

<b>Agenda Item: 11</b>
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<b>Meeting:</b> Oxfordshire CCG Board
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<b>Date of Meeting</b>	16 March 2021
<b>Title of Paper</b>	Finance Report – M10 (January 2021)
<b>Lead Director</b>	Gareth Kenworthy, Director of Finance
<b>Author(s)</b>	Jenny Simpson, Deputy Director of Finance
<b>Paper Type</b>	For Information
<b>Action Required</b>	The Board is asked to review the information provided in this report together with 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 January 2021 (M10).
- the risks identified to the financial objectives and their current mitigations

M1-6 were covered by the initial temporary financial regime while M7-12 are covered by the Phase 3 financial regime.

# Oxfordshire CCG Finance Report for Board At 31 January 2021

## Section 1: Background

The CCG is currently operating under a revised financial regime as a result of the Covid-19 pandemic. There are two regimes, one for M1-6 (H1) and a Phase 3 regime for M7-12 (H2).

The CCG and ICS were required to submit plans for H2 during October/November 2020. The final plan, submitted on 18<sup>th</sup> November, was for an underlying CCG deficit of £4.5m against the envelope calculated by NHS E. The budgets in this report reflect the latest plan but also include further Non recurrent (NR) allocations received in M7 to M10.

The national intention was that CCGs would break even over M1-6. NHS E has made “retrospective” allocation adjustments to bring OCCG into a balanced position to Month 6. All Covid and retrospective claims for funding to M6 have been approved and assessed as reasonable.

The allocation for the CCG received to date is £1,085m. Of this, £12.3m has been received as the host CCG on behalf of the BOB ICS, with £6.6m passed by allocation transfer to Buckingham or Berkshire West CCGs in M7-10.

The historic surplus of £23.3m 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 (exc. HDP not yet funded)	£2.9m deficit	£0.9m deficit	✓
Forecast Outturn deficit - CCG underlying	£4.5m deficit	£2.4m deficit	✓
Running Cost Outturn	Breakeven	Breakeven	✓
Savings Forecast Outturn	N/A		
Net Risk position	£0	£0.4m	✓
Mental Health Investment Standard achieved	6.10%	9.00%	✓
Better payment Practice code NHS by value	95%	100%	✓
Better payment Practice code Non NHS by value	95%	98%	✓
Note: Cash drawn down to date as % of Maximum Cash Drawdown	83.33%	87.60%	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.

**Table 1b: Summary**

	Budget M1 to M12 £'000	Budget Month 10 £'000	Actual Month 10 £'000	Variance Month 10 £'000	Forecast Outturn M1 to M12 £'000	Forecast Outturn Variance £'000
<b>Allocation</b>	<b>(1,084,578)</b>	<b>(884,988)</b>	<b>(884,988)</b>	<b>0</b>	<b>(1,084,578)</b>	<b>0</b>
Acute	525,689	426,920	425,875	(1,045)	523,720	(1,969)
Community Health	96,675	77,388	76,629	(759)	95,925	(750)
Continuing Care	102,467	87,621	89,754	2,134	106,191	3,724
Mental Health and Learning Disability	96,716	79,502	79,269	(233)	96,716	0
Delegated Co-Commissioning	103,270	85,736	85,736	0	103,270	0
Primary care	120,958	100,956	101,622	666	122,308	1,350
Other Programme	21,145	18,772	18,843	71	21,145	0
<b>Sub Total Programme costs</b>	<b>1,066,919</b>	<b>876,894</b>	<b>877,728</b>	<b>834</b>	<b>1,069,274</b>	<b>2,355</b>
Running costs	13,170	11,021	11,069	48	13,170	0
<b>Total CCG Expenditure</b>	<b>1,080,089</b>	<b>887,915</b>	<b>888,797</b>	<b>882</b>	<b>1,082,444</b>	<b>2,355</b>
<b>(Surplus)/deficit</b>	<b>(4,489)</b>	<b>2,927</b>	<b>3,809</b>	<b>882</b>	<b>(2,134)</b>	<b>2,355</b>

- At 31 January 2021 NHS Oxfordshire Clinical Commissioning Group (OCCG) reported a year to date overspend of £3.8m and forecast outturn underspend of £2.1m.
- The underlying position for the CCG is shown in the table below and is an improvement relative to the plan i.e. a £2.4m deficit is forecast at M10 compared to the planned £4.5m.
- The difference between the underlying and reported figures is shown below and is due to the latter including Hospital Discharge Programme (HDP) costs for M9-10 (£2.9m) which are expected to be reimbursed by NHS E before the year end. The forecast outturn includes forecast HDP costs for M11-12 of £ 1.6m and is also impacted by the CCG holding unallocated growth and Covid funds of £9.0m as the lead CCG for the ICS.

Table 1c – reconciliation underlying to reported position

	Actual Month 08 £'000	Forecast Outturn M1 to M12 £'000
CCG Underlying planned deficit position	3,019	4,529
CCG Underlying reported deficit position	943	2,428
SDF Conditional funding - now received	0	0
HDP not yet reimbursed	2,866	4,456
ICS Unallocated Covid and Growth allocations held by lead CCG		(9,018)
<b>Reported (Surplus)/deficit</b>	<b>3,809</b>	<b>(2,134)</b>

- The CCG has received retrospective allocation of £15.4m to cover reported Covid 19 related costs to Month 6.
- The CCG has received additional £5.0m NR allocations in M10 of which £2.7m was for M8 and M9 HDP costs. The CCG passed an additional £1.1m to the other CCGs in BOB. The total CCG allocation (including ICS allocations) for the year is now £1,084.6m.

