

Paper: 11(v)

<b>Date</b>	Tuesday, 27 March 2018
-------------	------------------------

<b>Title of paper</b>	<b>M10 YTD S&amp;T Update</b>
-----------------------	-------------------------------

<b>Presenter</b>	Neil Ferrelly, Chief Finance Officer				
<b>Author</b>	Titi Odusanya, Contract Budget Accountant				
<b>Responsible Director</b>	Lewis Butler, Deputy Chief Financial Officer Strategy & Planning Approved report <b>Yes</b> (by Keith Edmunds on 22 <sup>nd</sup> February 2018)				
<b>Clinical Lead</b>					
<b>Confidential</b>	<b>Yes</b>		<b>No</b>	v	Items are only confidential if it is in the public interest for them to be so

<b>The Governing Body is asked to:</b>
<b>Note</b> the M10 YTD S&T Update

<b>Summary of purpose and scope of report</b>
<p><b>Key points to note from this report as are follows:</b></p> <ol style="list-style-type: none"> <li>1. S&amp;T Operational Budget (Section 1 of this report) <ul style="list-style-type: none"> <li>▪ The S&amp;T operational budget M10 actual expenditure is £10.1m against a plan of £12.3m, a YTD underspend of £2.2m. The predominant underspend is due to consultancy and other cost pressures expected to arise in the last 2 months of the year in addition to strict control over recruitment to vacant posts and cuts in non-pay expenditure.</li> <li>▪ This said, the S&amp;T operational budget is forecasting outturn of £12.7m, a £2.4m underspend against plan.</li> <li>▪ The trajectory of the WTE within the S&amp;T operational budget has significantly changed from 70% substantive and 30% interim/consultancy staff at M1 to 80% substantive and 20% interim/consultancy at M10.</li> <li>▪ £2.1m of the S&amp;T £12.5m budget has been pooled into a central consultancy and non-pay budget. Certain cost pressures have already hit this pot. This pool can only</li> </ul> </li> </ol>

Paper: 11(v)

be drawn upon with approval of the budget owner (CFO CWHHE)

- As mitigation of non-receipt of any funding from NHSE, contingency plans have been devised. The first contingency plan has already been enacted; the reduction of the S&T operational budget from the proposed £15m to £12.5m. Outline plans have also been made for potential further reduction, should this be required.
  - **We are asking for no further contribution from CCGs in this financial year for SOC1 and SOC2 consultancy costs, with these to be met by the S&T budget.**
  - Additional provider support has been identified since the original SaHF and Strategy and Transformation Budget proposal in M3, including THH paediatric business case £580k and Ealing paediatric patient transport (initially £900k, now £1,300k).
  - £1m of the contingency for provision of mitigation for projects that may arise during the year has been earmarked for contribution to the CEP and the remaining £1m of contingency has been removed. The provision for other costs has therefore been reduced from the original proposal of £4.1m to £3.1m
2. Externally Funded Projects (Section 2 of this report)
    - We have added expenditure to date on externally funded projects to our previous reporting.
  3. Consultancy Contract Let (Section 3 of this report)
    - Project Completion Reports have been carried out for each contract let (where these are due) to give further insight and transparency into the outcome / outputs of each consultancy piece. These can be obtained by contacting S&T finance.

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

These are included in the individual S&T workstreams.

**Finance, resources and QIPP**

M10 YTD S&T spend

**Equality / Human Rights / Privacy impact analysis**

These are included in the planning of the individual S&T workstreams.

**Risk**

There are significant unbudgeted cost pressures which are expected to be met from

**Mitigating actions**

Those that have already hit and removed from the pool are GE Finnamore (SOC).

Paper: 11(v)

<p>this budget. For example, Kingsgate, Deloitte, GE Finnamore, RSM and S&amp;T have also been asked to pick up the costs of the Patient Transport Group.</p>	<p>Outline plans have also been made for potential further reduction in the S&amp;T operational budget and reduction of S&amp;T cost pressures should this be required.</p>
---	---

<b>Supporting documents</b>
M10 YTD S&T spend

<b>Governance and reporting</b>		
(list committees, groups, other bodies in your CCG or other CCGs that have discussed the paper)		
Committee name	Date discussed	Outcome
CCG F&P Committees	March 2018	Noted