

Oxfordshire Clinical Commissioning Group Board Meeting

Date of Meeting: 28 November 2019	Paper No: 19/68
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Title of Paper: Finance Report - Month 07 (October 2019)

Paper is for: <small>(please delete tick as appropriate)</small>	Discussion	<input checked="" type="checkbox"/>	Decision	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>
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Conflicts of Interest <small>(please delete tick as appropriate)</small>	
Include details of any conflicts of interest including: details of conflicted individual(s) name, position, the conflict(s) details and how these should be managed in the meeting by deleting the ticks as appropriate. Confirm whether interest is recorded on the Register of Interests.	<input type="checkbox"/>
No conflict identified	<input checked="" type="checkbox"/>
Conflict noted: conflicted party can participate in discussion and decision	<input type="checkbox"/>
Conflict noted, conflicted party can participate in discussion but not decision	<input type="checkbox"/>
Conflict noted, conflicted party can remain but not participate in discussion	<input type="checkbox"/>
Conflicted party is excluded from discussion	<input type="checkbox"/>

Purpose and Executive Summary:
This report sets out: <ul style="list-style-type: none"> the financial performance of the CCG to 31 October 2019 the risks identified to the financial objectives and their current mitigations <p>The finance report has been discussed by the Finance Committee (20 November) where detailed scrutiny has been undertaken. This paper gives an overview of the financial position at Month 7.</p>

Engagement: clinical, stakeholder and public/patient:
Not required

Financial Implications of Paper:
There are no direct financial implications arising from this paper.

Action Required:
The Board is asked to review the information provided in this report together with the 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 the risks identified and is on track to deliver its financial objectives.

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

Equality Analysis Outcome:

There are no direct Equality issues arising from this paper.

Link to Risk:

Links to AF34 – Achievement of statutory financial duties

Author: Jenny Simpson, Deputy Director of Finance, jenny.simpson9@nhs.net

Clinical / Executive Lead: Gareth Kenworthy, Director of Finance,
g.kenworthy@nhs.net

Date of Paper: 19 November 2019

Oxfordshire CCG Finance Report for the Finance Committee At 31 October 2019

Section1: Executive Summary and Dashboard

Table 1a: In Year key financial targets

Indicator	Target	Actual	RAG
Actual Year to date	Breakeven	Breakeven	✓
Forecast Outturn	Breakeven	Breakeven	✓
Running Cost Outturn	£1.5m < Allocation	-£0.2m	✓
Savings Forecast Outturn	£15.7m	£15.7m	✓
Net Risk position	£0m	£3.5m	✗
Mental Health Investment Standard achieved	6.30%	12.54%	✓
Better payment Practice code NHS by value	95%	100%	✓
Better payment Practice code Non NHS by value	95%	96%	✓
Note: Cash drawn down to date as % of Maximum Cash Drawdown	58.33%	57.60%	

- At 31 October 2019 NHS Oxfordshire Clinical Commissioning Group (OCCG) reported year to date and forecast outturn on plan i.e. a forecast breakeven position.
- The CCG brought forward an historic surplus of £23.422m from 2018-19 and plans to carry this forward to 2020-21 as shown in Table 1b below:

Table 1b: In Year and Historic surplus

	Annual Budget	Budget year to date	Actual year to date	Variance year to date	Most Likely Forecast Outturn	Most Likely Forecast Variance
	Month 7	Month 7	Month 7	Month 7	Month 7	Month 7
	£'000	£'000	£'000	£'000	£'000	£'000
Total CCG after contributions to/from reserves	943,645	549,856	549,856	(0)	943,645	0
Planned surplus c fwd	23,422					
Drawdown in 2019-20	0					
Planned surplus c fwd	23,422	13,663	0	(13,663)	0	(23,422)
Total in year and historic	967,067	563,519	549,856	(13,663)	943,645	(23,422)

