

OXFORDSHIRE CLINICAL COMMISSIONING GROUP BOARD

Date of Meeting: 30 January 2020	Paper No: 20/07
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Title of Paper: Finance Report - Month 09 (December 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>	
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.	
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:
This report sets out: <ul style="list-style-type: none"> the financial performance of the CCG to 31 December 2019 the risks identified to the financial objectives and their current mitigations <p>The finance report has been discussed by the Finance Committee (29 January) where detailed scrutiny has been undertaken. This paper gives an overview of the financial position at Month 9.</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 (please delete tick as appropriate)	
✓	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

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Oxfordshire CCG Finance Report for the Board At 31 December 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	£15.3m	✓
Net Risk position	£0.0m	£0.0m	✓
Mental Health Investment Standard achieved	6.30%	9.98%	✓
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	75.00%	73.70%	

- At 31 December 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
	£'000	Month 9 £'000	Month 9 £'000	Month 9 £'000	Month 9 £'000	Month 9 £'000
Total CCG after contributions to/from reserves	947,113	708,967	708,967	(0)	947,113	0
Planned surplus c fwd	23,422					
Drawdown in 2019-20	0					
Planned surplus c fwd	23,422	17,566	0	(17,566)	0	(23,422)
Total in year and historic	970,535	726,534	708,967	(17,566)	947,113	(23,422)

- Allocations received in Month 7 totalled £2.6m, the largest of which were £1.0m for OUH winter funding and £1.1m for Mental Health, including £0.3m Winter funding.
- The CCG residual risks total £2.3m offset by the remaining 0.5% contingency giving a balanced risk position. This compares to net risk of £3.5m reported at Month 6 and £5.5m reported at the start of the year.
- The most likely forecast is breakeven, with a worst case of £5.2m deficit and a best case of £0.4m surplus.
- The Oxford University Hospitals Foundation Trust (OUH) shows unadjusted year to date performance of £2.7m above activity plan (1.1% above planned cost). This compares to £1.2m above plan at Month 7 (0.5%). The agreement between the CCG and OUH is however a block contract so there is no impact on the CCG position in year.
- The Prescribing budget forecast overspend has been held at £4.0m. The latest available data indicates a potential improvement on this and there is no further risk now anticipated beyond the current forecast. The prescribing overspend is driven by cost increases for NCSO and Category M drugs.
- The CCG has committed all of the £3.6m risk reserve into the forecast position to offset activity pressure as well as £2.4m of the 0.5% contingency. £1.8m of the CCG contingency remains as well as £0.5m of ring fenced funds in Primary care.

Section 2: Overview

Table 2a: Summary Table

	Annual Budget £'000	Budget Month 9 £'000	Actual Month 9 £'000	Variance Month 9 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Acute	465,072	349,058	346,927	(2,132)	461,741	(3,331)
Community Health	74,673	56,041	55,916	(125)	74,766	93
Continuing Care	81,994	61,495	61,434	(62)	81,413	(581)
Mental Health and Learning Disability	87,849	65,887	66,517	631	88,738	889
Delegated Co-Commissioning	96,813	71,846	71,879	34	96,813	0
Primary care	108,580	81,435	84,015	2,580	112,185	3,605
Other Programme	11,240	8,308	12,816	4,509	16,770	5,530
Sub Total Programme costs	926,221	694,070	699,505	5,435	932,427	6,206
Running costs	13,116	9,727	9,462	(265)	12,916	(200)
Sub Total CCG	939,337	703,797	708,967	5,170	945,343	6,006
Risk Reserve	3,598	3,598	0	(3,598)	0	(3,598)
0.5% Contingency reserve	4,178	1,572	0	(1,572)	1,770	(2,408)
Total CCG after contributions to/from reserve	947,113	708,967	708,967	(0)	947,113	0
Planned Surplus c fwd	23,422	17,566	0	(17,566)	0	(23,422)
Total	970,535	726,534	708,967	(17,566)	947,113	(23,422)

- The Prescribing budget is forecast to be overspent by £4.0m (£4.0m at Month 8). This is due to increases in prices for generic drugs and the Category M reimbursement price increase from 1 August which were agreed nationally.
- The other main overspending areas are SCAS 999, Mental Health Non-Contracted Activity, Non-Emergency Patient Transport Royal Berkshire and South Warwickshire Foundation Trusts, London Providers and Berkshire Independent. There is also pressure on the Endoscopy budget.
- The unidentified savings target of £5.3m is included in the other programme budget and schemes have not been identified to cover this. All of the unidentified savings have now been released into the year to date and forecast position.
- The CCG element of the BCF pool is forecast to underspend by £0.9m based on the latest forecast from OCC adjusted for the impact of increased referrals and the increase to the CHC provision. Pressures continue to be evident in care home spend but are offset by underspends within home support and within the HART service.
- The OCC side of the ACSN pool is overspent by £4.0m, £3.8m of which relates to Learning Disabilities.

