



Oxfordshire

Clinical Commissioning Group

Oxfordshire Health and Wellbeing Board - 21 November 2013

Purpose of Paper: To brief the Health and Wellbeing Board on the financial performance of the CCG for the 2013-14 financial year to September 2013 and the ongoing financial challenge now faced.

Executive Summary and Dashboard:

(based on extract from OCCG Finance Report for the Finance and Investment Committee at 30th September 2013)

Executive Summary

At 30th September 2013 (month 6), NHS Oxfordshire Clinical Commissioning Group (OCCG) reported an over spend of £6m against budget (2%) to NHS England. The forecast outturn for the year was £9.2m overspend against budget (1.5%). This includes commitment of all of the CCGs contingency reserves of £7m.

There are however, substantial uncertainties surrounding the forecast. The spread between best case forecast outturn (surplus of £6.1m) and worst case forecast outturn (deficit of £12.8m) is considerable. The main reasons for this level of uncertainty are:

- A year to date level of over performance at Oxford University Hospitals Trust (OUH), the main acute provider, that if continued would lead to over performance of £20m (the impact of the Activity Management Plan process yet to be reflected)
- Concern over the yield from the QIPP schemes

The CCG has set up a Financial Challenge Programme Board to oversee the various projects that contribute to financial recovery. An interim Chief Operating Officer/Deputy to the Accountable Officer has been appointed as well as a part time Head of PMO to provide additional resource to manage the programme. External support has been commissioned and Deloitte's will commence work on site on 4th November. These initiatives aim to ensure sufficient capacity and capability to address the challenges of the current financial position for the current year and in planning for future years

Dashboard:

	M6 £'000	RAG rating	M5 £'000	Movement £'000
Plan ytd	1,601	SURPLUS	1,334	267
Actual ytd	-4,441	DEFICIT	-3,799	-642
Variance	6,042	OVER SPEND	5,133	909
Plan Forecast	3,202	SURPLUS	3,202	0
Forecast Outturn	-6,000	DEFICIT	65	-6,065
Variance	9,202	OVER SPEND	3,137	6,065

	YTD variance	YTD Change from last month	Forecast Outturn (FOT) Variance	FOT Change from last month	RAG YTD	RAG FOT	Key Risks
Acute Services	9,857	868	15,639	5,633	RED	RED	Over performance at OUH and SCAS/Under delivery of QIPP/Delayed contract agreements for other providers
Community health Services	80	-1	100	100	AMBER	AMBER	Palliative care now forecasting an overspend
Continuing Healthcare	697	397	1,394	674	RED	RED	Older Peoples and Physical Disability pool overspend and potential impact of risk share arrangements
Mental Health	-101	347	146	-81	BLUE	AMBER	Learning Disability Pool – average cost of residential placements rising
Primary Care (Prescribing, Out of Hours Service and Locally Enhanced Services)	-229	23	-500	-95	BLUE	BLUE	Prescribing underspend offsets pressure on Out of Hours service
Other Corporate	26	15	92	91	AMBER	AMBER	Some residual risk re Premises costs for Commissioned Services
Total Programme Costs	10,330	1,649	16,869	6,322			
Running Costs	-772	-117	-636	-165	BLUE	BLUE	
Total Programme and running costs	9,559	1,533	16,233	6,157			
Use of Contingency Budget provision	-3,516	-624	-7,031	-92			
Use of Surplus Budget Provision	-1,601	-267	-3,202	0			
Total	4,441	642	6,000	6,065			

Key:	
High Impact/Risk of not achieving plan (variance 25%/£250k or over against plan	RED
Medium Impact/Risk of not achieving plan (variance against plan below 25%/£250k	AMBER
On target or marginally positive	GREEN
Positive variances against plan	BLUE

Key points

The year to date deficit is £4.4m against a year to date plan for a £1.6m surplus. This position is after application of £3.5m of the £7.0m contingency reserve.

- The year to date M6 position on Oxford University Hospitals NHS Trust (OUH) contract is an over spend of just under £9.4m due to elective over performance arising from waiting list pressures and non-elective over performance above QIPP phasing impact.
- The level of over activity in Month 3 triggered the initiation of an Activity Management Plan (AMP) with OUH as provided for under the contract. The first phase of this process included data analysis, QIPP review and review of clinical transformation workstreams and were reported to the September Governing Body. The scope and plan for the remaining AMP work was considered in detail by the Financial Challenge Programme Board on 15 October.
- The OUH contract pressure is offset to a degree by a year to date under spend on running costs (£0.8m), Primary care (£0.2m) and Mental Health (£0.1m) as well as use of the contingency reserve.
- A target of £13m of QIPP was required in 2013-14 in order to support the approved financial plan and to mitigate against forecast demand/activity. The AMP and the Financial Challenge Programme Board are reviewing current QIPP plans for £10.3m in order to identify trajectories and to maximise the yield where possible
- For the current forecast outturn position, QIPP delivery of only £4.9m has been assumed, based on best estimates of delivery at this time.
- The Oxfordshire system bid for non-recurrent funding to support the management of winter pressures has been approved. This totals £10.2m and will be invested in providers (including the County Council) following approval of supporting business cases and non-recurrent contract variations. The funding will support the system in its management of winter pressures and will provide additional capacity in the urgent care pathway to manage forecast demand and mitigate against additional activity.