

**North Central London Clinical Commissioning Group
Finance Committee**

Thursday 28 January 2021

2:30 to 3:30pm

MS Teams

AGENDA

MEMBERSHIP	
Voting Members:	
Dr Neel Gupta	Elected GP Representative and Committee Chair
Mr Simon Goodwin	Chief Finance Officer
Ms Frances O'Callaghan	Accountable Officer
Mr Arnold Palmer	Lay member, General Portfolio, Governing Body Member
Dr John Rohan	Elected GP Representative
Dr Chitra Sankaran	Elected GP Representative
Ms Karen Trew	Lay member, Audit and Governance, Governing Body Member
Non-Voting Members	
Ms Becky Booker	Director of Financial Management
Mr Anthony Browne	Director of Financial Strategy and Contracting
Mr Will Huxter	Executive Director of Strategy
Ms Sarah Mansuralli	Executive Director of Strategic Commissioning
Mr Gary Sired	Director of System Financial Planning and Assurance
Attendees:	
Andrew Tillbrook	Deputy Board Secretary
Apologies:	
Mr Simon Goodwin	Chief Finance Officer

Item	Title	Lead	Action	Page	Time
1.	Introduction				
1.1	Welcome and Apologies	Chair	Note	----	2:30 to 2:45
1.2	Declarations of Interest	Chair	Note	3-6	
1.3	Declarations of Gifts and Hospitality	Chair	Note	-----	
1.4	Minutes of last meeting	Chair	Approve	7-11	
1.5	Action Log and Matters Arising	Chair	Note	12-16	
2.	Business				
2.1	Month 9 Finance Report	Becky Booker	Note	17-38	2:45 to 3:00
2.2	2021/22 Planning	Gary Sired	Note	Oral	3:00 to 3:20
	Governance				
3.1	Finance Risk Register	Becky Booker	Note	39-45	3:20 to 3:25
3.2	Forward Planner	Chair	Note	46	
4.	Any Other Business				3.25

5.	Next Meeting Any Other Business
5.1	Date of future meetings: <ul style="list-style-type: none">• 25 February 2021 2:30 to 3:30• 25 March 2021 2:30 to 4:30

**North Central London CCG
Finance Committee Meeting
28 January 2020**

Report Title	Declaration of Interests Register – NCL CCG Finance Committee	Agenda Item: 1.2
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Governing Body Sponsor	Dr Neel Gupta, Committee Chair and Governing Body member	Tel/Email	Neel.gupta@nhs.net
Lead Director / Manager		Tel/Email	
Report Author	Andrew Tillbrook Deputy Board Secretary	Tel/Email	Andrew.tillbrook@nhs.net
Name of Authorising Finance Lead	Not Applicable	Summary of Financial Implications	Not Applicable
Report Summary	<p>Members and attendees of the Finance Committee are asked to review the agenda and consider whether any of the topics might present a conflict of interest, whether those interests are already included within the Register of Interest, or need to be considered for the first time due to the specific subject matter of the agenda item.</p> <p>A conflict of interest would arise if decisions or recommendations made by the Governing Body or its Committees could be perceived to advantage the individual holding the interest, their family, or their workplace or business interests. Such advantage might be financial or in another form, such as the ability to exert undue influence.</p> <p>Any such interests should be declared either before or during the meeting so that they can be managed appropriately. Effective handling of conflicts of interest is crucial to give confidence to patients, tax payers, healthcare providers and Parliament that CCG commissioning decisions are robust, fair and transparent and offer value for money.</p> <p>If attendees are unsure of whether or not individual interests represent a conflict, they should be declared anyway.</p>		
Recommendation	To NOTE the Declaration of Interests Register and invite members to inspect their entry and advise the meeting / Board Secretary of any changes.		

Identified Risks and Risk Management Actions	The risk of failing to declare an interest may affect the validity of a decision / discussion made at this meeting and could potentially result in reputational and financial costs against the CCG.
Conflicts of Interest	The purpose of the Register is to list interests, perceived and actual, of members that may relate to the meeting.
Resource Implications	Not Applicable

Engagement	Not Applicable
Equality Impact Analysis	Not Applicable

Report History and Key Decisions	The Declaration of Interests Register is a standing item presented to every meeting of the Finance Committee.
Next Steps	The Declaration of Interests Register is presented to every meeting of the Finance Committee and regularly monitored.
Appendices	The Declaration of Interests Register.

NCL CCG Governing Body Declaration of Interest Register - June 2020

Name	Current Position (s) held- i.e. Governing Body, Member practice, Employee or other	Declared Interest - (Name of the organisation and nature of business)	Type of Interest				Is the interest direct or indirect?	Nature of Interest	Date of Interest			
			Financial Interests	Non-Financial Professional Interests	Non-Financial Personal	From			To	Date declared	Updated	
Members												
Simon Goodwin	Chief Finance Officer of NCL CCG Member of NCL CCG Governing Body NCL Finance Committee Attendee, NCL Audit committee NCL Strategy and Commissioning Committee NCL Primary Care Commissioning in Common Attend other meetings as and when required.	East London NHS Foundation Trust	Yes	No	No	Indirect	Wife is a senior manager at the Trust	14/06/2017	current	12/10/2018	11/05/2020	
Dr Neel Gupta	Camden Clinical Representative, NCL CCG Governing Body Chair of Finance Committee Member of Covid Reponse Oversight Committee Member of Medicines Management Committee	The Keats Group Practice	Yes	Yes	No	Direct	Salaried Employee	15/11/2016	current	06/09/2019	13/05/2020	
		North Camden Primary Care Network	Yes	Yes	No	Direct	Practice is a member of PCN	01/07/2019	current	06/09/2019	13/05/2020	
Frances O'Callaghan	Accountable Officer of NCL CCG Member of Covid Reponse Oversight Committee Member of Finance Committee attend other committees as required	No interests declared	No	No	No	No	Nil Return	24/02/20	current	24/02/2020		
Arnold Palmer	Lay Member of NCL CCG Governing Body Chair of Remuneration Committee Member of Primary Care Commissioning Committee Member of IFR Appeals Panel Member of Strategy and Commissioning Committee Member of Finance Committee Member of Audit Committee Member of Public and Patient Engagement Committee	A & C Palmer Associates	Yes	No	No	Direct	Director and Owner of private LTD company, providing training, executive coaching and consultancy services. Spouse is also a shareholder and company secretary.	01/01/2006	current	16/04/2020		
Dr John Rohan	Haringey Clinical Representative, NCL CCG Governing Body Member of Finance Committee Member of IFR Appeals Panel	Lawrence House (incorporating Lawrence House, Broadwater Farm, Dowsett Road and Tottenham Hale practices)	Yes	No	Yes	Direct	GP Partner	15/03/2018	current	15.10.2018	15/05/2020	
		Federation4Health, the pan-Haringey Federation of GP Practices	Yes	No	Yes	Direct	Practice is a member	15/03/2018	current	15.10.2018	15/05/2020	
		Whittington Health	No	No	Yes	Indirect	Wife is a consultant paediatrician and clinical lead for paediatrics	15/03/2018	current	15.10.2018	15/05/2020	
		Weilbourne Primary Care Network	Yes	Yes	No	Direct	Practice is a member	01/07/2019	current	08.08.2019	15/05/2020	
Dr Chitra Sankaran	Enfield Clinical Representative, NCL CCG Governing Body Member of Finance Committee Member of Remuneration Committee Member of IFR Panel	Winchmore Hill Practice	Yes	Yes	No	Indirect	GP Partner	01/05/2011	current	20/09/2017	27/04/2020	
		Park Lodge Medical Centre	Yes	Yes	No	Indirect	GP Partner	01/04/2017	current	20/09/2017	27/04/2020	
		Enfield One	Yes	Yes	No	Indirect	Member	14/11/2018	current	20/09/2017	27/04/2020	
		Enfield Healthcare Co-operative Ltd	Yes	Yes	No	Indirect	Member	14/11/2018	current	20/09/2017	27/04/2020	
		Enfield West Collaborative Primary Care Network	Yes	Yes	No	Direct	Member	01/07/2019	current	28/08/2019		
Karen Trew	Deputy Lay Chair of NCL CCG Governing Body Member of Covid Response Oversight Committee Member of Finance Committee Member of Primary Care Committee Member of Remuneration Committee Member of IFR Appeals Panel Member of Strategy and Commissioning Committee Chair of Audit Committee	Broxbourne School Hertfordshire	No	No	Yes	Indirect	Chair of the Governing Body (previously Governing Body members since Nov. 2004)	01/07/2015	current	15/07/2015	25/05/2020	
		Wormley C of E Primary School, Hertfordshire	No	No	Yes	Indirect	Chair of the Governing Body	28/06/2005	current		25/05/2020	
		Lloyds Pharmacy Clinical Homecare	No	No	No	Indirect	Son is employed in an operational role	01/04/2017	current	01/05/2017	25/05/2020	
Attendees												

NCL CCG Governing Body Declaration of Interest Register - June 2020

Rebecca Booker	Director of Financial Management, NCL CCG	No interests declared	No	No	No	No	Nil Return	01/07/2017	current	01/07/2019	11/10/2019
Anthony Browne	Director of Financial Strategy and Contracting, NCL CCG	No interests declared	No	No	No	No	Nil Return	22/10/2018	current	10/10/2019	15/07/2020
Will Huxter	Executive Director of Strategy Member of NCL CCG Executive Management Team Member of Public Patient Engagement and Equalities Committee Member of NCL Engagement Advisory Board Attend Finance Committee Attend Covid Response Oversight Committee	No interests declared	No	No	No	No	Nil Return	03/07/2018	current	04/09/2019	07/05/2020
Sarah Mansuralli	Executive Director of Strategic Commissioning Member of NCL CCG Executive Management Team Exec Lead for Strategy and Commissioning Committee Attend Finance Committee Attend Covid Response Oversight Committee	No interests declared	No	No	No	No	Nil Return	07/11/2018	current	07/11/2019	08/05/2020
Kay Matthews	Executive Director for Clinical Quality Attend Governing Body Attend NCL Committee Meetings as required e.g. Quality and Safety Committee Public Patient Engagement and Equalities Committee Primary Care Commissioning Committee Borough Commissioning Committee Member of NCL CCG Executive Management Team	No interests declared	No	No	No	No	Nil Return	15/10/2018	current	12/09/2019	11/05/2020
Gary Sired	Director of System Financial Planning, NCL CCG	No interests declared	No	No	No	No	Nil Return	30/04/2018	current	16/08/2019	15/05/2020
Andrew Tillbrook	Deputy Board Secretary, NCL CCG	Symposium Mammographicumm	Yes	No	No	yes	Company Secretary	08/07/2012	current	15/08/2019	15/05/2020

**North Central London Clinical Commissioning Group
Finance Committee
Minutes
Thursday 17 December 2020, 11:00 to 12:30**

