

Agenda item: 14
Paper no: GBiC (1) 10-2018

Title of Report:	Financial Recovery Plan 2018/19 – Surrey Heartlands	
Status:	TO REVIEW AND NOTE	
Committee:	Governing Bodies in Common	Date: 26/09/2018
Venue:	H G Wells Conference Centre, Church Street East, Woking, Surrey, GU21 6HJ	

Presented by:	Karen McDowell, Chief Finance Officer	
Executive Lead sign off:	Karen McDowell, Chief Finance Officer	Date: 10/09/18
Author(s):	Vicki Taylor, Deputy Chief Finance Officer	

Governance:

Conflict of Interest: The Author considers:	None identified	✓
Previous Reporting: (relevant committees/ forums this paper has previously been presented to)	NA	
Freedom of Information: The Author considers:	Open – no exemption applies	✓

Executive Summary:

The purpose of this paper is to provide information to the Governing Bodies in Common about the Financial Recovery Plans for the 3 Surrey Heartlands CCG's.

The paper describes the purpose of the Financial Recovery Plan for each CCG highlighting the work completed to date at a local, national and STP level and includes the governance arrangements that have reviewed the documents to date.

The paper includes headline financial information on the level of surplus / deficit and risks, it does not include full financial detail as this will be contained within the final Financial Recovery Plans submitted by each CCG.

The Governing Bodies in Common are asked to note the details within the paper.

Implications:

What is the health impact/ outcome and is this in line with the CCG's strategic objectives ?	<ul style="list-style-type: none"> Objective 1: Achieving a sustainable system
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What is the financial/resource required?	NA
What legislation, policy or other guidance is relevant?	CCGs have a statutory duty not to exceed its financial allocation.
Is an Equality Analysis required?	NA
Any Patient and Public Engagement/ consultation required?	NA
Potential risk(s) ? (including reputational)	NA

Recommendation(s):

(1) To **REVIEW AND NOTE** the detail of the Financial Recovery Plans 18/19 Summary.

Next Steps:

Refer to Section 6 of this paper.

1.0 Introduction

The purpose of this document is to update the Governing Bodies in Common on the Financial Recovery Plan process for the 3 Surrey Heartland CCGs in 2018/19.

Following submission of the individual CCG financial plans to NHS England in May 2018, CCGs were requested to complete a Financial Recovery Plan (FRP) with the purpose of demonstrating how financial balance would be achieved in year recognising risks and opportunities and providing clarity on ownership of the plans and governance arrangements.

As a result, each CCG prepared individual FRPs in a consistent format as required by NHS E.

The purpose, structure and work completed to date is described in more detail in the paper.

2.0 Purpose

The purpose of each Financial Recovery Plan (FRP) is to:

- Set the context of the CCGs historic financial performance
- Describe the 2018/19 Plan and assumptions held within it
- Describe the CCG requirements for delivering financial balance in 2018/19
- Provide assurance to the CCG Governing Body that all key risks are understood and mitigations have been identified to address the financial challenges
- Describes the process for managing risk and maximising opportunities
- Presents the detail within the current QIPP programme and how this will be managed to provide key assurances within the CCG and externally to NHS England
- Provides a view of a number of system wide efficiencies applicable to Guildford & Waverley and the wider health economy

3.0 Governance

- The FRPs were produced and reviewed internally by the Joint Executive Team on 26th June 2018.
- Draft FRP documents were submitted to NHS E in line with the given timetable on 29th June 2018.
- All documents were reviewed by individual Finance Committees in July 2018.
- FRPs discussed at a regulator meeting with NHSE on 31st July and some feedback given.
- Very minor amendments made to the documents which were resubmitted to NHS E on 3rd August 2018.
- More detailed feedback received on 8th August 2018.
- Further work on all FRPs to identify further mitigations in August and September 2018.
- Documents to be shared with ICP partners in September 2018.
- FRPs to be presented to Governing Bodies in Common meeting for discussion on 26th September 2018.

4.0 Structure of the FRP

Each FRP has been established to reflect the specifics within individual CCGs but the format and content of each had been produced in a consistent manner as illustrated in the table below:

Purpose & Objectives	Describing the purpose of the FRP as described in section 2.0
Context – Financial History	Overview of financial performance.

Governing Bodies in Common / Financial Recovery Plan 2018/19 – Surrey Heartlands

Working together as the Surrey Heartlands Clinical Commissioning Groups

Guildford and Waverley CCG | North West Surrey CCG | Surrey Downs CCG

	Successes and challenges. Historical financial performance
2018/19 Financial Plan	Detail within individual financial plan submissions “Checkpoint” – what has been done and what remains to do.
Managing Financial Risk, Maximising Financial Opportunity	Description of all risks and opportunities and assessment of best, worse and likely case scenarios.
Local System Efficiencies	Principles Local QIPP efficiencies 2018/19 QIPP dashboard Local transformational changes Local transactional changes
Responding to National Programmes	National initiatives including RightCare, POLCE, Financial Resilience website review, Menu of Opportunities review. Medicines Optimisation.
Wider System Efficiency	Sustainability across Surrey Heartlands Opportunities being progressed System Wide CCG opportunities
Wider System Efficiency - Improving Efficiency in CHC	Focus on Surrey Heartlands Continuing Healthcare costs and opportunities
Transformation Funds	National Transformation funds for 2018/19 and commitments
Governance, Monitoring and Reporting	Governance processes in place to address delivery including Governance structure and reporting

5.0 Key Financial headlines within the FRPs

	NWS £m	SD £m	G&W £m
Resource Allowance	495.9	378.4	287.0
Expenditure	493.3	386.1	293.9
Surplus / (Deficit) negative denotes deficit	2.6	-7.7	-6.9
Net Risk	-3.9	-4.8	-8.1
Control Total	2.6	-7.7	-6.9
QIPP	12.5	13.5	10.5
QIPP % of Resource	2.5%	3.6%	3.7%
Historic surplus / (deficit) negative denotes deficit	6.1	-48.6	-15.2

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6.0 Focus and next steps

The primary focus of each FRP document is how the CCGs will ensure delivery of their financial plans individually and the collectively against the Surrey heartlands control total including how it will provide assurance to the Governing Bodies.

Further work has been undertaken in September on ensuring a full review of all risks and mitigations has taken place collaboratively across the CCGs and this is described in detail within each FRP.

Work also continues against the National Programmes including:

- RightCare
- Full review of Menu of opportunities
- Review of learning, case studies and opportunities through the National Financial Sustainability Portal
- Delivery against the National 10 Point Efficiency Programme
- A scope Capped Expenditure Approach

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