- Allocations received in Month 7 totalled £1.714m, the largest of which, £1.002m, was received for BCF Support.
- The CCG residual risks total £6.5m offset by the remaining 0.5% contingency and further expected allocations, leaving a net risk of £3.5m (£3.5m last month).
- The most likely forecast is breakeven, with a worst case of £4.9m deficit and a best case of £0.1m surplus.
- The Oxford University Hospitals Foundation Trust (OUH) shows unadjusted year to date performance of £0.5m above activity plan (0.3% above planned cost). This compares to £1.4m above plan at Month 5 (0.9%). The agreement between the CCG and OUH is however a block contract so there is no impact on the CCG position.
- The contract with Oxford Health (OH) has not yet been signed by OH, however the issues relating to non-signature relate to future years funding and the risk for 2019-20 is low.
- The Prescribing budget forecast overspend has increased by a further £0.5m to £4.0m reflecting the latest available data. The prescribing overspend is driven by cost increases for NCSO and Category M drugs.
- The CCG has committed all of the £2.9m risk reserve into the forecast position to offset activity pressure as well as £2.4m of the 0.5% contingency. £1.7m of the contingency remains but the first call on this will be to offset the impact of the unidentified savings.

Section 2: Overview

Table 2a: Summary Table

	Annual Budget £'000	Budget Month 7 £'000	Actual Month 7 £'000	Variance Month 7 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Acute	463,643	270,458	269,648	(810)	461,525	(2,118)
Community Health	74,624	43,571	43,383	(189)	74,745	121
Continuing Care	81,994	47,830	47,755	(75)	81,866	(128)
Mental Health and Learning Disability	86,550	50,487	51,046	559	87,323	773
Delegated Co-Commissioning	97,173	55,880	55,857	(23)	97,173	0
Primary care	108,447	63,261	65,191	1,930	111,905	3,458
Other Programme	11,044	6,449	9,679	3,229	14,422	3,378
Sub Total Programme costs	923,475	537,937	542,559	4,622	928,959	5,484
Running costs	13,116	7,565	7,297	(268)	12,916	(200)
Sub Total CCG	936,591	545,503	549,856	4,353	941,875	5,284
Risk Reserve	2,876	2,876	0	(2,876)	0	(2,876)
0.5% Contingency reserve	4,178	1,478	0	(1,478)	1,770	(2,408)
Total CCG after contributions to/from reserve	943,645	549,856	549,856	(0)	943,645	0
Planned Surplus c fwd	23,422	13,663	0	(13,663)	0	(23,422)
Total	967,067	563,519	549,856	(13,663)	943,645	(23,422)

- Royal Berkshire and South Warwickshire are over performing at Month 6. RBFT activity will have been impacted on by patients transferring from Peppard Road surgery in West Berkshire to Sonning Common in Oxfordshire due to a practice closure. These over spends are off-set by under-performance within Ramsay Horton and Nuffield Hospitals. Berkshire Independent and Circle Independent Sector Acute providers, SCAS 999, MH NCAs and Non-Emergency Patient Transport are also forecast to overspend.
- The Prescribing budget is forecast to be overspent by £4.0m (£3.5m at Month 6). This is due to increases in prices for generic drugs and the Category M reimbursement price increase from 1 August which was agreed nationally.
- The unidentified savings target of £5.3m is included in the other programme budget and schemes are not identified to cover this (see risks). Seven months of the unidentified savings (£3.1m) have been released into the year to date and forecast position.
- Risk shares were agreed for the Pooled budgets in July. As a result of the agreed risk share the overspend forecast for the Acquired Brain Injury (ABI) budgets in the ACSN Pool has been reduced from £0.8m to break even for the CCG.
- The CCG element of the BCF pool is forecast to underspend by £0.3m based on the latest forecast from OCC adjusted for the impact of increased referrals. Pressures continue to be evident in care home spend but are offset by underspends within home support and within the HART service.

Risks and Mitigations

Table 2b sets out the key risks identified that are not reflected in the most likely forecast outturn above.

