

# OXFORDSHIRE CLINICAL COMMISSIONING GROUP BOARD

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| <b>Date of Meeting:</b> 9 June 2020 | <b>Paper No:</b> 20/20 |
|-------------------------------------|------------------------|

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| <b>Title of Paper:</b> Finance Report - Month 12 (March 2020) |
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|  |                   |                                     |                 |  |                    |                                     |
|--|-------------------|-------------------------------------|-----------------|--|--------------------|-------------------------------------|
| <b>Paper is for:</b><br><small>(please delete tick as appropriate)</small> | <b>Discussion</b> | <input checked="" type="checkbox"/> | <b>Decision</b> |  | <b>Information</b> | <input checked="" type="checkbox"/> |
|--|-------------------|-------------------------------------|-----------------|--|--------------------|-------------------------------------|

|   |                                     |
|---|-------------------------------------|
| <b>Conflicts of Interest</b> <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  | <input checked="" type="checkbox"/> |
| 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  |                                     |

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| <b>Purpose and Executive Summary:</b><br>This report sets out the financial performance of the CCG to 31 <sup>st</sup> March 2020<br><br>The full finance report will be discussed by the Finance Committee (28th May) where detailed scrutiny will be undertaken. This paper gives an overview of the financial position at the year end 2019-20 (Month 12). |
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| <b>Engagement: clinical, stakeholder and public/patient:</b><br>Not required |
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| <b>Financial Implications of Paper:</b><br>There are no direct financial implications arising from this paper. |
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| <b>Action Required:</b><br>The CCG delivered its financial plan in 2019-20. The Board is asked to review the information provided in this report, together with the assurance from the Finance Committee and to consider whether the CCG has managed its financial performance and risks effectively during 2019-20. |
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| <b>OCCG Priorities Supported</b> <small>(please delete tick as appropriate)</small> |                              |
| <input checked="" type="checkbox"/>   | Operational Delivery         |
| <input checked="" type="checkbox"/>   | 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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**Date of Paper:** 19<sup>th</sup> May 2020

# Oxfordshire CCG Finance Report for the Board Committee At 31 March 2020

## Section1: Executive Summary and Dashboard

**Table 1a: In Year key financial targets**

| Indicator  | Target             | Actual    | RAG |
|--|--------------------|-----------|-----|
| Actual Year to date  | Breakeven          | £-0.02m   | ✓   |
| Forecast Outturn Month 11                                      | Breakeven          | Breakeven | ✓   |
| Running Cost Outturn   | £1.5m < Allocation | £-0.7m    | ✓   |
| Savings Forecast Outturn                                       | £15.7m             | £15.4m    | ✓   |
| Net Risk position Month 11                                     | £0.0m              | £0.0m     | ✓   |
| Mental Health Investment Standard achieved                     | 6.30%              | 9.67%     | ✓   |
| Better payment Practice code NHS by value                      | 95%                | 100%      | ✓   |
| Better payment Practice code Non NHS by value                  | 95%                | 96%       | ✓   |
| Note:<br>Cash drawn down to date as % of Maximum Cash Drawdown | 100.00%            | 99.00%    |     |

- At 31 March 2020 NHS Oxfordshire Clinical Commissioning Group (OCCG) reported a small outturn surplus of £19k i.e. the CCG achieved its plan.
- The CCG brought forward an historic surplus of £23.422m from 2018-19 and will therefore carry forward £23.441m to 2020-21.
- Allocations received in Month 12 totalled £4.437m. This included £1.458m funding for Oxford University Hospitals Foundation Trust for Specialised Commissioning changes, £1.036m for additional support to Oxford Health Foundation Trust and £514k for Cancer Transformation. In addition, the CCG received £773k for Covid-19 Revenue Claims reimbursement from NHS E. The majority of this funding was related to Primary care for the preparations for and response to, the COVID 19 pandemic.
- The Oxford University Hospital Trust reported unadjusted performance of £4.5m above activity plan at Month 11 (£3.4m Month 10); 1.3% above planned cost. After allowing for CQUIN and other technical adjustments the over performance is £1.4m (£0.9m Month 10). 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 overspend increased to £2.8m compared to a forecast overspend of £2.0m last month. The BSA data at Month 10 showed an increase in spend and there was a correction to reporting around flu vaccines income.
- The CCG held 0.5% contingency of £4.2m, as per national planning requirements and a CCG risk reserve of £3.6m. All of the risk reserve and £2.4m of the contingency had previously been released into the position to offset other pressures. The remaining £1.8m of the contingency was released into the position at Month 12 as planned. This meant that overall the CCG was able to deliver the small surplus of £19k.

