

Agenda Item: 9

Meeting: Oxfordshire CCG Board

Date of Meeting	26 November 2020
Title of Paper	Finance Report - Month 07 (October 2020)
Lead Director	Gareth Kenworthy, Director of Finance
Author(s)	Jenny Simpson, Deputy Director of Finance
Paper Type	For Information
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 and is on track to deliver the financial objectives of the revised financial regimes in place during the pandemic.

Executive Summary

This report sets out:

- the financial performance of the CCG to 31 October 2020. M1-6 are under the initial temporary financial regime while M7 is the first month of the Phase 3 regime.
- the risks identified to the financial objectives and their current mitigations

The Finance Committee have been briefed at their meeting on 19 November. This paper gives an overview of the financial position at Month 7.

Oxfordshire CCG Finance Report for the Board At 31 October 2020

Section 1: Background

The CCG is currently operating under revised financial regimes as a result of the Covid-19 pandemic. There are two regimes, one for M1-6, H1 and another for M7-12, H2. The main elements of the regime for H1 are:

- nationally determined block contracts for NHS providers,
- national commissioning of Independent Sector Providers,
- revised allocations for CCGs
- retrospective funding for reasonable Covid and other related costs

The regime for the second half of the year was issued by NHS E on 15th September to cover Phase 3 of the response to the pandemic. The CCG and ICS were required to submit plans for this period during October 2020. The plan submitted on 22 October for a CCG underlying deficit for M7-12 of £6.5m is reflected in this report. In M8 the plan will be updated to reflect the re-submission on 18th November 2020 with a revised CCG deficit of £4.5m.

The intention is that CCGs would break even over M1-6 and NHS E has already made “retrospective” allocation adjustments to bring CCGs back into a balanced position to Month 5. NHS E is undertaking a full review of CCG M6 positions and will not issue allocation for M6 Covid or other pressures until this is complete. This is expected to be received in M8 but until then the CCG is reporting an unfunded overspend of £3,262k for the period M1-6. There remains an element of risk as to whether it will be fully covered by retrospective allocation until this is finally confirmed.

Unlike previous months, the CCG now has a full year allocation and so for the first time this year the Forecast Outturn is to Month 12/Year end rather than a part year forecast only.

The allocation for the CCG for the year is £1,070.4m, exceeding £1bn for the first time. The historic surplus of £23.441m has not been included in the CCG allocation to date, unlike in previous years and is still held nationally rather than at CCG level.

Section 2: Executive Summary and Dashboard

Table 1a: In Year key financial targets

Indicator	Target	Actual	RAG
Actual Year to date	£1.2m deficit	£6.0m deficit	X
Forecast Outturn - CCG underlying	£6.5m deficit	£6.5m deficit	✓
Running Cost Outturn	Breakeven	£0.01m	X
Savings Forecast Outturn	N/A		
Net Risk position	£5.0m as per plan	£5.0m	✓
Mental Health Investment Standard achieved	N/A	Not yet reported	
Better payment Practice code NHS by value	95%	100%	✓
Better payment Practice code Non NHS by value	95%	97%	✓
Note: Cash drawn down to date as % of Maximum Cash Drawdown	58.33%	63.60%	X

NB. The cash drawn down is in excess of that expected in usual years as NHS providers are being paid early to ensure cash flow is maintained. Additional cash was also drawn down to enable the ICS to pay Provider Top Up, Covid and Growth allocations in M7 but providers from Buckinghamshire and Berkshire West will in future be paid via their respective CCGs.

NB. The Actual Year to date and Running Cost Outturn are RAG rated as red because the M6 Covid and Retrospective allocations and HDP retrospective allocation for M6 and 7 from NHS E have not yet been received. These are due in M8.

- The underlying CCG position is for a year to date overspend of £1.2m and a forecast outturn overspend of £6.5m against the NHS E calculated envelope for M7-12.
- At 31 October 2020 NHS Oxfordshire Clinical Commissioning Group (OCCG) reported a year to date overspend of £6.0m and forecast outturn overspend of £7.1m.
- The difference between the underlying and reported figures for the Year to date is due to the latter reflecting the variances driven by the delay to the M6 Covid and retrospective allocations. The difference between the underlying and the reported figures for the forecast outturn is further impacted by the fact that the CCG is holding unallocated growth and Covid funds as the lead CCG for the ICS.
- The CCG has received retrospective allocation of £11.7m to cover reported Covid 19 related costs to Month 5. The total CCG allocation for the year is now £1,070.4m.
- The CCG reported overspend for Month 7 (£6.0m) is primarily driven by Covid 19 costs reported for M6 of £3.7m and new Covid 19 related costs for M7 of £2.1m. These costs relate mainly to the Hospital Discharge Programme £3.2m for M6 plus a further £1.5m for M7 as well as expenditure to support Primary Care £0.5m to M6.
- The forecast overspend of £7.8m is for the full year and assumes that HDP costs will reduce gradually over the second half of the year as assessments are completed and clients move to CHC from the HDP programme offset by the fact that the CCG is holding some funds on behalf of the ICS as explained above.