Risks	Risk value £m	Probability of risk being realised %	Potential risk £m	Description/Mitigation	Reduced risk due to mitigating actions %	Residual Risk after expected mitigation £m
Acute	-4.0	30%	-1.2	Volume based contracts	100%	-1.2
Savings Plan Non delivery - Unidentified QIPF	-5.3	100%	-5.3	£5.3m unidentified savings in plan. £3.1m assumed not achieved in the current forecast.	42%	-2.2
Prescribing	-5.5	100%	-5.5	Overall risk level has increased but £4.0m forecast overspend built into forecast this month.		-1.0
BCF Pooled budget	-4.0	50%	-2.0	Continuing Healthcare - some savings plans in place but may not be sufficient	100%	-2.0
Sub-total	-18.8		-14.0			-6.4
Mitigations	1.6	29%	0.5	Budgets ringfenced as part of agreed 2019-20 plan.	100%	0.5
Total	-17.2		-13.5			-6.0
				CCG Contingency Reserves		
				Programme contingency (0.5% = £4.178m) - £2.4m released to offset pressure in the forecast		1.7
				Risk management reserve		
				Other - Expected NR allocations CEOV/QP		0.8
				Total		2.5
				Headroom /(Net risk)		-3.5
				Worst case		-4.9
				Assumes 55% of potential risks materialise and are unmitigated except for reserves		
				Best case		0.1
				Assumes 40% of mitigated risks materialise and are met by reserves		
				Range		5.1

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 2018-19 savings programme and achievement year to date is shown below.

Table 3a

FY19/20 Schemes					Plan (Net)			Actual (Net)	
Programme	Scheme Name	Recommendation	Related Delivery	Recurrent / Non-Recurrent	Efficiency Plan (April 19- Mar 20) £'000s	Efficiency Plan (Apr 20- Mar 21) £'000	YTD £'000	YTD £'000	FOT £'000
Continuing Care	CHC	19/20 Cashable Savings	CHC	Recurrent	£600	£800	£300	£300	£600
Medicine Mgt.	Medicine Management - Ringfence headroom	19/20 Cashable Savings	Transactional Savings	Non-Recurrent	£4,084	£4,084	£2,108	£1,977	£4,019
Other	Running Costs	19/20 Cashable Savings	Transactional Savings	Non-Recurrent	£1,500	£0	£750	£750	£1,500
Sub-total 19/20 Cashable Savings (Financial Plan Dependency)					£6,184	£4,884	£3,158	£3,027	£6,119
Medicine Mgt.	High cost drugs & devices	20/21 OUH Baseline Activity	Patient Cohort	Recurrent	£1,000	£1,100	£500	£7,461	£7,961
Planned Care	OUH outpatients transformation	20/21 OUH Baseline Activity	Transforming outpatients	Recurrent	£300	£650	£0	£0	£0
Planned Care	Integrated Respiratory Team	20/21 OUH Baseline Activity	Transforming outpatients	Recurrent	£224	£800	£347	£0	£654
Planned Care	First contact physio for urogynaecology	20/21 OUH Baseline Activity	Transforming outpatients	Recurrent	£113	£151	£0	£0	£123
Planned Care	GP referral demand management	20/21 OUH Baseline Activity	Referral Management	Recurrent	£0	£1,000	£0	£0	£0
Sub-total 20/21 OUH Baseline Activity (LTFP Dependency)					£1,637	£3,701	£847	£7,461	£8,737
Planned Care	SCAN (evaluation ongoing)	BAU	Transforming outpatients	Recurrent	£107	£107	£0	£131	£131
Planned Care	Dermatology community GP service	BAU	Referral Management	Recurrent	£32	£32	£0	£0	£0
Planned Care	Neurology- headache	BAU	Referral Management	Recurrent	£25	£25	£0	£0	£0
Planned Care	Sue Ryder Integrated Palliative Care	BAU	Transforming outpatients	Recurrent	£0	£0	£0	£0	£0
Sub-total BAU					£164	£164	£0	£131	£131
Planned Care	Ophthalmic Decision Unit (Eye Hospital)	Pipeline	Other	Recurrent	£0	£0	£0	£0	£0
Planned Care	MSK Healthshare	Pipeline	Referral Management	Recurrent	£0	£0	£0	£0	£0
Planned Care	Diabetes Transformation Funding - Improving Treatment Targets	Pipeline	Transforming outpatients	Recurrent	£0	£52	£0	£0	£0
Planned Care	Gastro-enterology rightcare	Pipeline	Referral Management	Recurrent	£0	£0	£0	£0	£0
Planned Care	Rightcare Parkinsons	Pipeline	Referral Management	Recurrent	£0	£0	£0	£0	£0
Urgent Care	High Intensity User	Pipeline	Patient Cohort	Recurrent	£0	£0	£0	£0	£0
Sub-total Pipeline					£0	£52	£0	£0	£0
Continuing Care	Transactional Savings	Transactional/ Contractual	Transactional Savings	Non-Recurrent	£1,000	£0	£500	£500	£1,000
Other	Transactional Savings	Transactional/ Contractual	Transactional Savings	Non-Recurrent	£1,000	£0	£500	£500	£1,000
Planned Care	Transactional Savings	Transactional/ Contractual	Transactional Savings	Recurrent	£2,000	£0	£1,000	£1,000	£2,000
Primary Care	Bambury Health care	Transactional/ Contractual	Transactional Savings	Non-Recurrent	£725	£0	£363	£363	£725
Primary Care	Primary care - Ringfenced Headroom	Transactional/ Contractual	Transactional Savings	Non-Recurrent	£526	£0	£263	£263	£526
Primary Care	Primary care network development	Transactional/ Contractual	Transactional Savings	Non-Recurrent	£323	£0	£162	£162	£323
Urgent Care	Transactional Savings	Transactional/ Contractual	Transactional Savings	Non-Recurrent	£2,000	£0	£1,000	£1,000	£2,000
Sub-total Transactional/Contractual (realised at plan stage)					£7,574	£0	£3,787	£3,787	£7,574
Planned Care	Community Gynaecology Project	Waiting List Initiative	Referral Management	Recurrent	£222	£296	£0	£0	£0
Sub-total Waiting List Initiative (buying more activity but may be less than tariff cost)					£222	£296	£0	£0	£0
GRAND TOTAL					£15,781	£9,097	£7,792	£14,406	£22,561

