

Agenda item: 11

Paper no: PCCCiC 34-18

Title of Report:	Guildford & Waverley Finance Report Month 6 (September 2018)	
Status:	TO APPROVE	
Committee:	PCCCs in Common	Date: 09/11/18
Venue:	NWS CCG, 58 Church Street, Weybridge, Surrey. KT13 8DP	

Presented by:	Claire Fuller, Deputy CFO North West Surrey CCG	
Executive Lead sign off:	Karen McDowell, Chief Financial Officer	Date: 09/10/18
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Governance:

Conflict of Interest: The Author considers:	None identified	✓
Previous Reporting: (relevant committees/ forums this paper has previously been presented to)	None	
Freedom of Information: The Author considers:	Open – no exemption applies	✓

Executive Summary:

The financial position as reported to NHS England at Month 6 for delegated co-commissioning budgets is a breakeven position for year to date and forecast outturn.

Implications:

What is the health impact/ outcome and is this in line with the CCG's strategic objectives ?	Primary Care development
What is the financial/ resource required?	As set out in this report
What legislation, policy or other guidance is relevant?	n/a

Is an Equality Analysis required?	n/a
Any Patient and Public Engagement/ consultation required?	n/a
Potential risk(s) ? (including reputational)	All risks have been identified within the report

Recommendation(s):

The Primary Care Commissioning Committee is asked to:

- (1) Note the risks and assumptions described within the report
- (2) Approve the forecast position as reported to NHSE at Month 6

Next Steps:

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Guildford & Waverley CCG
Primary Care Finance Report September 18 (Month 6 2018/19)

1. Overview of Month 6 Financial Position

1.1. The purpose of this paper is to update the Primary Care Co-Commissioning Committee on the Month 6 (end of September) financial position for delegated co-commissioning allocations and other primary care budgets.

2. Co-Commissioning Budgets

2.1. The CCG is currently reporting a break even position for delegated co-commissioning budgets in both the year to date and year end positions. A detailed breakdown of delegated co-commissioning budgets are detailed in Appendix A.

2.2. An analysis of the financial position is provided below;

	Annual Budget	YTD Budget	YTD Spend	YTD Variance	YE Forecast	YE Variance
	£000s	£000s	£000s	£000s	£000s	£000s
GMS/PMS and APMS Contract Payments	18,540	9,270	9,253	(16)	18,521	(19)
Enhanced Services	368	184	185	1	370	3
Quality Outcomes Framework	2,340	852	852	(0)	2,340	(0)
Premises Reimbursements	2,785	1,364	1,372	8	2,813	29
PCO Administered	1,248	624	647	22	1,266	18
NHSE Managed Contracts	40	20	20	0	40	0
Locally Commissioned Services	70	35	8	(27)	70	0
Primary Care Team	222	111	76	(35)	191	(31)
Contingency	133	66	0	(66)	133	0
Surplus / Risk Reserve	540	270	383	113	540	0
	26,285	12,796	12,796	0	26,285	(0)

i. GMS, PMS and APMS Contract Payments

2.3. The financial position as at month 6 shows a year to date under spend of £16k and year end under spend of £19k. This was driven by the quarter 1 list size adjustment being underspent against the reserve set.

ii. Enhanced Services

2.4. The enhanced services budget fund services that the CCG is required to offer to contractors and is linked to national priorities (extended hours, learning disabilities and violent patients). This distinguishes these services from any locally commissioned enhanced services that may also be offered. This is currently forecast to overspend by £3k at year end.

iii. Quality Outcomes

2.5. Payments relating to the Quality Outcomes Framework are automatically calculated by the Calculating Quality Reporting Service (CQRS). An aspiration payment based on 17/18 achievement is being made to practices, however the final outturn will not be known until May 2019. The month 6 position assumes a forecast breakeven.

2.6. In May 2018, the CCG paid the achievement payment for 2017/18. NHSE have been recharged for these prior year costs.

iv. Premises Costs

2.7. The position for reimbursable practice costs (rent, rates and water) has been forecast as overspent by £8k at month 6 and forecast to be overspent by £29k at year end. This is due to rent reviews. However, it should be noted that NHS Property Services are yet to confirm their “true up” position for 2017/18 and charges for 2018/19. NHS Property Services have advised that the completion of the “true up” process has slipped from September to October 2018. Once received this will enable the forecast to be updated accordingly.

