

OXFORDSHIRE CLINICAL COMMISSIONING GROUP BOARD

Date of Meeting: 25 July 2019	Paper No: 19/48c
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Title of Paper: Finance Committee minutes, 9 May 2019
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Paper is for: <small>(please delete tick as appropriate)</small>	Discussion		Decision		Information	✓
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Conflicts of Interest <small>(please delete tick as appropriate)</small>	
No conflict identified	✓
Conflict noted: conflicted party can participate in discussion and decision	
Conflict noted, conflicted party can participate in discussion but not decision	
Conflict noted, conflicted party can remain but not participate in discussion	
Conflicted party is excluded from discussion	

Purpose and Executive Summary:
The Committee draws to the attention of Board members, the following:

Monthly Finance Report – Month 12: OCCG reported a small surplus of £0.016m against the planned break-even, which was still subject to audit. This resulted in a surplus of £23.4m to be carried forward to 2019-20, made up of £24.5m historic surplus brought forward into 2018-19 less £1.1m drawn down in 2018-19 plus the additional £0.016m generated in 2018-19. The Committee reviewed the movements in financial position between month 11 and 12, which related to:

- related to year end system agreements for OUH, OH and OCC
- release of ring-fenced funds
- improvements in the reported positions for prescribing and the BCF Pool

The underlying deficit for the CCG exiting 2018-19, as reported in the 2019-20 plan submission, was £4.6m.

Oxford University Hospitals: Data extracted from the Integrated Provider Performance Report (IPPR) was reviewed by the Committee and an update on detailed work undertaken by the CSU was received. The report presents the OCCG financial pressures, causation and challenges. The Committee will receive further assurance reports on the material changes that need to be delivered in the OUH, however relying on the work of the Executive Committee where possible and proposed enhanced IPR reporting.

Pooled Budget and CHC Caseload: OCCG had been undertaking work around

reconciling caseload data against council payments to obtain greater assurance around data quality in the context of significant volatility in the budget forecasts. Further assurance was required, and the Audit Committee would oversee strengthening of the governance of the pooled budgets.

Savings Plan 2018/19 Outturn: Actual year to date (YTD) was c£10.135m against c£9.56 planned YTD. The actual outturn was c£11.2m compared to the c£10.6m targeted.

Savings Plan 2019/20: The plan was being refined and delivery assurance updated. There are 5 key areas, 4 relating to savings initiatives agreed as a system: referral demand management; outpatient transformation; urgent care flow; and Continuing Health Care (CHC). The 5th is Medicines Management.

Pooled Budgets, Section 75 Performance: The Committee reviewed the quarterly dashboard and received explanations where there were material variances from plan. There are still issues with underperformance by HART against the revised contract and this could impact on the system. HART new performance metrics would be included in the IPR. The other material concern related to nursing home caseloads, where the cost was higher than anticipated.

Bicester Primary Care Estates: The Committee noted the developer's options and associated lease exit costs, recognising the risk to the project. However, there are options to be explored that did not incur exit costs.

Engagement: clinical, stakeholder and public/patient:

Oxfordshire Primary Care Commissioning Committee will oversee engagement and consultation arrangements in relation to proposals coming forward for primary care service moves in Bicester.

Savings schemes require full Quality Impact Assessments as part of the governance arrangements, which would be considered by OCCG's Quality Committee. Further assurance is required.

Financial Implications of Paper:

The Financial Plan was reviewed and approved at the May Board meeting. OCCG is forecasting a net c£6.0m of unmitigated financial risk for 2019/20. The Committee will receive a more detail update in relation to financial risk and savings schemes at its July meeting.

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.

OCCG Priorities Supported (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 in the context of the matters under review at this meeting.

Link to Risk:

AF25, there is a risk that cost pressures against OCCGs allocation will lead to non-delivery of OCCG's statutory financial duty and NHSE business rules for CCG's: OCCG is forecasting that it will meet NHSE business rules but further assurance is required by the Finance Committee in relation to the underlying financial position and saving scheme delivery.

761, there is a risk that further savings are required: The CCG over-deliver on the 2018/19 Savings Plan target but at this stage, there is a material gap against the 2019/20 Savings Plan target. Further assurance on scheme delivery is sought by the Finance Committee.

762, the financial reporting information from OCC hosted pooled budgets is subject to too much uncertainty and variability, which creates a risk that effective management action cannot be taken or is sub-optimal and this may lead to financial losses: OCCG's Internal Auditor undertook and recommendations to strengthen the governance of the pool and systems of control are being taken forward. The Audit Committee is taking the lead in terms of further governance assurance.

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Date of Paper: 12th July 2019.