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MERTON CLINICAL COMMISSIONING GROUP
GOVERNING BODY

Date of Meeting: 25th May 2017

Agenda No: 8.1 **Attachment:** 10

Title of Document: Approved Minutes of the Finance Committee	**Purpose of Report:** For Note/Discussion
Date, author details: As per details on each attachment.	
Executive Summary: The minutes of the following meetings are attached: 22.02.17; 18.03.17; 28.03.17. This item will also include a verbal summary from the Committee Chair regarding key issues, risks and mitigations.	
Key sections for particular note (paragraph/page), areas of concern etc: Whole document	
Recommendation(s): For Note & Discussion	
Committees which have previously discussed/agreed the report: N/A	
Financial Implications: N/A	
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 Assessment: N/A	
Information Privacy Issues: N/A	
Communication Plan: All formal committee minutes are posted on the CCG's website as part of the Governing Body papers	

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MINUTES

MERTON CLINICAL COMMISSIONING GROUP
FINANCE COMMITTEE

Wednesday 22 February 2017
12.30 to 2.30pm
5.1, 120 the Broadway, Wimbledon SW19

Members:	
Peter Derrick (PD)	Lay Member Audit and Governance, Chair
Dr Andrew Murray (AM)	MCCG Clinical Chair
Chris Moreton (CM)	Interim Chief Finance Officer
Andrew Moore (AMo)	Acting Chief Officer and Interim Director of Commissioning Operations
Dr Tim Hodgson (TH)	Governing Body GP Member
Dr Carrie Chill (CChi)	Governing Body GP Member

In attendance:	
Yvonne Hylton (YH)	Committee Secretary, SECSU (Minute taker)
Lucy Lewis (LL)	Partnership Manager West Merton
William Cunningham-Davis (WC-D)	

No.	AGENDA ITEM	WHO
1.	**Welcome and Introductions**	
	The Chair welcomed all in attendance to the meeting. There were no apologies received for the meeting	
2	**Declarations of Interest**	
	The Register was **APPROVED** as an accurate record. Drs Murray and Hodgson declared an interest in relation to Item 3.5 GP Access.	
3.	**For Approval**	
3.1	<u>Draft Minutes</u> The minutes of the meetings held on 11 November 2016 and 19 January 2017 were approved without amendment. <u>Action Log and matters arising</u> The actions were reviewed and carried forward to the next meeting. There were no matters arising not on the agenda.	

3.2	Finance Report Month 10 CM introduced and talked through the key points of the Finance Report. At Month 10 Merton is reporting to achieve the agreed control total deficit of £0.6m with risk. There have been some significant changes to our previously submitted full year forecast. In summary these are:- Key variances: - Acute the full year forecast (FYF) position shows an adverse variance to plan of £1,507k which if £820k better than Month 9; - Non-acute FYE shows an adverse variance of £218k which is £514k better than Month 9; - Reserves FYF shows a favourable variance of £1,479k which is £1,269k worse than Month 9 Acute SGH is still the biggest single risk to the acute full year forecast and this has been accentuated by receipt of a pro-forma invoice by the lead commissioner Wandsworth CCG for £13m additional un-coded activity. MCCG share is £3m which is not accounts for in the M10 position. The pro-forma invoice is being resisted in the strongest possible terms by the SECSU on behalf of WCCG and Merton is fully engaged in the process as it develops towards year-end. In addition, negotiations are on-going with SGH to agree a year-end deal. In the event that the challenge is not successful the financial risk will carry forward to 2017/18 and beyond. At Month 10 the back end loaded QIPP figure now stands at £590k representing only the foetal medicine IAT that is still outstanding. NHSE have confirmed that the allocation will be received in M11, at which time the back end loaded QIPP figure will be nil. Non-acute Non-acute full year forecast shows an adverse variance of £218k which is £514k better than Month 9. The major contributor to this improved position is in the IAPT contract where the variance has improved by £440k to a full year forecast favourable variance of £738k. Reserves MCCG is still showing the 1% non-recurrent fund as spent by year end. Recent conversations with NHSE indicate that this will be released back into the Income and Expenditure position at Month 13. This would result in a £2m underspend for MCCG however it is not expected that there would be an impact on the 2017/18 position which is determined by the in-year position. At present the unallocated savings requirement is still £1.7m. The latest assessment of the savings identified to achieve the £0.6m control total deficit shows at £254k gap. Of the unallocated savings identified the GP access fund is the largest element at £840k. The Chief Officer and Chief Finance Office have sought external opinion as to the appropriate accounting options for this receipt. The Finance Committee requested that the Chief Finance Officer review the treatment of	