2.8. Work continues with those practices in NHS Property Services (NHSPS) premises to reconcile the 2016/17 and 2017/18 non-reimbursable costs.

v. PCO Administered Costs

2.9. As at month 6 there is a forecast year end overspend of £18k. This is based on the current rate of locum reimbursement and additional GPs being accepted upon the GP Retainer Scheme. The year to date over spend of £22k is due to cost of dispensing fees.

vi. NHSE Managed Budgets

2.10. Under delegated co-commissioning arrangements, a small number of services continue to be managed by NHSE on a Surrey / Sussex wide basis, namely, interpreting, occupational health, all forecast on budget.

2.11. Clinical waste management transferred to the CCG from the 1st April, and the transfer of interpreting services from 1st October 2018.

vii. Locally Enhanced Services

2.12. The locally commissioned enhanced services budget relates to the £70k that has been released following the PMS review and reflects savings generated from practices converting to GMS from 1st July 2016, net of the transitional funding provided. The year end forecast outturn assumes breakeven as this has been committed to fund the Spirometry LCS. The year to date spend is the actual payments made in quarter 1.

viii. Primary Care Team

- 2.13. The estimated costs of the Primary Care team have been charged against the co-commissioning budget. A reconciliation of full actual costs has been carried out which has led to the year to date underspend of £35k which is forecast to be £31k at year end.

ix. DDRB Award

- 2.14. The financial outcome of the 2018/19 Contract Agreement was not finalised when allocations were published, as the DDRB (Doctors' and Dentists' Review Body) Award was delayed.
- 2.15. The recent announcement means a further 1% will be added to the contract, backdated to April 1st 2018. This will mean the Global Sum will increase from £87.92 to £88.96 and the Out of Hours deduction will remain at 4.87%.
- 2.16. The financial impact of this uplift has been calculated to be £213k for 2018/19. We are yet to receive confirmation from NHSE as to how this will be funded.

x. Reserves

- 2.17. The CCG has an indicative budget surplus of £540k for primary care co-commissioning, being the difference between the 'top-down' allocation it received and the 'bottom-up' budgets set based on the 2018/19 GMS contract and informed by historic spend.
- 2.18. In addition the 0.5% contingency reserve of £133k, in accordance with NHSE business rules, the £230k for GPFV allocations has been transferred to the CCG programme allocation.
- 2.19. The PCCC agreed to fund the Locally Commissioned Service (LCS) for Mental Health (SMI) checks which was due to commence from October from the reserves. In addition subject to review by Primary Care Operational Group the shared care ADHD LCS would be funded from the budget surplus.
- 2.20. Due to a number of risks it was agreed to retain the remaining surplus at the September PCCC, before further consideration was to be given as to how these funds were to be invested. As at month 6 detailed schedules from NHSPS for 2018/19 are still awaited, an estates strategy is being prepared by the CCG and the review of locally commissioned services. In addition the DDRB announcement around the increase in global sum, estimated to be £213k, awaits confirmation from NHSE of whether it is to be funded.
- 2.21. It is therefore proposed that the reserve be retained whilst these issues are confirmed.

3. Other Primary Care Budgets

- 3.1. The financial position for other Primary Care budgets at Month 6 is as follows;

	Annual Budget	YTD Budget	YTD Spend	YTD Variance	YE Forecast	YE Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Local Enhanced Services	2,276	1,138	1,138	0	2,276	0
Primary Care IT	541	271	271	0	541	0
Clinical Leads	254	127	127	0	254	0
Sub-Total	3,071	1,536	1,536	0	3,071	0
Practice Prescribing	27,502	13,751	13,833	82	27,844	342
Prescribing PDS	108	54	54	0	108	0
Primary Care Prescribing	852	426	423	(3)	852	0
Medicines Management	802	401	320	(81)	802	0
Home Oxygen	323	162	153	(9)	319	(4)
Drugs Costs Met Centrally	1,044	522	343	(179)	829	(215)
Out of Hours	1,569	785	785	0	1,569	0
Sub-Total	32,200	16,100	15,911	(190)	32,323	123
Total	35,271	17,636	17,446	(190)	35,394	123

i. Locally Commissioned Services

3.2. Costs for locally commissioned services are shown in line with plan, as per quarter one claims.

ii. Practice Prescribing

3.3. The Practice Prescribing Authority (PPA) data is received two months in arrears so this report is based upon actual spend for the first four months and budgeted spend for the second two months. The first four months' data for 2018/19 show a net overspend of £82k against budget. There is a benefit from the month 12 2017/18 final position against the accrual made, which has been released into the forecast position.

