

Date	26 March 2019
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Title of paper	Finance & Activity Committee report
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Confidential	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (items are only confidential if it is in the public interest for them to be so)

The Governing Body is asked to:
Note the report.

<p>Summary of purpose and scope of report</p> <p>This report summarises the Finance and Activity Committee’s work since the last Governing Body meeting on 22 January 2019.</p> <p>The Committee provides assurance to Governing Body that financial plans for the CCG are robust and that any risk to delivering financial, activity and QIPP obligations are being managed appropriately. This is done via monitoring of services commissioned by the CCG to ensure robust budget and resource management, as well as monitoring of relevant risks on the Board Assurance Framework.</p> <p>The F&A Committee supports the CCG’s aim of ensuring that high quality services are commissioned and provided for patients as outlined in the North West London Sustainability & Transformation Plan:</p> <ul style="list-style-type: none"> - Radically upgrading prevention and wellbeing; - Eliminating unwarranted variation and improving long-term condition management; - Achieving better outcomes and experiences for older people; - Improving outcomes for children and adults with mental health needs; - Ensuring we have safe, high quality sustainable services; - Ensuring the system has the capacity and capability to deliver (workforce, organisational development, IT primary care etc). <p>In January and February, the Committee received the standing finance and QIPP reports as well reports on financial planning for 2019/20 and reports on commissioning and service developments as indicated below.</p> <p>1. Month 9 and Month 10 Finance and QIPP reports</p>

- Underspent against plan, and forecasting to deliver £19.3m surplus the financial year 2018/19;
- Variances relate mainly to acute and Continuing Health Care overspend, but are offset against provisions set aside for increased winter activity;
- NWL financial strategy agreed in May 2018 indicates loans were repayable, and the Committee requested this was confirmed the by Chief Financial Officer;
- QIPP performance decreased slightly, reporting at 81% at month 10, and 82% financial year end.

1.1. Month 10 NWL Finance report

- Forecast outturn position for NWL CCGs moved by £10.1m from month 9 (to £26.5m), with four CCGs continuing to forecast adverse variances from control total.
- Reported activity 3% above plan (year to date adverse variance of £44.4m), including acute hospitals in North West London and out of sector Trusts;
- QIPP savings full-year forecast 78%;
- CCGs have been asked to review affordability at a system-level, and the Committee requested that West London looked at how far it could further support the system.

1.2. 2019/20 Financial Planning update

- Draft plan prepared December 2018 updated to reflect month 9 financial data;
- In 2019/20 West London CCG uplift would be lower than other CCGs, as the CCG's starting point was over-capitated, taking West London to a 20% over-capitation level (previously 28%);
- The planning principle is for each CCG to reflect agreed service developments and actual costs incurred, and identify appropriate cost pressures and QIPP plans to deliver control total.

1.3. 2019/20 QIPP plan

- The Committee reviewed the draft West London CCG 2019/20 QIPP plan, aiming to deliver £16m savings; current plan includes schemes totalling £13.9m, and further schemes are expected from NW London programmes;
- Supports the CCG's plan to break even in 2019/20, and deliver the longer term financial strategy;
- CCGs have been requested to examine potential areas for in-year savings.

1.4. BCF Q3 submission report

- 2018/19 challenge of £1m around the Local Authority re-ablement element of the Community Independence Service contract for the period August 2018 to March 2019;
- West London CCG, Central London CCG, Royal Borough of Kensington and Chelsea and Westminster councils are reviewing.

2. **Commissioning and service developments**

2.1. North Kensington paediatric mobilisation funding

The Committee approved: £9,744.00 for paediatric consultant backfill to support the design of the North Kensington Children's Model during design and mobilisation phase (January – March 2019).

2.2. Section 75 review decision report

The Committee approved giving notice on the Local Authority contracts and then contract directly for a range of third sector provision health contracts via direct award, where the contracts were 100% health funded but currently managed by the Local Authority. Work with the Council underway to review and refine contracts managed within the section 75 agreement.

2.3. MCP development

The Committee approved, in line with the approach agreed at Governing Body in September 2018, specialist capacity and capability to develop support for the Multi-specialty Community Provider model via procurement process (£100k).

2.4. Proposed procurement (by RBKC) of a Locality Study linked to the One Public Estate programme

The Committee received an update on the One Public Estate initiative led by Royal Borough of Kensington and Chelsea. The work supports the implementation of the CCG's Strategic Estates Plan which will be subject to separate submissions to this Committee.

