



North West London
Collaboration of
Clinical Commissioning Groups

Report from the NW London finance committee, including 18/19 month 10 financial position and 2019/20 financial outlook

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Executive Summary

- The forecast outturn at month 10 is an adverse variance to control total of £26.5m. This has increased from month 9 due to the inclusion of GP at hand costs relating to Non NWL patients, estimated at c£10m.
- There remain risks to delivery in 18/19 and the worst case variance remains as reported at month 9, which is an adverse variance to control total of £44.5m.
- The underlying forecast outturn run rate position has worsened at month 10 to a deficit of £69m, which forms a pressure going into 2019/20.
- Allocations and control totals have been received for 2019/20, and the February Finance Committee reviewed the current position in contracting and planning.
- There are significant risks to the delivery of the NWL CCGs control totals in 2019/20 and the position is due to be reviewed again at the March Finance Committee, as well as at each CCG finance committee.
- Work is ongoing in working with system partners in developing a system wide operating plan for 2019/20 and progress on this is also due to be reviewed at the March Finance Committee.

Month 10 financial position summary by CCG

The FOT position of NWL CCGs has moved by £10.1m from M9, to a £26.5m adverse variance from the NWL control total, with four CCGs continuing to forecast adverse variances from control total. This deterioration is due to the removal of anticipated GP at Hand mitigation in H&F CCG. The Year To Date position is also deteriorated by £16.7m in month 10.

M10 (Deficit) / Surplus	YTD			Forecast			Comments
	Plan £m	Actual £m	Var £m	Plan £m	Actual £m	Var £m	
Central	0.6	0.7	0.1	0.7	0.7	0.0	The CCG is reporting on plan with a FOT in year surplus of £0.729m & a YTD surplus of £0.688m. The net risk position at M10 is shown as £2.24m.
West	3.5	17.9	14.4	4.2	19.3	15.1	West London CCG is reporting a favorable position both YTD (£14.4m) and FOT (£15.1m). Overall the position is in line with prior month forecast. QIPP performance has remained constant with delivery at 81% YTD and 82% FOT
H&F	(0.2)	(15.3)	(15.1)	0.4	(15.3)	(15.7)	YTD deficit of £15.3m is off plan by £15.1m. The FOT deficit of £15.3m (£15.7m off plan) has worsened by £10.2m due to the elimination of anticipated non-NWL GP at Hand mitigations, but otherwise remains unchanged at the most likely position.
Hounslow	1.9	1.9	0.0	2.3	2.3	0.0	The YTD and FOT continues to be on plan with balanced R&Os, continues robust review to ensure CCG meets statutory requirement at Y/E. The ULP; £2.6m planned surplus to £1.1m deficit, reflects performance issues & FY affect of investment spillages.
Ealing	1.6	(0.3)	(1.9)	1.9	(0.7)	(2.6)	Reported position is £1.9m year to date deficit with £2.6m forecast deficit mainly due to deterioration on acute contracts and CHC placement. Some of the risks have materialised and now in the position. Net risk £2.5m. Risk adjusted deficit £5.1m. ULP £7.4m deficit.
Brent	1.0	(2.1)	(3.0)	1.2	(2.6)	(3.7)	YTD and FOT overspend against control total. Over-spending on Acute services, Mental Health and Continuing Care offset by non-recurrent savings within Community, QIPP re-provision and release of reserves. Underlying position (£14.9m), net risk £2m.
Harrow	(16.8)	(28.7)	(11.8)	(20.2)	(39.8)	(19.6)	YTD in-year deficit (£28.7m), is an adverse variance of (£11.8m) over plan. Main overperformance on Acute SLAs, Mental health s117 placements, CHC and Prescribing. FOT (£39.8m) is (£19.6m) above planned deficit (£20.2m).
Hillingdon	0.1	0.1	0.0	0.2	0.2	0.0	CCG has a balanced position at M10 YTD and FOT. QIPP is forecast at 88% achievement (£1.6m)YTD, (£1.5m)FOT variance, with £2.7m still to deliver. Position balanced by using Contingency, PC and Prescribing under spends. Net risks £2m (back ended QIPP).
NWL Total	(8.3)	(25.7)	(17.4)	(9.4)	(35.9)	(26.5)	

Month 10 financial position - variance by programme

Forecasted in year position shows an adverse variance of £26.5m across NWL. This includes overspend on Acute £60.1m and Mental Health £5.9m, which is partially offset by underspend in Community £3.9m, Prescribing £5m and Other Programme Services £32m which is made up of one off contingency, investment provision and balance sheet releases.

