



REPORT TO THE MERTON CLINICAL COMMISSIONING GROUP GOVERNING BODY

Date of Meeting: 25th January 2018

Agenda No: 9.2

Attachment: 11

<p>Title of Document: Summary Report of the Merton CCG Finance Committee meeting of 30.10.17 & the Merton & Wandsworth CCGs Finance Committee in Common meeting 21.11.17.</p>	<p>Purpose of Report: To Receive and Note</p>
<p>Report Author: Tony Foote, Board Secretary, NELCSU.</p>	<p>Lead Director: Neil McDowell, Chief Finance Officer</p>
<p>Executive Summary: This report summarises the key items discussed Merton CCG Finance Committee meeting of 30.10.17 & the Merton & Wandsworth CCGs Finance Committee in Common meeting 21.11.17. Note: this summary is not intended to replace the formal minutes of this meeting. Those minutes are available upon request.</p>	
<p>Key sections for particular note (paragraph/page), areas of concern etc: All of the summarised minutes.</p>	
<p>Recommendation(s): The Merton Clinical Commissioning Group Governing Body is requested to note the contents of the summarised minutes.</p>	
<p>Committees which have previously discussed/agreed the report: The Finance Committee has approved the full minutes of these meetings.</p>	
<p>Financial Implications: Only any detailed within the meeting summaries.</p>	
<p>Implications for CCG Governing Body: N/A</p>	
<p>How has the Patient voice been considered in development of this paper: N/A</p>	
<p>Other Implications: N/A</p>	
<p>Equality Analysis: N/A</p>	
<p>Information Privacy Issues: N/A</p>	
<p>Communication Plan: All documents appearing on Part 1 of the Governing Body meeting will be accessible via the CCG's website.</p>	



**MERTON CLINICAL COMMISSIONING GROUP
FINANCE COMMITTEE**

30th October 2017

Members Present:	
Peter Derrick (PD)	Lay Member Audit and Governance, Chair
Sarah Blow (SB)	Accountable Officer
Dr Tim Hodgson (TH)	GP Governing Body Member
Neil McDowell (NM)	Local Finance Officer
Dr Karen Worthington (KW)	GP Governing Body Member
James Murray (JM)	SWL Chief Finance Officer (Interim)
Josh Potter (JP)	Director of Commissioning (arrived for agenda item 5.2)

1.	<p><u>Tender Waiver Update</u> The Finance Committee noted the tender waiver which would be taken to the Audit Committee for ratification</p>
2.	<p><u>Finance Committee Risk Register</u></p> <ul style="list-style-type: none"> - Work had been undertaken to align the risks with the BAF. Merton & Wandsworth CCGs had agreed that both organisations would hold the same corporate objectives the BAF would need to apply equally to Merton and Wandsworth and the top level risks would be aligned. - The Finance Committee noted the report
3.	<p><u>Financial Risk Register</u></p> <ul style="list-style-type: none"> - The Finance Committee approved the Risk Register.
4.	<p><u>GP Access Hub Contract</u></p> <ul style="list-style-type: none"> - The Committee noted a revised specification for this service; this increased the cost but assurance was given that appropriate budgetary provision was in place - The Finance Committee recommended the agreement and confirmed that it would be taken to the Audit Committee.
5.	<p><u>Finance Report Month 6</u></p> <ul style="list-style-type: none"> - The year to date position for Month 6 and forecast outturn in year was to deliver a break even position as planned. - Acute commissioning was reporting a forecast overspend of £6.5m which would be offset by the under spend of £3m in non-acute - Further risks in the non acute position were noted which were subject to negotiation with third parties - The committee was advised as to the negotiating position with St Georges for 17/18 and 18/19 - The committee noted the report and the continuing significant risks to the financial forecast for the year

**MERTON AND WANDSWORTH CCGs
FINANCE COMMITTEE IN COMMON
Tuesday 21 November 2017**

Members Present:	
Chris Savory (CS)	Lay Member for Finance WCCG Chair
Stephen Hickey (SH)	Lay Member for Governance WCCG
Neil McDowell (NM)	Local Finance Officer
James Blythe (JB)	Managing Director
Dr Andrew Murray (AM)	MCCG Clinical Chair
Dr Karen Worthington (KW)	GP Governing Body Member
Dr Mike Lane (ML)	Jt. Clinical Lead Wandle Locality and GP)
Dr Tim Hodgson (TH)	GP Governing Body Member
Jack Rodber (JR)	Deputy Director of Finance, WCCG
Robert Kirton (RK)	Deputy Director of Finance, MCCG
Andrew McMylor (AMc)	Director of Primary Care Transformation, Merton and Wandsworth CCGs

