

Oxfordshire Clinical Commissioning Group Board Meeting

Date of Meeting: 25 May 2017	Paper No: 17/33
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Title of Paper: Finance Report - Month 12 (March 2017)

Paper is for:	Discussion	✓	Decision	✓	Information	✓
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<p>Purpose and Executive Summary: This report sets out the financial performance of the CCG to 31 March 2017. The full finance report has been taken to Finance Committee (23 May) where detailed scrutiny has been undertaken. The paper aims to give an overview of the outturn position as at Month 12.</p>

<p>Financial Implications of Paper: There are no direct financial implications as a result of this paper.</p>
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<p>Action Required: The Board is asked to review the Month 12 position for Oxfordshire CCG and to consider whether the CCG managed its risks effectively in order to deliver its financial objectives.</p>

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

<p>Equality Analysis Outcome: There are no direct Equality issues arising from this paper.</p>

<p>Link to Risk: Links to AF25 - as this paper is a review of the year end 2016-17 no mitigations are required.</p>
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Finance Report for Oxfordshire CCG Board at 31 March 2017

Section 1: Executive Summary and Dashboard

Table 1 Key Financials

	Month 12 £'000	RAG rating	Month 11 £'000	Movement £'000
Plan ytd	(12,924)	SURPLUS	(11,846)	(1,078)
Actual ytd	(21,130)	SURPLUS	(11,846)	(9,284)
Variance	(8,206)	BETTER THAN PLANNED	0	(8,206)

- At 31st March NHS Oxfordshire Clinical Commissioning Group (OCCG) reported a forecast outturn surplus of £21.130m which is made up of £12.9m as per the final plan submission to NHS E, plus £8.2m release of the 1% Non –recurrent reserve to the bottom line as per national guidance in Month 12, as well as an additional £8k surplus achieved.
- Three additional funding allocations totalling £0.1m were received in Month 12. Allocation of £1.6m was transferred to NHS E as agreed in Month 11 and will be available for use by the CCG in 2017-18. The final CCG allocation for 2016/17 was £846m including the 1% Non-Recurrent funding of £8.2m.
- The remaining contingency available at Month 11 of £0.6m and the running cost contingency of £0.4m, were both released into the position to offset programme pressures arising at the year end.
- The most significant changes to forecasts at Month 11 were increases for OUH, the Older People's pool and for Royal Berkshire FT. These were offset by release of the remaining contingency, use of the funding from the Quality Premium and use of underspends in other pooled budgets, Primary Care, Prescribing and other acute budgets.
- An increased overspend in the Older People pool £1.4m (partly explained by an increase in the provision for Continuing Health Care claims £0.62m) was mainly offset by increased underspends for the other pooled budgets.
- The underlying contract activity* for the Oxford University Hospitals Foundation Trust was above the Oxford contract threshold by £4.3m as per Month 11 activity reporting (£3.7m at Month 10). A zero rate was applied to this activity under the block contract agreement.

** after adjustment for marginal rate, re-admissions credit and penalties and including CQUIN*

Section 2: Overview

Table 2a: Summary Table

	Budget Month 12 £'000	Actual Month 12 £'000	Variance Month 12 £'000
Acute	400,607	403,386	2,779
Community Health	70,637	70,999	362
Continuing Care	57,934	64,851	6,917
Mental Health and Learning Disability	68,439	68,922	483
Delegated Co-Commissioning	89,546	89,012	(534)
Primary care	100,516	97,659	(2,857)
Other Programme	16,355	15,793	(562)
Sub Total Programme costs	804,034	810,622	6,588
Running costs	14,642	14,207	(435)
Sub Total	818,676	824,829	6,153
Transformation/risk management	0	0	0
Non recurrent reserve	8,198	0	(8,198)
Contingency	6,161	0	(6,161)
1% Surplus	12,924	0	(12,924)
Total	845,960	824,829	(21,131)

