






SO2.1 The ambition of improving health outcomes and inequalities will not be achieved without financial and organisational sustainability.








Failure to achieve financial and organisational sustainability would mean a:

- Potential threat to longer term viability of services
- Adverse impact on investment plans and service developments
- Reputational damage including adverse audit outcomes
- Financial impact including debt repayment, reduced income (e.g. Quality Premium) and cash flow.
- Increased scrutiny on financial and operational performance.
- Diversion of key resources to support recovery.

Risk Owner	Lead Committee	Next Review Date	Status	Direction of travel
Director of Finance, Contracting and Performance	Executive Health and Care Commissioning Committee	January 2020		

Original Risk			Current Risk				Target Risk			
Impact	likelihood	Rating	Impact	likelihood	Rating	Movement	Impact	likelihood	Rating	Target date
4	3	12	4	3	12	↔	4	1	4	Immediate with development of underpinning plans to sustain longer term sustainability

Control	Description	Assurances	Status	
2.1a Performance reports to Health & Care Commissioning and Finance & Performance Committees	The committees have oversight of all key performance issues and actions being taken to rectify poor performance.	Internal: In year performance monitoring.		Fully effective
2.1b System Leadership meetings in place including Accountable Care Partnership Board and Local Delivery Board focusing on unplanned care.	Monthly meetings of west Essex wide chief executives from key stakeholders to provide oversight of strategies to ensure operational and organisational stability.	External: System Leadership minutes.		Fully effective
2.1d System wide System Financial Planning & Assurance Group formed to agree STP financial plans and longer term financial sustainability strategies. This group also feeds into Herts & West Essex STP finance work stream.	The group is responsible for ensuring that system financial plans and implications are aligned and understood and the plans reflect the strategic intent of the west Essex economy.	External: Supported by KPMG diagnostic review. Plans are assured and signed off by the STP Finance Group and NHS E and are aligned to each organisation's medium term financial plans (MFTP).		Fully effective

Control	Description		Assurances		Status	
2.1e Performance reports to Finance & Performance Committee monthly.	The Committee has oversight of all key performance issues and actions being taken to rectify poor performance.		Internal: Committee minutes provide financial assurance.			Fully effective
2.1f Executive Health and Care Commissioning Committee.	Financially appraise business cases, including evaluation process as part of the planning cycle.		Internal: Committee minutes.			Fully effective
2.1g Performance report to Executive Health and Care Commissioning Committee monthly and performance recovery reports to Board.	Performance reports of all areas not performing to local and national targets and actions to improve.		Internal: Committee and Board minutes.			Fully effective
2.1h Commissioning Assurance and Financial Oversight Groups in place.	Receives business cases weekly which are examined in detail.		Internal: CAG meeting notes.			Fully effective
2.1i Service Performance & Quality Review Groups	Monthly meetings in place with all providers.		Internal: SPQRG minutes.			Fully effective
Action	Due Date	Assigned To	Expected Outcome		Latest Update	Status
Integrated Care Programme (ICP) – long term programme to achieve system sustainability through integrated commissioning, integrated provision and population health budget.	Mid-September 2019	James Roach		In progress	07/19 Updated MOU now in place and signed off by 4 key partners. CCG and system partners have agreed that 2020/21 System, Intentions and underpinning financial and contractual framework will need to be agreed by end of September 2019.	 In progress

Current risk rationale: With increased demand and demographic pressures, coupled with a constrained financial environment, healthcare systems need to develop medium to longer term plans to ensure financially and clinically sustainable services.