1.	<p><u>Month 7 Finance Report – Merton and Wandsworth</u></p> <p><u>Local Delivery Unit</u></p> <ul style="list-style-type: none"> - Both CCGs are on target at Month 7 to deliver the agreed control totals of 0.5% for WCCG and break-even for MCCG; - There is a risk that QIPP will not deliver the full level of savings, but at this point we believe that we can make up any shortfall with reserves and other non-recurrent measures. - Acute contracts remain the main area of pressure for both CCGs. - Continuing healthcare remains stable but still forecast to underperform against budget for both Wandsworth (£2.9m) and Merton (£2.3m). - Primary care budgets are showing over-spends of £0.8m for Wandsworth and an under-spends of £0.2m for Merton. - Investments are in place to meet the mental health investment standard. - Both CCGs still plan to meet the running costs - There is a change to financial governance arrangements following the merger of the Finance Recovery Group and Savings and Delivery Group into a single Financial Recovery Oversight Group (FROG) focused on QIPP <p><u>Wandsworth CCG</u></p> <ul style="list-style-type: none"> - There is an emerging risk related to CHC at the Royal Hospital and Home for Neuro-disabilities, should patients move to CHC responsibility would transfer from the Local Authority to WCCG. - NELCSU is investigating acute over-performance at SGH to understand the drivers. - Prescribing is reporting over-spends of £200k per month equating to a total cost pressure of £1M. This is a national issue. <p><u>Merton CCG</u></p> <ul style="list-style-type: none"> - CHC is being reviewed as part of the QIPP recovery plan and there are potential further areas which can be mitigated. - Merton prescribing in common with other CCGs is forecast to over-spend by £600k compared to £1m in WCCG.
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	<ul style="list-style-type: none"> - PD re-iterated his concern that at M7 the CCG has a £2m unmitigated risk and whilst a number of mitigations have been identified if they are not delivered MCCG will be unable to deliver the plan to break-even this year - The Finance Committee in Common approved the LDU Month 7 Finance Reports.
2.	<p><u>WCCG financial risk register</u></p> <ul style="list-style-type: none"> - In future risks will be consolidated under the headings: Financial balance; QIPP; STP - A rationalised Wandsworth and Merton Financial Risk Register will be presented to the next meeting. - The Finance Committee noted the Financial Risk Register
3.	<p><u>Month 7 QIPP Risk Assurance Report – Merton and Wandsworth Wandsworth CCG</u></p> <ul style="list-style-type: none"> - The WCCG net forecast outturn is £19m against the £17.5m plan. The forecast risk is £14.5m - £1.7M of QIPP is non-recurrent and will be carried across to 18-19 - Concern was expressed that at M7 there are a number of risks yet to be mitigated and it is important that that the Board is given a realistic expectations of what will be achieved. <p><u>Merton CCG</u></p> <ul style="list-style-type: none"> - At M7 MCCG is forecasting to deliver it £11.2m plan to break-even. - £7.9 million of the QIPP benefits are non-recurrent and will be carried across into 2018-19 QIPP. - The Finance Committee noted the report.
4.	<p><u>2018/19 Financial Planning Round</u></p> <ul style="list-style-type: none"> - In 2017/18 achievement of the control total positions in was dependent on delivery of an ambitious £28.7m QIPP programme across the LDU. – - For 2018/19 the CCG is required to generate net savings of £32.6m across the LDU, representing a 5% reduction on the baseline budget. To date £16.5m of schemes have been identified. - NHSE has funded 3 weeks support starting 22.11.17 to support development of the plans. - The Finance Committee noted the report
5.	<p><u>Items in Common</u></p> <p>5.1 St George's Update</p> <ul style="list-style-type: none"> - St George's has agreed a £53m deficit plan for 2017-18. - Meetings with the Trust Director of Finance and NM are continuing with the aim to reach a year-end agreement in the range of £3m to £6m which is right for both the CCGs and the Trust. - The Finance Committee noted the update <p>5.2 STP Update</p> <ul style="list-style-type: none"> - Phase 1 to update NHSE on the changes since publication of the original document was submitted on 30.11.17 - Phase 2 is the financial detail to deliver the plan for 2018/19. - The Finance Committee noted the update
6.	<p><u>Merton Specific Matters</u></p> <ul style="list-style-type: none"> - The latest estimated position of the comparison of Current Costs and Future Costs is (£689,511), however it should be noted that these are high-level estimates. - The total capital requirement of the Scheme is £46.5m and the sources of the capital funds - A decant strategy is being developed by NHSPS, as the landlord of the Wilson and Birches Close sites, to provide vacant possession of the Wilson site in readiness for development.

	<ul style="list-style-type: none">- The project team costs will be met through the Capital funds and efficiencies will be built into the building design.- The Finance Committee noted the update
7.	<u>Any Other Business</u> The business case for 120 the Broadway is due for approval by Senior Management Team.