Voting Members:	
Dr Neel Gupta	Elected GP Representative and Governing Body Member, Committee Chair
Mr Simon Goodwin	Chief Finance Officer, Governing Body Member
Ms Frances O'Callaghan	Accountable Officer, Governing Body Member
Mr Arnold Palmer	Lay member, General Portfolio, Governing Body Member
Dr John Rohan	Elected GP Representative, Governing Body Member
Dr Chitra Sankaran	Elected GP Representative, Governing Body Member
Ms Karen Trew	Lay member, Finance, Audit and Governance, Governing Body Member
Non-Voting Members	
Ms Becky Booker	Director of Financial Management
Mr Anthony Browne	Director of Financial Strategy and Contracting
Mr Will Huxter	Executive Director of Strategy
Ms Sarah Mansuralli	Executive Director of Strategic Commissioning
Mr Gary Sired	Director of System Financial Planning and Assurance
In Attendance:	
Mr Andrew Tillbrook	Deputy Board Secretary
Apologies for Absence	
	None
1.	Introduction
1.1	Introductions and Apologies for Absence
1.1.1	The Chair welcomed members and attendees to the meeting. No apologies had been received and meeting was declared as quorate.
1.2	Declaration of Interests
1.2.1	The Register of Interests was considered and noted.
1.2.2	No declarations of actual or potential interests were made by members and attendees with regard to the business listed on the agenda.
1.2.3	The Committee NOTED the Register of Interests.
1.3	Declarations of Gifts and Hospitality
1.3.1	There were no declarations of gifts and hospitality.
1.4	Minutes of the Meeting held on 26 November 2020
1.4.1	The Committee considered the minutes of the meeting held on 26 November 2020.
	The Committee APPROVED the minutes of the meeting held on 26 November 2020 as an accurate record of the meeting.
1.5	Action Log/Matters Arising

1.5.1	The Committee considered the action log and updates were provided. The updated log will be circulated accordingly.
	The Committee NOTED the updated Action Log
2.	FINANCE
2.1	Month 8 Finance Report
2.1.1	<p>Mr Goodwin introduced the above report, reminding members that the key headlines had already been presented to the Governing Body meeting on the 10 December. Ms Booker advised that some additional data had been provided for this meeting; although some new information has been included it is not as completed as requested as this meeting was being held a week earlier than usual:</p> <p>:</p> <ul style="list-style-type: none"> • As of month 8, a deficit position of £22m was being reported, up from £12.2m deficit to reflect the request by NHSE to ask the CCG to report on discharge pressures for the end of the year. The discharge programme is expected to be fully funded. This change was more to do with a reporting requirement rather than an increase in the CCGs planned deficit position. • Them7 to m12 planned SEP of £2.8m had been fully delivered • Financial recovery of about £4m had been identified, relating mostly to winter resilience work, reduced activity with regard to in vitro fertilisation and termination of pregnancy services • All risks that had been identified at planning stage had been fully mitigated (about £9.1m) • It was expected that savings would be made regarding the Better Care Fund uplift <p>A correction to the report in that the £4.1m allocation relates to GP resilience funding.</p>
2.1.2	<p>In considering the report, the following observations and points of clarification were made:</p> <ul style="list-style-type: none"> • Funding for hospice services were expected to be made centrally which allowed CCG funding to be reduced without overall loss of support • The funding gap was expected to reduce from £12.2m by £3.8m and further cost savings would be sought with a view to closing the gap by the 31 March 2021 • Seeking to achieve a break even budget by year end 2020/21 was an assumed objective (and would not affect current service provision), but it remained unclear what constraints could still be imposed by NHSE. However, the next financial year was expected to be challenging.
2.1.3	<p>Following further discussion, members noted that many of the providers were reporting underspends from which it was agreed to glean and present an overview of their efficiency programmes to reduce their spending by 1.5% (as set down by NHSE) and seek assurance that cost reductions did not mean service reductions (Action 033 Will Huxter).</p>
2.1.4	<p>Overall, the Committee was assured that there was a plan of financial recovery and an objective to achieve break even by March 2021, given the budgeted deficit of £59m agreed at April 2020 and aggravating circumstances caused by the pandemic. However, there were many uncertainties planning for 2021/22, given the plans for creating integrated care systems, central funding and the pandemic.</p>

	The Committee NOTED the report
2.2	2021/22 Planning
2.2.1	<p>Mr Sired introduced the above report which outlined a high level, financial plan for the next financial year, based on the 21/22 CCG allocations. A number of assumptions had been made:</p> <ul style="list-style-type: none"> • no additional Covid funding (a loss of £26m), • cost pressures would continue regarding effects of the pandemic, and • the year-end deficit for 2020/21 (currently at £12.2m) would remain unchanged, carried over and doubled to provide a starting point of £24m deficit for 2021/22 • no growth allocation and no top up funding • no savings arising with the block style contracts with the providers, resulting in an overall deficit of £83m.
2.2.2	<p>In considering the draft financial plan, and taking account of the proposed integrated care system, it was crucial to develop a cultural shift across the NCL health and social care landscape as to how resources and risks would be shared. Nevertheless, NHS London was of the view that allocations for NCL was adequate for this current year and it was suggested that plans for future service provision needed innovative and fundamental review and change to increase efficiency. The Committee noted that collective forecast deficit across the Trusts from April 2021 was about £300m. (the outline of which would be shared with the committee (Action 034 Gary Sired))</p>
2.2.3	<p>Whilst the allocations for 21/22 had been advised by NHS London, clarity was still sought as to whether provider contracts would be set at national level or negotiation at local level, the latter option giving rise to concern as to how all the care partners could reasonably agree when they are all starting from a deficit position. The ambiguity was compounded as the ICS consultation guidance from NHSE suggested that financial allocation decisions should be reached by the Trusts and Commissioner.</p>
2.2.4	<p>In discussing the difficulties of planning it was agreed that:</p> <ul style="list-style-type: none"> • Cost and cost control in the health care system needed to be reviewed as a system to make efficiencies without loss of provision • Health care prevention measures needed to be put in place for the longer term to balance and reduce focus on reactive care / management of long term (preventable conditions) • Such a programme would need to be developed over several years via evidence of care needed from the population health programme and commissioning strategically. Any change in care would need a transitional phase from remedial to preventative with funding balanced accordingly • The contractual approach to commissioning needed review so that incentives to care provision reflected the needs of the population.
2.2.5	<p>The Committee discussed at length the concerns over the accumulated deficit of the CCG (and its legacy 5 borough CCGs) and level of concern, given that the CCG was likely to become redundant by April 2022 with the advent of the ICS. It was confirmed that the accumulated deficits were not included in the current budgeted forecast and that cost control remained an important element across NCL to ensure all partners maximise the finite resources available. The last nine months had opened up opportunities to work differently with the providers, given the informal but close partnership working developed from the pandemic had shown that rapid change was possible in difficult situations. The Covid crisis had also brought to the fore duplication</p>

	of services in secondary care, leading to the conclusion the need to consolidate them (without loss of provision to patient care and safety) within individual and across Trusts in a comparatively small geographical area. The ability to control expenditure, ensuring value for money and accountability was all seen as key elements to ensure that as a commissioner, money was being seen to be spent well. It was agreed to garner a list of services provided by all the Trusts to assess where duplication occurred which would enable the CCG to work with hospitals to review and make efficiency savings (Action 035: Simon Goodwin)
2.2.6	In conclusion, organisational change would need to be supported by cultural change so that all partners felt part of a system rather than as sovereign entities but acknowledging the challenge of achieving harmony quickly given the eminent independent and influential institutions that some of them have become.
	The Committee NOTED the Report
2.3	Systems Efficiency Plan (SEP)
2.3.1	Mr Huxter introduced the above paper, which included more in depth reporting on primary care prescribing and continuing health care (CHC), and from which the following highlights were made: <ul style="list-style-type: none"> • Planning to include trajectories for the next financial year • An increase in CHC activity in November, reflecting a series of appeals raised by patients • The expectation that the 1.5% savings target would still be achieved by month 12.
2.3.2	In considering the report, the following concerns were raised and assurances provided: <ul style="list-style-type: none"> • The challenge of bringing back patients from out of area placements to within NCL was noted. However, spending levels in the independent sector were being reviewed, with consideration being made to repatriate patients to a more local setting. In addition, with progress being made for NCL to work more as a system would increase efficiency and reduce duplication • There remained a need to seek clarity on the premise of patient choice under the proposed ICS, which would be sought as the NHSE consultation on ICSs progressed Action 037: Sarah Mansuralli to report on progress about OOA placements • The need to look at CHC as part of a wider system of oversight and control, given that responsibility for care was shared with the local authorities • The opportunity to review prescribing costs in secondary care as well as what is currently managed at primary care level, given the move to integration.
	The Committee NOTED the Report
3.	Governance
3.1	Finance Risk Register
3.1.1	Ms Booker introduced the report which was taken as read. Note was made of the two newly added risks for 2021/22; financial sustainability and SEP planning. The Committee was invited to consider all the risks presented, for the rating and if it was felt that there were any omitted risks. In considering the financial governance and system planning, members were invited to review the scoring of 12, given the challenge for all health care partners to work together in an unlegislated framework

	and the scale of work involved. There was an underlying concern as to how much the CCG could control costs when this element is generated by the service providers. Following further discussion, it was agreed to review and increase the risk to 4 x 4 =16. It was further agreed to share drafts of financial governance models with the committee as and when they became available Action 036 Simon Goodwin
	The Committee NOTED the risk register
3.2	Forward Planner
3.2.1	The Forward Planner was considered and noted from which members were reminded of the plan to bring a series of deep dive topics on a rotating basis.
	The Committee NOTED the forward planner
4.	Any Other Business
4.1	There was no other business discussed at this meeting.
5.	Date of Next Meeting
5.1	There next meeting was scheduled to take place on 28 January 2021 between 2:30 to 4:30pm <i>[later note 2:30 to 3:30]</i>
5.2	The Chair closed the meeting at 12:30pm.



North Central London
Clinical Commissioning Group

FINANCE COMMITTEE
ACTION LOG

Action No.	Meeting Date	Action	Lead	Deadline	Update
FIN014	01 October 2020	SEP Report to present proposals for efficiency plans for 2021/22	Will Huxter	January 2021	Due for next meeting
FIN015	01 October 2020	CSU and HLP Update – Value for Money and Delivery of Service to provide a detailed breakdown of the various service lines and their costs	Will Huxter Will Huxter	October Feb 2021	Service lines considered discussed how to achieve greater efficiencies by economies of scale. Continuing negotiation re CSU functions and adapting CCG requirements around the CSU offer until October 2021 <i>ACTION: to provide a progress report on the service costs and alignment of services to what the CCG required</i>
FIN016	01 October 2020	NCL System Update To clarify the governance processes by the Royal Free as regards stopping / substituting some schemes	Gary Sired	October	View that governance, accountability and oversight processes on capital spend, project substitution should be strengthened, particularly as the CCG is part of a wider system.