## Section 3: Risks and Mitigations

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

Table 2:

CCG RISKS AND MITIGATIONS 2020-21	RISKS - Non-NHS contract (-) Plan 31/03/2021 Year Ending £'000	RISKS - Prescribing (-) Plan 31/03/2021 Year Ending £'000	RISKS - Other (-) Plan 31/03/2021 Year Ending £'000	TOTAL RISKS Plan 31/03/2021 Year Ending £'000	MITIGATIONS (+) Plan 31/03/2021 Year Ending £'000	TOTAL NET (RISK)/MITIGATION Plan 31/03/2021 Year Ending £'000	CCG Narrative  Plan 31/03/2021 Year Ending
Acute Services			(4,000)	(4,000)		(4,000)	EIS £2m/ ISP funding adjustment - additional funding due.
Mental Health services				0		0	
Community Health Services	(500)			(500)		(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)		(500)	Additional pressure as clients move off HDP into BAU
Primary Care Services		(2,000)		(2,000)		(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				0		0	PCM funding received in M8 £647k
Other Programme Services				0		0	
<b>Commissioning Services Total</b>	<b>(1,000)</b>	<b>(2,000)</b>	<b>(4,000)</b>	<b>(7,000)</b>	<b>0</b>	<b>(7,000)</b>	
Running Costs				0		0	
Unidentified QIPP				0		0	
<b>TOTAL CCG NET EXPENDITURE</b>	<b>(1,000)</b>	<b>(2,000)</b>	<b>(4,000)</b>	<b>(7,000)</b>	<b>0</b>	<b>(7,000)</b>	

The likelihood of a number of these risks arising has reduced e.g. Elective Incentive Scheme, Continuing Health Care. The prescribing risk reported last month has now been released into the forecast position £1.3m offset by the release of the CHC provision £0.75m and the credit note for London Providers £0.9m. Net risk of £0.4m was reported to NHS E at M10.

NB. For M1-6, the usual risks the CCG faced were met by the operation of the temporary financial regime to Month 6 - all reported costs have been accepted for funding by retrospective allocation and therefore there is no remaining risk.

## Section 4: Covid related costs reported to Month 10 2020-21

Table 3

	M1 £'000	M2 £'000	M3 £'000	M4 £'000	M5 £'000	M6 £'000	Total H1 M1-6 £'000	M7 £'000	M8 £'000	M9 £'000	M10 £'000	Total H2 YTD £'000	TOTAL YTD £'000
<b>Covid Expenditure</b>													
Acute	49	35	47	9	11	10	161	0	11	-42	0	-31	130
Mental Health	0	0	0	0	0	0	0	0	0	8	3	11	11
Community	144	480	182	274	52	18	1,150	0	0	0	3	3	1,153
CHC	871	1,854	1,801	1,468	1,905	3,213	11,112	1,531	1,186	1,547	1,319	5,583	16,695
Primary care	803	459	376	253	275	531	2,696	515	258	1,234	1,239	3,246	5,942
Delegated	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Programme costs	0	62	-62	0	110	-109	1	17	896	-423	163	653	654
Running costs	12	102	56	53	56	40	320	49	51	-81	-13	6	325
<b>Total</b>	<b>1,879</b>	<b>2,992</b>	<b>2,400</b>	<b>2,057</b>	<b>2,409</b>	<b>3,703</b>	<b>15,440</b>	<b>2,112</b>	<b>2,402</b>	<b>2,243</b>	<b>2,714</b>	<b>9,470</b>	<b>24,910</b>

£15.4m has been received to cover costs to 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. In addition the CCG is holding ICS Covid allocation of £880k which is to cover the running costs of the ICS Incident Control Centre and the PHE Warehouse.

## Section 5: Other

### Capital allocation

The CCG has been notified of BAU Capital funding of £1.3m for 2020-21 to cover GPIT and Primary Care Minor Improvement Grants. Project Initiation Documents (PIDs) have been approved for most of the schemes and these can now go ahead.

### Savings Programme

Nationally savings programmes and targets are on hold except where schemes are already in place and can be continued and are not impacted by the Covid-19 response.

## Section 6: Conclusion

- The CCG full year allocation for 2020-21 is £1,085m. £12.3m relates to ICS allocations of which £6.6m has been passed on to other CCGs in BOB.
- The CCG has received funding to bring the position to breakeven at M6.
- The underlying position for the CCG is an improvement of £2.1m to the planned forecast £4.5m deficit for M7-12 as per the plan submission on 18 November 2020. Whether or not it is possible to improve the position further will depend partly on ICS decisions re the overall system position.
- The CCG has reported a year to date overspend of £3.8m in Month 10 and a forecast surplus of £2.1m to Month 12 which includes HDP costs not yet reimbursed and funds held on behalf of the ICS.