

Item: 13 (iii)

Date	Tuesday, 15 January 2019					
Title of paper	NW London CCGs financial recovery plan 18/19					
Presenter	Paul Brown, CFO, NW London CCGs					
Author/s	Paul Brown, CFO and Jonathan Wise, Financial advisor, NW London CCGs					
Responsible Director	Paul Brown, CFO, NW London CCGs					
Clinical Lead	No clinical lead as this is a technical financial report.					
Confidential	<table style="border: none;"> <tr> <td style="padding-right: 10px;">Yes</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="padding-right: 10px;">No</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>Items are only confidential if it is in the public interest for them to be so</td> </tr> </table>	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
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 position of the financial recovery plan that was agreed for submission to NHS England by the Finance Committee on 15 November and ratified by the Joint Committee on the 6th December.

Summary of purpose and scope of report

At the November meeting of the Governing Body we considered a finance report that set out the objectives, principles and timeline for a North West London CCGs financial recovery plan. Since that meeting, the plan has been developed, scrutinised and submitted to NHS England. The plan was developed by the Business Planning and Recovery Group.

The NW London Finance Committee scrutinised the plan in November and the Joint Committee subsequently ratified the plan at their meeting on 6 December.

An updated plan will be prepared in early January to take account of progress and this will be an item of discussion and scrutiny at each of the monthly Finance Committee meetings. An update on progress will be submitted to the Governing Body in March.

The Financial Recovery Plan defines actions at two time horizons.

2018/19

- The focus of the management team will be to ensure that financial performance is at or better than the Most Likely levels indicated here. Increased Performance Management activity will be undertaken to ensure that all actions are implemented.
- The Business Planning Recovery Group will oversee this activity and the Finance Committee will continue to scrutinise

2019/20

- We are behind on planning for next year so activities will be stepped up. Increasingly the focus will be to work collectively, to use scale in negotiating contracts and in designing, agreeing and implementing QIPP, which will be aligned to Trust Cost Improvement Plans (CIPs).

The plan updates on work undertaken in October on the NW London CCGs 2018/19 financial positions, sets out conclusions in respect of potential variances to plan, and sets out actions both in respect of 2018/19 and planning for 2019/20.

Key points to note are that there remains a large range for the aggregate NW London CCGs potential outturn positions largely relating to spend in acute hospitals. The month 8 finance report sets out these ranges based on months 7 and month 8 positions on slide 11.

- The **likelihood of the individual CCG** best/most likely/worst is not necessarily an even distribution and assessments may vary between CCGs. **CCGs fall into three categories:**
 - ❑ **Three CCGs (Harrow, Hammersmith and Fulham and Ealing)** where the most likely is a deficit against plan, with a risk towards the worst case.
 - ❑ **One CCG (West)** where the most likely is a surplus against plan, with a potential towards the best case.
 - ❑ **Four CCGs (Brent, Central, Hounslow and Hillingdon)** where the most likely, is achieving the plan, but with this being closer to the best case.
- The work leading to this plan has identified that the most likely outcome is that across all North West London CCGs, the Collaboration could miss the control total deficit target by £16.8m.
- Under this most likely scenario we have assumed that out of North West London additions to the registered population of the GP at Hand practice are covered by an additional allocation of £11m. This is **not** a guaranteed adjustment.
- An improved scenario exists where we receive extra allocation to cover the improvement in the position at West – there is an incentive scheme operated by NHSE with some systems of rewarding organisations that improve their positions with an allocation at the level of the improvement. So the improvement of c £15m in the West position could yield a further £15m. This would potentially allow us to achieve the original control total.

An updated position against the actions for 2018/19 and for 2019/20 will be brought to the March meeting of the Governing Body.

Item: 13 (iii)

What are the benefits of this project?

To support delivery of 2018/19 financial plans.

There are two scenarios under which the NWL CCGs could achieve an outcome consistent with achieving their aggregate control total:

- CCGs deliver the current most likely FOT, and there is an NHSE incentive scheme for CCGs exceeding control total targets.
- CCGs deliver an outturn better than most likely and towards the best case.

The Joint Finance Committee agreed that the strategic approach to optimising the 18/19 out turn was to maximise the outturn on existing actions.

The recommended next steps for November are outlined in section 6 and include actions relating to both 2018/19 and planning for 2019/20.

There are 40 actions in total, 20 relating to 2018/19, and a further 20 relating to 2019/20

The Business Planning and Recovery Group (BPRG) is the group tasked with overseeing both sets of actions, and the group has agreed to meet weekly from late November.

Patient, staff and stakeholder engagement

Undertaken at individual CCG level but not in relation to this report.

Jargon buster

Finance acronyms

- YTD – Year To Date
FOT – Forecast Out Turn
FY – Full Year
PY – Part Year
FYE – Full Year Effect
Fav – Favourable
Adv – Adverse
CIP – Cost Improvement Programmes
QIPP – Quality, Innovation, Productivity & Prevention
CT – Control Total
STF – Sustainability Transformation Fund

Item: 13 (iii)

NHSI – NHS Improvement

NHSE – NHS England

Trust acronyms

CWFT – Chelsea And Westminster Hospital NHS Foundation Trust

CLCH – Central London Community Healthcare NHS Trust

CNWL – Central And North West London MH NHS Foundation Trust

ICHT – Imperial College Healthcare NHS Trust

LNWH – London North West Hospitals NHS Trust

RBH – Royal Brompton And Harefield NHS Foundation Trust

THH – The Hillingdon Hospital NHS Foundation Trust

WLMH – West London Mental Health NHS Trust

LAS – London Ambulance Service

Other acronyms

NSCO – No Cheaper Stock Obtainable (Drugs)

CHC – Continuing healthcare

Definitions

QIPP/CIP – Efficiency programmes, with CIP for providers and QIPP for commissioners. Net QIPP/CIP is the efficiency less any investment required to deliver the program.

Underlying Position – This is the financial position that has been adjusted for one off occurrences which would be considered outside business as usual, this applied to both expenditure and income. Additional adjustments are applied for the full year impact of recurrent events which started in year (e.g. a new service started in month 6).

Net risk – Risks and opportunity which do not have a high enough level of certainty to be added to the financial position are included in the risk log. Net risk is the sum of all the risks less all the opportunities.

Quality & Safety

None directly however a lack of a financial recovery plan could have quality and safety impacts on NW London work streams.

Item: 13 (iii)

Equality analysis

There has been no specific equalities analysis undertaken in relation to this report as any impacts would be assessed locally by CCGs.

Finance and resources

Finance and resource implications are integral to the report itself and are thus listed throughout.

Risks

Outlined in the financial recovery plan.

Mitigating actions

Outlined in the financial recovery plan.

Supporting documents

Not applicable.

Conflict of interest

There have been no conflicts of interest identified.

Governance, reporting and engagement

Name	Date	Outcome and where in the report can you find out more
Joint Finance Committee	15 November 2018	Recovery plan agreed
Joint Committee	6 December 2018	Plan ratified.
Joint Finance Committee	20 December 2018	Review of update on 18/19 actions.