			Gary Sired	January 2021	To be subsumed into a wider piece of work about ICS governance, taking account of the national direction of travel
FIN017	01 October 2020	Finance Risk Register to assess risk regarding capacity and independence in the ICS finance and scrutiny function	Will Huxter	December January / February 2021	The risk regarding capacity is underway with a view for a plan to be brought to a future meeting which takes account of the consultation document issued by NHSE/I, following discussion at GB seminars and consider arrangements.
FIN024	29 October	CHC / Discharge report Bring a progress report to committee	Sheila O'Shea	March 2021	
FIN025	26 November	Month 7 Finance There was a fully agreed set of investments with all mental health trust CEOs; which would be managed by a Mental Health Finance Group (<i>circulate mental health funding slides to this Committee</i>)	Anthony Browne	December	Appendix 1 refers To clarify how the monies are allocated, tracked against contract. A deep dive on mental health services was planned for 2021 which should help address this matter. It was confirmed that the investments were recurrent but that the allocation for 21/22 had already been committed. However, there remained a concern whether the providers were able to use all monies allocated

				April /May 2021	given the timescale to train staff and expand provision. The CCG continued to monitor spending the mental health trusts on a monthly basis, which included working to targets set by NHSE/I as well negotiating priorities with the providers to maximise efficiencies. Overall, it was important to set agreed baselines for service delivery and provision was affordable.
FIN026	26 November	Month 7 Finance Include additional information on primary care, CHC and corporate costs in the finance report	Becky Booker	January 21	Additional information was being included – this remained as work in progress
FIN027	26 November	Month 7 Finance include data on the recurring run rate and underlying position, given the level of non-recurrent costs arising in this financial year to understand the scale of the SEP programme for 2021/22	Gary Sired	December	Included in the 21/22 agenda <i>Completed – recommend close</i>
FIN028	26 November	Month 6 Acute Finance and Activity Report Diagnostic services; The CCG needed to have adequate leverage to hold the providers to	Sarah Mansuralli	February 21	In progress - to S&C committee first

		account. <i>for Strat & Comm Committee to consider and agree approach Sarah Mansuralli and then to update Finance Committee)</i>			
FIN029	26 November	<u>Systems Efficiency Plan</u> To gain a greater appreciation and assurance of the projected savings outlined for CHC, Prescribing and running costs, it was agreed to provide the trajectories from April 2020 on a monthly basis)	Will Huxter	April 21	
FIN033	17 December	<u>Month 8 Finance Report</u> Present an overview of the providers' efficiency programmes to reduce their spending by 1.5% and seek assurance that cost reductions did not mean service reductions.	Will Huxter	Jan / Feb 2021	Will be picked up in the SEP paper
FIN034	17 December	<u>2021/22 Planning</u> To share data on the collective forecast deficit across the Trusts from April 2021 (c£300m) with the committee	Gary Sired	Jan 2021	
FIN035	17 December	<u>2021/22 Planning</u> Controlling value for money and cost- to gather a list of services	Simon Goodwin	Jan / Feb 2021	

		provided by all the Trusts to help the CCG identify duplication of services and work with hospitals to make efficiency savings.			
FIN036	17 December	<u>Finance Risk Register</u> to share drafts of financial governance models for the ICS with the committee as and when they became available	Simon Goodwin	Jan/ Feb / Mar 2021	See FIN 016



**North Central London CCG
Finance Committee
28 January 2021**

Report Title	20/21 Finance Committee Report – Month 9	Date of report	21.01.2021	Agenda Item	2.1
Lead Director / Manager	Simon Goodwin – Chief Finance Officer	Email / Tel		simon.goodwin1@nhs.net	
GB Member Sponsor	Dr Neel Gupta-Elected GP Representative neil.gupta@nhs.net				
Report Author	Helen Ndlovu - Head of Finance Marlon Green - Snr Management Accountant	Email / Tel		Helena.ndlovu@nhs.net	
Name of Authorising Finance Lead	Simon Goodwin, Chief Finance Officer	Summary of Financial Implications In line with national guidance, CCGs received allocations to ensure a break-even position for the period April to September 20. Further allocations have been provided to fund the CCG from October 20 to March 21. The allocations are less than expected expenditure, and in Month 9 the CCG reports a forecast deficit of £50.3m. Of this £38.1m relates to Hospital Discharge Programme costs (HDP) costs, for which the CCG expects reimbursement in future months. The remaining £12.2m is the CCG's underlying deficit.			
Report Summary	At Month 9, the CCG reports a YTD over-performance of £19.1m against the annual budget, driven by Hospital Discharge (HDP) costs, Non-NHS provider costs within Acute and complex care pressures reported within Mental Health. In addition, the CCG reports a full year deficit position of £50.3m. Of this £38.1m relates to Hospital Discharge Programme costs (HDP), for which reimbursement is expected in future months. The CCG has initiated an in-year financial recovery programme in order to deliver a breakeven position by the end of the year. The programme currently includes £6.4m of recovery actions.				
Recommendation	The committee is asked to note the contents of this report and discuss at the Finance Committee meeting				
Identified Risks and Risk Management Actions	The report highlights the CCG's deficit at Month 9, and the further risks reported outside of the financial position.				

sConflicts of Interest	Not Applicable
Resource Implications	The CCG reports a deficit of £12.2m at Month 9 (excluding HDP costs). Risks reported outside of the financial position are fully mitigated as at Month 9.
Engagement	This report is presented at the Finance Committee, which includes Elected Governing Body members and a Patient Representative.
Equality Impact Analysis	This report has been written in accordance with the provisions of the Equality Act 2010.
Report History and Key Decisions	This Finance report is presented to the Finance Committee on a monthly basis.
Next Steps	This report is to be reviewed by the Finance Committee.
Appendices	None

An abstract graphic on the left side of the slide, composed of several overlapping triangles in various shades of blue, teal, and lime green, creating a dynamic, geometric shape.

Budget & Finance Report 2020-21

Month 9 (December 2020)

NCL CCG 2020/21

Budget & Finance Report

Month 9 (December 2020)



North Central London
Clinical Commissioning Group

Financial Plan	Financial Deficit Position	4
Executive Summary	Month 7-12 Executive Summary	5
	Month 1-12 Executive Summary	6
Allocations Summary	Month 1-12 Allocation Summary	7
	Month 7-12 Acute Performance	8
2020/21 Financial Position	Month 7-12 Non-Acute, Programmes & Corporate Costs	9
	COVID-19 Costs	10
	M7-12 COVID-19 Schemes	11
Mental Health Investment Standard	Mental Health Investment Standard (MHIS)	12

NCL CCG 2020/21

Budget & Finance Report

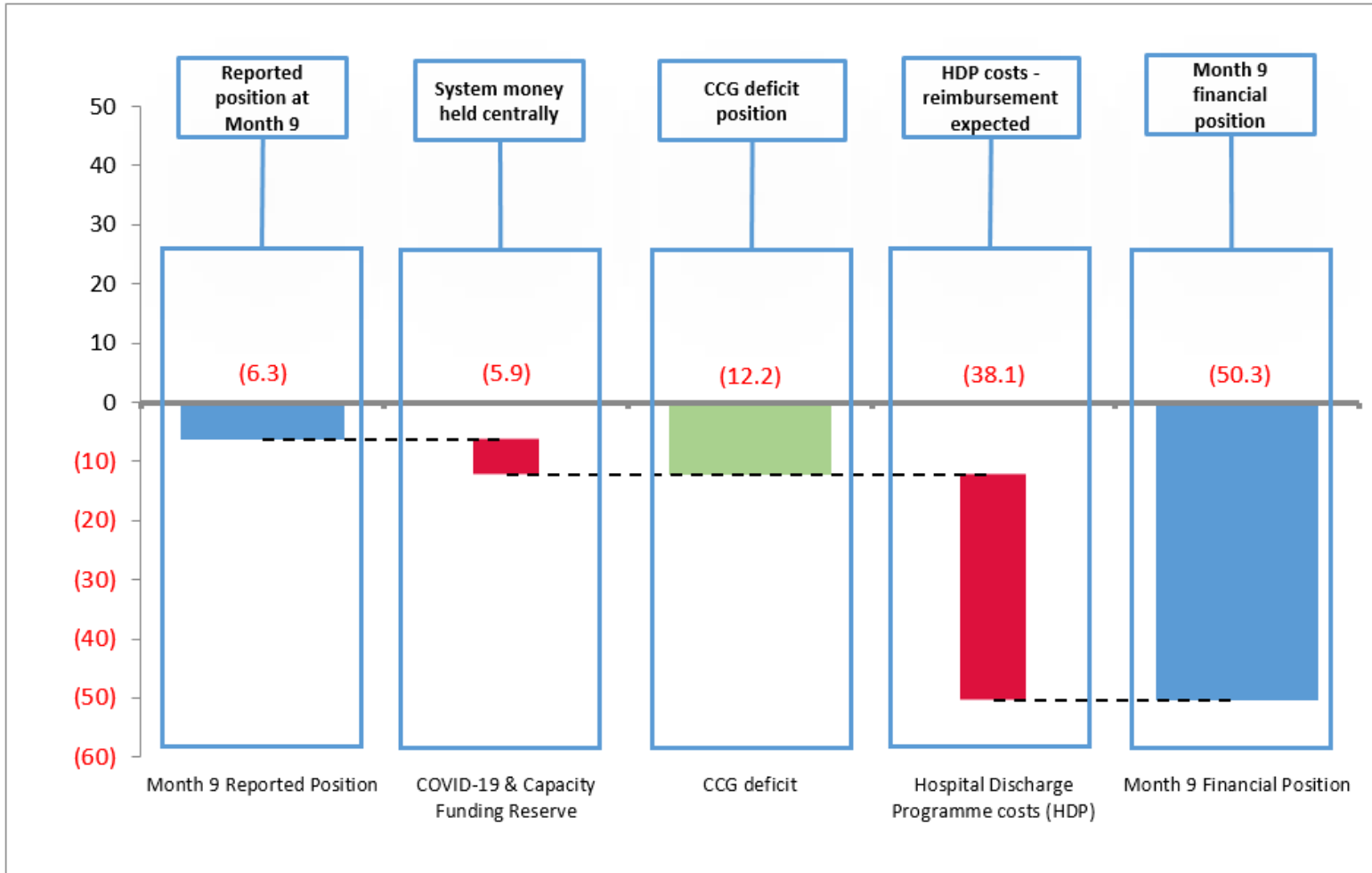
Month 9 (December 2020)



North Central London
Clinical Commissioning Group

Continuing Healthcare Position	Continuing Healthcare Position	13
Hospital Discharge (HDP) Position	Hospital Discharge (HDP) Position	14
Additional Social Care Funding – January 2021	Additional Social Care Funding – January 2021	15
Primary Care Non Delegated Position	Primary Care Non Delegated Position	16
Primary Care Delegated Position	Primary Care Delegated Position	17
Risks & Mitigations	Risks & Mitigations	18
Recovery Plan	Recovery Plan	19
System Efficiency Plan (SEP)	System Efficiency Plan (SEP)	20

Financial Deficit Position



For Month 9, the CCG reports a full year deficit position of £50.3m, of which £12.2m would need to be mitigated as part of the recovery plan. This is made up of:

- **£6.3m** - Reported deficit position at Month 9,
- **£5.9m** - COVID-19 and Capacity fund, which is held on behalf of the system. A decision is yet to be made on how this will be distributed,
- **£38.1m** - HDP costs. NHSE/I has requested that the CCG reports a forecast variance for HDP costs incurred from Month 7. These costs are expected to be fully reimbursed in the coming months.

The CCG initiated a financial recovery programme in Month 8 in order to mitigate the £12.2m underlying deficit. This is reported in more detail on the following slides.

Month 7-12 Executive Summary

For Month 9 (Dec'20), the CCG reports a YTD and forecast over-performance of £19.1m and £38.1m respectively. This is largely due to additional Hospital Discharge Programme (HDP) costs reported within CHC. The CCG expects full reimbursement for these costs in future months.