	this receipt in line with other similar receipts to ensure that the CCG is consistently applying accounting policies. Risks and Mitigations At M9 the risked assessed impact of a deterioration in the position stood at £1m – that is to say a £1.6m worst case deficit. In view of the M9 data feeding in to the M10 position, this has been reduced to £750k resulting in a worst case deficit of £1.35m. The major contributors to this would be a worse outturn on acute that forecast, a surge in invoiced activity in CHC and prescribing at year end, an inability to deliver the schemes identified in the unallocated savings section of this report or an inability to find the remaining £254k unallocated savings. **The Finance Committee AGREED the M10 Finance Report subject to the action noted.**	
3.3	2017/18 Budget Update CM introduced the paper to set out Merton CCG's forecast 2016-17 position and the latest 2017-18 financial plan. The paper also identifies the overall planning position of all SWL CCGs. The paper highlights assumptions made in terms of growth and inflation in the construction of the 2017-18. CM talked through the highlights of the plan and the following was noted:- - MCCG is forecasting to break-even at year-end 2017/18; - SWL CCGs are forecasting an aggregate £20m deficit, due to Richmond CCG and Croydon CCG forecasting to deliver deficit positions of £5m and £15m respectively; - The plan assumes a QIPP investment of £13m gross, £10m net. This equates to 4.93% of the total CCG allocation of £278.883m. - Additional savings of £2.2m are required to deliver the plan - In accordance with the Business Rules a 0.5% non-recurrent contingency reserve and a 0.5% uncommitted STP Risk-Pool non-recurrent reserve has been created totalling £2.8m. CM advised that the plan is still being finalised and the next version will be submitted to NHSE on 27 February. The Chair requested a verbal update be brought back to the next meeting of the Finance Committee. **The Finance Committee NOTED the update**	CM
3.4	QIPP Report Month 10 AMo introduced the report to update the Finance Committee on the 2016-17 QIPP position and development of the QIPP plan for 2017-18. 2016/17 position At Month 10 the CCG is reporting £6,562k QIPP savings against a year-end target of £7,259k. All schemes have been reviewed and there is no longer any unidentified QIPP. Key points:-	

	- Foetal Medicines settlement reached with NHSE for MCCG to recover £590k recurrently. - Continuing Health Care recovery plan has been completed and the service is stable. The conservative forecast applied is based on previous experience. <u>Development of 2017-18 QIPP Programme</u> For 2017-18 Merton will need to develop a substantial programme of QIPP savings to meet its Financial Recovery Plan and the requirements of the STP. There are several potential sources of 2017-18 QIPP reflected in the plan including:- - Full year effect of 2016-17 QIPP schemes - STP generated QIPP schemes - Merton generated QIPP schemes It is estimated that a QIPP programme of £13m gross will be required of which £12.6m gross of potential schemes are being developed and validated by the CCG. **The Finance Committee NOTED the report**	
3.5	<u>GP Access Finances and procurement</u> AMcM introduced the paper which was split into 2 parts. Part 1 provides a breakdown of the funding streams and expenditure for GP Access (Appendix 1). The total identified budget for GP Access is £1,746,000 £84k was previously approved by the Finance Committee to support a one-off payment of £3.5k for each practice. This will be spent in 17/18 and comes from the NHS England transformational fund £840k. This paper sets out the funding allocation to support the delivery and mobilisation of the proposal. This secures an appropriate capitated budget for our member practices via a LIS funding stream - approximately £50k per practice (£5.05 per head). NB: total patient list size is 223,669 which would require a total funding allocation of £1,129,529. The remaining balance will be split between SELDOC our Out of Hours provider and Merton Health our GP Federation. A contingency has been kept aside but will be used in-year where necessary to support GP Access. 18/19 and 19/20 spend will be subject to review after year 1. The focus will be on supporting our membership to delivery primary care at a local level. A sum of £202k has been temporarily ring fenced within the allocation. A request has been received from the Sutton CCG CFO for repatriation of this sum. This will be strongly resisted by Merton CCG and if not paid will be reallocated to the GP access budget. The Financial Expenditure has been reviewed by the Finance Team and was approved by EMT on 9th February.	