Section 3: Risks and Mitigations

For M1-6, the usual risks the CCG faced were met by the operation of the temporary financial regime to Month 6; the only remaining risk for H1 is the review of the M6 position by NHS E and whether all costs are accepted for funding by retrospective allocation.

The risks in the second half of the year for Phase 3 were included in the October Plan/forecast submission and are as follows:

CCG RISKS & MITIGATIONS 2020/21	RISKS - Non-NHS contract (-)	RISKS - Prescribing (-)	RISKS - Other (-)	TOTAL RISKS	TOTAL MITIGATIONS	TOTAL NET (RISK)/MITIGATION	Of Which: RECURRENT	CCG Narrative (Provide details of risks and mitigations)
	Plan 31/03/2021	Plan 31/03/2021	Plan 31/03/2021	Plan 31/03/2021	Plan 31/03/2021	Plan 31/03/2021	Plan 31/03/2021	Plan 31/03/2021
	Year Ending	Year Ending	Year Ending	Year Ending	Year Ending	Year Ending	Year Ending	Year Ending
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Acute Services			(4,000)	(4,000)	0	(4,000)		Elective Incentive Scheme £2m/ ISP funding adjustment - additional funding due.
Mental Health services				0	0	0		
Community Health Services	(500)			(500)	0	(500)		Additional Covid costs eg Hospices and pressure from other Independent providers for price increases where not clear whether will be funded nationally
Continuing Care Services	(500)			(500)	0	(500)		Additional pressure as clients move off HDP into BAU
Primary Care Services		(2,000)		(2,000)	0	(2,000)		Additional pressure due to second wave of Covid, stockpiling and similar impacts to those experienced in March/April 2020
Primary Care Co-Commissioning			(647)	(647)	0	(647)		PCM funding notified but not yet received
Other Programme Services				0	0	0		
Commissioning Services Total	(1,000)	(2,000)	(4,647)	(7,647)	0	(7,647)	0	
Running Costs				0	0	0		
Unidentified QIPP				0	0	0		
TOTAL CCG	(1,000)	(2,000)	(4,647)	(7,647)	0	(7,647)	0	

Section 4: Covid related costs reported to Month 7

Table 3a

CCG Expenditure Analysis	03ACT37
Please see CCG Monthly Reporting Guidance - Appendix A for more details on completion of this tab	COVID-19 SPEND YTD TOTAL Actual 31/10/2020 YTD £'000
Acute Services	136
Mental Health Services	0
Community Health Services	1,257
Continuing Care Services	12,562
Primary Care Services	3,135
Primary Care Co-Commissioning	0
Other Programme Services	77
TOTAL COMMISSIONING SERVICES	17,167
Running Costs	386
Total CCG Net Expenditure	17,553

£11.7m has been received to cover costs to Month 5. Allocations are expected in Month 8 to cover the costs incurred in Month 6. From M7 Covid costs should be covered by OCCG's share of the ICS Covid allocation or by national claim for HDP costs. The OCCG Covid allocation from the ICS amounts to £2.4m and includes £1.4m funding for the Primary Care CALM clinics.

Section 5: Conclusion

- The CCG now has a full year allocation for 2020-21 of over £1bn.
- The underlying position for the CCG is expected to be breakeven for M1-6 and £6.5m deficit for M7-12 as per the plan submission 22 October 2020.
- The CCG has reported a year to date overspend of £6.0m in Month 7 and a forecast overspend of £7.8m to Month 12 which reflects the fact that NHS E has not yet provided allocation to bring the CCG back to breakeven to M6. This is expected to be received in M8, although there remains a risk until the final retrospective adjustment is confirmed.
- The forecast includes further HDP costs for M8-12 and also the impact of funds held on behalf of the ICS.
- The underlying CCG position and the Month 7 reported position and year end forecast as well as the identified risks were reviewed by Finance Committee at the meeting on 18 November 2020.