Summary financial position M7-12 (£m)

	YTD			Months 7-12		
	Bud	Actual	Var	Bud	FOT	Var
	£m	£m	£m	£m	£m	£m
Revenue Resource Limit	767.7	767.7	0.0	1,535.5	1,535.5	0.0
Acute	383.3	383.5	(0.2)	766.8	766.9	(0.0)
Non-Acute	324.1	324.3	(0.2)	635.2	635.2	(0.0)
Other Programme Services	4.4	4.4	(0.0)	15.3	15.3	0.0
Running Costs	7.4	7.4	0.0	15.1	15.1	0.0
COVID-19 Costs	54.6	73.4	(18.8)	109.3	147.4	(38.1)
Total Operational	773.8	793.0	(19.1)	1,541.8	1,579.9	(38.1)
Reserves & Contingency	0.0	0.0	0.0	0.0	0.0	0.0
Total Non Operational	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenditure	773.8	793.0	19.1	1,541.8	1,579.9	38.1
Surplus / (Deficit)	(6.2)	(25.3)	(19.1)	(6.3)	(44.4)	(38.1)
<i>COVID-19 & Capacity Funding</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>5.9</i>	<i>5.9</i>	<i>0.0</i>

Summary position

The CCG reports a YTD over-performance of **£19.1m** and a full year over-performance of **£38.1m**, against the Month 7-12 budget.

The YTD over-performance mainly consists of:

- **£18.8m** - COVID-19 costs incurred from Month 7 – driven by additional HDP costs, which is to be funded through cost reimbursement,
- **£0.2m** - Reported within Acute, driven by Non-NHS providers.
- **£0.2m** - Reported within Non-Acute, mainly driven by complex care pressures reported within Mental Health.

The forecast deficit (**£38.1m**) relates to additional HDP costs, which are expected to be reimbursed in full (NHSE/I requested these costs to be included in the forecast).

The reported CCG deficit is **£6.3m**. In addition the CCG holds a system wide COVID-19 and Capacity Fund of **£5.9m**, therefore the true CCG deficit is **£12.2m**.

Month 1-12 Executive Summary

At Month 9 the CCG is reporting a forecast outturn over-performance of **North Central London** £38.1m, inline with the position reported against Months 7-12
Clinical Commissioning Group

Summary financial position (£m)

	YTD			Annual			19/20
	Bud	Actual	Var	Bud	FOT	Var	Outturn
	£m	£m	£m	£m	£m	£m	£m
Revenue Resource Limit	2,077.5	2,077.5	0.0	2,845.3	2,845.3	0.0	2,439.2
Acute	1,020.0	1,020.2	(0.2)	1,403.5	1,403.6	(0.0)	1,280.8
Non-Acute	918.1	918.3	(0.2)	1,229.2	1,229.2	(0.0)	1,125.7
Other Programme Services	21.4	21.5	(0.0)	32.4	32.4	0.0	29.9
Running Costs	22.8	22.8	0.0	30.5	30.5	0.0	33.2
COVID-19 Costs	101.3	120.1	(18.8)	156.0	194.1	(38.1)	2.0
Total Operational	2,083.7	2,102.8	(19.1)	2,851.6	2,889.7	(38.1)	2,471.6
Reserves & Contingency	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Non Operational	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenditure	2,083.7	2,102.8	19.1	2,851.6	2,889.8	38.1	2,471.6
Surplus / (Deficit)	(6.2)	(25.4)	(19.1)	(6.3)	(44.4)	(38.1)	(32.4)
<i>COVID-19 & Capacity Funding</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>5.9</i>	<i>5.9</i>	<i>0.0</i>	<i>0.0</i>

Summary position

In line with NHSE/I guidance, all Month 1-6 over-performance has been fully funded through a retrospective allocation adjustment. The last of these allocations were received in Month 8.

The table includes the final outturn position reported by the five NCL CCG's in 2019/20.

The Month 7-12 position is as reported on the previous slide.

Month 1-12 Allocations Summary



North Central London
Clinical Commissioning Group

Allocations Summary 2020/21		Original Allocation £m	Additional allocations received						Total Allocation £m	
			Month 3 £m	Month 4 £m	Month 5 £m	Month 6 £m	Month 7-12 £m	Month 8 £m		Month 9 £m
Revenue Resource Limit	Core	744.3	0.0	0.3	381.3	2.8	1,382.8	19.6	3.8	2,534.9
	Co-Commissioning	76.6	0.0	0.0	38.3	0.0	114.9	5.7	0.0	235.5
	Running Costs	9.1	0.0	0.0	4.5	0.0	14.6	0.0	0.0	28.2
	COVID-19	0.0	13.2	7.2	7.8	8.9	0.0	9.5	0.0	46.7
Total Allocations		830.0	13.2	7.5	431.9	11.7	1,512.3	34.8	3.8	2,845.3

The CCG received total allocations of £830m at the beginning of the financial year. The allocation was based on the NHSE/I National Model and was provided to fund the CCG for the first 4 months of the year. At Month 5 the CCG received allocations to cover Month 5 and Month 6.

In Month 7, and in line with national guidance, the CCG received a further allocation of £1,512m. This was to fund the CCG from Months 7-12, the CCG is therefore expected to live within its means and mitigate any pressures that may arise during the year.

In Month 9 the CCG received allocations of £3.8m, the majority relates to:

- **£1.7m** – Mental Health Discharge Funding
- **£1.0m** – HSLI pass-through funding to UCLH
- **£0.4m** – Stroke Association Rehabilitation Pilot Programme Funding
- **£0.3m** – Post COVID Clinics
- **£0.2m** – International GP recruitment Funding

Month 7-12 Acute Performance

The acute position reports a YTD over-performance of £0.2m. This is driven by Non-NHS provider costs. The CCG forecasts a breakeven for the full year.

Acute performance M7-12 (£m) - excl. COVID-19

Trust / Service	YTD			Annual			
	Bud	Actual	Var	Bud	FOT	Var	Var %
	£m	£m	£m	£m	£m	£m	%
Royal Free London	131.3	131.3	0.0	262.7	262.7	0.0	0%
University College London Hospital	100.4	100.4	0.0	200.8	200.8	0.0	0%
North Middlesex University Hospital	67.4	67.4	0.0	134.7	134.7	0.0	0%
Whittington Health	51.7	51.7	0.0	103.3	103.3	0.0	0%
Moorfields Eye Hospital	8.7	8.7	0.0	17.4	17.4	0.0	0%
Royal National Orthopaedic Hospital	11.4	11.4	0.0	22.8	22.8	0.0	0%
Great Ormond Street Hospital	9.5	9.5	0.0	19.0	19.0	0.0	0%
Other NHS	0.5	0.5	(0.0)	1.1	1.1	0.0	0%
NHS In Sector Block	380.9	380.9	0.0	761.7	761.7	0.0	0%
Independent / Commercial Sector	1.7	1.7	0.0	3.4	3.4	(0.0)	0%
Other	0.7	1.0	(0.2)	1.7	1.8	(0.0)	2%
Total Acute	383.3	383.5	(0.2)	766.8	766.9	(0.0)	0%

Acute Performance

In line NHSE/I guidance the CCG has agreed block payments with all NHS providers for the full financial year. Therefore the CCG does not expect any variations from the reported block payment values. As such the CCG reports a full year breakeven position at Month 9.

Month 7-12 Non Acute, Programme and Running Costs

The Non-acute position reports a YTD over-performance of £0.2m, with Programme & Running Costs reporting a YTD breakeven position. Both areas report a breakeven position for the full year.

Non Acute & Corporate M7-12 (£m) - excl. COVID-19

Trust / Service	YTD			Annual			
	Bud	Actual	Var	Bud	FOT	Var	Var %
	£m	£m	£m	£m	£m	£m	%
Non-acute							
Mental Health Other & LD	94.2	94.3	(0.1)	187.7	187.7	(0.0)	0%
Delegated Commissioning	61.6	61.6	(0.0)	120.9	120.9	0.0	0%
Community Services	76.9	77.0	(0.0)	148.1	148.1	0.0	0%
Primary Care	15.9	15.9	(0.0)	31.9	31.9	(0.0)	0%
Primary Care - Prescribing	46.4	46.4	0.0	91.6	91.6	0.0	0%
Continuing Care	30.4	30.4	(0.0)	56.4	56.4	0.0	0%
Total	325.4	325.6	(0.2)	636.5	636.5	(0.0)	0%
Programmes & Running Costs							
Other Programme Services	4.4	4.4	(0.0)	15.3	15.3	0.0	0%
Running Costs	7.4	7.4	0.0	15.1	15.1	0.0	0%
Total	11.8	11.9	(0.0)	30.4	30.4	0.0	0%
Contingency	0.0	0.0	0.0	0.0	0.0	0.0	0%
TOTAL	337.3	337.5	(0.2)	667.0	667.0	(0.0)	0%

Non Acute Performance

Excluding COVID-19 costs, the CCG reports a small YTD over-performance of £0.2m driven by complex care pressures reported within Mental Health. However, the CCG expects to deliver a breakeven position for the year.

Programme & Running Costs

The position reports a breakeven position both YTD and full year.

Contingency

The CCG does not hold any reserves or contingencies at Month 9.

COVID-19 Costs

For Month 9 (Dec'20), the CCG reports a YTD and full year over-performance of £18.8m and £38.1m respectively. This is wholly driven by additional Hospital Discharge Programme costs (HDP), for which the CCG expects reimbursement for in future months.

COVID-19 costs (£m)

Trust / Service	YTD			Annual			
	Bud	Actual	Var	Bud	FOT	Var	Var %
	£m	£m	£m	£m	£m	£m	%
Acute & Non-acute Commissioning							
Acute Services	44.5	44.6	(0.1)	87.6	87.7	(0.1)	0%
Mental Health Other & LD	3.0	3.0	(0.0)	6.1	6.1	(0.0)	0%
Delegated Commissioning	0.0	0.0	0.0	0.0	0.0	0.0	0%
Community Services	1.5	1.2	0.2	2.5	2.4	0.2	7%
Primary Care	15.3	15.5	(0.2)	19.3	19.4	(0.1)	1%
Primary Care - Prescribing	0.0	0.0	(0.0)	0.0	0.0	0.0	0%
Continuing Care	35.5	54.4	(18.8)	39.1	77.2	(38.1)	97%
Total	99.9	118.8	(18.9)	154.5	192.6	(38.1)	25%
Programmes & Running Costs							
Other Programme Services	1.4	1.3	0.1	1.5	1.5	0.0	2%
Running Costs	0.0	0.0	0.0	0.0	0.0	0.0	0%
Total	1.4	1.3	0.1	1.5	1.5	0.0	2%
TOTAL	101.3	120.1	(18.8)	156.0	194.1	(38.1)	24%

COVID-19 costs

From April to September all COVID-19 costs payable by the CCG were reimbursed by NHSE/I, this totalled **£46.7m**.

For Month 7-12, the CCG received an allocation of **£109.3m**. Of this **£17.7m** is identified for the CCG and **£91.6m** is identified for the system. A breakdown of the schemes making up the CCG allocation of £17.7m can be found on the following slide.

The CCG can continue to claim the below costs from NHSE/I, until 31/03/21. These costs are in addition to the allocated budget.

- Hospital Discharge Programme
- Incremental Nightingale costs
- Venue and storage for flu vaccines
- Asylum seeker contingency service

M7-12 COVID-19 Schemes

For Month 7-12 the CCG received an allocation of £109.3m, of this £17.7m is identified for the CCG. The table below shows a breakdown of schemes utilising this allocation.

