

Finance and Performance Committee Report – January and March 2018

The Finance and Performance (F&P) Committee has met twice since the last Governing Body meeting and met on Tuesday 23rd January and Tuesday 13th March. This report summarises the wide ranging 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

January

Community Independence Service (CIS) Contract Intentions 2018: The committee:

- **Approved option 3**, to take the CIS service into a new phase of development, working with providers to deliver a new pathway of care and bringing together rapid response and discharge to assess with wider community nursing/care coordination services, Subject to:
 - 1) *Seek agreement from the other 2 CCGs*
 - 2) *Obtain the views of the Local Authority and to clarify their funding position*
 - 3) *To evidence value for money and return on investment in a more robust way*
 - 4) *To work with the Integrated Care Partnership in Hammersmith & Fulham to bring together the CIS functions with Community and District Nursing, Primary Care Networks and associated Adult Social Care and voluntary sector teams.*

This programme of work to be a pre-requisite of the extension and to allow for the transition of CIS into an Accountable Care Partnership from April 2019

Primary Care Investment Programme – 18/19 Funding Implications: The committee:

- Recommended for Chair's action, the approval of the 18/19 funding implications associated with the 17/18 PiDs totalling £588,201 (non-recurrent spend), approved through the investment programme as per the recommendation from the Primary Care Commissioning Committee

Homeless Health EASL service: The committee:

- **Noted** the outcomes of the homeless health review
- **Noted** the proposal that the Peripatetic Nurse (PPN) service is to be provided as part of the Out of Hospitals Service within the Enhanced Primary Care Contract (Paper to go to Ops and Primary Care Committee in February)
- **Approved** the request for recurrent funding of £25,000 for EASL and £15,000 for Groundswell as part of the Section 75 Agreement for 2018/19 onwards, subject to the measurement being included as part of the non-elective work and to feed into the frequent attendees
- **Approved** the proposal that the Groundswell contract is incorporated into the Section 75 Agreement with the local authority
- **Approved** the request that, in the event that the decision is taken by Finance & Performance Committee to decommission any Homeless Health Service, funding will be made available to allow H&F CCG and LBH&F to fulfil their notice periods with the services

Community Direct Access Diagnostics Contract Extension: The committee:

- **Noted** the community direct access diagnostics contract extension, and the recommended negotiation strategy with regard to the Indicative Activity plan (IAP) and Tariff

Finance and Activity update

Month 9, Finance Report (January 2018)

At month 9, the CCG continued to report on plan, both year to date and forecast outturn, however, has relied on a significant level of non-recurrent underspends, including the release of £7.7m balance sheet gains. The committee noted that between M10-M12 the CCG would have limited or no balance sheet mitigations left to support the position.

Month 10, Finance Report 2017/18 (March 2018)

At month 10, the CCG forecast outturn position had worsened by £1.1m with a projected in year deficit of £0.2m, with non-recurrent underspends and balance sheet reserves of £7.2m now exhausted. The committee noted the M11 deficit position of £6.1m, the process in place to monitor and track GP at Hand registrations and costs in the reported acute position and the levels of spend, also the importance of driving forward engagement with GP members around QIPP. The committee **noted** the month 9 and 10 finance and activity reports.

18/19 planning update: The M9 starting forecast showed a deficit of over £4m. Based on existing NHSE business rules, the CCG would be required to deliver an in-year break-even position in 2018/19. However, CCGs were awaiting the latest business rules and confirmation whether there might be some sector flexibility to adjust this target for individual CCGs, within the wider control total for NW London. The committee **noted** the draft financial plan for 2018/19 and the changes that have occurred since the previous report in November 2017 representing considerably greater challenges for the CCG

NWL M8 Sector Financial update: The committee **noted** the overview provided of the STP financial performance and month 8 YTD STP position and consequent forecast outturn. Additionally, noted the high-level summary and analysis of key issues and quality improvements and amount of QIPP to be delivered over the last four months of the year.

Draft Financial Plan and 18/19 Budget update: The committee **noted** the draft Hammersmith and Fulham CCG 18-19 financial plans and budget update and the further work required to develop credible QIPP plans over the next week with governing body and GP members.