3.4. A QIPP plan of £1.5m has been set for Medicines Management. Performance against the programme is currently on plan and forecast to deliver in full for the year.

iii. Medicines Management Team

3.5. Due to vacant posts in the team there is a year to date under spend of £81k at month 6. The forecast of breakeven assumes that these vacancies are filled, potentially through the use of short term interim staff.

3.6. Drugs Costs Met Centrally

3.7. Drugs Costs met Centrally are under spent by £179k year to date £215k in the forecast outturn. These costs are top sliced centrally by NHS England and are outside of the control of the CCG.

iv. Out of Hours

3.8. At month 6 the Out of Hours budget is forecast to meet budget at year end.

4. GPFV

4.1. NHS England's General Practice Forward View (GPFV) sets out the plans and investment to support sustainable transformation of primary care for the future. In support of this the CCG is expecting to receive a number of allocations in 2018/19 as detailed in the table below:

	Included within Delegated Allocation	CCG Baseline Funding	In Year Allocation Received	Anticipated Funding	Total
	£000	£000	£000	£000	£000
Improving Access to General Practice	116		591		707
Locality Transformation Scheme		336			336
Online Consultations	75				75
Reception and Clerical Training	38				38
GPFV Implementation Capacity				25	25
Total GP Forward View Funding	230	336	591	25	1,182

* The £230k originally included within delegated commissioning budgets was transferred into the CCG's programme allocation in month 3.

i. Improving Access to General Practice

The allocation of £0.7m is to enable the CCG to commission and fund extra capacity to ensure everyone has access to GP services, including sufficient routine, same day, evening and weekend appointments to meet local demand.

It has been agreed that the CCG will award an interim contract to provide extended access services to the Federation under a Single Tender Action for a period of up to two years during which the CCGs will undertake a formal procurement process in order to meet legal requirements.

A contract has been issued to Procure and the extended access service began in August 2018. There will be a phased approach to the delivery of appointments offered each month with the nationally prescribed target of a minimum of 30 minutes additional consultation capacity per 1,000 head of population being achieved by October 2018.

ii. Locality Transformation Scheme

The CCG is required to budget for £3 per head, non-recurrently across 2017-2019 for practice transformation. This was split equally between 2017//18 and 2018/19 at £1.50 per year. The Locality Transformation Scheme will be allocated on fair shares against a menu of opportunities to be agreed.

iii. Online Consultations

An allocation of £75k has been received to contribute towards the cost of online consultation systems to improve access and make best use of clinician's time. A project team has been set up across Surrey Heartlands which will work with GP practices and other stakeholders to evaluate the current pilot (using e-consult) and to manage the future procurement and deployment of online consultation systems.

iv. Reception and Clerical Training

An allocation of £38k has been received to train reception and clerical staff in both clinical administration tasks and in signposting patients to the most appropriate source of help in order to free up GP time from administrative tasks.

v. Implementation Capacity

An allocation of £25k is anticipated for 2018/19 to support the implementation of the GPFV.

Appendix A

Primary Care Co-Commissioning Budget Tracker

	Annual Budget (M5)	Movement	Annual Budget (M6)
	£000s	£000s	£000s
Global Sum / MPIG	13,685		13,685
GMS Transitional Relief	107		107
PMS Contracts	4,608		4,608
PMS Other	140		140
PMS Premium Release	0		0
GMS/PMS and APMS Contract Payments	18,540	0	18,540
Extended Hours	253		253
Learning Disabilities	66		66
Dispensing Quality Scheme	46		46
Violent Patients	3		3
Enhanced Services	368	0	368
Aspiration	1,703		1,703
Achievement	637		637
Quality Outcomes Framework	2,340	0	2,340
Rent	2,220		2,220
Rates	371		371
Water	23		23
Clinical Waste	115		115
Premises Other	56		56
Premises Reimbursements	2,785	0	2,785
Seniority	307		307
Locum Payments	203		203
PADM/ Dispensing	132		132
GP Fees Dispensing	597		597
GP Prescriptions Income	(167)		(167)
GP Retainers	37		37
CQC Fees	139		139
PCO Administered	1,248	0	1,248
Interpreting Services	23		23
Syringes	17		17
CQC Fees	0		0
NHSE Managed Contracts	40	0	40
Primary Care Team	187		187
Primary Care Non Pay	35		35
Primary Care Team	222		222
Locally Commissioned Services	70		70
Indemnity/GPFV (Training, Imp Access, Online)	0		0
0.5% Contingency	133		133
Surplus / Risk Reserve	540		540
Total	26,285	0	26,285