	The Finance Team approved the Financial Expenditure Part 2 focuses on the potential procurement routes to deliver the 3 work-streams and proposal to contract directly with the following providers:- 1. GP Practices to offer extended access within core hours; 2. SELDOC to offer extended access via 2 Hubs one in East and one in West Merton; 3. Merton Healthcare GP Federation to provide support to practices with implementation and mobilisation of the access requirements. AMcM has discussed the Procurement options with SBS who have indicated they are willing to work with the CCG to implement the proposal. Taking into account both the legal framework and the CCG's procurement obligations to secure patients' needs and to improve quality and efficiency of service, it is considered that there is a strong justification for awarding a contract directly with individual GP Practices and Current Out Of Hours Provider without undertaking a competitive process to the local Merton GP community via the LIS as it is considered to be the only capable Provider with the skills and capacity to deliver the identified services. <u>Options</u> - Option 1: to contract directly with individual GP Practices/OOH provider. Delivery would remain with Merton GPs via LIS. Managed by the CCG but supported by the GP Federation. - Option 2: Undertake a Competitive Tender Process. Delivery remains with Merton GPs but is potentially overseen and/or managed by a new Provider. <u>Comments</u> Option 1 supports Practices to mobilise and offer extended hours by 1 April 2017 when the WIC is closed; AMcM said that Option 1 offers value for money as contracts will be performance managed by the CCG; PD asked how the £1.1m awarded to GP Practices will be used. AMcM said that GPs will be required to make available additional appointments within core hours and will be expected to buy-in additional resource; AMcM reiterated the Contracts will be awarded for a period of 1 year (6 months to SELDOC) and then reviewed and if outcomes are not demonstrated Contracts will not be renewed; AM said it is important that there is no overlap with the PMS contract and this needs to be clearly demonstrated in the new Contract. It was noted that all options would adhere to the CCG's financial policies and instructions. **Following a full discussion the Finance Committee AGREED Option 1**	
4	**Any Other Business**	
	There was no further business for discussion.	

5	Date of Next Meeting	
5.1	Date of next meeting:- 16th March 2017, Meeting Room 5.1, 120 the Broadway, Wimbledon, SW19 1RH	

The minutes are an accurate record of the meeting held on 22 February 2017

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Peter Derrick, Chair

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Date

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MINUTES

MERTON CLINICAL COMMISSIONING GROUP
FINANCE COMMITTEE

Thursday 16th March 2017
1.00 to 3.00pm
Meeting Room 5.1, 5th Floor, 120 the Broadway Wimbledon

Members:	
Peter Derrick (PD)	Lay Member Audit and Governance, Chair
Dr Andrew Murray (AM)	MCCG Clinical Chair
Chris Moreton (CM)	Acting Chief Finance Officer
Andrew Moore (AMo)	Acting Chief Officer and Interim Director of Commissioning Operations
Dr Tim Hodgson (TH)	Governing Body GP Member (part of the meeting)
Sarah Blow (SB)	Accountable Officer (part of the meeting)
Dr Carrie Chill (CChi)	Governing Body GP Member
In attendance:	
William Cunningham-Davies (WCD)	SWL Primary Care Team
Lucy Lewis (LL)	Partnership Manager West Merton
Yvonne Hylton (YH)	SECSU – Minutes