- The most significant areas of over-performance in Acute services were RBFT, Circle, Great Western, Ramsey and SCAS Emergency Patient Transport. These were only partly offset by underspends for other acute contracts and Non Contracted Activity.
- At Month 11 the Pooled Budgets for Older People, Equipment and Physical Disability, were forecast to overspend at year end by £6.0m largely due to the FNC price increase and pressures on Care Home and Home support expenditure. They ended the year £6.9m overspent mainly explained by an increase in the provision for Continuing Health Care claims of £0.6m.
- The Older People pool position deteriorated by £1.4m from Month 11 reporting, which was largely offset by improvements on the Mental Health, Physical Disability and Learning Disability Pools of £1.2m.
- Primary care budgets generally underspent due to the start date for schemes slipping but this is not expected to be as significant an issue in 2017-18 as schemes are now largely in place and delivering.
- The forecast outturn for the prescribing budget moved from breakeven to an underspend of £0.4m in Month 11 following the final re-profiling from the Business Services Authority (BSA). This increased to £1.0m in Month 12 following additional underspends indicated by the latest available BSA report.
- The reported surplus increased by £8.2m from £12.9m to £21.1m in Month 12 as a result of release of the 1% Non Recurrent reserve as per national guidance.

Section 3: Savings Programme

A savings programme of £22.4m was agreed for 2016-17. The Financial Recovery Plan, agreed at the Board on 25th August 2016, replaced the original savings plan and delivered sufficient savings to enable the CCGs target surplus to be delivered.

Section 4: Provider Performance

- The Oxford University Hospital Trust shows unadjusted over performance of £5.4m over plan at Month 11 (£4.8m over plan at Month 10) i.e. 1.9% above planned cost. After allowing for CQUIN and technical adjustments, the variance was £4.3m (£3.7m at Month 10), indicating that a local price adjustment of -£4.3m has been applied in line with the revised block contract agreement.

- This implies a year end underlying contract outturn of £323m compared to the block agreed and paid of £317m.
- The budget for OUH was £318.4m at year end which reflected the block contract at £317m, RTT funding at £0.9m and a change relating to paediatric insulin pumps of £0.5m. This increased budget was overspent mainly due to an invoice for £960k from Specialised Commissioning for Critical Care which has been disputed but has been reflected in the year end position and also due to additional activity commissioned eg using the Quality Premium funding and underspends in other areas.
- RBFT reported significant increased activity for Month 12 (£0.9m) which is being challenged by the lead CSU.
- Nuffield Health (£0.4m) and Ramsey (£0.25m) also showed significant increases in activity in Month 12 compared to previous months.

Table 4: Acute Commissioning Breakdown

	Budget	Actual	Variance
	Month 12	Month 12	Month 12
	£'000	£'000	£'000
Oxford University Hospitals NHS FT	318,460	319,797	1,337
Royal Berkshire FT	20,600	21,221	621
Buckinghamshire Hospitals NHS Trust	2,874	2,974	101
Frimley Health NHS Foundation Trust (HWP)	498	397	(101)
South Warwickshire FT	619	766	147
Gloucester Hospitals NHS Trust	510	534	24
Great Western NHS Foundation Trust	3,225	3,497	272
Ramsay Health care	7,428	7,692	264
Nuffield Health	1,873	1,898	25
Spire Healthcare	422	593	171
Berkshire Independent	590	655	65
BMI Foscote	755	970	215
Circle	1,322	1,718	396
London Providers	3,646	3,778	132
Other Acute	7,914	6,848	(1,067)
Non Contract Activity	8,678	8,573	(105)
SCAS Emergency Patient Transport	21,194	21,474	280
Total	400,607	403,386	2,779

Section 5: Conclusion

- The CCG achieved its planned surplus for 2016-17 and full release of it's 1% Non Recurrent reserve as per national requirements.
- The Month 12 reported position was reviewed by Finance Committee on 23rd May 2017.