



Month 5 Budget Update

SaHF & NWL Strategy and Transformation Programmes
October 2015

Purpose / Summary

This paper provides the month 5 budget update for NWL-wide financial strategy/ SaHF including Strategy & Transformation programmes.

It reflects the budgets proposed at the previous Collaboration Board, together with an update on the key points discussed at the last CB i.e.:

- 1) S&T budget;
- 2) In-year risks;
- 3) Harrow recovery plan.

The Collaboration Board are asked to:

- a) Note the current YTD and forecast outturn position (slide 7);
- b) Note the risks to the current outturn (slide 9)
- c) Note the Harrow recovery plan position (slide 10);

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Sources of funding (unchanged)

	TOTAL
CCGs contribution to the programme	£55.1m
NHS E contribution	£13.6m
Total resource available	£68.7m¹

The proposed application of this resource is as per the previous papers:

- £30m to Strategy & Transformation;
- £34.2m to Provider support;
- £5m to Harrow CCG.

The overcommitment of £0.5m will be covered by underspend from 14/15. An update on each of these areas is given in the following slides.

¹ Funding was subject to overall agreement of 15/16 plans by NHSE, and in particular surplus 'drawdown' applications made by NWL CCGs – these have now been agreed



Application of funds (1)

At the meeting of the Collaboration Board on March 12th the CCGs agreed to fund a Strategy and Transformation programme of £30m. The decision to refresh ImBC in July, followed by the agreement for the need to undertake more detailed work on the assumptions underpinning the ImBC led to the need to adjust the budget to reflect the revised spending plan. Reallocations were agreed at the CB on July 9th and September 10th and are shown in the table below:

Initial Plan	Initial Budget		Savings/Pressures identified September 2015	Revised Budget		
	(agreed March 2015)	Revised Budget July 2015		(agreed September 2015)		
				CCG	Central	Total
S&T projects	£m	£m	£m	£m		
Enhanced Integration/Whole Systems	10.0	10.0		6.8	3.3	10.0
Primary care transformation	4.4	4.4	(0.1)	2.0	2.3	4.3
SaHF implementation	4.5	5.5	1.3	-	6.8	6.8
Transforming Mental Health Services	4.4	3.4	(0.9)	1.0	1.5	2.5
Other costs (core team, non-pay, events)	6.7	6.7	(0.3)	-	6.4	6.4
Total	30.0	30.0	0.0	9.8	20.3	30.0

Budgets have been transferred from other S&T workstreams and reallocated from within the SAHF implementation workstream in order to cover the ImBC refresh cost pressures identified in the July and September reports. There is no change to the overall S&T budget.

Application of funds (2)

Provider support

In September the CB agreed that the uncommitted balance on provider support could be used to fund Trust costs for the modelling work required to support the ImBC. The position on provider funding at M5 is shown in the table below:

Provider support	Initial plan	Committed as at M4	Committed as at M5
	£m	£m	£m
<i>Maternity</i> ⁽¹⁾	8.9	7.2	7.2
<i>Paediatrics</i>	5.0	6.1	6.1
<i>Main SaHF</i>			
Double running:			
a) THH	3.0	3.0	3.0
b) Chel West	2.3	2.3	2.3
c) LNWHT	11.0	11.0	11.0
- CW/ West Mid merger	4.0	4.0	4.0
ImBC costs			0.7
Total	34.2	33.5	34.2

In M5 the total budget has been committed.

Month 5 S&T budget report

Committed Spend YTD

		BUDGET ANNUAL	BUDGET YTD	Committed YTD	VARIANCE YTD	
1	Whole Systems Integrated Care	Transition and Shadow Running	£6.8m	£6.8m	£6.8m	-
		Whole systems implementation	£2.5m	£0.1m	£0.1m	-
		Workforce & Change Academy	£0.7m	£0.1m	£0.1m	-
		TOTAL	£10.0m	£7.0m	£7.0m	-
2	Primary Care Transformation	Primary Care Network Support	£2.0m	£2.0m	£2.0m	-
		Primary Care System Wide Support	£0.9m	£0.1m	£0.1m	-
		Hub OBC Development	£1.4m	-	-	-
		TOTAL	£4.3m	£2.1m	£2.1m	-
3	Acute Reconfiguration	ImBC and OBC Development	£4.6m	£1.2m	£1.2m	-
		Paediatric Implementation	£1.2m	£0.8m	£0.8m	-
		Maternity Implementation	£1.0m	£0.1m	£0.1m	-
		System Wide Support & Ops Leadership	-	-	-	-
		TOTAL	£6.8m	£2.1m	£2.1m	-
4	Mental Health Transformation	Mental Health Wellbeing & Strategy	£1.0m	-	-	-
		Mental Health Urgent Care	£0.4m	£0.3m	£0.3m	-
		Mental Health Transformation	£1.1m	£1.0m	£1.0m	-
		TOTAL	£2.5m	£1.3m	£1.3m	-
5	Cross Cutting and Core Team	Communications and Engagement	£1.0m	£0.3m	£0.3m	-
		5 Year Strategy	£0.5m	£0.1m	£0.1m	-
		Core Team, non-pay, events	£4.2m	£1.0m	£1.0m	-
		Informatics	£0.7m	£0.2m	£0.2m	-
		TOTAL	£6.4m	£1.6m	£1.6m	-
Total		£30.0m	£14.1m	£14.1m	-	

