCE COMMITTEE

P Carne provided an overview of the work undertaken at the April meeting of the Committee, noting in particular the impacts of changes in NHS England policy on the 2016/18 and 2017/18 planned surplus. He noted that the Committee had also considered and were assured by an update on the delivery of the CCG’s Cost Improvement Programme.

Resolved: That Governing Body note the update.

(c) REMUNERATION COMMITTEE

J Greenough provided an overview of the matters discussed by the Remuneration Committee and the recommendations proposed for approval.

Resolved: That Governing Body approve the recommendations of the Remuneration Committee:

1. The existing 0.8 FTE working hours for the Chief Clinical Officer role be extended to cover the 12 month period from 1 April 2017 – 31 March 2018.
2. The salary range for the post of Chief Operating Officer (including the appointment of Director of Integrated Commissioning) be set at £110,000 - £115,000k
3. The Chief Clinical Officer negotiates a spot salary within the range with the post holder for the retrospective year 2016/17 and for the forthcoming 2017/18 year.
4. The salary may require further review if the circumstances of the existing role change.
Public Questions

*The following questions had been submitted in writing in advance of the meeting and were responded to as follows:

1.  **Regarding the Intermediate Tier Business Case:**

   (a)  **Will the team at the Intermediate Tier Hub have targets to avoid/deflect hospitalisations and to avoid bed-based intermediate care?**

       R Gill responded to explain that targets would not be in place but effectiveness will be monitored on the basis of a suite of indicators.

   (b)  **Is it possible or likely that the MCP would need to put the Intermediate Tier service out to competitive tender?**

       R Gill responded to confirm that it would not be the role of the CCG to comment on any decisions regarding future procurement options that Providers may pursue. However he confirmed there were no current plans in place by the CCG to put any Intermediate Tier Services out to tender.

   (c)  **Is not the Intermediate Tier service as proposed replacing acute care provided by doctors and nurses with a social care service (eg intended to “meet the majority of surge demand” winter pressure), with an inevitable risk that some patients will miss out on the monitoring and treatment they need?**

       R Gill confirmed this was not the intention and the proposed changes to the model of care were with a view to ensuring patients get the most appropriate treatment with the fastest response in an integrated way. He noted that the model of care was based on ensuring hospitals were used effectively for treating acutely ill people and where services could be delivered outside hospitals this took place.

2.  **When will the remaining business cases be made public?**

   R Gill confirmed that the Purdah period in advance of the General Election on 8 June 2017 had resulted in an unforeseen delay in the publication and approval of business cases. He noted that approvals by individual organisations were anticipated from mid – late June onwards and would be subject to appropriate public involvement ahead of final decisions to implement anticipated in December 2017. T Ryley confirmed that the latest approvals would take place on 18 July 2017 based on current plans. R Gill noted in response to a further question that there were a number of business cases which would have a potential impact on the bed base and would be subject to public involvement as required.
### Local Authority Chair's Update

Update on Information Governance Work Programme to be provided at a future meeting. Update 26 April 2017 - T Ryley noted that information governance matters remained ongoing however work regarding the Privacy Impact Assessment and Greater Manchester Indemnity Scheme had progressed significantly. He noted that the Health and Social Care Leaders Group would receive a proposal at the next meeting on 26 April 2017. The action would remain on the log.

**Actions Arising**

An update on the digital element of the Stockport Together Programme would be provided to Governing Body in summer 2017.

### Patient Story

1. The patient story be noted and thanks expressed to the patient for sharing her story.
2. The story be shared with Stepping Hill Hospital in order for the experience to be reflected on for learning purposes.
3. A recommendation be made that those working as part of national screening programmes operating in Stockport should have the same access to training as those working in hospital settings to ensure when dealing with cancer, patient and their families and dealt with compassionately.

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<tr>
<td>29 03 2017 (3)</td>
<td><strong>Locality Chair’s Update</strong></td>
<td>126/16</td>
<td>April 2017</td>
<td>T Ryley</td>
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<tr>
<td>26 04 2017</td>
<td><strong>Actions Arising</strong></td>
<td>04/17</td>
<td>July 2017</td>
<td>T Ryley</td>
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<td>26 04 2017</td>
<td><strong>Patient Story</strong></td>
<td>06/17</td>
<td>May 2017</td>
<td>L Latham</td>
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**NHS Stockport Clinical Commissioning Group**

26 April 2017
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<tr>
<th>Date</th>
<th>Topic</th>
<th>Details</th>
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<tr>
<td>26 04 2017</td>
<td><strong>Stockport Together Highlight Report</strong></td>
<td>C Briggs to provide a briefing to the Governing Body on the 100 Day Rapid Testing Phase 2 work.</td>
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<tr>
<td>26 04 2017</td>
<td><strong>Locality Chairs Update</strong></td>
<td>R Gill and C Briggs to agree with Locality Chairs how communication and engagement with Practices will take place in future.</td>
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Stockport Together Business Case – Intermediate Tier

- A full scored risk assessment of the proposal be undertaken and mitigations identified and put in place to include additional risks regarding implementation of the clinical model and organisational development / culture risk.
- That implementation be staged and overseen by the proposed Implementation Board.
- Confirmation of the role and membership of the Implementation Board in managing change control and implementation of the model and inclusion on the board strong clinical representation from both Commissioners and Providers.
- Clarity within and assurance that the implementation of the model itself would include medical clinicians being used to maximum effect in the right places within the system.
- Future presentation of business cases be managed effectively including lean executive summary detailing the decisions required, clarity regarding the financial elements, consistent approach to risk management, understanding of options available to decision makers and confirmation of assurances provided in advance of submission to the Governing Body.

