

Oxfordshire Clinical Commissioning Group Board Meeting

Date of Meeting: 29 March 2018	Paper No: 18/20
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Title of Paper: Finance Report - Month 11 (February) 2017-18

Paper is for: <small>(please delete tick as appropriate)</small>	Discussion	✓	Decision		Information	✓
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<p>Purpose and Executive Summary: This report sets out:</p> <ul style="list-style-type: none"> the financial performance of the CCG to 28th February 2018 the risks identified to the financial objectives and the current mitigations <p>The full finance report has been taken to Finance Committee (22nd March) where detailed scrutiny has been undertaken. The paper aims to give an overview of the financial position as at Month 11.</p>

<p>Financial Implications of Paper: There are no direct financial implications as a result of this paper.</p>

<p>Action Required: The Board is asked to review the information provided in this report, together with assurance from the Finance Committee. The Board is asked to consider whether sufficient assurance exists that the CCG is managing its financial performance and risks effectively, that it can mitigate any risks identified and is on track to deliver its financial objectives.</p>

OCCG Priorities Supported <small>(please delete tick as appropriate)</small>	
✓	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>

Link to Risk:

AF25 Achievement of statutory financial duties

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Finance Report for Oxfordshire CCG Board at 28 February 2018

Section 1: Executive Summary and Dashboard

Table 1a: In Year key financial targets

	Month 11 £'000	BAG rating	Month 10 £'000	Movement £'000
Plan ytd	0	BREAKEVEN	0	0
Actual ytd	0	BREAKEVEN	0	0
Variance	0	AS PLANNED	0	0
Plan Outturn	0	BREAKEVEN	0	0
Actual Outturn	0	BREAKEVEN	0	0
Variance	0	AS PLANNED	0	0

- At 28th February NHS Oxfordshire Clinical Commissioning Group (OCCG) reported year to date and forecast outturn on plan i.e. a forecast in year breakeven position.
- The CCG brought forward a historic surplus of £21.129m from 2016-17. A drawdown of £1.140m was agreed with NHS E leaving a cumulative surplus of £19.989m as the planned carry forward into 2018-19. The CCG is expected to be instructed by NHS E to release the 50% of the 1% Non Recurrent reserve currently being held, of £3.7m, to the bottom line in Month 12. This will result in a carry forward into 2018-19 of £23.7m.
- Five non-recurrent allocations were received in Month 11 of which the largest were £417k for Cancer Alliance transformation and £143k for Diabetes. In addition, a resource allocation transfer of £1.5m was actioned to NHS E in Month 11. This resource will be returned to the CCG in 2018-19. The total allocation for the CCG for 2017/18 is now £870.4m. (£890.4m including the historic surplus).
- The mitigated risks total £3.9m (£3.9m at Month 10) and are offset by contingencies held of £3.9m (£3.9m at Month 10) leaving no net risk as reported at Month 10. The best case forecast outturn is breakeven (as per Month 10), while the worst case is £1.2m deficit (£1.1m at Month 10).
- The Oxford University Hospital Trust shows unadjusted over performance above the activity plan of £3.2m (£2.3m at Month 9) ; 1.1% above planned cost. After allowing for CQUIN and other technical adjustments the pre-risk share over performance is £6.46m (£5.215m at Month 9). The forecast outturn reflects the rebased risk share agreed last month and is therefore unchanged from last month.
- The reported overspends for the BCF and ASCN Pools are the CCG risk share proportions of the total overspend with further risk reflected in the risk table 2b. These overspends are the position after an additional £1.6m pool contribution by the CCG agreed in Month 10.
- Material overspends continue to be reported for Royal Berkshire FT, Ramsay and Buckinghamshire Hospitals and SCAS Emergency services. Community Health has deteriorated with the impact of winter pressures being reflected in the forecast. These overspends are offset by the release of contingency and forecast underspends for Prescribing, Primary Care Commissioning, Other acute and NHS property Services.