M7-12 COVID Schemes (£m)

Description of Scheme / Proposal	20/21 Total (£m)
Continuing Healthcare	6.54
LCW 111 pressure net of allocation (excluding London Living Wage pressure)	2.29
At Scale - PCN (Transformation Funding)	1.90
P2 Community Beds	1.67
Hot Hubs/ Home Visiting	1.14
Flu Immunisation, Housebound Flu	0.92
Digital First - Second Tranche	0.59
BMI, Highate , InHealth etc.	0.58
Barnet Care Home In reach service	0.53
Staffing	0.38
Practice claims for PPE	0.32
RSS	0.30
Minor Ailments	0.30
Delivery of an SMI service in Haringey	0.18
Paediatric Network/discharge co-ordinator roles	0.04
EMIS	0.01
TOTAL	17.69

M7-12 COVID-19 Schemes

The table to the left shows how the M7-12 COVID-19 allocation for the CCG is being utilised.

The largest of the schemes (c37%) is earmarked for Continuing Healthcare costs. Circa £2.3m has been proposed to meet the additional pressures for LCW 111 and c£1.9m for PCN transformation funding.

Costs incurred against these schemes are monitored on a monthly basis.

Mental Health Investment Standard (MHIS)



North Central London
Clinical Commissioning Group

For 2020/21, the CCG has increased its investment in Mental Health by c5.8% from 2019/20 baselines

Mental Health Investment Standard (£m)

Trust / Service	2019/20	Target Uplift	In 20/21 Baseline (2.8%)	M1-6 Top Up Received	Breakdown of £9.2m	Total Increase	20/21 Total	% Change
Barnet, Enfield and Haringey Mental Health Trust	103.1	6.0	2.9	0.9	2.2	6.0	109.1	5.8%
Camden & Islington NHS Foundation Trust	86.5	5.0	2.4	1.1	1.5	5.0	91.5	5.8%
Tavistock & Portman NHS Foundation Trust	8.5	0.5	0.2	0.0	0.3	0.5	9.0	5.8%
Whittington Health NHS Trust	10.5	0.6	0.3	0.0	0.6	0.9	11.3	8.5%
Royal Free London NHS Foundation Trust	2.3	0.1	0.1	0.0	0.5	0.6	2.9	24.3%
North Middlesex University Hospital NHS Trust	0.0	0.0	0.0	0.0	0.8	0.8	0.8	1808.4%
London North West Healthcare NHS Trust	0.1	0.0	0.0	0.0	0.0	0.0	0.1	2.8%
Other Acute Providers	1.5	0.1	0.0	0.0	1.1	1.2	2.7	76.7%
Total In Sector	212.6	12.3	6.0	1.9	7.0	14.9	227.5	7.0%
Central And North West London NHS Foundation Trust	5.3	0.3	0.1	0.0	0.0	0.1	5.4	2.8%
South London And Maudsley NHS Foundation Trust	1.6	0.1	0.0	0.0	0.0	0.0	1.6	2.8%
East London NHS Foundation Trust	1.0	0.1	0.0	0.0	0.0	0.0	1.0	2.8%
Central London Community Healthcare NHS Trust	0.5	0.0	0.0	0.0	0.0	0.0	0.5	2.8%
Other	0.6	0.0	0.0	0.0	0.0	0.0	0.7	2.8%
Total Other NHS	8.9	0.5	0.3	0.0	0.0	0.3	9.2	2.8%
Prescribing	9.7	0.6	0.3	0.0	3.2	3.5	13.2	36.3%
Continuing Healthcare	17.6	1.0	0.3	0.0	0.0	0.3	17.9	1.6%
Other Non NHS	59.1	3.5	0.0	0.0	(1.0)	(1.0)	58.1	(1.7)%
Non NHS	86.3	5.1	0.6	0.0	2.2	2.8	89.1	3.2%
TOTAL	307.8	17.9	6.8	1.9	9.2	17.9	325.8	5.8%

Mental Health Investment Standard (MHIS)

The table to the left shows the planned expenditure for the MHIS as at Month 9.

The CCG is committed to increasing its investment in Mental Health services, in-line with the overall increase in allocations each year.

For NCL CCG the required increase is 5.8%, **c£17.9m**. There has been a c7.0% increase in in-sector Trust baselines and 2.8% increase to out of sector providers.

Continuing Care Financial Position

At Month 9 December 2020, NCL CCG has reported a break-even position of £120.7m for Continuing Healthcare (CHC).

Continuing Care Position (£m)

Continuing Healthcare Services	YTD			Full year			
	Bud	Actual	Var	Bud	FOT	Var	Var %
	£m	£m	£m	£m	£m	£m	%
Adult Fully Funded	49.1	49.1	0.0	64.6	64.6	0.0	0%
Adult Fully Funded PHBs	18.2	18.2	0.0	23.8	23.8	0.0	0%
Joint Funded	5.38	5.38	0.0	7.0	7.0	0.0	0%
Joint Funded PHBs	0.09	0.09	0.0	0.1	0.1	0.0	0%
Assessment and Support	4.0	4.0	0.0	5.2	5.2	0.0	0%
Childrens Continuing Care	2.59	2.59	0.0	3.4	3.4	0.0	0%
Childrens Continuing Care PHBs	1.1	1.1	0.0	1.5	1.5	0.0	0%
Funded Nursing Care	11.9	11.9	0.0	15.1	15.1	0.0	0%
Total	92.4	92.4	0.0	120.7	120.7	0.0	0%

Summary position

The CCG reports a full year break-even position for CHC at Month 9 of **£120.7m** and **£92.4m** year to date.

It should be noted that there were underspends in CHC services in Months 1-6, however due to the financial arrangements these contributed to offset other CCG pressures prior to the top-up arrangement in place during that period.

The CCG is reporting a break-even position for CHC in Months 7-12 due to:

- The restoration of CHC assessments from 1 September 2020,
- Completion of the backlog of deferred assessments from Discharge Scheme 1, resulting in individuals returning to normal funding arrangements in addition to increased workforce costs having to undertake the deferred assessments,
- The announcement of a 6 week Discharge fund (Scheme 2), which may result in additional costs being incurred in CHC which further reduces the run-rate under-performance,
- This position includes the delivery of a £1m SEP target for Months 7-12.

Hospital Discharge (HDP) Position

At Month 9, the CCG has reported total spend against the Hospital discharge programme of £51.1m to the end of December which is funded through the central discharge funds.

Hospital Discharge (HDP) Position (£m)

Description	Scheme 1 YTD	Scheme 2 YTD	Total
	£m	£m	£m
Barnet Borough	6.2	0.4	6.5
Camden Borough	1.5	0.0	1.6
Enfield Borough	4.5	0.3	4.8
Haringey Borough	2.6	0.2	2.8
Islington Borough	2.2	0.1	2.3
Total CCG Spend	17.0	0.9	18.0
Barnet Council	10.2	0.5	10.7
Camden Council	5.0	1.2	6.2
Enfield Council	4.8	0.4	5.2
Haringey Council	5.0	1.0	6.0
Islington Council	4.5	0.5	5.0
Total Council Spend	29.5	3.6	33.1
Total Discharge Spend	46.5	4.6	51.1

Summary position

Usual patient funding eligibility criteria was suspended from 19 March and replaced with the Hospital Discharge Programme (HDP), Scheme 1, and a national allocation of £1.3bn for both health and social care support packages, for people being discharged from hospital or those that would otherwise have been admitted in. Spend will continue to be incurred against this scheme until 31 March while deferred assessments are completed.

The CCG has reported spend at Month 9 of **£46.5m** against the Hospital discharge Scheme 1. This spend is incurred by the CCG and across the NCL Councils.

- **£17.0m** – CCG incurred expenditure
- **£29.5m** – Incurred by the NCL Councils

From September onward spend on new discharges is reported under Scheme 2 and reimbursed through a different stream, funding care and support costs for up to a maximum of 6 weeks.

The CCG has reported spend at month 9 of **£4.6m** against Hospital discharge Scheme 2. This spend is again incurred by the CCG and across the NCL Councils.

- **£0.9m** – CCG incurred expenditure
- **£3.6m** – Incurred by the NCL Councils

After 6 weeks the organisation responsible for the delay in assessment is liable for the costs until assessments are complete and individuals transfer to normal funding arrangements.

Additional Social Care Funding – January 2021

The social care sector is to receive £120m to boost staffing levels and testing. The funding is to protect and support staff and residents in care homes and those receiving help in their own homes.

Borough	Allocation (£m)
Barnet Borough	0.7
Camden Borough	0.6
Enfield Borough	0.6
Haringey Borough	0.6
Islington Borough	0.6
Total	3.2

Additional Social Care Funding

In mid January the government announced a new **£120m** grant to help local authorities boost staffing levels, a direct ask of the sector.

The new **£120m** funding will help local authorities to boost staffing levels. The funding can:

- Provide additional care staff where shortages arise,
- Support administrative tasks so experienced and skilled staff can focus on providing care,
- Help existing staff to take on additional hours if they wish with overtime payments or by covering childcare costs.

The grant available to NCL boroughs totals **£3.2m**. The table above shows the indicative grant allocation for each of the boroughs.

Primary Care Non Delegated Position

The CCG reports a breakeven position in Primary Care Non Delegated service areas, both YTD and full year. This includes spend on Prescribing

Primary Care Non Delegated (£m) - excl Covid 19

Primary Care Non Delegated	YTD			Annual			
	Bud	Actual	Var	Bud	FOT	Var	Var %
	£m	£m	£m	£m	£m	£m	%
Prescribing	141.4	141.4	0.0	186.6	186.6	0.0	0%
Community Base Services	14.1	14.1	0.0	18.5	18.5	0.0	0%
Out of Hours	7.1	7.1	0.0	9.9	9.9	0.0	0%
£1.50 per head PCN Development Inv.	1.5	1.5	(0.0)	1.9	1.9	0.0	0%
GP IT Costs	6.5	6.8	(0.3)	8.7	8.7	0.0	0%
PC - Other	16.2	15.9	0.3	22.2	22.2	0.0	0%
Total Primary Care Non Delegated	186.8	186.8	0.0	247.9	247.9	0.0	0%

Primary Care Non Delegated

Prescribing includes all expenditure on Oxygen and the associated systems that support reporting. Community Base Services includes spend on Local Commissioning Schemes and staffing costs for the local Primary Care teams. Out of Hours represents costs for the Out of Hours (OOH) element of the combined OOH and NHS 111 contract with London Central and West Unscheduled Care Collaborative.

Spend within *PC - Other* includes:

- GP Forward View NCL Funding for Reception & Clerical Training,
- General Practice Resilience,
- Local GP Retention,
- Training Hubs,
- Primary Care Network Funds for PCN Development for recruiting, embedding and retaining new roles, enhancing integration, continuing to improve access and reducing health inequalities,
- Digital First Primary Care – part of the funding for the Long Term Plan Implementation Framework and funding for Online Consultation Systems,
- Improving Access Funds (Extended Access),
- Primary Care Transformation Funds – final year of ‘at scale’ funding.

Primary Care Delegated Position

The CCG reports a YTD breakeven position in Primary Care Delegated service areas, with slight overspends within PMS contracts being offset by underspends within GMS contracts. The CCG reports a breakeven full year position.

