Healthy Future

NHS
Hammersmith and Fulham
Clinical Commissioning Group

Item 11(iii)

Finance and Performance Committee Report – November and December 2017

The Finance and Performance (F&P) Committee has met twice since the last Governing Body meeting and met on Tuesday 28th November and Tuesday 19th December. This report summarises the wide raging and detailed discussions that took place and in particular the decisions taken on the various investment proposals presented.

Escalations

No items were escalated at either committee meeting.

Investment Proposals

<u>November</u>

Mental Health Employment, Recovery & Wellbeing Service Business Case: The committee,

- **Recommended** the business case for approval and to authorise the procurement of the Mental Health Employment and Wellbeing service, with a caveat that it looks for savings elsewhere in the system as part of the approval
- **To obtain Governing body chair's approval** as there was no governing body meeting scheduled for December 2017. **Post Meeting Note:** further work is being undertaken in relation to the business case and therefore this has not required Chair's approval at this time.

Homeless Health Services Review: The committee:

- **Agreed** <u>not to fund</u> an extension to the Groundswell contract for a 5 month period (1st April 2018 - 31st August 2018) in isolation, at a cost of £6250, as the committee were not assured and awaited the outcome of the review
- **Agreed** that a paper outlining the options and outcome of the Homeless Health Services Review be presented at January's F&P Committee, to allow members to make a decision on future commissioning of the Homeless Health Services, and to decide whether the CCG should fund the 5 month extension period for Groundswell at a one off cost of £6,250 and the EASL contract for the same period, at a cost of £10,416, utilising the monies available through S75 for EASL

Finance and Activity update

<u>Month 7, Finance Report (November 2017)</u>

At month 7, the CCG continued to report on plan both year-to-date (YTD) and against the forecast outturn; however, relies on a significant level of back-ended QIPP being delivered, and the release of non-recurrent balance sheet gains.

The committee were advised that the recurrent position going into 18/19 was off concern; and showed a forecast underline deficit of £2.65m, with low level growth and cost pressures that would need to be managed effectively.

<u>Month 8, Finance Report 2017/18 (December 2017)</u>

At month 8, the CCG continues to forecast on plan, however, relies on a significant level of non-recurrent underspends, including £6.72m of balance sheet gains. The risk adjusted forecast and most likely position is an adverse variance of £0.65m, and the underlying position for exiting 17/18 is now forecast to be a £3.88m deficit.

The committee **noted** the month 7 and 8 finance and activity reports.

2018-19 Planning update: The committee **noted:**

- The progress to date on developing the 2018/19 plan
- The month 7 forecast underlying position as the basis for the plan, and the planning assumptions used to develop the draft position for 2018/19
- Current modelling suggests the CCG is facing a QIPP target of £14.7m for 2018/19 which equates to 5% of allocation. However, this assumes a level of back-ended QIPP in 2017/18 and associated full year effect in 2018/19 and is therefore subject to change
- The current QIPP programme for 2018/19 has identified savings of £6.4m against this target, with schemes ranging from 'in outline' to 'signed off'
- This leaves a current estimated planning gap of £8.3m, which will need to be addressed through additional QIPP or other budgetary reductions.

NWL STP Financial update: The committee received an overview of the financial performance within the NWL STP, which included an update on the month 6 year to date position, the forecast outturn and a high level summary and analysis of the key issues.

Imperial Contract Performance and Trend Analysis

Month 6, 2017/18 (November 2017)
The committee were informed that year to date (YTD) there was an unmitigated/mitigated variance of (£2.8m)/ (£1.85m) respectively. Members noted that based on unvalidated figures that the M7 position had deteriorated by an additional £400k in the H&F forecast. The contracts team were now focusing on the technical calculations of the Imperial contract and stage 1 for this year; and the recurrent outturn for the 18/19 contract. The contract would include a tariff increase of .4% across all 8 NWL providers, with additional cost pressure associated with an extra 2 working days in 18/19, which would cost a further £7.1m across the portfolio of 8 NWL providers. The CCG did not anticipate any changes to the counting and coding and programmes; however, would include the 17/18 recurrent outturn, additional QIPP, growth, plus any additional CCG required changes prior to being compared with the available envelope.

Month 7, 2017/18 (December 2017)
The committee noted that year to date (YTD) there was an unmitigated/mitigated variance of £3.68m)/(£2.53m) respectively. Furthermore, there was an in month adverse movement of £681k, which was an adverse movement above trend of £373k. They committee noted the capacity planning work underway to address the RTT below trajectory performance and 18-week wait issues and the data quality and recording issues with 52-week waits, utilising the bi-weekly meetings with the Trust, NHS England and NHS Improvement to support this work.

The committee **noted** the month 6 and 7 Imperial reports.

QIPP

November 2017
The committee were advised that the CCG did not anticipate any material change to the forecast performance for local schemes in the coming months, but reporting would continue to be revised as the latest information becomes available such as IPP data for prescribing.

The committee noted that the QIPP forecast was under £5m and the CCG continues to rely on non-recurrent measures to deliver the forecast, with £1,732k QIPP delivered year to date, with the Financial Recovery Group (FRP), Capital Expenditure Programme (CEP) and STP schemes contributing 40% towards the overall QIPP target of £19,428k; therefore delivery of the forecast performance was vital.

It was brought to the committees' attention that performance to date showed that the CCG had achieved net savings of £6.1m, however when compared to the revised plan of £7,685k showed an adverse

variance of 20%, and a gap of £1,511k, and includes £1,732k (28%) of savings delivered on a non-recurrent basis and through savings from the North West London (NWL) schemes.
The CCG was forecast to deliver £13m net savings against the plan of £19m with a gap of approximately £6m off plan and 68% delivery, with the year-end forecast deteriorating by £326k compared to M06, but includes additional new scheme with in year benefit.

