

OXFORDSHIRE CLINICAL COMMISSIONING GROUP BOARD

Date of Meeting: 24 September 2020	Paper No: 20/46b
---	----------------------------

Title of Paper: Finance Committee minutes, 23 July 2020
--

Paper is for: <small>(please delete tick as appropriate)</small>	Discussion		Decision		Information	✓
--	-------------------	--	-----------------	--	--------------------	---

Conflicts of Interest <small>(please delete tick as appropriate)</small>	
No conflict identified	
Conflict noted: conflicted party can participate in discussion and decision Item 8	✓
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:

Finance Report, Month 3:

- OCCG is operating under the NHSE temporary financial regime and further guidance is anticipated by the end of July.
- An allocation was received by OCCG in Month 3 to cover Covid-19 costs in full for Month 1 and 2. No other allocations have yet been received for other financial pressures reported in the position.
- The temporary financial regime is expected to bring OCCG back to a break-even position from a £3.4m deficit.
- There are underlying financial pressures relating to prescribing budget and the GMS contract changes being lower than expected, and PCN non-recurrent funding not yet having been.
- The Committee has requested a more detailed update on the prescribing budget pressures and will review in more detail the underlying financial pressures as soon as the further guidance is received.

Financial Regime for 20/21: Phase 2 of the financial regime aligns to phase 2 of the Covid-19 response. The financial regime is expected to be extended to Month 6, however, this is still to be confirmed. There is additional funding for the Hospital Discharge Programme but there appeared to be a risk under the new guidance in relation to the new funding for the Mental Health Investment Standard. The

Committee noted the increasing scrutiny on Covid-19 cost reclaims.

Approval of Risk Share Arrangements and Pooled Budget Contributions: The budget for months 1-4 have been approved and the parties have agreed the risk share arrangements would be rolled-forward. These arrangements were reviewed and supported by the Committee.

Primary Care Covid-19 Spend: The Committee reviewed the overall costs associated with the primary care claims related to Covid-19 expenditure, the effectiveness of the control environment and benchmarks with Buckinghamshire and West Berkshire. The Committee was assured that all reasonable costs will be reimbursed but OCCG will reserve the right to retrospectively request for audit work to take place on claims, if required.

Estates: The Committee further reviewed the proposals coming forward for the co-location of two practices in Oxford City (KES, 27 and 28 Beaumont Street). Concerns in relation to affordability and access for patients were discussed in detail. The Committee received assurances in relation to the urgency of this scheme but had some wider concerns regarding a lack of a transparent OCCG investment framework to support the prioritisation of investment in GP premises. The Committee invited the practices to submit a full business case to Oxfordshire Primary Care Commissioning Committee.

Engagement: clinical, stakeholder and public/patient:

No further updates were available to the Committee.

Financial Implications of Paper:

The original 2020/21 draft financial plan did not deliver the NHS business rules, however, OCCG is operating under a temporary financial regime for the first 6 months of 2020/21.

The Committee has identified a number of underlying financial pressures in the prescribing, delegated commissioning and management cost budgets, which require further review and clarity on how they will be managed for the full year, which the Phase 3 guidance may address.

The two GP premises developments in Oxford and Bicester emphasise that a more strategic approach is required to the development and financing of the primary care estate. This is being taken forward by the Committee.

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 enough 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 operating under the NHSE temporary financial regime. Further assurance is required by the Finance Committee in relation to the management of the underlying financial position carried forward and any saving scheme to be delivered in 2020/21. A budget has only been set for the first four months of the new year and new Phase 3 guidance is awaited.

Author: Duncan Smith, Lay Member, Chair OCCG Finance Committee.

Clinical / Executive Lead: Gareth Kenworthy, Director of Finance.