No.	AGENDA ITEM	WHO
1.	**Welcome and Introductions**	
	The Chair welcomed Sarah Blow (Accountable Officer) to the meeting. SB advised that James Blythe (MD for Merton and Wandsworth LDU) would attend meetings from April 2017. There were no apologies received for the meeting	
2	**Declarations of Interest**	
	The Register was **APPROVED** as an accurate record.	
3.	**For Approval**	
3.1	<u>Draft Minutes of 22 February 2017</u> The minutes were approved without amendment. <u>Action Log</u>	

	The action log was reviewed and updated and the following points noted:- Nelson Medical Practice Estates costs *Dr Murray declared an interest in this item and left the meeting at this point.* CM provided a verbal update on progress made since the last meeting advising that the Practice Manager has asked the opinion of the CCG on how to resolve this issue and CM has a further meeting with CHP to reach agreement. All other actions were discharged. *Dr Murray re-joined the meeting.*	
3.2	Finance Report Month 11 Merton CCG is reporting a £506k overspend for the eleven months to 29th February 2016 and forecasting to achieve the agreed £0.6m deficit control total with risk. Key variances: - Primary Care – the full year forecast (FYF) position shows a favourable variance to plan of £1,094k which is £245k worse than M10. - Non acute – the FYF shows a favourable variance of £307k which is £525k better than M10. - Reserves – the FYF shows a favourable variance of £1,127k which is £352k worse than M10 - For the acute and the corporate and estates budgets, there was no material change from the M10 FYF. Revenue Resource Limit There has been an increase of £615k in the RRL in M11 to £274,778k. The CCG has received the IAT for foetal medicine at £590k. However, the receipt has been flagged as non-recurrent by NHSE which is not in keeping with the agreement made earlier in the year. We are pursuing rectification of this position with them. Acute Overall, the acute FYF at M11 was £138,680k. This is an adverse variance against plan of £1,455k, which is £52k better than M10. SGH up-coding of activity was reported to the meeting last month. The CSU have analysed the data which suggested that the M11 accruals are adequate and there is no material change to the FYF. SB added where there are coding and counting changes Providers are required to give 6 month formal notice. All issues related to back end loaded QIPP are now resolved and reflected in	

	the accounts, therefore no adjustment has been made this month. Non-Acute At M11 the FYF variance to plan has improved by £525k reporting £307k at M11. This is primarily due to IAPT which has improved by a further £409k to a FYF favourable variance of £1,147k. A review of the contractual position has taken place at EMT level and a proposal has been put forward to Addaction which will be discussed further at the end of the month. AM asked if the proposal was agreed would this impact on the FYF. CM confirmed that it would not as it is already reflected in the position. Continuing Healthcare remains stable at M11. SB expressed concern regarding performance of the service in Merton and said that it is important that the service is funded to deliver the commissioned service. Primary care and prescribing At M11 the FYF position shows a £1,094k favourable variance which is a deterioration of £245k over M10.. Prescribing costs enter the ledgers with a two month time lag so M11 saw M9 data for the first time. M9 (December) costs did spike above year to date average levels and the extrapolated effect of this for the remainder of the year has driven the forecast higher. Corporate and Estates The FYF position is unchanged at M11. Reserves The unallocated savings requirement has reduced from £1,673k in M10 to £1,385k in M11. Factors have been identified to close the gap which effectively reduced the 'to find' figure to 0. PD asked if the CCG was confident that the £1,385k would be delivered to achieve the £0.6m deficit control total and CM confirmed that he was. Formal notification from NHSE has been received that the 1% reserve will be released back to CCGs in M12. This will adjust the year-end position from a £0.6m deficit to a £2.1m surplus. AMo said that achievement of the £0.6m deficit control total was extremely challenging and release of the 1% reserve was good. Risks and Mitigations Total risks are £300k leading to a worst case scenario of £0.9m. An overall assessment of the likelihood of the CCG hitting its control total deficit position of £0.6m (unadjusted) as probable. Recommendation	

