

Oxfordshire Clinical Commissioning Group  
Board Meeting

Date of Meeting: 29 March 2018

Paper No: 18/25a

Title of Paper: Minutes of the Finance Committee, 25 January 2018

Paper is for:

(please delete tick as appropriate)

Discussion

Decision

Information

✓

**Purpose and Executive Summary:**

The Committee draws to the attention of Board members, the following:

**Learning Disability Progress Report:** The Committee received a thorough update on progress transitioning learning disability services in Oxfordshire.

**Annual Operational Plan and Budget - Month 9 Finance Report:**

- OCCG is on target to meet its outturn planned surplus, £19.9m.
- The Committee discussed the financial risks and mitigations, together with a number of opportunities that might arise in the event that any of the material risks did not materialise.
- Committee members were concerned to hear of the financial risks that were crystallising in relation to pooled budgets, which could be as high as £3.56m for the two partners and wanted assurance that the risk agreement would be honoured by OCC, given the pressures on OCCG reserves. A thorough governance review had been commissioned.
- The Committee resolved that a 'year-end' strategic approach should be developed that optimised the use of financial headroom for the benefit of the system.

**2018/19 Annual Operational Plan and Budget:** National guidance had not been published, therefore, the paper presented was a holding paper based on the M9 forecast outturn. The Referral to treatment and the Risk Share Agreement were the larger risks. It was considered that the savings target for this year of £24m was not achievable.

**Financial Implications of Paper:**

As set out above. Board members should note that a material risk has crystallised in relation to the Pooled Budgets, which will have to be managed by the partners. Further information is awaited in relation to the action to be taken.

**Action Required:**

The detailed work of the Finance Committee provides further assurance to the Board that OCCG is managing its finances effectively and in accordance with the financial plans and budgets approved by this Board. Board members are asked to consider if they are receiving sufficient information in the Board's finance report and through the minutes of Committee meetings, to assure themselves in relation to OCCG's financial performance.

<b>OCCG Priorities Supported</b> (please delete tick as appropriate)	
✓	Operational Delivery
✓	Transforming Health and Care
✓	Devolution and Integration
✓	Empowering Patients
✓	Engaging Communities
✓	System Leadership

**Equality Analysis Outcome:**

Not applicable.

**Link to Risk:**

**AF25:** There is a risk that demands on the OCCG allocation exceeds available funds. In 2017/18 there is a 'system' risk sharing agreement in place in relation to £18.0m of identified cost pressures. If the full risk crystallises, OCCG will manage its 40% share of the risk from reserves and other mitigation plans, providing no further significant financial risk materialise.

**AF21:** There is a risk that NHS services will not be able to respond to the anticipated level of demand over next 5-year. OCCG is leading the development of service transformation plans with other key stakeholders across Oxfordshire. The Committee is still to be assured that financial risk is fully mitigated.

**761:** There is a risk that OCCG savings plans will not deliver in full. The Committee is not assured that the original £18.0m of system financial risk could be fully mitigated by the savings schemes identified and therefore, if the full £18.0m of risk crystallised, OCCG would manage its 40% share of the system risk from reserves and other mitigation plans, providing no further significant financial risk materialise. The latest forecast is c£7.0m of system financial risk. The Committee concluded the risk had crystallised and impacted on 2018/19.

**Author:** Duncan Smith, Lay Member, Chair, Finance Committee

**Clinical / Executive Lead:** Dr Kiren Collinson, Clinical Chair

**Date of Paper:** 15 March 2018

**MINUTES:**

**Finance Committee**

**12:30-14:00, 25 January 2018**

**Conference Room B, Jubilee House**

<b>Present:</b>	Duncan Smith (EDS), Lay Member for Finance - Chair	Gareth Kenworthy (GK), Director of Finance
	Roger Dickinson (RD), Lay Vice Chair	Diane Hedges (DH), Chief Operating Officer and Deputy Chief Executive
	Louise Patten (LP), Chief Executive	
<b>In attendance:</b>	Hannah Mills (HM), Head of Contracting and Procurement	Jenny Simpson (JS), Deputy Director of Finance
<b>Apologies</b>	Mike Delaney (MD), Lay Member	Dr Paul Park (PP), Deputy Clinical Chair and Chief Information Officer

		<b>Action</b>
1.	<p><b>Declarations of Interest</b> There were no new declarations of interest. The Chair declared the meeting quorate.</p> <p>The Lay Vice Chair noted the concern of the Lay Members at the lack of GP attendance at Committee meetings. He requested that, following the Deputy Clinical Chair and Chief Information Officer's resignation as a Committee member, a new GP should be identified. (Action 18.01)</p>	<b>RK</b>
2.	<p><b>Minutes of the Meeting held on 23 November 2017</b> The minutes of the meeting held on 23 November 2017 were approved as an accurate record of the meeting.</p> <p><b>Matters Arising</b> The Action Tracker was noted and updated.</p> <p>Action 17.32: Clarify reporting position for the uptake of the Support of Care Homes scheme. LP noted that the action had been closed, but that the proposed scheme could well be unaffordable. The Chair said that the business case had been signed off at Finance Committee and that implementation of the scheme was on the Committee's work plan.</p>	