Trust / Service	YTD			Annual			
	Bud	Actual	Var	Bud	FOT	Var	Var %
	£m	£m	£m	£m	£m	£m	%
PMS	72.2	72.3	(0.1)	96.3	96.3	0.0	0%
GMS	74.7	74.7	0.0	99.6	99.5	0.1	0%
APMS	10.5	10.5	0.0	14.0	14.0	0.0	0%
Other Medical Services	18.3	18.3	(0.0)	24.4	24.5	(0.1)	-1%
Other Committed Funds	2.2	2.2	0.0	3.0	3.0	0.0	0%
Total Primary Care Medical Services	178.0	178.0	(0.1)	237.4	237.4	(0.0)	0%

Primary Care Non Delegated

The NCL Delegated Commissioning budget is forecast to breakeven against the annual allocation.

The budget includes the full 20/21 Delegated Commissioning Primary Care allocation of **£232.9m** plus a further **£4.1m** allocation for GP Practice Resilience during Covid19 and **£0.4m** for GP International Recruitment.

Risks and Mitigations

The reported net risk position of £5.9m relates to the system capacity reserve being held by the CCG. The offsetting mitigation for this risk is a provider system improvement of £5.9m. All other CCG risks are fully mitigated.

Risks and Mitigations (£m)

Risks	£m	
Acute Services	(8.7)	- Capacity Reserve increase to £12m (5.9m) - Elective Incentive Scheme (EIS) income not received (£2.7m)
Primary Care - Prescribing	(0.5)	- Increased activity/costs (£0.5m)
Other Programme Services	(3.8)	- Increased Covid Costs above envelope for 111 and other services (£3.8m)
TOTAL RISKS	(13.0)	
Mitigations	£m	
Acute Services	5.9	- Review of winter resilience budget against block and potential COVID-19 pressures (£2.7m) - EIS Income (£2.7m) - Reduced IVF activity (£0.5m)
Community Services	1.1	- Hospices activity lower than expected (£0.6m) - Termination of Pregnancy (TOPS) activity lower than expected (£0.5m)
TOTAL MITIGATIONS	7.0	
REPORTED RISK POSITION	(5.9)	
<i>SYSTEM BENEFIT</i>	5.9	
NET RISK POSITION	0.0	

Risks and Mitigations

The CCG anticipates total risks of £13.0m, reported outside of the financial position. The majority of these (circa 67%) are related to Acute risks, including the Capacity reserve, and income for the Elective Incentive Scheme (EIS) not being received.

The CCG has identified £7.0m of mitigations at Month 9, and largely come from Acute areas, including a review of winter resilience budgets. The CCG is awaiting further guidance on income for EIS, owing to the fully mitigated position for this scheme.

The CCG will continue to monitor risks on a monthly basis. A financial recovery plan has been developed to cover other risks that may arise and to mitigate the current c£12.2m forecast deficit position (excluding HDP), as detailed in the next slide.

Recovery Actions (£m)

Recovery Scheme	M8 Financial Recovery Actions £m	Recovery Actions identified in Month £m	Total Recovery Actions as at Month 9 £m	Total Released into Financial Position £m	Remaining Recovery Actions £m
Financial Plan Mitigations					
Winter resilience	2.7	-	2.7	-	2.7
TOPS Service	0.5	-	0.5	-	0.5
Hospices	0.6	-	0.6	-	0.6
System Development Funding	-	2.6	2.6	-	2.6
Total	3.8	2.6	6.4	-	6.4

Recovery Plan

The CCG is expected to deliver a breakeven position. At Month 9 the CCG continues to report a deficit of £6.3m, being the underlying CCG position of £12.2m deficit offset by COVID-19 and Capacity Fund (£5.9m).

Work has continued on the CCG financial recovery programme and in Month 9 an additional £2.6m has been identified, bringing the total recovery actions to £6.4m. Recovery actions have not been released into the position, if released this would reduce the CCG deficit from £12.2m to £5.8m deficit. Recovery actions have not yet been released due to work being undertaken on the potential impact of COVID-19. The CCG reported financial position will be reviewed in Month 10.

Work continues on the financial recovery plan to identify additional actions to mitigate CCG deficit position and/or mitigate any potential future financial risk

System Efficiency Plan (SEP)

- Under the new financial regime for Months 7-12 each system in London (both provider and commissioner) has had a 1.5% efficiency ask baked into the allocation. For the CCG this translates to a £2.8m efficiency ask for M7-12.
- Although the quantum of this ask may seem lower than in previous years, the CCG only has a limited number of areas that have controllable spend, with the majority of spend committed to block contracts. Therefore in this context and given the remaining time left in the financial year to enact changes this is a stretching ask.
- The CHC directorate will be looking to achieve the £1m efficiency target as stated in previous months.
- Prescribing is forecasting to achieve savings of £1.4m

All SEP included within the plan has been identified as being achieved



**North Central London CCG
Finance Committee Meeting
28 January 2021**

Report Title	Finance Risk Register	Date of report	21 January 2021	Agenda Item	3.1
Lead Director / Manager	Simon Goodwin NCL CCG CFO	Email / Tel		Simon.goodwin1@nhs.net	
GB Member Sponsor	Not Applicable				
Report Author	Rebecca Booker Director of Financial Management	Email / Tel		r.booker@nhs.net	
Name of Authorising Finance Lead	Not Applicable	Summary of Financial Implications This report helps the CCG to manage its financial risks.			
Report Summary	<p>This paper is the Finance Risk Register. It contains the most significant financial risks to the CCG.</p> <p>There are 6 risks on the Risk Register with a current risk score of 12 or higher which is the threshold for the Committee Risk Register, with 2 risks' ratings having increased since the December Finance Committee meeting.</p> <p>Key Highlights:</p> <p>FIN1: Failure to Deliver 2020/21 Statutory and Other Financial Requirements Set By NHS England (Threat). Current Score – 16 / Target Risk Score 12 Previous Score – 16 / Previous Target Risk Score 12 Risk Owner: Chief Finance Officer</p> <p>CAUSE: If the CCG fails to deliver on the stretching budget (which was set due to the NHSE requirements) due to on-going significant financial pressures, and exacerbated by the COVID-19 pandemic</p> <p>EFFECT: There is a risk of significant overspend, that NHS England may take action against the CCG and there may be a lack of funds to invest in strategic priorities</p> <p>IMPACT: This may result in the CCG being placed in legal directions and under a requirement to reduce or cease some services, negatively impacting on patient care</p> <p>The CCG has now come out of the initial COVID-19 period (months 1 to 6) which had resulted in changes to the normal financial processes in place. This included suspending the 20/21 financial planning process, budget setting and contracting round.</p>				

<p>The CCG has been fully funded for all costs for months 1 to 6.</p> <p>Planning has been completed for month 7 to 12, this includes funding allocated for COVID-19 costs for the remainder of the year. There is an expectation that the CCG year-end position is breakeven and work is underway on a financial recovery plan to support this. An update on this plan is being reported to the Finance Committee from December 2020.</p> <p>STR2: Failure to Deliver the 2020/21 System efficiency plans (SEP) and Transformation Programme (Threat). Current Score – 16 / Target Risk Score 12 Previous Score – 16 / Previous Target Risk Score 12 Risk Owner: Executive Director of Strategy</p> <p>CAUSE: If the CCG fails to deliver the 2020/21 SEP and transformation programme.</p> <p>EFFECT: There is a risk that the CCG will not achieve a balanced budget and control total, hence unable to release sufficient funds to invest in services and deliver the quality improvements to patient care.</p> <p>IMPACT: This may result in a negative impact on patient care and financial sustainability.</p> <p>Due to the impact of COVID-19 many of the SEP schemes are currently on hold. Therefore there is a material risk that the SEP will under deliver in 20/21, however this is partly mitigated by national contracting frameworks with c86% of CCG spend being committed and on block contracts. Levels of acute activity are also expected to be significantly lower than 19/20 therefore if there is a switch to Payment by Results ('PBR') during the financial year significant over performance is not expected.</p> <p>We have performed a desktop review of SEP schemes and although most programmes have been put on hold, there are some areas that have accelerated beyond our original plans (e.g. outpatient transformation with virtual consultations and rapid response). This will mitigate against some of the delay in starting schemes.</p> <p>Once transformation projects restart we will implement the normal level of controls in managing the SEP (such as reporting and monitoring tools and governance to oversee performance and delivery). The current risk score has been decreased from 20 to 16 due to the likelihood of the extension of the COVID-19 period and the 20/21 block contract regime for NHS provider.</p> <p>FIN3: Long Term Financial Sustainability (Threat) Current Score – 20 / Target Risk Score 12 Previous Score – 20 / Previous Target Risk Score 12 Risk Owner: Chief Finance Officer</p> <p>CAUSE: If there are unavoidable cost pressures for commissioners and providers, under delivery of QIPP, activity and population growth exceeding funding levels, staffing shortages and recruitment difficulties,</p> <p>EFFECT: There is a risk of failure to maintain long term financial sustainability.</p> <p>IMPACT: This may result in reputational damage, inability to invest as desired to improve patient care and a threat to existing services</p>
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The 20/21 financial planning process was suspended due to the initial COVID-19 period in the Spring of 2020. A financial regime, originally for M1-M4 20/21 but extended up to M6, was put into place designed to bring each organisation to break-even by way of retrospective top-ups.

From M7, an amended cash limited financial regime was put in place. In the 18th November M7-M12 planning submissions, there is a system deficit of £64.7m that we expect to be offset by £39.8m of funding to compensate for the loss of non-NHS income contribution and a further benefit relating to Proton Beam therapy funding at UCLH of £8m, giving a net shortfall of £16.7m. The CCG deficit for M7-M12 after the distribution of system funds is £12.2m and the CCG has committed to review this position in order to improve the position. As discussed below, we are now in the midst of a second wave, and it is unlikely that we will be able to understand the full impact of this upon the M7-M12 position until we report at M10 in February 2021.

As of late December the country has gone into a second COVID-19 wave and from early January, broadly another national lockdown. The second wave has affected London health services particularly. Currently (20/01/21) our understanding is that the current M7-M12 20/21 financial regime will extend into Q1 of 21/22. It is possible that the financial regime will change again after Q1 21/22 and may revert to a pre-COVID-19 financial regime and our historic underlying deficit will be re-instated, but it will depend upon the national COVID-19 position, success and impact of the roll-out of the COVID-19 vaccination programme etc.

We know that the financial full year effects of capacity increases (e.g. ITU, Endoscopy) to achieve activity targets in M7-M12, and productivity losses due to infection control measures will extend the underlying cost base further and do not currently have a financial mitigation.

The current risk score remains 20 since July 2020 to reflect a slightly reduced risk to the likelihood due to the national focus on shared ICS risk arrangements and closer working arrangements with Trust partners in the current period and going forward.

STR7: Failure to Deliver the 2021/22 System efficiency plans (SEP) and Transformation Programme (Threat)

Current Score – 16 / Target Risk Score – 12

Previous Score – 16 / Previous Target Risk Score 12

Risk Owner: Executive Director of Strategy

CAUSE: If the CCG fails to develop, implement and communicate appropriate financial governance arrangements that respect the CCG's statutory responsibilities whilst facilitating the transition to the Integrated Care System ('ICS')

EFFECT: There is a risk of lack of clarity and accountability for financial decisions.

IMPACT: This may result in a negative impact on the reputation and functions of the CCG

There will be a significant SEP challenge for NCL for 2021/22, and at this stage the financial regime and the CCG allocation are not clear. As guidance emerges we will ensure that opportunities for system cost reductions, in line with the national rules, are worked up to maximise the savings that can be achieved.