	The Finance Committee **APPROVED** the M11 report.	
3.2	<u>Primary Care Estates- Income and Expenditure</u> PD expressed his concern that the governance process was not followed by the Primary Care Team and following a short discussion on the need to reach a pragmatic approach to proposals presented today and future capital funding bids SB agreed to speak to AMcM. SB left the meeting. William Cunningham-Davis and Lucy Lewis joined the meeting. The paper detailed the Income and Expenditure effect on the CCG on the four estate proposals:- • Colliers Wood – Construction of New Premises (ETTF) • Patrick Doody – Refurbishment Scheme (ETTF) • Rowans Park – New Medical Centre (Section 106) • Wide Way - Improvement to Existing Premises (IG) The total effect of the four schemes is a cumulative total cost pressure effect on I&E of £703,420 which is not reflected in the CCGs I&E forecasting. <u>Comments</u> PD said that the Finance Committee was very concerned Primary Care Team had not followed the CCGs standard governance process. The revised ETTF schemes were not formally approved by the Finance Committee and PD asked for assurance that capital funds had not been drawn-down. WCD confirmed that they had not. During a full discussion PD said that he was concerned that a 3 party developer was involved at Colliers Wood and it was not clear how much oversight the CCG had. AM added that it was also not clear how the defined space requested at Colliers Wood had been made and the reason for the significant increase in costs. In order to consider and approve the scheme the Finance Committee requested a full business case for each scheme including a full financial assessment of the I&E effect and an assessment of the options. PD asked that before Finance Committee the CFO has oversight of the Business Cases. An extra-ordinary meeting of the Finance Committee will be convened to consider time critical schemes before 1.4.17. The Finance Committee **NOTED** the Summary of Estates' Schemes	
3.3	<u>2017/18 Budget</u>	

	CM provided a verbal update advising that the draft plan was submitted to NHSE on 27th February reporting that MCCG is forecasting to deliver a break-even position in 2017/18. The plan assumes £14.1m QIPP of which £3m is not agreed. £1.4m of the un-agreed QIPP relates to ESH contract which is subject to a cap and collar contractual mechanism. AM said that the Outpatient Transformation Programme is a risk as SGH will not deliver from 1 April and asked for assurance that Clinical Leadership costs are included within the plan. CM agreed to check with AMcM that the full Wilson Development costs were included in the plan. TH said that the STP growth assumptions are unrealistic. CM said that the plan will be further developed before the next submission to NHSE at the end of April and agreed that a revised plan would be presented to the Finance Committee on 18 April. <u>Recommendation</u> The Finance Committee **NOTED** the update.	
3.4	<u>QIPP Plan</u> The report provided an update on the 2016-17 QIPP position and the development of the 2017-18 QIPP Plan 2016-17 Progress The full year gross savings target QIPP is £7,259k for 2016/17. The full year gross savings forecast is £6,577k at Month 11. All schemes have been reviewed and there is no longer any unidentified QIPP. None of nineteen projects is RAG marked as a red risk for programme readiness. This reflects the current level of confidence that projects will be implemented within the timescales identified in the PIDs and the late stage in the year. 2017/18 development For 2017-18 Merton will need to develop a substantial programme of QIPP savings in order to meet its Financial Recovery Plan and the requirements of the STP. The precise quantum that the programme will need to achieve may alter slightly, but is currently £13.749m (gross) of which approximately £3m is unidentified. The STP sets out a range of plans to bring the entire system in to balance, and to the extent that these apply to Merton. AMo advised that the disaggregation of the STP £20m shortfall to CCGs is not yet resolved.	

	Star Chambers are being established during March 2017 to realise potential benefits from benchmarking and wider management process. The CCG is actively working to identify new schemes and to increase the value of existing schemes to cover the identified QIPP gap and mitigate the risk adjusted position. The Finance Committee **NOTED** the update	
3.5	<u>IR 35 arrangements from April 2017</u> The report provides an update on SWL's response to new IR35 rules that come in to force from 1 April 2017 affecting public sector bodies. It also proposes options on how the CCG should manage existing contractors affected by the new rules. Implementation of the new arrangements will be discussed at the SWL Remuneration Committee in Common. The report was **NOTED** by the Committee.	
4	**Any Other Business**	
	There was no further business for discussion.	
5	**Date of Next Meeting**	
5.1	Date of next meeting:- Extra-ordinary meeting 28.3.17 Finance Committee 18.4.17	