## Section 2: Overview

Table 2a: Summary Table

|   | Annual<br>Budget<br>£'000 | Actual<br>Month 12<br>£'000 | Variance<br>Month 12<br>£'000 |
|---|---------------------------|-----------------------------|-------------------------------|
| Acute   | 467,372                   | 465,504                     | (1,867)                       |
| Community Health                                    | 74,666                    | 74,626                      | (40)                          |
| Continuing Care                                     | 82,000                    | 83,230                      | 1,230                         |
| Mental Health and Learning Disability               | 89,083                    | 89,747                      | 665                           |
| Delegated Co-Commissioning                          | 96,779                    | 96,769                      | (10)                          |
| Primary care  | 108,993                   | 111,516                     | 2,523                         |
| Other Programme                                     | 18,663                    | 24,628                      | 5,966                         |
| <b>Sub Total Programme costs</b>                    | <b>937,554</b>            | <b>946,021</b>              | <b>8,467</b>                  |
| Running costs                                       | 13,392                    | 12,683                      | (709)                         |
| <b>Sub Total CCG</b>                                | <b>950,946</b>            | <b>958,703</b>              | <b>7,757</b>                  |
| Risk Reserve  | 3,598                     | 0                           | (3,598)                       |
| 0.5% Contingency reserve                            | 4,178                     | 0                           | (4,178)                       |
| <b>Total CCG after contributions to/from reserv</b> | <b>958,722</b>            | <b>958,703</b>              | <b>(19)</b>                   |
| Planned Surplus c fwd                               | 23,422                    | 0                           | (23,422)                      |
| <b>Total</b>  | <b>982,144</b>            | <b>958,703</b>              | <b>(23,441)</b>               |

- The prescribing overspend increased to £2.8m compared to a forecast overspend of £2.0m last month. The BSA data at Month 10 indicated an increase in spend and there was a correction to reporting around flu vaccines income.
- The other main overspending areas are Children's CHC £0.9m, SCAS 999 £0.8m, London Providers £0.8m, Property £0.8m, Royal Berkshire FT £0.6m, Mental Health Non-Contracted Activity £0.5m, South Warwickshire FT £0.3m, and Berkshire Independent £0.3m.
- The CCG element of the BCF pool overspent by £0.3m (Month 10 £0.7m underspent). This reflects an additional contribution to the pool and an increase to the CHC provision. Overall pressure in the pool was driven by overspending against Care Homes, offset by underspending on Hospital Avoidance and Prevention.
- The unidentified savings target of £5.3m is included in the other programme budget and schemes were not identified to cover this. The unidentified savings were released into the year end position and drove the overspend in this area.
- Running costs were underspent by £0.7m mainly related to pay budgets, after the national reduction to the running cost allocation of £1.5m and this underspend offset pressures in programme budgets.

## Section 3: Savings Programme

The latest summary of the 2018-19 savings programme and achievement year to date is shown below as at Month 10.