GP at Hand independent Evaluation: The committee **noted** the proposed independent evaluation of GP at Hand, including the development and finalisation of the specification and the proposed procurement process. The committee noted the Hammersmith and Fulham CCG £25k contribution towards the evaluation.

Imperial Contract Performance and Trend Analysis

Month 8, 2017/18 (January 2018)

Year to date (YTD) there was an unmitigated/mitigated variance of (£4.8m)/(£3.52m) respectively. Members noted that the level of spend for non-electives was high over the past two months, in particular for Imperial, C&W and LNWT. An in-month adverse movement of £998k was reported with agreement reached with the Trust to agree challenges for the rest of the year. The committee noted that based on early estimates it showed a £2m lower spend across the 8 CCGs.

Month 10, 2017/18 (March 2018)

The committee noted that H&FCCG had an unmitigated variance against the contract of £6m, but taking account of mitigations this reduced the variance to £4.47m, with £2m taken out of QIPP. The committee **noted** the month 8 and 10 Imperial reports.

QIPP

January 2018 (M9)

The committee noted the year to date (YTD) performance, with the CCG delivering net savings of £8,013k compared to plan of £12,363k, an adverse variance of 35% and a gap of £4,349k. This includes £2,573k (32%) of savings delivered on non-recurrent basis. The forecast performance was to deliver net savings of £12,634k against a plan of £19,428k, with a gap of £6,794k (65% delivery) and 37% (£4,680k) non-recurrent in nature. This takes into account in-year mitigations identified of £1,233k, and shows that the year-end forecast had improved by £644k compared to the M08 reporting.

March 2018 (M10)

The committee noted that the YTD performance had delivered net savings of £9,361k compared to plan of £14,718k, an adverse variance of 36%, and a gap of £5,358k. This includes £3,186k (34%) of savings delivered on non-recurrent basis. The forecast performance was to deliver net savings of £12,387k against a plan of £19,428k, a gap of £7,041k (64% delivery) and 38% (£4,680k) of the forecast performance was non-recurrent in nature. Overall, year-end forecast had deteriorated by £247k compared to last month. Concerning the 2018-19 planning update, the CCG has risk rated net plans of £6,959k against the target of £17,645k, which shows a gap of £10,686k. In terms of next steps, this will include a NWL Financial Strategy discussion at GB Seminar on 6th March and the need to address the pace of development of plans and difficult decommissioning decisions and review NWL and wider CCGs QIPP plans for adoption. The committee **noted** the month 8 and 10 QIPP performance report plus QIPP Delivery Group minutes and actions.

Strategy and Transformation (S&T) month 10 budget report – 2017/18: The committee noted the M10 S&T budget, with the NHSE contribution still under discussion, with mitigations in place in the event of non-receipt of funding, with contingency plans devised to support this.

Corporate Risk Register - Finance risks (March 2018): The committee noted that since the last iteration of the register that the number of risks has reduced from eighteen to fifteen, with six of the risks now closed and three new risks added, with six risks scored twelve and above. The committee were provided with assurance that an in-depth review of the Corporate Risk Register was carried out by the Head of Governance and Engagement and the Business Support Manager on Friday 2nd March, and that the CCG plan to carry out a similar review process quarterly. Following the review, the majority of risks have now been updated by teams.

Contract Register and Pipeline of Contract Renewals (March 2018): The committee **received** an update on the contract register and list of contracts to which Hammersmith & Fulham Clinical Commissioning Group (CCG) is the sole, co-ordinating, or associate commissioner. The register provides a robust process that allows the CCG to take appropriate action when considering future procurement options and the process to be followed and whether to extend contracts due to come to the end of their term. The committee emphasised the importance of a vigorous and robust governance process going forward.

Better Care Fund Plan 2017/19: The committee **noted** the Three Borough Integration and Better Care Fund Plan for 2017-19, that the CCGs and Local Authorities (Las) had agreed to undertake a stocktake of contracts and placements to establish opportunity for efficiencies as S75 was the largest element of BCF. It also noted that the contract negotiation meetings with the LA would be held in the next few weeks.