2.5. NEL Integrated Urgent Care costs and financial pressures

The Committee was informed of the development of a new integrated NWL service from April 2020, which is to be jointly procured during 2019/20, with Hounslow CCG as lead commissioner. There will be a financial pressure for the CCG, and the Committee queried the high cost relating to project team support.

2.6. Proposal for funding to support Primary Care development work programmes

The Committee approved funding to commission external management and business intelligence support for design and delivery of primary care at scale work programme at total cost of £150k.

2.7. Mental health self-care grant (Community Living Well)

The Committee approved £150k funding, as set out within the original Community Living Well business case and budget, on the proviso that the evaluation supported the contract management process.

2.8. Horton Haven Rehab redesign financing

The Committee approved use of budgeted mental health rehabilitation spend for 2019/20 to cover in-year provision and a share of stranded costs to a maximum total shared cost of £483,000, subject to Deputy Chief Finance Officer confirming the financial model, and Central London CCG supporting this proposal.

This is part of a plan to redesign the mental health rehabilitation pathway and to achieve long-term QIPP, and is in line with the NWL Financial Strategy.

2.9. Supported Accommodation confirmation of procurement decision

The Committee noted the outcome of the procurement process led by the Local Authority for a new model of support, included in CCG QIPP plans for 2019/20.

2.10. North Kensington recovery 5-year business case

The Committee received an update on the business case for NHS England funding and noted:

- Health Recovery Strategy is being developed,
- Outcome of engagement process and evidence base work has been established,
- Services and cost items have been re-evaluated.

The updated 5-year total funding costs currently stand at £46,674, and include the latest Central & North West London NHS Foundation Trust proposal (pending confirmation following discussion). The current business case excludes costs for additional health screening.

2.11. Contract extensions

The Committee approved the following contract extensions:

Community cardio-respiratory: contract extension by direct award of one year contract (with optional plus one) to Imperial College Healthcare NHS Trust, at maximum budget at £2.7m.

Direct access diagnostics: contract extension by direct award of 6 months extension at cost of £233,770 pending procurement of a new NW London wide community direct access radiology service

Minor injuries service at St Charles Urgent Care Centre: contract extension via direct award of one year (maximum £1m). The Committee noted the procurement advice from NHS Shared Business Service.

Steady and stable: contract extension by direct award of one year contract (£46,000).

Community Independence Service: a tri-borough extension of one year (£3,115,467). The Committee noted the advice from NHS Shared Business Service and, as this was a time-critical decision, the need for approval by Operational Group on behalf of Governing Body.

British Red Cross - Hospital at Home service: contract extension via direct award for one year contract at cost of £64,391.

Three Dementia contracts: bi-borough contract extension via direct award for one year contract at annual cost of £26,200. These contracts were previously managed by Hammersmith & Fulham CCG.

Three Homeless Health contracts: extensions for three services via direct award of one year contracts. Approval was given on the provision of completion of evaluation.

The Committee requested the following:

- Review of long-term approach using third sector providers, rather than shorter contracts;
- Prioritisation strategy for all contracts to ensure strategic fit and robust management of finance and quality indicators;
- Contract performance management process for monitoring for QIPP and savings delivery;

- Robust review of QIPP/ contract management and escalation to the Committee as necessary.

3. Governance and assurance

The Committee at February’s meeting reviewed the CCG risk register and noted the following:

Risk 1: financial system risk across NWL and impact on CCG investments.

Risk 2: BCF financial risk arising from CIS element of contract.

Quality & Safety/ Patient Engagement/ Impact on patient services:

The Committee ensures stakeholders are involved in its work through the following:

- All papers require managers to demonstrate the levels of patient and public engagement they have undertaken and impact on patient services;
- Ensuring lay member representation and participation in discussions to support delivery of services that benefit patients.

Financial and resource implications

Financial and resource implications were identified within each of the proposals reviewed by the Committee.

Equality / Human Rights / Privacy impact analysis

Not required for this report.

Risk

The Committee is responsible for the review and scrutiny of key risks outlined in the Board Assurance Framework.

Supporting documents

- Month 10 WL CCG and NWL financial and QIPP reports.

Governance and reporting (list committees, groups, or other bodies that have discussed the paper)

Committee name	Date discussed	Outcome
This report has not been presented to any other Committee of the Governing Body.		