Year to Date £m Variance	Central 9A	West 8Y	H&F 8C	Hounslow 7Y	Ealing 7W	Brent 7P	Harrow 8E	Hillingdon 8G	Total
Acute Services	(4.8)	(6.4)	(4.1)	(0.5)	(7.1)	(10.6)	(9.4)	(3.2)	(46.1)
Mental Health Services	(1.0)	0.9	(0.0)	0.1	(0.4)	(1.0)	(1.7)	(1.2)	(4.3)
Community Health Services	(0.2)	(2.3)	0.7	(0.3)	0.1	4.4	0.0	0.5	2.9
Continuing Care Services	(0.3)	1.9	(3.3)	(0.5)	(2.6)	(0.3)	(0.8)	(1.0)	(6.9)
Primary Care Services	(0.1)	0.2	(1.0)	1.2	(0.6)	0.3	0.3	0.8	1.0
<i>Prescribing</i>	1.0	1.7	2.8	(1.0)	(0.8)	0.0	(1.3)	1.0	3.4
Primary Care Co-Commissioning	(0.1)	(0.2)	1.4	0.0	0.0	0.4	(0.1)	0.7	2.1
Other Programme Services	5.5	18.1	(11.5)	0.8	8.5	3.3	0.7	1.9	27.3
Running Costs	0.1	0.4	0.0	0.1	1.0	0.5	0.6	0.4	3.1
TOTAL CCG NET EXPENDITURE	0.1	14.4	(15.1)	0.0	(1.9)	(3.0)	(11.8)	0.0	(17.4)

Forecast £m Variance	Central 9A	West 8Y	H&F 8C	Hounslow 7Y	Ealing 7W	Brent 7P	Harrow 8E	Hillingdon 8G	Total
Acute Services	(4.7)	(6.1)	(6.9)	(1.6)	(9.6)	(13.1)	(15.2)	(2.9)	(60.1)
Mental Health Services	(1.2)	1.1	0.1	0.1	(1.2)	(0.9)	(2.7)	(1.3)	(5.9)
Community Health Services	(0.6)	(2.0)	0.7	(0.5)	0.2	5.6	(0.1)	0.5	3.9
Continuing Care Services	0.1	1.9	(4.7)	(0.9)	(2.5)	(0.6)	(0.6)	(1.1)	(8.4)
Primary Care Services	0.0	1.1	(1.6)	1.1	(0.8)	0.3	0.2	1.1	1.4
<i>Prescribing</i>	1.3	2.2	3.2	(0.7)	(0.7)	0.0	(1.6)	1.3	5.0
Primary Care Co-Commissioning	(0.4)	(0.8)	1.7	0.0	0.1	0.4	0.3	1.1	2.5
Other Programme Services	5.5	17.4	(8.2)	2.4	10.7	3.7	(0.5)	0.9	31.9
Running Costs	0.0	0.3	0.0	0.0	1.2	0.7	0.6	0.4	3.3
TOTAL CCG NET EXPENDITURE	0.0	15.1	(15.7)	0.0	(2.6)	(3.7)	(19.6)	0.0	(26.5)

Month 10 QIPP position

Year to date NWL wide QIPP savings of £77.9m were made, representing 77% of YTD plan (£23.6m short) and 61% of the full year plan. Main reason for adverse variance is slippage of schemes. Full year estimated savings are £100.1m, against a plan of £128.4m, resulting in forecast full year delivery of 78%, which is £28.3m short of plan.

M10	YTD					Forecast				FY Non Recurrent		Plan QIPP as a % of RRL	Forecast QIPP as a % of RRL
QIPP	Plan £m	Actual £m	Var £m	% of YTD Plan	% of FY Plan	Plan £m	Forecast £m	Var £m	% of Plan	Plan £m	Forecast £m		
Central	14.5	11.2	(3.3)	77%	64%	17.6	14.8	(2.9)	84%	1.4	1.3	5.1%	4.3%
West	12.8	10.3	(2.5)	81%	67%	15.4	12.5	(2.8)	82%	0.0	0.0	3.7%	3.0%
H&F	11.0	5.8	(5.3)	52%	33%	17.3	10.1	(7.2)	59%	0.6	4.6	5.7%	3.3%
Hounslow	9.9	7.5	(2.4)	76%	62%	12.0	9.1	(2.9)	76%	0.0	0.8	3.0%	2.3%
Ealing	14.6	12.5	(2.2)	85%	68%	18.2	15.3	(3.0)	84%	0.0	0.0	3.2%	2.7%
Brent	13.0	11.7	(1.2)	90%	77%	15.3	13.9	(1.4)	91%	0.0	0.0	3.0%	2.8%
Harrow	15.9	10.8	(5.1)	68%	53%	20.2	13.5	(6.7)	67%	5.7	0.0	6.2%	4.1%
Hillingdon	9.8	8.2	(1.6)	84%	66%	12.4	10.9	(1.5)	88%	0.0	0.2	3.0%	2.6%
Grand Total	101.5	77.9	(23.6)	77%	61%	128.4	100.1	(28.3)	78%	7.7	6.9	3.9%	3.1%

Month 10 Forecast Outturn – best, most likely and worst case scenarios

The table below compares the best/most likely/ worst case scenarios (variances to CT). Positive numbers represent adverse variance, negative numbers favourable variance.