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- Mar21)£000s | YTD £'000      | YTD £'000      | FOT £'000      | Delivery RAG |
| Continuing Care  | CHC   | 19/20 Cashable Savings      | CHC                      | Recurrent                | £600                                     | £800                                 | £500           | £500           | £600           | Green        |
| Medicine Mgt.  | Medicine Management - Ringfence headroom                      | 19/20 Cashable Savings      | Transactional Savings    | Non-Recurrent            | £4,084                                   | £4,084                               | £3,513         | £3,404         | £4,084         | Green        |
| Other  | Running Costs   | 19/20 Cashable Savings      | Transactional Savings    | Non-Recurrent            | £1,500                                   | £0                                   | £1,250         | £1,250         | £1,500         | Green        |
| <b>Sub-total 19/20 Cashable Savings (Financial Plan Dependency)</b>                              |   |                             |                          |                          | <b>£6,184</b>                            | <b>£4,884</b>                        | <b>£5,263</b>  | <b>£5,154</b>  | <b>£6,184</b>  |              |
| Medicine Mgt.  | High cost drugs & devices                                     | 20/21 OUH Baseline Activity | Patient Cohort           | Recurrent                | £1,000                                   | £1,100                               | £833           | £795           | £961           | Green        |
| Planned Care   | OUH outpatients transformation                                | 20/21 OUH Baseline Activity | Transforming outpatients | Recurrent                | £300                                     | £650                                 | £0             | £0             | £0             | Red          |
| Planned Care   | Integrated Respiratory Team                                   | 20/21 OUH Baseline Activity | Transforming outpatients | Recurrent                | £224                                     | £800                                 | £1,001         | £531           | £531           | Green        |
| Planned Care   | First contact physio for urogynaecology                       | 20/21 OUH Baseline Activity | Transforming outpatients | Recurrent                | £113                                     | £151                                 | £0             | £0             | £0             | Red          |
| Planned Care   | GP referral demand management                                 | 20/21 OUH Baseline Activity | Referral Management      | Recurrent                | £0                                       | £1,000                               | £0             | £0             | £0             | Red          |
| <b>Sub-total 20/21 OUH Baseline Activity (LTFP Dependency)</b>                                   |   |                             |                          |                          | <b>£1,637</b>                            | <b>£3,701</b>                        | <b>£1,834</b>  | <b>£1,326</b>  | <b>£1,492</b>  |              |
| Planned Care   | SCAN (evaluation ongoing)                                     | BAU                         | Transforming outpatients | Recurrent                | £107                                     | £107                                 | £107           | £131           | £131           | Green        |
| Planned Care   | Dermatology community GP service                              | BAU                         | Referral Management      | Recurrent                | £32                                      | £32                                  | £0             | £0             | £0             | Red          |
| Planned Care   | Neurology- headache   | BAU                         | Referral Management      | Recurrent                | £25                                      | £25                                  | £0             | £0             | £0             | Red          |
| Planned Care   | Sue Ryder Integrated Palliative Care                          | BAU                         | Transforming outpatients | Recurrent                | £0                                       | £0                                   | £0             | £0             | £0             | Red          |
| <b>Sub-total BAU</b>   |   |                             |                          |                          | <b>£164</b>                              | <b>£164</b>                          | <b>£107</b>    | <b>£131</b>    | <b>£131</b>    |              |
| Planned Care   | Ophthalmic Decision Unit (Eye Hospital)                       | Pipeline                    | Other                    | Recurrent                | £0                                       | £0                                   | £0             | £0             | £0             | Amber        |
| Planned Care   | MSK Healthshare   | Pipeline                    | Referral Management      | Recurrent                | £0                                       | £0                                   | £0             | £0             | £0             | Amber        |
| Planned Care   | Diabetes Transformation Funding - Improving Treatment Targets | Pipeline                    | Transforming outpatients | Recurrent                | £0                                       | £52                                  | £0             | £0             | £0             | Amber        |
| Planned Care   | Gastro-enterology rightcare                                   | Pipeline                    | Referral Management      | Recurrent                | £0                                       | £0                                   | £0             | £0             | £0             | Amber        |
| Planned Care   | Rightcare Parkinsons  | Pipeline                    | Referral Management      | Recurrent                | £0                                       | £0                                   | £0             | £0             | £0             | Amber        |
| Urgent Care  | High Intensity User   | Pipeline                    | Patient Cohort           | Recurrent                | £0                                       | £0                                   | £0             | £0             | £0             | Amber        |
| <b>Sub-total Pipeline</b>  |   |                             |                          |                          | <b>£0</b>                                | <b>£52</b>                           | <b>£0</b>      | <b>£0</b>      | <b>£0</b>      |              |
| Continuing Care  | Transactional Savings   | Transactional/ Contractual  | Transactional Savings    | Non-Recurrent            | £1,000                                   | £0                                   | £833           | £833           | £1,000         | Green        |
| Other  | Transactional Savings   | Transactional/ Contractual  | Transactional Savings    | Non-Recurrent            | £1,000                                   | £0                                   | £833           | £833           | £1,000         | Green        |
| Planned Care   | Transactional Savings   | Transactional/ Contractual  | Transactional Savings    | Recurrent                | £2,000                                   | £0                                   | £1,667         | £1,667         | £2,000         | Green        |
| Primary Care   | Bambury Health care   | Transactional/ Contractual  | Transactional Savings    | Non-Recurrent            | £725                                     | £0                                   | £604           | £604           | £725           | Green        |
| Primary Care   | Primary care - Ringfenced Headroom                            | Transactional/ Contractual  | Transactional Savings    | Non-Recurrent            | £526                                     | £0                                   | £438           | £438           | £526           | Green        |
| Primary Care   | Primary care network development                              | Transactional/ Contractual  | Transactional Savings    | Non-Recurrent            | £323                                     | £0                                   | £269           | £269           | £323           | Green        |
| Urgent Care  | Transactional Savings   | Transactional/ Contractual  | Transactional Savings    | Non-Recurrent            | £2,000                                   | £0                                   | £1,667         | £1,667         | £2,000         | Green        |
| <b>Sub-total Transactional/Contractual (realised at plan stage)</b>                              |   |                             |                          |                          | <b>£7,574</b>                            | <b>£0</b>                            | <b>£6,312</b>  | <b>£6,312</b>  | <b>£7,574</b>  |              |
| Planned Care   | Community Gynaecology Project                                 | Waiting List Initiative     | Referral Management      | Recurrent                | £222                                     | £296                                 | £0             | £0             | £0             | Red          |
| <b>Sub-total Waiting List Initiative (buying more activity but may be less than tariff cost)</b> |   |                             |                          |                          | <b>£222</b>                              | <b>£296</b>                          | <b>£0</b>      | <b>£0</b>      | <b>£0</b>      |              |
| <b>GRAND TOTAL</b>   |   |                             |                          |                          | <b>£15,781</b>                           | <b>£9,097</b>                        | <b>£13,516</b> | <b>£12,922</b> | <b>£15,381</b> |              |

