

Merton Clinical Commissioning Group Governing Body	
Date	6 TH June 2018

Report Title	Summary Report of the meetings of the Finance Committee in Common 20.03.18
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Purpose	Approval	<input checked="" type="checkbox"/>	Discussion	<input checked="" type="checkbox"/>	Voting	<input checked="" type="checkbox"/>
Executive Summary:						
This report summarises the key items discussed at the meeting of the Finance Committee in Common 20.03.18.						
Note: this summary is not intended to replace the formal minutes of this meeting. Those minutes are available upon request.						

Conflicts of Interest: N/A

Recommendation: The Governing Body is asked to note the contents of the summarised minutes.

Corporate Objectives This paper will impact on the following:	NA
Risk This paper links to the following CCG risks:	NA
Financial Implications	As contained within the summarised minutes
Has an Equality Impact Assessment been completed	NA
Are there any known implications for equalities	NA.
Patient and Public Engagement and communication	NA
Committees previously considered at	The Finance Committee in Common has approved the full minutes of this meeting.
Supporting Documents	None

SUMMARISED MINUTES

Finance Committee in Common
Meeting date: 20.03.18
Members Present: Chris Savory (Chair) , David Smith, Stephen Hickey, Neil McDowell, James Blythe, Dr Mike Lane, Dr Andrew Murray,
<u>Main Items Discussed</u>
<u>Wilson Project – Benchmarking CHP Development Budget</u> For the Project to progress the CCG was required to underwrite the development costs that would be incurred by Community Health Partnerships. This matter was considered by the February Finance Committee in Common meeting which requested further information of the costs and for these to be benchmarked to demonstrate they are within normal market range. This was undertaken and showed that the estimated Development Project Support costs of £713,600 compared favourably with the actual Nelson Health Care Project costs. The Finance Committee in Common APPROVED the recommendation for Merton CCG to under-write CHP estimated budget for project development costs of £713,600.
<u>MCCG Waiver of Formal Tender</u> The MCCG Finance Committee APPROVED the recommendation to extend the pilot in respect of 'Off The Record' (£121,979) for a period of one year; and NOTED the Managing Director's action to extend the pilot regarding 'The Wish Centre' (£39,178) for a period of one year.
<u>Merton and Wandsworth Finance Report Month 11</u> The headlines of the report were: <ul style="list-style-type: none">- Both CCGs continued to report their full year positions off plan as agreed with NHS England to accommodate the pressure on the prescribing budget due to no cheaper stock obtainable drugs costs.- Both CCGs were on track to meet the running cost targets'- WCCG over-performance at SGH has increased by £0.5m, due principally to a rise in emergency spells. Outpatient activity is also above trend across various areas of the Trust. The impact of these factors on the forecast spend has been mitigated by the seasonality provision.- There was a significant risk that the CCGs would ill not receive the expected allocation adjustment related to specialised commission activity based on the data received from NHSE. The matter has been escalated to NHSE to resolve the position for 2017/18 and this matter would be added to both CCGs' the risk registers.- In response to concerns raised by the Finance Committee that a formal governance process to manage the STP budget and provide oversight to the LDU as the host commissioners, NM advised that a PMO Audit would be undertaken to address the governance concerns. Its results would be shared with the Committee.
The Finance Committee in Common APPROVED the M11 report.
<u>Budget setting and financial planning 2018/19 – Merton and Wandsworth CCGs</u> Contracts with acute providers had not yet been signed and so it was not possible to finalise the budgets for 2018/19. However, by April all contracts will be agreed and budgets finalised and to the Committee for approval.

- MCCG is required to deliver a control total surplus of £1.86m for 2018/19 an increase of 0.75% from 2017/18;
- WCCG is required to deliver a small surplus of £91k against its allocation;
- NHS Business rules:
 - 1% non-recurrent reserve is no longer required and has been split as follows:-
 - 0.25% has been set as SWL CCG risk reserve
 - 0.25% has been added back into the CCG position.
 - 0.50% is committed as per 17/18 against system wide initiatives such as the STP PMO and London Transformation Fund (Healthy London Partnership)
- Analysis of how the risk relating to unidentified QIPP will be mitigated for 18/19 will come back to the Finance Committee.
- Reserves were held for Acute Performance (RTT maintenance), QIPP investment and to input any growth or contract settlement post budget sign off. In addition the Contingency and SWL Reserves required under NHS Business Rules are also held.

The Finance Committee in Common **NOTED** the update.

Healthy London Partnership planning for 2018/19

The Finance Committee **AGREED** the recommendation to Governing Bodies to formally approve the HLP funding of £9,244k for 2018/19.