NHS Stockport Clinical Commissioning Group will allow people to access health services that empower them to live healthier, longer and more independent lives.
Executive Summary

What decisions do you require of the Governing Body?

The Governing Body are requested to:

- Receive and note the annual report of the CCG Audit Committee.
- Approve the draft Annual report and Accounts for 2016/17.
- Consider the report of the independent auditors.
- Confirm that the Accountable Officer should sign the letter of representation.
- Delegate to the Chief Finance officer authority to amend the draft report and accounts for:
  - any changes recommended by the external auditors in their final report.
  - any immaterial formatting or content changes identified prior to finalisation of the report.
  - and to agree with the chair how any such changes should be recorded and reported.

Please detail the key points of this report

The reports cover:

- Audit Committee report - The work completed by the audit committee during 2016/17.
- Annual Report and Accounts – This is a statutory report, it is confirmed that in regard to form and content it meets the nationally mandated standards. The accounts of the CCG are consistent with the financial position reported to the Governing Body in April.
- Audit Findings Report – The Audit Findings report highlights the significant findings arising from the audit for the benefit of those charged with governance, as required by International Standard on Auditing (UK & Ireland) 260, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice.

What are the likely impacts and/or implications?

Individually and in combination, these documents are a fundamental part of both the CCG’s statutory reporting requirements and the system of internal control.

How does this link to the Annual Business Plan?

These are mandated reporting requirements.

What are the potential conflicts of interest?

None

Where has this report been previously discussed?

Audit Committee  10th May 2017

Clinical Executive Sponsor: Ranjit Gill
<table>
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<tr>
<th>Presented by:</th>
<th>Audit Committee Annual Report</th>
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<tr>
<td>Bernard Braiden</td>
<td>Mike Thomas</td>
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<td>Mike Thomas</td>
<td>Mark Chidgey</td>
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<td>Audit Findings Report</td>
<td>Annual Report and Accounts</td>
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**Meeting Date:** 24th May 2017

**Agenda item:** 6
NHS Stockport CCG
Audit Committee
Annual Report
2016/17
1. Foreword by the Chair of the Audit Committee

I am pleased to present the Annual Report of the Audit Committee which outlines the Committee’s work and achievements during the year ending 31 March 2017. Going forward the Committee will look to develop further, helping to address many of the issues in what will be a very challenging environment.

Our priorities for 2017/18 are:

**•** Continue to deliver our work plan informed by a risk based approach and discussions held with internal audit and management;

**•** Be responsive to the changing commissioning environment as well as current and emerging issues which will include:

  - Stockport Together Programme including the procurement of a Multispecialty Community Provider
  - Further development of integrated health and social care commissioning
  - Greater Manchester and Health and Social Care Partnership
  - Conflict of interests

I would like to thank Dr Andy Johnson, Bernard Braiden and Dave Swift who, as members of the Committee, have supported me in my role as Chair of the Audit Committee. I would also like to express my thanks to colleagues from our Internal Audit, Anti-Fraud and External Audit providers for their hard work in support of the Committee, and the Officers of the CCG whose attendance participation in meetings is crucial to the effective completion of our work programme.

I am happy to commend this report to the Governing Body for adoption in accordance with our Constitution and terms of reference.

John Greenough

Lay Member for Governance and Finance

May 2017
2. Introduction

The role of the Audit Committee is to provide assurance to the Governing Body that the CCG has effective systems of integrated governance, risk management and internal control across the whole of the organisation’s activities that support the achievement of the CCG’s financial and non-financial objectives. This report sets out how the Committee has discharged its responsibilities and met its terms of reference.

3. Meetings of the Committee

The Committee has met on five occasions during the 2016/17 financial year, and on each occasion has been quorate in line with the Committee’s terms of reference.

The members of the Committee were as follows

- J Greenough (Chair)
- B Braiden
- A Johnson
- D Swift

In addition to the members of the Committee, Officers were in attendance at the invitation of the Chair:

- Chief Finance Officer
- Mersey Internal Audit Agency (MIAA) - Internal Auditors and Local Anti-Fraud Specialist
- Grant Thornton - External Auditors
- Other Officers as and when required

4. Delivery of Work programme

The Committee devised and implemented a risk based work programme for the full financial year, and this serves to ensure that the full breadth of its responsibilities is addressed in a timely and comprehensive manner. This work programme for 2016/17 can be summarised as covering:

- Governance and Risk
- Internal Audit reporting
• Anti-Fraud reporting
• External Audit Reporting
• Reports from the Chief Finance Officer.

An equivalent work programme has been devised for 2017/18.