Date of Paper: 15 September 2020

MINUTES:

OCCG FINANCE COMMITTEE

Held on 23rd July 2020, 14:00 – 16:30 via MS Teams

Present	Duncan Smith	Lay Member for Finance – Chair	(DS)
	Roger Dickinson	Lay Vice Chair	(RD)
	Gareth Kenworthy	Director of Finance	(GK)
	Jenny Simpson	Deputy Director for Finance	(JS)
	Diane Hedges	Chief Operating Officer and Deputy Chief Executive	(DH)
	Ed Capo-Bianco	South East Oxfordshire Locality Clinical Director	(ECB)
In Attendance	Julie Boyce	Assistant Director of Finance	(JB)
	Julie Dandridge	Deputy Director Head of Primary Care	(JD)
	Peter Redman	Estates and Development Manager	(PR)

		Action
1.0	Welcome and Apologies DS led the welcome for this meeting. No apologies were received for this meeting.	
2.0	Declarations of Interest / Quorum The meeting was declared quorate. JD flagged a potential conflict of interest for ECB in relation to item 8.0 – Primary Care Covid 19 Spend. The Committee agreed that as no funding decisions were required to be made that ECB could participate in the discussion.	
3.0	Minutes of the Meeting held on 28th May 2020 The Committee approved the minutes as an accurate record of the discussions and agreed actions.	
3.1	Action Tracker The action tracker was reviewed and updated.	
4.0	Annual Operational Plan & Budget	
4.1	Monthly Finance Report – Month 3 JS presented the Month 3 Finance Report to the Committee. JS reported this is the third month that OCCG was operating under the temporary financial regime as set by NHS England. Further guidance	

around any extension of the financial regime is anticipated by the end of July 2020.

JS reported that an allocation was received by OCCG in Month 3 to cover Covid-19 costs for Month 1 and 2. No further allocations have been received for other financial pressures reported in the position. The financial regime is however still expected to bring OCCG back to a break-even position and further allocations are anticipated in months 4 and 5.

On the 30th June, OCCG reported a Year To Date (YTD) overspend of £3.4m (£7.2m at Month 2) and forecast outturn overspend (for the first four months only) of £5.8m (£11.7m at Month 2). Month 3 variances are after receipt of a £4.9m allocation for Covid 19 related costs (Month 1, £2.1m and Month 2, £2.8m). The OCCG YTD overspend is primarily driven by £2.4m Covid-19 additional costs reported for Month 3.

JS highlighted an underlying issue with the prescribing budget based on the Month 1 data. The Prescribing budget continues to be significantly over-spent but at a reduced rate from that seen in March. The YTD is over-spend is held at £3.6m. The £4.7m over-spend forecast outturn for 4 months has been held at a similar level to last month (£4.5m at Month 2) based on extrapolation of the Month 1 data, but could reduce in future months, if Month 2 data shows a continued downward trend. The Medicines Management Team has explained that £1.0m/month of the pressure relates to Category M drugs, No Cheaper Stock Obtainable (NCSO's) drugs, and Direct Oral Anti-Coagulants (DOACs).

The Delegated Primary Care Budget is also under pressure mainly due to the allocation received for the GMS contract changes being lower than expected, and PCN non-recurrent funding not yet having been received, rather than any impact of Covid-19.

DS queried why the funding has not been received for the Primary Care budget. JS explained this may be due to OCCG not reaching a final plan as part of the 2020/21 planning round, as it was suspended due to the Covid-19 pandemic.

The Committee noted the continuing pressure within the prescribing budget and requested for a further update at the next meeting. The Committee will review the underlying financial pressures when new guidance has been received.

Action: WJ to include 'Prescribing Budget Update' at the next Finance Committee in September. Clare Critchley to present.

(20.32)
WJ/CC

In relation to analysis that the current funding for the GP contract is insufficient, DS queried if there will be a further allocation. JS reported a bridge analysis has been submitted to NHSE for sign-off at national level and there has been no indication that there is an issue with the

submission. There has been no indication that a further allocation will not be received.

DS queried the status of the payments made to private sector providers. GK explained some of the providers are covered by the national contract and are paid nationally. OCCG are in local negotiations for the private sector providers that are not covered by the national contract.

4.2 Update on the Financial Regime for 20/21 Including Principles for Primary Care Budgets and Incentives Schemes

GK reported Phase 2 of the financial regime aligns to Phase 2 of the Covid-19 response. The financial regime is expected to be extended to Month 6, however, this is still to be confirmed.