Section 2: Overview

Table 2a: Summary Table

	Annual Budget £'000	Budget Month 11 £'000	Actual Month 11 £'000	Variance Month 11 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Acute	416,293	381,600	386,322	4,721	422,028	5,736
Community Health	72,465	66,391	66,672	280	73,419	954
Continuing Care	63,889	58,555	59,455	900	64,870	981
Mental Health and Learning Disability	73,087	67,029	67,228	199	73,701	613
Delegated Co-Commissioning	92,368	82,452	82,452	(0)	92,368	(0)
Primary care	107,031	98,018	96,001	(2,017)	105,625	(1,406)
Other Programme	17,651	15,823	15,081	(742)	16,616	(1,035)
Sub Total Programme costs	842,783	769,868	773,211	3,343	848,627	5,843
Running costs	14,627	13,408	12,503	(904)	14,627	0
Sub Total CCG	857,410	783,276	785,714	2,438	863,254	5,843
Risk Reserve	5,407	0	0	0	3,406	(2,001)
1% Non recurrent reserve (50% require	3,717	0	0	0	3,717	0
0.5% Contingency reserve	3,842	2,439	0	(2,439)	0	(3,842)
Total CCG after contributions to/from r	870,376	785,714	785,714	(0)	870,376	0
Planned Surplus cfwd	19,989	18,324	0	(18,324)	0	(19,989)
Total	890,365	804,038	785,714	(18,324)	870,376	(19,989)

- The Community Health forecast overspend has increased to £954k (£413k at Month 10). Expenditure for Delayed Transfers of Care and Children's Continuing Care are expected to exceed budget and an additional £121k for Community beds has been agreed as part of the system's response to winter pressures.
- Based on Month 10 information from OCC, the Better Care Fund Pool is forecast to overspend by £3.2m (£3.8m at Month 9). The majority of this overspend is within Care Homes at £4.4m (4.1m at Month 9). In total the CCG is forecast to overspend by £3.4m (£4.0m at Month 9) but after risk sharing this is reduced to £1.0m (£1.1m at Month 9).
- A resource allocation transfer of £1.5m to NHS E was actioned in Month 11 from the Primary Care Investment budget and this has mitigated part of the potential underspend within Primary Care. The resource will be returned to the CCG in 2018-19.
- Project charters have been developed for the Non recurrent Primary care schemes approved in November by the Oxfordshire Primary Care Commissioning Committee for implementation during 2017-18. Of the £1.7m non recurrent funding it is expected that £0.437m will be spent.
- The national issue with NCSO's (No Cheaper Stock Obtainable) continues although the latest data for December 2017 is showing a reduced pressure from that anticipated. The forecast outturn underspend has been held at £750k as the forecast still assumes that NCSOs will continue at the higher level for the last months of the year.
- All of the 0.5% contingency has been released into the forecast outturn position to cover performance pressures at Month 11. £2.0m of the CCG risk reserve has been released in to the forecast outturn leaving £3.4m remaining and available to mitigate risks arising in the rest of the year.

Risks and Mitigations

Table 2b sets out the key risks identified that are not reflected in the most likely forecast outturn above. The residual risk is £3.9m (£3.9m at Month 10) and is offset by contingencies held of £3.9m (£3.9m at Month 10) i.e. a balanced net risk position.

Risks remaining are the same as last month ie Continuing Health Care and risk of activity increases in providers in final months of the year (Month 11 reporting is based on Month 10 activity so there are still 2 months of activity that could be subject to change).

The £3.9m contingency is made up of:

- The CCG risk reserve - £3.4m remaining to offset risks (£2.8m at Month 10).
- A contingency in running costs of approx. £0.5m.

The best case forecast outturn is breakeven (as per Month 10) and the worst case is £1.2m deficit (£1.1m at Month 10).

Table 2b:

Risks	Risk value		Probability of risk being realised		Potential risk	Description/Mitigation	Reduced risk due to mitigating actions	Residual Risk after expected mitigation	Call on Contingency Reserve?
	£m		%		£m		%	£m	Y/N?
Acute	-4.0		70%		-2.8	Remaining risk of activity increases	35%	-1.0	
Continuing Care	-4.0		80%		-3.2	Pooled budget joint management arrangements - significant pressure in CHC Care Homes budget	90%	-2.9	
Primary care	-1.0		75%		-0.8	Prescribing risk re "No cheaper stock obtainable"/Prescribing Incentive Scheme	0%	0.0	
Total	-9.0				-6.8			-3.9	
CCG Contingency/Reserves									
						Risk management reserve		3.4	
						Running cost contingency		0.5	
						Total		3.9	
						Headroom /(Net risk)		0.0	
						Worst case			
						Assumes 75% of potential risks materialise and are unmitigated except for reserves		-1.2	
						Best case			
						Assumes 100% of mitigated risks materialise and are met by reserves		0.0	
						Range		1.1	0.12%
NB. The detailed risks have been considered at Finance Committee along with the management actions and mitigations									

Section 3: Savings Programme

The latest summary of the 2017-18 savings programme and achievement year to date is shown below.