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	40%	-1.6	Volume based contracts/52 week breaches	50%	-0.8	
Savings Plan Non delivery - Unidentified QIPP	-5.3	100%	-5.3	£5.3m unidentified savings in plan. 100% assumed not to be achieved in the current forecast.	0%	0.0	
Prescribing	-5.5	100%	-5.5	£4.0m forecast overspend built into forecast from Month 7. Latest BSA figures show improvement.		0.0	
BCF Pooled budget	-4.0	50%	-2.0	Continuing Healthcare - some savings plans in place but may not be sufficient	75%	-1.5	
Sub-total	-18.8		-14.4			-2.3	
Mitigations	1.6	29%	0.5	Budgets ringfenced as part of agreed 2019-20 plan.	100%	0.5	
Total	-17.2		-13.9			-1.8	
CCG Contingency Reserves							
	Programme contingency (0.5% = £4.178m) - £2.4m released to offset pressure in the forecast						1.8
	Risk management reserve						0.0
	Total						1.8
	Headroom /(Net risk)						-0.0
	Worst case		Assumes 50% of potential risks materialise and are unmitigated except for reserves			-5.2	
	Best case		Assumes 75% of mitigated risks materialise and are met by reserves			0.4	
	Range						5.6

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	Month Start	Month End	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	£450	£450	£600
Medicine Mgt.	Medicine Management - Ringfence headroom	19/20 Cashable Savings	Transactional Savings	Non-Recurrent			£4,084	£4,084	£3,161	£3,063	£4,084
Other	Running Costs	19/20 Cashable Savings	Transactional Savings	Non-Recurrent			£1,500	£0	£1,125	£1,125	£1,500
Sub-total 19/20 Cashable Savings (Financial Plan Dependency)							£6,184	£4,884	£4,736	£4,638	£6,184
Medicine Mgt.	High cost drugs & devices	20/21 OUH Baseline Activity	Patient Cohort	Recurrent			£1,000	£1,100	£750	£711	£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	£797	£327	£531
Planned Care	First contact physio for urogynaecology	20/21 OUH Baseline Activity	Transforming outpatients	Recurrent			£113	£151	£0	£0	£0
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	£1,547	£1,038	£1,492
Planned Care	SCAN (evaluation ongoing)	BAU	Transforming outpatients	Recurrent			£107	£107	£107	£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	£107	£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	£750	£750	£1,000
Other	Transactional Savings	Transactional/ Contractual	Transactional Savings	Non-Recurrent			£1,000	£0	£750	£750	£1,000
Planned Care	Transactional Savings	Transactional/ Contractual	Transactional Savings	Recurrent			£2,000	£0	£1,500	£1,500	£2,000
Primary Care	Barnbury Health care	Transactional/ Contractual	Transactional Savings	Non-Recurrent			£725	£0	£544	£544	£725
Primary Care	Primary care - Ringfenced Headroom	Transactional/ Contractual	Transactional Savings	Non-Recurrent			£526	£0	£395	£395	£526
Primary Care	Primary care network development	Transactional/ Contractual	Transactional Savings	Non-Recurrent			£323	£0	£242	£242	£323
Urgent Care	Transactional Savings	Transactional/ Contractual	Transactional Savings	Non-Recurrent			£2,000	£0	£1,500	£1,500	£2,000
Sub-total Transactional/Contractual (realised at plan stage)							£7,574	£0	£5,681	£5,681	£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	£12,070	£11,487	£15,381

Section 4: Provider Performance

- Month 8 activity for the Oxford University Hospital Foundation Trust block contract shows a significant increase in over performance compared to the previous month. The cost of activity over plan at Month 8 is £2,690k (1.1%) compared to £1,215k (0.5%) above plan at Month 7, an in-month increase of £1,475k.
- The main increases in financial pressure remain similar to the previous month and relate to urgent care, particularly Non Elective activity and spend. Non Electives are overspent by almost £3.3m in Month 8 which is an increase of over £1.0m compared to the previous month. Compared to last year, activity overall remains the same but cost has increased by 8%.
- The most significant areas of over performance to date are SCAS 999, London Providers, Royal Berkshire FT, South Warwickshire FT, and Berkshire Independent, offset by Ramsay (Horton) and Other Acute (release of contract contingency and other non recurrent benefits) which are below plan.

Table 4: Acute Commissioning Breakdown

	Annual Budget £'000	Budget Month 9 £'000	Actual Month 9 £'000	Variance Month 9 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Oxford University Hospitals NHS FT	366,400	274,800	274,800	0	366,400	0
Royal Berkshire FT	22,714	17,035	17,355	320	23,190	476
Buckinghamshire Hospitals NHS Trust	3,625	2,719	2,589	(130)	3,452	(173)
Frimley Health NHS Foundation Trust (HWP)	499	374	369	(5)	493	(6)
South Warwickshire FT	1,210	907	1,169	261	1,559	349
Gloucester Hospitals NHS Trust	531	398	490	92	654	123
Great Western NHS Foundation Trust	4,500	3,375	3,350	(25)	4,467	(33)
Ramsay Health care	8,587	6,440	5,268	(1,172)	7,085	(1,502)
Nuffield Health	1,152	864	553	(311)	783	(369)
Foscote	875	656	460	(197)	755	(120)
Spire Healthcare	501	376	369	(6)	497	(4)
Berkshire Independent	747	560	819	259	1,305	558
BMI Ridgeway	320	240	340	100	457	137
Circle	1,997	1,498	1,622	125	2,179	182
London Providers	5,013	3,760	4,118	358	5,485	472
Other Acute	11,996	9,251	6,925	(2,326)	7,754	(4,242)
Non Contract Activity	9,117	6,838	6,667	(171)	9,117	0
SCAS Emergency Patient Transport	25,288	18,966	19,662	696	26,110	822
Total	465,072	349,058	346,927	(2,132)	461,741	(3,331)

Section 5: Conclusion

- The most likely forecast outturn reported at Month 9 is for the CCG to achieve its financial plan of breakeven.
- The Month 9 reported position and the identified risks and mitigations were reviewed by Finance Committee at the meeting on 29 January 2019.