GK highlighted one of the key rules of the financial regime is that there should be no new investments unless they related to the Covid-19 response. Discussions are currently taking place in order to plan for the recovery phase and NHSE will need to be consulted to approve certain plans in advance of the end of the current financial regime.

GK flagged that the rule in the regime for no new non-Covid-19 related investments to be made impacts on planning for the Mental Health Investment Standard. Plans to increase the services are now currently on hold.

GK reported there is increasing scrutiny on the claims for allocations, including Covid-19 reimbursement claims. The design principle is to secure NHSE's capacity in the short term, while also funding the additional costs incurred as a result of Covid-19. The CCG allocation is calculated based on Month 11 2019-20 with the addition of an inflator to cover Covid-19 costs.

GK flagged OCCG has received an additional allocation for the Hospital Discharge Programme.

GK flagged a Value For Money (VFM) issue with one of the independent providers (In Health) who are not covered by the national contract. OCCG are funding the provider on a block contract basis, but usual activity levels are not being delivered. NHSE has been asked to complete a reconciliation to provide assurance on the VFM.

GK reported Phase 3 of the financial regime was originally planned to begin in July, however this has been delayed and will likely last for 6 months i.e. to the end of September 2020. Given the potential slippage in implementation of the Phase 3 regime, the CCG will also need to consider and make recommendations on the approach to contract and payment arrangements in the interim period.

GK explained there is now a need to assess the OCCG position against Phase 3 of the financial regime. Areas of cost pressures and

	<p>requirements for spending should be mapped and reviewed to explore how they can be funded within the plan. Decisions around new spend and identification of suitable funding sources within the plan should also be explored. A report will follow to be presented to the Finance and Executive Committees.</p> <p>GK reported NHSE are also setting out expectations on activity levels to be provided when receiving the additional allocations. If the expected activity levels cannot be delivered there will be a requirement to justify reasons for this.</p> <p>The Committee noted the paper provided for this item and the increasing scrutiny on Covid-19 cost reclaims.</p>	
<p>5.0</p>	<p>Financial Risk and Mitigation</p> <p>Assurance – Risk Register</p> <p>The Committee noted the paper and will await an updated report for presenting in the September Finance Committee.</p>	
<p>6.0</p> <p>6.1</p> <p>6.2</p>	<p>Pooled Budgets</p> <p>Approval of Risk Share Arrangements and Pooled Budget Contributions</p> <p>JB explained that the process for sign off of risk share arrangements and pooled budget contributions has been changed this year due to the new financial regime and impacts from the Covid 19 pandemic.</p> <p>The budget for months 1 to 4 has been presented at the Oxfordshire County Council (OCC) Joint Management Group (JMG) meetings and OCCG has suggested to roll forward the risk share as agreed in the previous year, with a view to agree a more formal position in the September OCC JMG meeting. This proposal was accepted by the JMG members without any issues.</p> <p>The Committee reviewed and supported the current risk share proposal and will await an update on the annual position.</p> <p>Review of Risk Rating for Pooled Budget Risk 762</p> <p>JB explained that in the May Finance Committee it was agreed that the risk rating for risk item 762 was to be revisited following review and reconciliation of Continuing Health Care (CHC) data. As reported in the above item, risk shares have also now been discussed and agreed. JB recommended lowering the likelihood rating of the risk item to 6 so as to represent a possible risk, rather than a likely risk.</p> <p>JB highlighted there is an outstanding item in relation to risk 762 around having a new system to monitor CHC data. The system is expected to be in place by April 2021.</p>	