	Variance to CT Position @ M9		
	Best	Most Likely	Worst
	£m	£m	£m
Central	(0.5)	-	2.0
West	(16.0)	(15.0)	(13.0)
H&F	2.2	5.6	10.8
Hounslow	(0.5)	-	0.5
Ealing	1.5	2.5	5.0
Brent	2.7	3.7	5.7
Harrow	17.6	19.6	21.0
Hillingdon	-	-	2.0
Sub-total	7.0	16.4	34.0
GP at Hand	-	-	10.0
Total	7.0	16.4	44.0

	Variance to CT Position @ M10		
	Best	Most Likely	Worst
	£m	£m	£m
Central	(0.5)	-	2.0
West	(15.5)	(15.0)	(12.8)
H&F	3.9	5.6	10.9
Hounslow	(0.5)	-	0.5
Ealing	1.5	2.5	5.0
Brent	2.7	3.7	5.7
Harrow	18.1	19.6	21.0
Hillingdon	-	-	2.0
Sub-total	9.7	16.4	34.3
GP at Hand	-	10.2	10.2
Total	9.7	26.6	44.5

Month 10 underlying positions

After adjusting for non recurrent items, NWL CCGs are collectively reporting an underlying position of £69m deficit, excluding GP at hand.

£m	2018/19 Underlying Position				
	M6	M7	M8	M9	M10
Central	(8.4)	(9.5)	(8.7)	(9.4)	(9.4)
West	4.1	4.9	7.8	5.5	5.0
H&F	(9.8)	(10.5)	(11.0)	(14.1)	(15.7)
Hounslow	0.2	(0.4)	(1.1)	(0.3)	(1.0)
Ealing	(0.4)	(3.4)	(5.6)	(6.8)	(7.3)
Brent	(8.0)	(9.2)	(10.6)	(14.3)	(14.9)
Harrow	(19.0)	(19.4)	(20.2)	(28.4)	(28.2)
Hillingdon	5.0	4.6	4.0	3.4	2.1
NWL Total	(36.4)	(42.8)	(45.5)	(64.4)	(69.4)

2019/20 CCG financial plans summary

- All CCGs have breakeven control totals for 19/20 with the exception of Harrow which has a £21.5m deficit control total. The Harrow deficit control total, if achieved, would trigger £12.6m of CSF (Commissioner Support Fund) and a net deficit control total of £8.9m.
- The current position in respect of draft plans was discussed at the Finance Committee on 21st February and highlighted significant risk in a number of CCGs in terms of developing plans that achieve the CCG control totals. In terms of draft submissions on 12th February, five CCGs presented draft plans with adverse variances to control totals.
- Notwithstanding the increase in allocations, the financial position for NWL CCGs for 19/20 is challenging, driven primarily by the underlying 18/19 deficit, the tariff uplift, planned growth in activity and national planning assumptions.
- We have made contract offers to acute providers at outturn with QIPP at or more than growth in all cases, to community at outturn and to Mental Health to meet the Mental Health Investment Standard. These are being discussed with providers who are asking for materially more. Even if QIPP were agreed, we would have a deficit as the funding increase is inadequate to eat into the underlying deficit.

2019/20 Action Plan

A 10 point action plan has been developed and was presented to NHSE on 12th February and to the Finance Committee on 21st February. This is currently being implemented, led by the Accountable Officer and the CFO to support the development of the next iteration of plans to reduce/close the gap to CT: The ten actions are:

- 1) Develop acute contract discussions assuming zero net growth and agreement of blended tariff baseline and glass ceiling.
- 2) Develop non acute contract discussions assuming zero/minimal growth (note- assess risk to MHIS).
- 3) Assure QIPP delivery plans and stretch further
- 4) Assess opportunity to reduce/cease Non recurrent provider support
- 5) Further line by line review of all CCG budget assumptions
- 6) Review opportunity to reduce/cease investments (note- assess risk to MHIS)
- 7) Further development of recovery plans and processes for five CCGs with deficit plans.
- 8) Ensure that the three CCGs with balanced plans maintain or improve on this position.
- 9) Discuss draw down to cover some n/r spend (currently £39m cumulative surplus).
- 10) GP at hand allocation adjustment to ensure neutral impact of Non NWL patients.

2019/20 planning timetable - key dates

Key dates for the completion of 19/20 contracts and finance plans are as follows:

- 1 March - local decision whether to enter mediation and communication to NHSE/I and boards/governing bodies
- 21 March - national deadline for contract signature
- 19-27 March - CCG finance committees
- 28 March - NWL finance committee
- 4 April - submission of CCG Operating plans
- 11 April - submission of system wide aggregate operating plan