The minutes are an accurate record of the meeting held on 16th March 2017

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Peter Derrick, Chair

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Date

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MINUTES

MERTON CLINICAL COMMISSIONING GROUP
FINANCE COMMITTEE
Extraordinary Meeting

Tuesday 28th March 2017
1.30pm to 2.30pm
Meeting Room 5.1, 5th Floor, 120 the Broadway Wimbledon

Members:

Peter Derrick (PD)	Lay Member Audit and Governance, Chair
Dr Tim Hodgson (TH)	Governing Body GP Member
Andrew McMylor (AMc)	Director of Primary Care
Chris Moreton (CM)	Interim Chief Finance Officer
Andrew Moore (AMo)	Acting Managing Director
Dr Andrew Murray (AM)	MCCG Clinical Chair

In attendance:

Ian Winning (IW)	Interim Deputy Chief Finance Officer
Lucy Lewis (LL)	Partnership Manager West Merton
Tony Foote (TF)	Note Taker – SECSU

Apologies:

Dr Carrie Chill (CChi)	Governing Body GP Member

No.	Item	Who
1.	**Welcome and Introductions**	
	PD welcomed IW to his first Finance Committee meeting.	
2	**Declarations of Interest**	
	The Register was **APPROVED** as an accurate record.	
3.	**For Approval**	
3.1	Primary Care Estates	
3.1a	<u>Patrick Doody Business Case</u> Firstly, AMc thanked LL and IW for their efforts in producing a paper that clearly laid out all relevant aspects of this matter, including the risks of both	

	proceeding and not proceeding with the project. PD recognised the need of the Practice to vacate current premises at 51 Princes Road, but noted that a London Improvement Grant (LIG) for £400k had recently been awarded to the Practice and enquired as to the status of this. LL explained that soon after the LIG funding application was submitted, the Senior Partner and current owner/occupier, Dr Sharma, gave notice of her intention to retire in October 2017. This also entailed Dr Sharma giving notice to the remaining partners to vacate the premises within a 3 month subsequent period. In addition the London IG 2017/18 & London Capital Planning prioritisation process had resulted in the scheme being earmarked for delivery 31st March 2018. It was agreed that the LIG was no longer a course of action the CCG would support. PD then asked about the current notional rent (£106k p.a.) for Patrick Doody and what this covered. LL replied that information supplied by the Finance Team indicated that this was rent for the Primary Care void space; services charges and facility management charges. AMc went on to explain that both the service and facility management charges for the new proposed Primary Care demise at Patrick Doody Clinic were significantly higher than expected and discussions with NHS PS on reducing these amounts were underway. He added that if the Practice was not able to meet these in their entirety the CCG might need to contribute. At this point, AM declared a potential interest in this item as his Practice was in a similar position regarding service charges on their premises. PD noted this. PD asked for clarity on where responsibility lay for the payment of service/facility management charges: it was confirmed that this was with the Practice. LL commented that this was likely to be a "sticking point" in negotiations as the Practice had declared it would not be able to afford the new charges. LL had made efforts to establish with the Practice what it felt to be suitable benchmark of affordability but no response has yet been forthcoming. With regard to the Patrick Doody site, PD acknowledged that there was a need to make use of this. He asked whether the proposal was to utilise the whole building or just the ground floor and LL confirmed that, according to DoH guideline, allocation for Primary Care would be the whole demise. However, there were existing CLCH services in place which would require safe decant to alternative premises over a phased period, therefore the practice would begin by occupying the ground floor demise only. PD asked for clarification as to who is paying for the current occupiers at Patrick Doody. AMo said that this was the CCG. NHS PS confirmed in a meeting with LL that CLCH has no formal lease arrangement at present. Looking forward, PD asked what was the next step and LL explained that CCG approval was now required before proceeding further. PD stated that he was uncomfortable with the CCG assuming any responsibility for payment of service charges and would it be possible to offer support in principle with an appropriate caveat. AMc suggested that the CCG could give its approval and continue to work on the issue of the high service and facility management charges or, if necessary, commit the CCG to paying a portion of the charges. PD remained strongly opposed to the CCG accepting any liability for these charges.TH, AM and LL stressed that the Practice could not afford the charges at their present levels but, equally, had no option but to move to Patrick Doody by the end of the year. PD acknowledged that the	