	The Committee supported the proposed change to the risk rating subject to review at the Director's Risk Review meeting.	
7.0	Integrated Care System (ICS)	
7.1	Financial Oversight Group Update The Committee noted the minutes of the Financial Oversight Group on the 31 st March and 8 th April.	
8.0	Primary Care	
8.1	<p>Primary Care Covid-19 Spend</p> <p>JD reported in the initial stages of the Covid 19 response, assurance was provided to Primary Care services that they would not be financially disadvantaged as a result of Covid 19. A claim process was put in place together with a prior approval process for any expenditure over £1000 in late April 2020.</p> <p>The paper for this item provides details of the overall costs associated with the claims as a result of Covid 19 expenditure. The paper does not include claims for primary care working over the bank holidays in Easter and May.</p> <p>The Committee are asked to review the information included in the paper and consider how the expenditure and claims could be published.</p> <p>The Committee noted the paper and requested for some comparator figures for Covid-19 spend from other areas of Buckinghamshire, Oxfordshire and Berkshire. The Committee was assured that all reasonable costs will be reimbursed but OCCG will reserve the right to retrospectively request for audit work to take place on claims, if required.</p> <p>Action: WJ to include 'Comparators for Primary Care Covid-19 Spend' for the meeting in September. JD to present.</p> <p>GK reported the approach taken by OCCG mirrors the national approach that all reasonable costs will be reimbursed. Controls are in place to test what is reasonable through the Primary Care team. The information will be published on the OCCG website in order to maintain transparency for what is claimed. OCCG will reserve the right to retrospectively request for audit work to take place on the Primary Care Covid 19 claims if required.</p>	(20.33) WJ/JD
9.0	Estates	
9.1	<p>Update to Proposal for GP co-location (KES, 27 and 28 Beaumont Street) into Northgate development, Central Oxford</p> <p>JD reported in the previous May Finance Committee meeting a Project Initiation Document (PID) was presented for review and approval. At this</p>	

<p>9.2</p>	<p>meeting the Committee members raised issues around affordability and requested assurance that the new premises provide improved access for patients. The papers provided for this item address the concerns raised at the last meeting.</p> <p>In relation to accessibility, JD confirmed that as part of the planning process for change of use, a request has been made for a drop-off point outside the premises. The premises are situated close to several bus routes operating through the city centre of Oxford i.e. within 250m. PR reported there are town centre car parks within a similar but slightly larger radius of the proposed premises.</p> <p>JD explained work has taken place to address the concerns around affordability and she has been working with DH's team to look into options to offset revenue costs.</p> <p>The paper provided also sets out further details of the implications of not going forwards with the relocation. These include security of tenure and functionality of existing accommodation.</p> <p>PR reported he has met with the District Valuer and Jesus College on a number of occasions in order to negotiate the lease cost and terms for the premises. A longer lease will reduce the annual cost for fit-out of the premises. The District Valuer Report on Value for Money confirms the project meets Value for Money Criteria and the full report is included in the circulated papers for the meeting.</p> <p>DS highlighted some concerns around the lack of a transparent OCCG investment framework to support the prioritisation of investment for GP premises.</p> <p>Action: DS requested that JD and PR revisit the prioritisation of the Northgate project in order to inform an investment framework and provide assurance to the Committee. WJ to add to agenda.</p> <p>Action: The Committee will take forward the requirement of a more strategic approach to GP premises investment.</p> <p>The Committee members resolved to support the proposals as set out the papers for this item.</p> <p>JD explained the next steps will be to develop a full business case with public engagement and present to the Oxfordshire Primary Care Commissioning Committee.</p> <p>Bicester OBC – Proposed 3PD GP Development Scheme for Alchester Medical Group and Montgomery House This item was deferred to the next Finance Committee in September.</p>	<p>(20.34) JD/PR</p> <p>(20.36) EDS</p>
-------------------	--	---

10.0	Effectiveness of the Finance Committee	
10.1	<p>Workplan 2020/21 The workplan was reviewed and agreed. The Committee agreed the date for the 17th September Finance Committee should be moved to the 15th September to avoid a diary clash with another priority meeting.</p> <p>Action: WJ to agree a date for an additional one hour Finance Committee meeting at the end of September.</p>	(20.35) WJ
11.0	<p>Meeting Review DS thanked meeting members for the good quality of papers and items presented.</p>	
12.0	Any Other Business	
12.1	<p>CHC Retrospective Payment Made In Error JB reported an incident that took place last year where the OCCG was notified by CHC that a retrospective payment was made in error to the value of c£38k. The Committee supported the decision to pursue legal action in order to recover the CHC retrospective payment made in error.</p>	
12.0	<p>Date of Next Meeting 15th September 2020, 15:00 – 17:30 via MS Teams</p>	