	<p><u>Increased risk</u></p> <p>The following risks' ratings has increased since the December Finance Committee meeting:</p> <p>STR6: Failure to put in place appropriate financial governance for the NCL system as ICS is established (Threat) Current Score – 16/ Target Risk Score – 8 Previous Score – 12 / Previous Target Risk Score 8 Risk Owner: Executive Director of Strategy</p> <p>CAUSE: If the CCG fails to develop, implement and communicate appropriate financial governance arrangements that respect the CCG's statutory responsibilities whilst facilitating the transition to the Integrated Care System ('ICS')</p> <p>EFFECT: There is a risk of lack of clarity and accountability for financial decisions.</p> <p>IMPACT: This may result in a negative impact on the reputation and functions of the CCG</p> <p>The publication of the NHSE/I Board paper on Integrating Care sets out clear expectations of ICSs as they develop, including financial governance. The specifics for NCL will be worked through as part of the transition plan.</p> <p>Given the challenge for all health care partners to work together in an unlegislated framework and the scale of work involved, there is an underlying concern as to how much the CCG can control costs when this element is generated by the service providers. As such the risk rating is increased to 16.</p> <p>FIN8: Failure to Deliver 2021/22 Statutory and Other Financial Requirements Set By NHS England (Threat) Current Score – 20 / Target Risk Score 16 Previous Score – 16 / Previous Target Risk Score 12 Risk Owner: Chief Finance Officer</p> <p>CAUSE: If the CCG fails to deliver on the stretching budget (which was set due to the NHSE requirements) due to on-going significant financial pressures, and exacerbated by the COVID-19 pandemic</p> <p>EFFECT: There is a risk of significant overspend, that NHS England may take action against the CCG and there may be a lack of funds to invest in strategic priorities</p> <p>IMPACT: This may result in the CCG being placed in legal directions and under a requirement to reduce or cease some services, negatively impacting on patient care</p> <p>The CCG is awaiting 2021/22 financial planning guidance. Similar to month 7 to 12 there is an expectation of an ICS system total and that financial planning will be completed within the system financial framework.</p> <p>It is expected from quarter 2 of 21/22 that allocations will reduce to the previously published amounts which would be likely to create a significant cost pressure to the CCG which would need to be mitigated. As such the risk rating has been increased to 20 from 16.</p>
Recommendation	The Committee is asked to NOTE the report and provide feedback on the risks.

Identified Risks and Risk Management Actions	This paper assists the CCG to effectively manage its financial risks.
Conflicts of Interest	Conflicts of interest are managed robustly and in accordance with the CCG's Conflict of Interest Policy.
Resource Implications	This report supports the CCG in making effective and efficient use of its resources.
Engagement	This report is presented to each Finance Committee meeting. The Committee includes clinicians and lay members.
Equality Impact Analysis	This report was written in accordance with the provisions of the Equality Act 2010.
Report History and Key Decisions	The Finance Risk Register is presented at each Finance Committee meeting.
Next Steps	To continue to manage financial risks in a robust way
Appendices	Finance Risk Register.

ID	Risk Owner	Risk Manager	Objective	Risk	Consequence (Initial)	Likelihood (Initial)	Rating (Initial)	Controls in place	Evidence of Controls	Overall Strength of Controls in place	Consequence (Current)	Likelihood (Current)	Rating (Current)	Controls Needed	Actions	Action Deadline	Update on Actions	Consequence (Target)	Likelihood (Target)	Rating (Target)	Committee	Strategic Update for Committee	Date of Last Update	Status
FIN1	Simon Goodwin - Chief Finance Officer	Rebecca Booker - Director of Financial Management	Provide Value and Live Within Our Means	Failure to Deliver 2020/21 Statutory and Other Financial Requirements Set By NHS England (Threat) CAUSE: If the CCG fails to deliver on the stretching budget (which was set due to the NHSE requirements) due to on-going significant financial pressures, and exacerbated by the COVID-19 pandemic EFFECT: There is a risk of significant overspend, that NHS England may take action against the CCG and there may be a lack of funds to invest in strategic priorities IMPACT: This may result in the CCG being placed in legal directions and under a requirement to reduce or cease some services, negatively impacting on patient care	4	5	20	C1. Monthly finance reports are presented to the Governing Body Finance Committee; C2. Regular finance reports are presented at the Governing Body C3. NCL Wide approach to acute contract negotiations and contract monitoring in place C4. NCL Strategy & Commissioning Committee established C5. Quality impact assessments are carried out on all business cases C6. Monthly deep-dive review of financial position with NCL CFO C7. Budget challenge meetings with Directors, DoF and COO (post COVID-19) C8. Robust SEP plan and monitoring tools for 20/21 (subject to COVID-19 slippage) C9. 20/21 budget setting in line with NHSE guidance C10. Block contracting approach for main in-sector providers C11. Monthly meetings with budget holders to monitor financial position (once budget finalised) C12. Monitoring arrangements in place for COVID-19 expenditure and total expenditure; C13. SFIs in place with appropriate delegation limits. C14. Make payments in accordance to COVID-19 financial guidance C15. Ongoing logging of COVID-19 spend decisions	C1. Reports, meeting papers and minutes C2. Reports, meeting papers and minutes C3. Reports, meeting papers and minutes C4. Reports, meeting papers and minutes C5. Business Cases C6. Reports, meeting papers and minutes C7. Reports, meeting papers and minutes C8. SEP Plan 20/21, Reports, meeting papers and minutes C9. Budget C10 Contract documents C11 Monthly budget statements and action logs C12 Reports C13. Standing Financial Instructions C14. Financial Guidance and instructions C15. EMT papers, and Cost reimbursement documentation	AVERAGE: The controls have a 61 – 79% chance of successfully controlling the risk	4	4	16	C1. Robust financial monitoring of COVID-19 costs and consideration of exit implications C2. Development of a CCG Financially Recovery Plan C3. Impact of cost implications from COVID-19 exit in regards to discharge costs converting into increased CHC costs	A1. Continue to undertake financial monitoring of COVID-19 costs A2. Financial Recovery Plan in progress will be shared with the committee from December 20 A3. CHC/Discharge Schemes being monitored through Finance Committee;	A1: 31.03.2021 A2: 31.03.2021 A3: 31.03.2021	A1. The finance team continues to monitor COVID-19 costs and report to the Governing Body and Executive Management Team on them. A2. CCG Financial Planning for months 7 to 12 resubmission November 20. Finance Recovery Plan in progress and will be reported to Finance Committee from December 2020 A3. A CHC restoration group with CCG and Council has been established to oversee the implementation of the guidance and update reports being provided to Finance Committee	4	3	12	Finance Committee	The CCG has now come out of the initial COVID-19 period (months 1 to 6) which had resulted in changes to the normal financial processes in place. This included suspending the 20/21 financial planning process, budget setting and contracting round. The CCG has been fully funded for all costs for months 1 to 6. Planning has been completed for month 7 to 12, this includes funding allocated for COVID-19 costs for the remainder of the year. There is an expectation that the CCG year-end position is breakeven and work is underway on a financial recovery plan to support this. An update on this plan is being reported to the Finance Committee from December 2020. Oversight Committee: Finance Committee Current Risk Rating: 16	20.01.2021	Open
STR2	Will Huxter - Executive Director of Strategy	Ali Malik - Director of System Productivity.	Enhance Quality; Provide value and live within our means;	Failure to Deliver the 2020/21 System efficiency plans (SEP) and Transformation Programme (Threat) CAUSE: If the CCG fails to deliver the 2020/21 SEP and transformation programme EFFECT: There is a risk that the CCG will not achieve a balanced budget and control total, hence unable to release sufficient funds to invest in services and deliver the quality improvements to patient care. IMPACT: This may result in a negative impact on patient care and financial sustainability.	4	5	20	C1. Worked up SEP plan in place for 20/21 which has gone through CCG and provider review C2. All transformation plans are supported by the project initiation documentation which has gone through an approval process based on lessons learned C3. CCG SEP signed off by borough finance committees prior to COVID-19 C4. Block contracts with providers	C1. Planning documents and email trail showing system engagement C2. Planning documents C3. Meeting papers and notes C4. National guidance	AVERAGE: The controls have a 61 – 79% chance of successfully controlling the risk	4	4	16	CN: refocus of transformational plans on areas with biggest impact (under new financial regime) - this will likely be focussed on provider productivity (such as implementing GIRFT/model hospital opportunities).	A1: to support the provider sector in identifying transformation opportunities through the recently established clinical networks for the priority surgical specialities.	A1: 31.03.2021	A1: NCL Operational Implementation Group in place to support system planning for post COVID-19 recovery. This will include embedding transformational changes in pathways. This group is supported by NCL Director of System Productivity. OIG also overseeing the development of network plans to deliver transformational changes to deliver productivity improvements.	3	4	12	Finance Committee	Due to the impact of COVID-19 many of the SEP schemes are currently on hold. Therefore there is a material risk that the SEP will under deliver in 20/21, however this is partly mitigated by national contracting frameworks with c86% of CCG spend being committed and on block contracts. Levels of acute activity are also expected to be significantly lower than 19/20 therefore if there is a switch to Payment by Results ("PBR") during the financial year significant over performance is not expected. We have performed a desktop review of SEP schemes and although most programmes have been put on hold, there are some areas that have accelerated beyond our original plans (e.g. outpatient transformation with virtual consultations and rapid response). This will mitigate against some of the delay in starting schemes. Once transformation projects restart we will implement the normal level of controls in managing the SEP (such as reporting and monitoring tools and governance to oversee performance and delivery). The current risk score has been decreased from 20 to 16 due to the likelihood of the extension of the COVID-19 period and the 20/21 block contract regime for NHS provider. Oversight Committee: Finance Committee Current Risk Rating: 16	12.01.2021	Open
FIN3	Simon Goodwin - Chief Finance Officer	Gary Sired - Director of System Financial Planning and Assurance	Objective 1 - Deliver financial sustainability	Long Term Financial Sustainability (Threat) CAUSE: If there are unavoidable cost pressures for commissioners and providers, under delivery of QIPP, activity and population growth exceeding funding levels, staffing shortages and recruitment difficulties, EFFECT: There is a risk of failure to maintain long term financial sustainability. IMPACT: This may result in reputational damage, inability to invest as desired to improve patient care and a threat to existing services	5	5	25	C1. Scheme of Delegation to control expenditure C2. Improved contracting function to negotiate improved contracts with major providers C3. Appointment of a Delivery Director C4. STP now established C5. Development of the NCL Transformation programme C6. Audit Chair now Finance lay member of Finance committee C7. Implementing recommendations from the financial governance review including timing of key committees.	C1. Prime Financial Policy and Scheme of Delegation in place C2. Robust Contract management teams (CSU and CCG) and contracts are in place. C3. Delivery director in place C4. STP established and embedded across NCL C5. NCL committees and transformation plans in place C6. Audit Chair now Finance lay member of Finance committee C7. Financial governance review recommendation action plan.	STRONG: The controls have a 80%+ chance or higher of successfully controlling the risk	5	4	20	CN1. Greater consistency in reporting across NCL via CSU recommendations CN2. Continue to improve reporting to Finance Committee and GB as appropriate.	A1. Work closer with CSU, STP and CCG colleagues across NCL A2. Continuous review and improving of processes	A1: 31.03.2021 A2: 31.03.2021	A1. Business as usual has been suspended. A2. New finance report format for GB and Finance Committee from Month 2	4	3	12	Finance Committee	The 20/21 financial planning process was suspended due to the initial COVID-19 period in the Spring of 2020. A financial regime, originally for M1-M4 20/21 but extended up to M6, was put into place designed to bring each organisation to break-even by way of retrospective top-ups. From M7, an amended cash limited financial regime was put in place. In the 18th November M7-M12 planning submissions, there is a system deficit of £64.7m that we expect to be offset by £39.8m of funding to compensate for the loss of non-NHS income contribution and a further benefit relating to Proton Beam therapy funding at UCLH of £8m, giving a net shortfall of £16.7m. The CCG deficit for M7-M12 after the distribution of system funds is £12.2m and the CCG has committed to review this position in order to improve the position. As discussed below, we are now in the midst of a second wave, and it is unlikely that we will be able to understand the full impact of this upon the M7-M12 position until we report at M10 in February 2021. As of late December the country has gone into a second COVID-19 wave and from early January, broadly another national lockdown. The second wave has affected London health services particularly. Currently (20/01/21) our understanding is that the current M7-M12 20/21 financial regime will extend into Q1 of 21/22. It is possible that the financial regime will change again after Q1 21/22 and may revert to a pre-Covid financial regime and our historic underlying deficit will be re-instated, but it will depend upon the national COVID-19 position, success and impact of the roll-out of the COVID-19 vaccination programme etc. We know that the financial full year effects of capacity increases (e.g. ITU, Endoscopy) to achieve activity targets in M7-M12, and productivity losses due to infection control measures will extend the underlying cost base further and do not currently have a financial mitigation. The current risk score remains 20 since July 2020 to reflect a slightly reduced risk to the likelihood due to the national focus on shared ICS risk arrangements and closer working arrangements with Trust partners in the current period and going forward. Oversight Committee: Finance Committee Current Risk Rating: 20	20.01.2021	Open
FIN8	Simon Goodwin - Chief Finance Officer	Rebecca Booker - Director of Financial Management	Provide Value and Live Within Our Means	Failure to Deliver 2021/22 Statutory and Other Financial Requirements Set By NHS England (Threat) CAUSE: If the CCG fails to deliver on the stretching budget (which was set due to the NHSE requirements) due to on-going significant financial pressures, and exacerbated by the COVID-19 pandemic EFFECT: There is a risk of significant overspend, that NHS England may take action against the CCG and there may be a lack of funds to invest in strategic priorities IMPACT: This may result in the CCG being placed in legal directions and under a requirement to reduce or cease some services, negatively impacting on patient care	4	5	20	C1. Monthly finance reports are presented to the Governing Body Finance Committee; C2. Regular finance reports are presented at the Governing Body C3. System approach to acute contracting in line with published guidance C4. NCL Strategy & Commissioning Committee established C5. Quality impact assessments are carried out on all business cases C6. Monthly deep-dive review of financial position with NCL CFO C7. Budget challenge meetings with Directors, DoF and COO (post COVID-19) C8. Block contracting approach for main in-sector providers (if in line with NHSE/I guidance) C9. Monthly meetings with budget holders to monitor financial position (once budget finalised) C10. Monitoring arrangements in place for COVID-19 expenditure and total expenditure; (if continued) C11. SFIs in place with appropriate delegation limits. C12. Make payments in accordance to COVID-19 financial guidance (if continued)	C1. Reports, meeting papers and minutes C2. Reports, meeting papers and minutes C3. Reports, meeting papers and minutes C4. Reports, meeting papers and minutes C5. Business Cases C6. Reports, meeting papers and minutes C7. Reports, meeting papers and minutes C8 Contract documents or System block amounts agreed C9. Monthly budget statements and action logs C10 Reports C11. Standing Financial Instructions C12. Financial Guidance and instructions	AVERAGE: The controls have a 61 – 79% chance of successfully controlling the risk	4	5	20	CN1. Robust financial Planning in line with published guidance CN2. 2021/22 budget setting in line with NHSE/I guidance CN3. Robust SEP plan and monitoring tools for 2021/22 (subject to COVID-19 slippage)	A1. CCG financial planning undertaken when guidance issued	A1: 31.03.2021	A1. No NHSE/I guidance has been published	4	4	16	Finance Committee	The CCG is awaiting 2021/22 financial planning guidance. Similar to month 7 to 12 there is an expectation of an ICS system total and that financial planning with be completed within the system financial framework. It is expected from quarter 2 of 21/22 that allocations will reduce to the previously published amounts which would be likely to create a significant cost pressure to the CCG expenditure which would need to be mitigated. As such the risk rating has been increased to 20 from 16. Oversight Committee: Finance Committee Current Risk Rating: 20	20.01.2021	Open