NB 'Committed' includes items for which invoices have not yet been received.

Year end forecast

As at month 5 the forecast position for the S&T operational budget (excluding the CCG managed elements) is shown below:

Strategy and Transformation - core budgets	Month 5		
Initial Plan	Revised budget M5	Forecast outturn	Variance
	£m	£m	£m
S&T projects			
Enhanced Integration/Whole Systems	3.3	3.3	0.0
Primary care transformation	2.3	2.3	0.0
SaHF implementation	6.8	6.8	0.0
Transforming Mental Health Services	1.5	1.5	0.0
Other costs (core team, non-pay, events)	6.4	6.4	0.0
Total Surplus /(Deficit)	20.3	20.3	0.0

Risks to outturn

In previous reports a number of risks to outturn were identified, particularly in relation to the ImBC and the support required both within S&T and in the Trusts in order to complete the work necessary to achieve the deadlines set by NHSE.

A number of these risks have now crystallised and have been funded either from S&T budgets, internally by the Trusts, or, in some cases, have been referred to commissioners for further consideration. There remain some previously identified risks which may lead to further pressures:

- Maternity issues including costs of excess capacity. Some Trusts have indicated that they are staffed beyond the level required for current activity levels;
- The potential costs of further work on the ImBC and related issues.

Update re Harrow

A draft Harrow recovery plan was submitted to NHSE on 31/7. However, whilst the draft submission represents good progress it doesn't yet meet business rules for 16/17 and is the subject of further development in August - October, with a final submission due on 31/10.

NHSE have confirmed that a recovery plan by 31/10 that can be assured is on the critical path to an ImBC that will command their support.



Appendix A

Month 5 Budget Update

Consultancy Contracts Let
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S&T consultancy contracts let since 1st April 2015 (1/2)

Contract let	Contract	Value	Provider	Decision-making panel	NHSE
Jun 2015	WSIC Early Adopters Go Live	£206,985	Mckinsey	Single Tender Waiver ¹ Signed by C Parker (AO) and R O'Hare (Chair)	Approved
Jun 2015	SaHF ImBC Development - Joint PMO	£190,500	Moorhouse	Single Tender Waiver ² Signed by C Parker (AO) and R O'Hare (Chair)	Approved
Jun 2015	SaHF ImBC Development - Productivity Analysis	£791,778	McKinsey	Single Tender Waiver ² Signed by C Parker (AO) and R O'Hare (Chair)	Approved
Jun 2015	SaHF ImBC Development - Financials	£203,145	NEL CSU (Deloitte)	Single Tender Waiver ² Signed by C Parker (AO) and R O'Hare (Chair) – SLA signed by C Parker plus Finance Director NELCSU	Approved
Jun 2015	SaHF ImBC Development - Re-write	£17,351	Carnall Farrar	Signed by C Parker (AO)	N/A
Aug 2015	Portfolio and PMO Support for S&T Directorate	£863,604	PA Consulting	Contract (tbc – pending NHSE approval) Evaluation panel: Director of S&T (acting), Deputy Director S&T, Deputy Director Reconfiguration (S&T), Programme Director Reconfiguration (S&T), Deputy CFO CWHHE, and two Lay Members	Submitted, awaiting approval

S&T consultancy contracts let since 1st April 2015 (2/2)

Contract let	Contract	Value	Provider	Decision-making panel	NHSE
Aug 2015	SaHF ImBC Development - Joint PMO (extension to Jun 2015 letting)	£35,200	Moorhouse	Single Tender Waiver ¹ Signed by C Parker (AO)	N/A
Aug 2015	Delivery Architecture	£549,828	McKinsey	Evaluation panel: Director of S&T (acting), Deputy Director Strategic Financial Planning (S&T), Deputy Director S&T (WSIC), Deputy Director Reconfiguration (S&T), Lay Member.	Approved

Please note

Single Tender Waivers have been agreed in line with the CLCCG Prime Financial Policies section 14 for the following reasons:

¹ When the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate (Para 14.8.7);

² Where the timescale genuinely precludes competitive tendering (Para 14.8.5).