## Section 4: Provider Performance

- Oxford University Hospital Foundation Trust showed unadjusted performance of £4,528k above activity plan at Month 11 (£3,406k Month 10). The primary drivers of this over spend were Non-Electives and Outpatient Follow ups. This month, there was also an increase in Elective activity. It should be noted that Covid-19 impacts were mainly experienced from March and so are not reflected in these activity figures which are up to the end of February.
- The reported overspend against the Oxford University Hospital Trust of £331k is due to accruals for Partially Completed Spells and Maternity prepayments and a change to the agreed contract so that the Trust were not adversely affected by the impact of the Hospital Discharge Programme at the year end.
- 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 were below plan.
- Contract settlement figures were agreed with a number of NHS Providers in the run up to year-end, either to provide certainty to the CCG or to assist the Trusts as they geared up their Covid-19 response. These include Royal Berkshire, Great Western & South Warwickshire NHS Foundation Trusts.

**Table 4: Acute Commissioning Breakdown**

|   | Annual<br>Budget<br>£'000 | Actual<br>Month 12<br>£'000 | Variance<br>Month 12<br>£'000 |
|---|---------------------------|-----------------------------|-------------------------------|
| Oxford University Hospitals NHS FT        | 367,858                   | 368,189                     | 331                           |
| Royal Berkshire FT                        | 22,714                    | 23,363                      | 649                           |
| Buckinghamshire Hospitals NHS Trust       | 3,625                     | 3,456                       | (169)                         |
| Frimley Health NHS Foundation Trust (HWP) | 499                       | 443                         | (56)                          |
| South Warwickshire FT                     | 1,210                     | 1,488                       | 278                           |
| Gloucester Hospitals NHS Trust            | 531                       | 614                         | 83                            |
| Great Western NHS Foundation Trust        | 4,500                     | 4,338                       | (162)                         |
| Ramsay Health care                        | 8,587                     | 7,404                       | (1,183)                       |
| Nuffield Health                           | 1,152                     | 791                         | (361)                         |
| Foscote                                   | 875                       | 696                         | (179)                         |
| Spire Healthcare                          | 501                       | 473                         | (28)                          |
| Berkshire Independent                     | 747                       | 1,023                       | 276                           |
| BMI Ridgeway                              | 320                       | 419                         | 99                            |
| Circle                                    | 1,997                     | 2,111                       | 114                           |
| London Providers                          | 5,013                     | 5,839                       | 826                           |
| Other Acute                               | 12,838                    | 9,622                       | (3,216)                       |
| Non Contract Activity                     | 9,117                     | 9,162                       | 45                            |
| SCAS Emergency Patient Transport          | 25,288                    | 26,075                      | 787                           |
| <b>Total</b>                              | <b>467,372</b>            | <b>465,504</b>              | <b>(1,867)</b>                |

## **Section 5: Conclusion**

- The CCG achieved its financial plan and delivered a small surplus of £19k.
- The Month 12 reported position and the movements from prior forecasts were considered by the Finance Committee at the meeting on 28 May 2020 (and by the Audit Committee as part of the review of the draft accounts on the 21 April 2020).