STR7	Will Huxter - Executive Director of Strategy	Ali Malik - Director of System Productivity,	Enhance Quality; Provide value and live within our means;	<p>Failure to Deliver the 2021/22 System efficiency plans (SEP) and Transformation Programme (Threat)</p> <p>CAUSE: If the CCG fails to deliver the 2021/22 SEP and transformation programme</p> <p>EFFECT: There is a risk that the CCG will not achieve a balanced budget and control total, and be unable to release sufficient funds to invest in services and deliver the quality improvements to patient care.</p> <p>IMPACT: This may result in a negative impact on patient care and financial sustainability.</p>	4	5	20	<p>C1. 2020/21 SEP plan to inform 2021/22 plans</p> <p>C2. Block contracts with providers</p>	<p>C1. Planning documents and email trail showing system engagement</p> <p>C2. National guidance</p>	<p>AVERAGE: The controls have a 61 – 79% chance of successfully controlling the risk</p>	4	4	16	<p>CN1: refocus of transformational plans on areas with biggest impact (under new financial regime) - this will likely be focussed on provider productivity (such as implementing GIRFT/model hospital opportunities).</p> <p>CN2: Worked up SEP plan in place for 2021/22 which has gone through CCG and provider review</p> <p>CN3. All transformation plans are supported by the project initiation documentation which has gone through an approval process based on lessons learned</p> <p>CN4. CCG SEP signed off by Finance committee</p>	<p>A1: to support the provider sector in identifying transformation opportunities through the recently established clinical networks for the priority surgical specialities.</p> <p>A2. Develop SEP plan, mindful ICS consultation.</p> <p>A3. Develop transformational plans</p>	<p>A1: 31.03.2022</p> <p>A2. 01.04. 2021</p> <p>A3. 01.04. 2021</p>	<p>A1: NCL Operational Implementation Group in place to support system planning for post COVID-19 recovery. This will include embedding transformational changes in pathways. This group is supported by NCL Director of System Productivity. OIG also overseeing the development of network plans to deliver transformational changes to deliver productivity improvements. Corporate workstream on provider productivity is in place.</p> <p>A2. Work will build upon 2020/21, however, we await to see what regime will be implemented, with a view to inform plans.</p> <p>A3. Work will build upon 2020/21, however, we await to see what regime will be implemented, with a view to inform plans.</p>	3	4	12	Finance Committee	<p>There will be a significant SEP challenge for NCL for 2021/22, and at this stage the financial regime and the CCG allocation are not clear. As guidance emerges we will ensure that opportunities for system cost reductions, in line with the national rules, are worked up to maximise the savings that can be achieved.</p> <p>Oversight Committee: Finance Committee Current Risk Rating: 16</p>	14.01.2022	Open
STR6	Will Huxter - Executive Director of Strategy	Gary Sired - Director of System Financial Planning and Assurance	Objective 1 - Deliver financial sustainability	<p>Failure to put in place appropriate financial governance for the NCL system as ICS is established (Threat)</p> <p>CAUSE: If the CCG fails to develop, implement and communicate appropriate financial governance arrangements that respect the CCG's statutory responsibilities whilst facilitating the transition to the Integrated Care System (ICS)</p> <p>EFFECT: There is a risk of lack of clarity and accountability for financial decisions.</p> <p>IMPACT: This may result in a negative impact on the reputation and functions of the CCG</p>	4	3	12	<p>C1. ICS finance lead in post, working closely with CCG CFO</p> <p>C2. ICS finance group established</p> <p>C3. Commitment to develop appropriate arrangements confirmed to NHS London.</p>	<p>C1. Planning documents</p> <p>C2. Meeting papers and notes</p> <p>C3. National guidance on Integrating Care from NHSE/I</p>	<p>AVERAGE: The controls have a 61 – 79% chance of successfully controlling the risk</p>	4	4	16	<p>CN1: establishment of ICS transition programme including finance workstream</p>	<p>A1: to scope the workstream and its membership/ remit</p>	<p>A1: 31.03.2021</p>	<p>A1. Work on this is due to begin.</p>	2	4	8	Finance Committee	<p>The publication of the NHSE/I Board paper on Integrating Care sets out clear expectations of ICSs as they develop, including financial governance. The specifics for NCL will be worked through as part of the transition plan.</p> <p>Given the challenge for all health care partners to work together in an unlegislated framework and the scale of work involved, there is an underlying concern as to how much the CCG can control costs when this element is generated by the service providers. As such the risk rating is increased to 16.</p> <p>Oversight Committee: Finance Committee Current Risk Rating: 16</p>	14.01.2021	Open

NCL Finance Committee - Forward Planner 2020-21

Agenda Items	29/10/2020	26/11/2020	17/12/2020	28/01/2021	25/02/2021	25/03/2021	april 2021 +
1. Standing Items							
Apologies	√	√	√	√	√	√	√
Declarations of Interests	√	√	√	√	√	√	√
Register of Gifts and Hospitality	√	√	√	√	√	√	√
Minutes of Last Meeting	√	√	√	√	√	√	√
Action Log and Matters Arising (including legacy items)	√	√	√	√	√	√	√
Forward Agenda	√	√	√	√	√	√	√
AOB	√	√	√	√	√	√	√
Key issues to feed back to GBs	√	√	√	√	√	√	√
2. Business							
Finance Report	√	√	√	√	√		
SEP Report (System Efficiency Plan)	√	√	√	√	√	√	√
Covid-19 cost report (included in Monthly reporting from Nov 2020)	√	√	√	√	√		
Report on Acute expenditure and likely financial impact of business as usual post Covid-19		√			√		
NCL STP 20/21 Capital Plans							
NCL STP 20/21 Covid Capital Plans- Phase 1 and Phase 2							
NCL Trust M3 revenue and capital position							
CHC & Discharge Finance Report(Sheila O'Shea)	√					√	
Prescribing (Deep Dive)						√	
Borough Delegation January (Simon/BB)						√	
Primary Care Reports (Deep Dive) (Becky / Tracey L)						√	
Community Report (Deep Dive) Anthony/Sarah M						√	
Digital health care servicess (eg E-consult)							
Corporate Costs (Deep Dive)							
Outpatient demand management transformation (finance implication) (from 29/10/20 mtg)						√	
Elective Recovery/Planning Return (includes M5-12 Guidance & Third Phase of NHS response to Covid-19)							
NCL System Update	√	√	√	√			
NCL STP M7-M12 Financial Planning	√	√	√	√	√		
CSU and HLP Update – value for money and delivery of service						√	
Budget 2021/22 - draft to final				√	√	√	
H&I 4 (HSLI/Digital update report)	√					√	
3 Governance							
System Financial Risks							
Finance Risk Register	√	√	√	√	√		
Terms of Reference review (annual)						√	
Committee Effectiveness Review						√	
4. Items transferred to Finance Committee or from Finance Committee							