

Notes of the Finance Resource Committee (FRC) Meeting

22nd October, 2013 at 10:00-12:00

Committee Meeting Room, Watershed House, Putney Bridge Road

Attendees:

Stephen Hickey	Chair (SH)
Jeremy Ambache	Lay Member PPI (JA)
Graham Mackenzie	Chief Officer (GMK)
Hardev Virdee	Chief Finance Officer (HV)

Apologies:

Dr Tom Coffey	GP and Board Advisor (TC)
Yarlina Roberts	Head of Finance (YR)

In Attendance:

Wendy Meynell	PA (minute taker)
Amelia Whittaker	AW

No.	Item	Action by
1. 2.	Declarations of Interest – none Minutes of the last meeting – 20/09/13 Item 4.3 in the last paragraph “JS” should read “ JP ” Subject to the above amendment, the Minutes were agreed as being an accurate record.	
3. 3.1	Matters Arising None	
4. 4.1	SECTION 1: Financial Performance Month 6 Position The following key messages noted and discussed: <ul style="list-style-type: none"> • Delivery of year to date target and forecast outturn were on track against plan • QIPP will be fully delivered by year end. • Month 6 position has been adjusted to reflect the additional specialised commissioning adjustment of £2.19m. • Acute commissioning over-performance - data has yet to be fully validated against specialised commissioned services activity. • FRC agreed to the partial release of the £1.5m contingency reserve to support the delivery of winter activity at SGH through the Urgent Care Working Group subject to securing a sensible year end position and assurance from SGH. HV reported that Merton CCG has not contributed to the Non Elective Threshold Adjustment (NETA) funding for winter. • Integration Transformation Fund and community services – fortnightly meetings with SGH are being organised to discuss a number of integration issues and also to ensure that SLCSU are involved. • FRC agreed to retain the planned surplus position of £5.9m forecast despite the opportunity provided by NHSE to change (increase) the control total. 	
	FRC supported the Month 6 position.	
4.2	Focus Area – Acute Commissioning – SLCSU AW provided an update on the WCCG’s contracting performance position around contract financial performance against plan, key national indicators, activity and cost	

provider analysis and quality.

- Concerns were raised around Chelsea & Westminster maternity pathway tariffs. AW further explained the issue around case mix and charges for ante and post natal appearing to be very high against births. The Commissioning Support Unit (CSU) was looking at data sets to determine levels of duplicates being charged but that there were not many. There is currently an exercise looking at where CCGs are being charged for NHSE activity.
- GM queried the increased reconstructive surgery activity at SWLEOC. AW said that the Trust has been asked to confirm activity to support this position. In response to SH's query about the volume of activity, HV confirmed that the Board will have sight of this in the month 7 update.
- Contract with SGH had now been signed with amendments to high cost drugs and CQUIN.

FRC noted the contents of the CSU report.

4.3 **Specialist Commissioning Update**

FRC acknowledged the potential return of funds for WCCG circa £5m – it was accepted that the Specialist Commissioning Technical Group adjustment proposal contained some errors and therefore cannot be relied upon at this stage. A final adjustment is expected but there is no indication what this would mean for WCCG. The current position does not assume any financial benefit/cost.

4.4 **Phase 2 Investments**

HV reported that there were far fewer bids in terms of value. 48 bids totalling £2.6m were received.

Bids were categorised and FRC were asked to approve the bids.

FRC agreed:

Must Dos/Cost pressure bids: £1,015k from reserves/slippage

Approved various Phase 2 bids: £238k from reserves/slippage

Approved bids relating to Running costs: £389k from running cost reserves

FRC were content to approve the phase 2 investments which have gone through a robust process.

5. **SECTION 2: Financial Strategy**

5.1 **Financial Planning**

For information.

5.2 **Allocations**

HV reported that based on our current allocation of £391m we are still a way (£45m) from our target allocation. NHSE is requesting a formal London wide response. GM said a local response would not be required as this has been reflected elsewhere. However SH was in favour of getting on record our three points –pace of change, inequality and GP list size – HV to draft.

HV responded to queries raised by Dr Tom Coffey through an email.

5.3 **Integrated Transformation Fund**

LW joined the meeting to discuss the Gateway letter from David Nicholson which described the high level strategic direction of integrated funding streams.

Key points raised and noted:

- Unclear about the specific requirements/approach, timescale, methods of implementation, current levels of investments, assurance and accountability framework.

HV

- HV was unable to give any further advice at this time regarding the transfer of funds which may have a financial implication. Detailed guidance would be available from NHS E in due course.
- Discussions have already started with St. George's around community services and they are keen to collaborate with WCCG in delivering the integration agenda.
- WCCG and the Local Authority are also currently working together looking at opportunities for integration.

FRC noted the contents.

6. **Any Other Business**
None

7. Date of next Meeting:
Monday, 2nd December 2013, 14:00-16:00, Committee meeting room, Watershed