Section 4: Provider Performance

- Month 6 activity and spend for OUH shows a reduction in over performance compared to the previous month. The cost of activity over plan at Month 6 is £0.5m (0.3%) compared to £1.4m (0.9%) above plan at Month 5, an in-month reduction of £0.9m.
- This is the first month that shows a reduction in elective overspend at OUH, with day case activity and spend dropping below plan. The most significant in month movement is within Non electives with an increase of £0.3m up to £1.5m overspent. The other significant in month movement is against drugs with a reduction of £0.2m, for the second month in a row. Compared to last year, activity overall is up by 1% and cost has increased by 8%.
- The most significant areas of over performance to date are Royal Berkshire FT, South Warwickshire FT, SCAS 999 and Berkshire Independent, offset by Ramsay (Horton) and Other Acute (release of contract contingency) which are below plan.

Table 4: Acute Commissioning Breakdown

	Annual Budget £'000	Budget Month 7 £'000	Actual Month 7 £'000	Variance Month 7 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Oxford University Hospitals NHS FT	366,400	213,733	213,733	0	366,400	0
Royal Berkshire FT	22,714	13,250	13,582	332	23,283	569
Buckinghamshire Hospitals NHS Trust	3,625	2,115	2,052	(63)	3,517	(108)
Frimley Health NHS Foundation Trust (HWP)	499	291	290	(1)	497	(2)
South Warwickshire FT	1,210	706	943	237	1,617	407
Gloucester Hospitals NHS Trust	531	310	410	100	703	172
Great Western NHS Foundation Trust	4,500	2,625	2,540	(85)	4,355	(145)
Ramsay Health care	8,587	5,009	4,122	(887)	7,066	(1,521)
Nuffield Health	1,152	672	455	(217)	780	(372)
Foscote	875	510	455	(56)	780	(95)
Spire Healthcare	501	292	293	1	502	1
Berkshire Independent	747	436	602	166	1,032	285
BMI Ridgeway	320	187	271	85	465	145
Circle	1,997	1,165	1,306	141	2,239	242
London Providers	5,013	2,924	3,083	158	5,262	249
Other Acute	10,567	6,164	4,818	(1,346)	8,260	(2,307)
Non Contract Activity	9,117	5,318	5,482	164	9,117	0
SCAS Emergency Patient Transport	25,288	14,751	15,210	459	25,649	361
Total	463,643	270,458	269,648	(810)	461,525	(2,118)

Section 5: Conclusion

- The most likely forecast outturn reported at Month 7 is for the CCG to achieve its financial plan of breakeven.
- The Month 7 reported position and the identified risks and mitigations were reviewed by Finance Committee at the meeting on 20 November 2019.