Governance and Risk

The Committee was appraised of issues relating to governance and risk, and reports on these topics were received at each meeting. The Committee received and considered regular reports in line with the CCG’s revised risk management strategy which highlighted that the CCG is operating within a complex environment with an increasing risk profile. As a result the monitoring of the board assurance framework has increased to bi-monthly and is more closely aligned with the Stockport Together Programme.

The Committee also received regular updates on the progress being made against the schedule of policy and procedure reviews with key policies and procedures linked to reducing organisation exposure to risk being prioritised.

In addition, and in line with best practice, the Committee received regular updates during the year on the development of the Governance Statement which is a key component of the Annual Report.

Internal Audit Reporting

Internal Audit Services for the CCG have been provided by Mersey Internal Audit Agency (MIAA). Internal Audit produced a work-plan for 2016/17 which was reviewed and agreed by the Committee, and which facilitated compliance with the requirements of the Audit Committee handbook in terms of the content of the plan, the resources required, and the linkages with the Assurance Framework.

Progress against plan was reported at each meeting and assurances provided to the Committee regarding the suitability of the CCGs systems for risk management, assurance framework, financial reporting systems and internal controls.

The Director of Audit Opinion Statement issued at the end of the financial year provided the CCG with significant assurance whereby “there is a generally sound system of internal control designed to meet the organisation’s objectives, and that controls are generally being applied consistently.”

In providing this opinion the Director of Internal Audit highlighted the challenges the CCG is facing including:
• Financial planning and performance and that successful delivery of cost saving plans will be a key focus for the Governing Body throughout 2017/18 and beyond.

• Further integration of local health and care systems and development of the Multi-Speciality Community Provider (MCP).

• Impact of Greater Manchester (GM) health and social care devolution.

Anti-Fraud Reporting

The nominated Local Anti-Fraud Specialist for the CCG submits a work-plan for the approval of the Committee, and reports periodically on progress with its implementation. Through the work plan, which was delivered in full the following was achieved:

• Self-assessment of the CCG’s level of compliance against the Standards for Commissioners. The CCG was rated overall as “green” which reflects a high level of compliance with the standards.

• Working with internal audit a proactive detection exercise in the area of conflicts of interest was completed. The review did not identify any actual instances of fraud, bribery or corruption and all staff selected for testing had reported their declarations satisfactorily.

• Participation in the National Fraud Initiative (NFI) which has not identified any instances of fraud to date.

• A proactive programme of establishing an anti-fraud culture within the CCG was continued in 2016/17 with the annual anti-fraud survey issued to all staff with the results of the survey to be used to measure the levels of awareness of fraud, bribery and corruption as well as the effectiveness of the anti-fraud activities.

• The committee has been kept informed of national developments of potential fraud anti-fraud alerts, newsletters and articles.

In addition two referrals of alleged fraud have been received during the year. One referral is still being actively progressed into 2017/18 and one referral has been fully concluded with fraud not being proven. A third referral has been made following the end of the financial year.
External Audit Reporting

Grant Thornton UK LLP are the External Auditors for the CCG, appointed nationally by the Audit Commission, and their work is undertaken in the context of the Statement of Responsibilities of Auditors and Audited Bodies. The Committee received the following reports from Grant Thornton during 2016/17:

- Annual Audit Letter in respect of 2016/17 accounts
- External audit plan which was received and approved by the Committee,
- Progress reports
- Updates on emerging issues and developments

Under the Local Audit and Accountability Act 2014 CCG’s were required to select and appoint their own auditors and directly manage their contracts for the audits for the financial year starting on 1 April 2017. The audit committee was nominated to act as the CCG auditor panel who conducted a mini-competition using the ConsultancyOne (Lot 5.4) Framework for External Audit Services. Following the evaluation of tender documents and supplier interviews the Auditor Panel recommended to the Governing Body the appointment of KPMG LLP. The recommendation to appoint KPMG LLP as the CCG external auditors was approved by the Governing Body at its meeting on 30 November 2016.

Reports from the Chief Finance Officer

The Committee requested and received regular briefing on the CCG’s financial position. The briefing detailed risks to delivery of the financial plan, mitigations and the actions taken to ensure delivery of the financial plan.

The Committee also commissioned and regularly received reports from the Chief Finance Officer relating to Losses and Special payments (including Debtors greater than £5k); entries in the register of waivers; and entries in the register of sealing. The incidence of all of these transactions was minimal, and there were no matters of significance arising.

5. Committee Effectiveness

A review of the Audit Committee’s effectiveness is being undertaken as part of the wider review of all organisation committee effectiveness. Any recommendations as a result of the review will be implemented in 2017/18.
6. Conclusion and Recommendations

During the 2016/17 financial year, the Audit Committee of NHS Stockport CCG has fully discharged its responsibilities to the Governing Body. In accomplishing this, the Committee has demonstrably met the requirements of its terms of reference. Whilst conducting its business the Audit Committee will remain mindful, vigilant and responsive to the ever changing commissioning landscape and emerging issues.

The Governing Body of NHS Stockport CCG is requested to receive and formally accept this document as providing the above assurances for the financial year 2016/17.