Table 3a

Savings Plan Summary FY17/18			System Risk Mitigation				OCCG Initiatives				
			Planned FYE £'000	Planned FOT £'000	YTD Actual £'000	FOT Actual £'000	Planned FYE £'000	Planned FOT £'000	YTD Actual £'000	FOT Actual £'000	Delivery RAG
Planned Care	£ 15,147	Live	1,832	(56)	928	1,113	123	114	108	114	Green
		FY17/18 - Planning	250	-	-	-	145	7	3	7	Amber
		FY18/19	-	-	-	-	7,146	-	-	-	Amber
Urgent Care	£ 9,585	Live	-	-	-	-	90	53	47	54	Red
		FY17/18 - Planning	-	-	-	-	-	-	-	-	-
		FY18/19	5,020	-	-	-	-	-	-	-	Amber
Primary Care	£ -	Live	-	-	-	-	-	-	-	-	-
		FY17/18 - Planning	-	-	-	-	-	-	-	-	-
		FY18/19	-	-	-	-	-	-	-	-	Red
Medicine Mgt.	£ 2,213	Live	-	-	-	-	3,071	3,071	4,325	4,581	Green
		FY17/18 - Planning	240	240	423	443	-	-	-	-	Amber
		FY18/19	-	-	-	-	2,600	-	-	-	Amber
Quality	£ 1,114	Live	557	557	662	709	-	-	-	-	Green
		FY17/18 - Planning	-	-	-	-	-	-	-	-	-
		FY18/19	-	-	-	-	1,000	-	-	-	Amber
Long Term Conditions	£ 2,598	Live	-	-	-	-	2,041	2,041	1,871	2,041	Green
		FY17/18 - Planning	-	-	-	-	-	-	-	-	-
		FY18/19	-	-	-	-	242	-	-	-	Amber
Mental Health	£ -	Live	-	-	-	-	-	-	-	-	Red
		FY17/18 - Planning	-	-	-	-	-	-	-	-	-
		FY18/19	-	-	-	-	265	-	-	-	Amber
Subtotal			7,899	741	2,014	2,264	16,723	5,285	6,354	6,796	

	Specialty Indicated Opportunity (Total) £'000	Total Planned £'000	Total FYE FY17/18	FOT Plan £'000	YTD Plan £'000	YTD Actual £'000	FOT Actual £'000
Total	30,657	24,622	8,349	6,025	5,532	8,367	9,061

Section 4: Provider Performance

- The Oxford University Hospital Trust shows unadjusted over performance above the activity plan of £3.2m (£2.3m at Month 9) ; 1.1% above planned cost. After allowing for CQUIN and other technical adjustments the pre-risk share over performance is £6.46m (£5.215m at Month 9). The forecast outturn reflects the rebased risk share agreed last month and is therefore unchanged from last month.
- The most significant areas of over-performance to date are OUH, Royal Berkshire FT, Buckinghamshire Hospitals, Ramsey and SCAS Emergency services.

Table 4: Acute Commissioning Breakdown

	Annual Budget £'000	Budget Month 11 £'000	Actual Month 11 £'000	Variance Month 11 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Oxford University Hospitals NHS FT	331,315	303,705	307,201	3,496	335,516	4,201
Royal Berkshire FT	20,097	18,422	19,011	589	20,982	885
Buckinghamshire Hospitals NHS Trust	2,640	2,420	2,896	476	3,159	519
Frimley Health NHS Foundation Trust (HWP)	417	382	346	(36)	377	(40)
South Warwickshire FT	1,083	993	1,085	92	1,183	100
Gloucester Hospitals NHS Trust	440	403	393	(10)	428	(11)
Great Western NHS Foundation Trust	3,494	3,203	3,295	92	3,595	101
Ramsay Health care	8,049	7,379	7,819	440	8,530	480
Nuffield Health	1,544	1,415	1,409	(6)	1,538	(6)
Foscote	903	828	905	77	962	59
Spire Healthcare	496	455	593	138	647	151
Berkshire Independent	576	528	522	(5)	570	(6)
BMI Ridgeway	313	287	368	81	401	88
Circle	1,561	1,431	1,748	317	1,907	346
London Providers	3,949	3,620	3,756	136	4,077	128
Other Acute	9,295	8,520	6,784	(1,736)	7,273	(2,022)
Non Contract Activity	7,900	7,242	7,240	(2)	7,899	(2)
SCAS Emergency Patient Transport	22,220	20,368	20,950	582	22,984	764
Total	416,293	381,600	386,322	4,721	422,028	5,736

Section 5: Conclusion

- The most likely forecast outturn reported at Month 11 is for the CCG to achieve its financial plan of in-year breakeven. Risks identified at Month 11 are covered by contingencies held.
- The Month 11 reported position and the identified risks and mitigations were reviewed by Finance Committee at the meeting on 22nd March 2018.