	charges were wholly unacceptable and he would not expect the Practice to pay, but the Practice would either need to negotiate lower rates or procure their own services in the same way as they did already. The remaining Partners would need to make the decision to move to new premises without assurance of funding support for the service charge and facilities maintenance charge from the CCG. The Finance Committee **APPROVED** the following: • Option 2 - supporting the move from 51 Princes Road to occupy the whole demise at Patrick Doody • The pursuit of ETTF funding as proposed for refurbishment and lift installation by supporting the submission of a business case from NHS PS in early April • Agreement of Heads of Terms with the caveat that the CCG does not accept liability for service and facilities management charges. • The Primary Care Team to make best efforts to negotiate a significant reduction in the service and facilities management charges at Patrick Doody to a level the practice can afford, or, to work with the practice to procure an alternative provider. If this is not achievable to bring a proposal back to the Finance Committee.	
3.1b	<u>Colliers Wood Business Case</u> PD stated his concerns regarding this proposal: that all the key organisations involved – the GPs; Merton Vision; Octopus Health; MedicX – would gain improved facilities funded by the CCG, without the CCG having played any part in negotiations so far. LL took back an action with IW to undertake further due diligence and report back to the Committee. AMc acknowledged this but responded that the Practice's current situation – that both current premises were inadequate for the provision of modern primary care services – presented a clear case for change and also the opportunity to consolidate the practice on one site. Furthermore, the cost proposal itself seemed reasonable. PD accepted this but felt that the CCG could be exposed in an audit. He would have been more assured if a Project Board with CCG representation had been established to ensure proper governance and monitoring. LL stated that to date she and WCD had been meeting with the developer and Partners regularly. If the scheme was approved, she would set up a more formal meeting structure reporting regularly to the Primary Care Commissioning Committee (PCCC) and the Finance Committee. Following approval, the developer would be required to submit a business case and the CCG would have sight of this prior to submission. There followed consideration of a proposal to develop an additional 180m^2 space at the proposed site. AM felt that it would be short-sighted of the CCG to not take the opportunity of the extra space, particularly in light of the aim of shifting care into community settings. AMc agreed and that it could provide a site for out-patients clinics, and AMo added that it would be very helpful to have a list of potential providers as part of the business case. AMc summarised the position: the CCG needed to formally inform ETTF that a business case for this scheme would be submitted (submission to be during early April 17). This would not involve any actual signing of contracts and the CCG would remain free to withdraw its support if it felt this was appropriate. The Finance Committee **APPROVED:**	**LL/IW**

	• Option 3 - for the scheme to proceed to the next stage of development to consolidate the two premises into one site for the delivery of primary care services, and work with the developer on securing strategically important , long term health care tenancy and possible income opportunity for the CCG, for the additional 180$_2$m The Committee also **AGREED** the following additional stipulations: • At this stage the full revenue consequences are not yet approved pending further discussion • That the Finance Committee has sight (remotely) of the business case prior to submission. • That the CCG continues to attend regular meetings with partners, Merton Vision and developer and to carry out the appropriate due diligence, reporting back to the Primary Care Commissioning Committee and the Finance on a regular basis. Additionally, arrangements to be made for the developer and partners to attend a future Finance Committee meeting to answer any questions the Committee may have regarding the commercial aspects of the scheme.	
4.	**Any Other Business**	
	There was no further business for discussion.	
5.	**Date of Next Meeting**	
5.1	Date of next meeting: 18th April 2017	

The minutes are an accurate record of the meeting held on 28th March 2017.

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Peter Derrick, Chair

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Date