	The Committee had not picked up on the expansion of the existing scheme and the Chief Executive asked that the scheme was fully evaluated. (Action 18.02) This item would come back to the next Finance Committee meeting. It was noted that the current contracts would cease on 31 March 2018.	LP/DH
3.	<b>Learning Disability – progress report</b> The Committee noted the Learning Disability Progress report, which was well-written, provided a thorough update and that, other than transformation issues, there were no areas of concern for the Finance Committee.	
4. 5. 6.	<b>Month 9 Finance Report</b> <b>Rebasing Proposal</b> <b>Pooled Budgets</b>  Agenda items 4, 5 and 6 were taken together.  The Director of Finance presented the papers and the Committee discussed the financial risks and mitigations, together with a number of opportunities that might arise in the event that any of the material risks did not materialise.  However, Committee members were concerned to hear of the financial risks that were crystallising in relation to pooled budgets, which could be as high as £3.56m for the two partners and wanted assurance that the risk agreement would be honoured by OCC, given the pressures on OCCG reserves.  The Committee resolved, that a ‘year-end’ strategic approach should be developed and shared with the Executive Team, that took into account the feedback from Committee members and optimised the use of financial headroom for the benefit of the system, particularly protecting any committed funding that could not be used cost effectively in-year and using headroom as a lever to extol the benefits of the partners entering into another ‘risk-share’ agreement for 2018/19. The strategic approach provides the framework within which the Chief Executive and Director of Finance take decisions.  The strategic approach should be shared with those Committee members not a member of the Executive Team at the earliest opportunity. (Action 18.03)	
6.1	<ul style="list-style-type: none"> <li>• <b>S75 Agreement – Dashboard Review</b></li> </ul> Discussion on the dashboard review was deferred to the next meeting. The Chair would meet the Associate Director of Finance before the next meeting. (Action 18.04)	GK  EDS
7.	<b>Annual Operational Plan and Budget</b> National guidance had not yet been published, therefore, the paper presented was a holding paper based on the M9 forecast outturn. It had been shared with OCCG budget holders. Referral to treatment (RTT)	

	<p>and the Risk Share Agreement were the larger risks. It was considered that the savings target for this year of £24m was not achievable.</p> <p>Discussion at the Risk Mitigations Delivery Group (RMDG) had resulted in a decision to reduce the overall number of system schemes next year to between three to five larger projects. The schemes chosen must align with the 2018/19 allocation.</p> <p>The Head of Contracting and Procurement reported that 2018/19 contract values were unlikely to be agreed and variations signed until the middle of March at the earliest. She flagged that there had been some concern expressed at the RMDG at the lack of the business cases to support the indicative cost pressures highlighted by OHFT. There was a risk the lack of information provided by OHFT would impact the possibility of securing a further risk share agreement between the three parties, however it had been highlighted that the rebasing work undertaken was contingent of a further risk share agreement. The Chief Executive agreed to pick this up at the NHS England system assurance meeting on 5 February. (Action 18.05) The paper was noted. The Director of Finance would present a further update to the next Board workshop. (Action 18.06)</p>	<p><b>LP</b></p> <p><b>GK</b></p>
<p>8.</p>	<p><b>Contracting – progress report</b> The Committee agreed that this item had been covered in the previous discussions.</p>	
<p>9. 9.1 9.2</p>	<p><b>Savings Plan</b> <b>System Risk Mitigation</b> <b>OCCG Savings Plan</b></p> <p>The Head of Contracting and Procurement apologised that the paper presented contained some older information that would be updated. She said that the next challenge would be to turn the document into high level initiatives to take forward.</p> <p>The committee noted the savings plan.</p>	
<p>10.</p>	<p><b>OCCG Risk Register</b> The Director of Finance reported that work would be required on next year's contracts and the transformation programme in order to mitigate the risks if they crystallised. A delay on phase 2 of the transformation programme would impact on the risk profile.</p> <p>New primary care initiatives must link to the savings and the system priorities.</p> <p>The Committee noted the Risk Register.</p>	
<p>11.</p>	<p><b>Workplan</b> Committee members were asked to send items for discussion at the</p>	<p><b>All</b></p>

	next meeting to the Minutes Secretary.	
12.	<p><b>Meeting review</b></p> <p>The Chair noted that the meeting had been shorter than usual because of time constraints. He apologised that he had needed to move the meeting date at short notice.</p> <p>The important topics had been discussed and it had been a very focused meeting.</p> <p>The Chair recorded apologies to the Senior Commissioning Manager – Mental Health who had been on standby to attend for item 3.</p>	
13.	<p><b>Any Other Business</b></p> <p>The Chief Operating Officer asked whether the Respiratory Project should be presented to this Committee. The Minutes Secretary would add this to the March agenda.</p>	<b>RK</b>
14.	<p><b>Date of next meeting</b></p> <p>09.30-12.00, 22 March 2018, in Conference Room B</p>	