Members noted that the draft QIPP plan was submitted to NHSE on the 13th November and consisted of a combination of roll over and new schemes, with 49% (£6,405k) of the CCGs current QIPP target of £13,135k identified.

December 2017
The committee noted the formal feedback received from Deloitte on the QIPP planning review and list of actions to be taken forward. Members noted that the review focused on five areas of QIPP governance and received an overall amber rating. For QIPP Deliverability it focused on 10 QIPP schemes and 7 areas and had received an amber rating for 7 schemes, green for 2 and 1 red rating. The committee agreed that the Joint F&P and Quality Committee should be extended to allow for monthly QIPP discussions to be had from a quality and performance perspective.

The committee were advised that the overall M8 QIPP forecast had deteriorated by £1,133k, with the CCG relying on non-recurrent measures to support QIPP delivery. Members noted that the FRP/STP/CEP schemes were forecast to deliver 32% (£3,892k) of the total forecast for the year (£11,990k), therefore continue to rely on forecast delivery, with back ended QIPP of £2,028 included and £1,889k from the STP/FRP/CEP schemes.

Members noted that YTD performance had delivered net savings of £6,640k compared to the planned savings of £10,022k, an adverse variance of 34% and gap of £3,382k. This includes £1,959k (30%) of savings delivered on non-recurrent basis including NWL schemes. Members noted that the forecast was to deliver net savings of £11,990k against the plan of £19,428k, a gap of £7,438k (62% delivery), with the yearend forecast deteriorating by £1,133k compared to M07.

The committee **noted** the month 7 and 8 QIPP performance report plus QIPP Delivery Group minutes and actions.

CWHHE Workforce Report (November 2017)
The committee **noted** the CWHHE Workforce Report which came to the committee for information.

Strategy and Transformation (S&T) month 7 budget report – 2017/18: The committee were advised that the M7 S&T operational budget showed actual expenditure of £6.6m against plan of £8.2m and a year to date underspend of £1.6m. The underspend was predominantly due to consultancy and other cost pressures expected in the last 5 months of the year, also cuts in non-pay expenditure and the process and strict controls in recruiting to vacant posts. The S&T operational budget forecast outturn was £12.5m, a £2.5m underspend against plan. Members noted that the WTE trajectory within the S&T operational budget had altered significantly with 83 WTE and 18 WTE interims at M7, but were forecast to have 100 substantive WTE and 6 interim WTE posts by March 2018, which would have a significant positive impact upon the pay costs of this budget, but was subject to the posts being recruited into.

Network Plan 16-17 Performance: The committee:
- **Noted** the end of year performance across Elements 1 - 6 of the Network Plan 2016-17
- **Noted** the appeals process and payments made to practices
- **Reviewed and agreed the recommendation** for paying practices for the Bowel Cancer Screening Quality component
- **Noted** the indicative spend and QIPP savings for the Network Plan scheme

Corporate Risk Register - Finance risks (November 2017): The committee **noted and reviewed** the CCG Corporate Risk Register; in particular the seven finance risks scored 15 and over shown as red, and the rigorous process in place to review and mitigate these risks.

Contract Register and Pipeline of Contract Renewals: The committee **received** the contract register and list of all contracts to which Hammersmith & Fulham Clinical Commissioning Group (CCG) is the sole, co-ordinating, or associate commissioner. The committee agreed that a review of contracts for the whole of the year be carried out in Q4; with particular focus on those contracts due for renewal and to bring a paper back to the committee in February 2018 for deliberation.

Update on Central London Community Health Trust Transformation Programme: The committee were informed **of** progress in implementing the CLCH Transformation Programme and work undertaken by the commissioners on the community services provided by CLCH and the associated £1.2M QIPP costing savings for Hammersmith and Fulham CCG in 2017/18. This position will be reported to the committee once further work has been undertaken, and it will be reflected in the 2018/19 plan.

Funding approved at the Operational Group by the Managing Director: The committed **noted** that in accordance with the Standing Financial Instructions (SFI), and delegated authority that Janet Cree, Managing Director had approved at the Operational Group, the decision to work with Capitated Outcomes-Based Incentivised Care (COBIC), a sub-contractor of Imperial Health Partners, to provide the CCG with support in the continual development of patient and clinical outcomes for the Enhanced Primary Care (EPC) Contract in 2018/19 and in the development of Accountable Care Partnership work, to ensure the CCG has the right approach to outcome based commissioning. The committee noted that COBIC would be employed for the period January – March 2018 at a cost of £19,200 plus VAT.

Primary Care Investment Programme: The committee were informed that the Primary Care Commissioning Committee (PCCC) had deliberated the Primary Care Business Case applications received from GP practices working in localities and Primary Care Networks and the role of the Primary Care Delivery Group (PCDG) in reviewing all project proposals . Additionally, the PCCC was asked to approve the PCDG recommendations and to agree the next steps. The committee noted that the majority of proposals put forward from Central, the North and South of the borough were approved. However, one proposal considered an estates issue was rejected as it failed to meet the criteria and certain proposals that required commitment into 18/19, utilising 18/19 monies were not approved, therefore would need to come back to January's PCCC and F&P Committee for further consideration. The total cost of proposals to roll into 18/19 was £468,183, with investment of £821,963 approved against the 17/18 primary care programme budget of £1.2m. As part of the budget setting process that further consideration was required in January on the Primary Care Investment monies for 18/19 and on return on investment and associated costs for GP at Hand. The committee **noted** the verbal update on the Primary Care Investment Programme.