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Report to the Merton Clinical Commissioning Group Governing Body

Date of Meeting: 28th September 2017

Agenda No: 8.1

Attachment: 10

Title of Document: Summary Report of the Merton CCG Finance Committee meetings held on 15 th June 2017 and 18 th July 2017.	Purpose of Report: To Receive and Note
Report Author: Tony Foote Board Secretary, Commissioning Support Unit.	Lead Director: Neil McDowell Chief Finance Officer
Executive Summary: This report summarises the key items discussed at the Finance Committee meetings held on 15 th June 2017 and 18 th July 2017. Note: this summary is not intended to replace the formal minutes of this meeting. Those minutes are available upon request.	
Key sections for particular note (paragraph/page), areas of concern etc: All of the report.	
Recommendation(s): The Merton Clinical Commissioning Group Governing Body is requested to note the contents of the report.	
Committees which have previously discussed/agreed the report: The Finance Committee has approved the full minutes of these meetings.	
Financial Implications: Only any detailed within the meeting summaries.	
Implications for CCG Governing Body: N/A	
How has the Patient voice been considered in development of this paper: N/A	
Other Implications: N/A	
Equality Analysis: N/A	
Information Privacy Issues: N/A	
Communication Plan: None	



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Finance Committee Summary Meeting – 15.06.17

Members Present: Peter Derrick (PD) Lay Member (Chair)
James Blythe (JB) Managing Director
James Murray (JM) SWL Chief Finance Officer
Anthony Farnsworth (AF) Director of Commissioning

It was noted that the meeting was not quorate and any decisions made would be ratified by the Governing Body.

1.	<p><u>Finance Report Month 2</u></p> <ul style="list-style-type: none"> - For 2017/18 Merton CCG has a control total of £2,055m and is forecasting to breakeven. This is based on the return of the 1% reserve which was received by the CCG in its allocation in Month 2 minus the £0.6m deficit control total. - Key risks to this position are acute, prescribing and continuing healthcare overspending. To mitigate the risks budgets have been set based on recent historic run rates and in the case of continuing healthcare there has been a significant increase in budget. - For 2017/18 MCCG is required to deliver QIPP savings of £14.1m. A robust process to review QIPP has been agreed by the Senior Management Team with the focus on ensuring plans are resourced to deliver and the alignment of QIPP plans in SWL
2.	<p><u>PMS Review</u></p> <ul style="list-style-type: none"> - This paper looked at the financial implications of the review, in particular changes to payments and practice incomes. - Having considered a number of options the Committee agreed that the agreed that the CCG should provide additional funding to boost the Total Premium available for distribution by increasing the amount of PMS Premium for re-distribution from £3,703,066 to £3,829,165.
3.	<p><u>Tender Waiver – The Nelson Practice as the provider for the West Merton Access Hub</u></p> <ul style="list-style-type: none"> - Total value of contract is £98,000 - Chair's Action taken to approve the waiver on grounds of timescale precluding a competitive process; that the task is essential and of clear benefit. - The Finance Committee ratified the Chair's action
4.	<p><u>Rowans Park Surgery Business Case</u></p> <ul style="list-style-type: none"> - The Finance Committee approved the revenue implications to relocate Rowan Surgery into new premises at the proposed Rowan Park site in Mitcham.
5.	<p><u>QIPP Report Month 2</u></p> <ul style="list-style-type: none"> - Of the required QIPP savings of £14.1m, £7m remains unidentified. It was hoped that collaborative working with Wandsworth CCG would bring benefits and that a number of QIPP schemes were due to deliver in the second half of the year and so were not yet fully reflected in the figures available.



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Finance Committee Summary Meeting – 18.07.17

Members Present:	Peter Derrick James Blythe Andrew Murray Dr Tim Hodgson Dr Karen Worthington Neil McDowell	Lay Member (Chair) Managing Director CCG Clinical Chair GP Governing Body Member GP Governing Body Member Chief Finance Officer
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1.	<p><u>PMS Review</u></p> <ul style="list-style-type: none"> - The June Finance Committee in June which agreed additional investment of £70k over a period of 3 years increasing the premium from £19.20 to £19.55. - Once approved the overall financial model would be the subject of engagement with LMCs, NHSE and Practices. It had already been considered and supported by a number of CCG clinical forums. - The expectation is that Practices will be in a position to sign a contract by 1 October 2017 and this will then be mobilised from 1 April 2018. - The Finance Committee approved the financial premium model.
2.	<p><u>Finance Risk Register</u></p> <ul style="list-style-type: none"> - The Committee reviewed Risks 1032 and 798 (relating to risks to deliver the finance budget in 2017/18 and QIPP). It was felt that there was significant risk attached to these and the rating of both should be escalated to fully reflect this.
3.	<p><u>Finance Report Month 3</u></p> <ul style="list-style-type: none"> - At month 3 the CCG is reporting an under spend of £669k and forecast position of break-even as planned. - Acute is reporting £2m over-performance due primarily to over-performance at SGH and ESH. - Mental Health placements is reporting a £700k over-spend due to an increase in demand. There is a QIPP in this area which should manage the budget and mitigate over performance. - Delegated primary care commissioning expenditure is reporting a £94k under-spend at month 3 and forecast £416k under spend.
4.	<p><u>QIPP Report Month 3</u></p> <ul style="list-style-type: none"> - Of the required QIPP savings of £14.1m, £6.3m remains unidentified. - There are significant reductions to the savings target for Planned Care Transformation which reflects the significant risk related to SGH and the ECI Thresholds. This totals £4.3m across the 2 schemes which has been reduced down to £0.7m. Discussions with SGH are continuing. - The pilot of the Referral Management Centre has now concluded. Due to IT issues the volume of referrals needed was not achieved. A robust review of the Pilot will now take place and will need to demonstrate that all investments can deliver savings. - TH/KW highlighted a number of opportunities in Primary Care including anti-coagulation, COPD and Paediatrics. - Next steps were identified as:

	<ul style="list-style-type: none">• QIPP report to demonstrate consolidation of schemes and stretch opportunities;• Savings Delivery Group where QIPP Leads will be held to account• Mental Health Placement QIPP scheme to be developed
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