

Agenda item: 14

Paper no: PCCC IC 11-19

Title of Report:	North West Surrey CCG Finance Report Month 8 (November 2018)	
Status:	For Information	
Committee:	Primary Care Co-Commissioning Committee in Common	Date: 11/01/2019
Venue:	NWS CCG, 58 Church Street, Weybridge, Surrey, KT13 8DP	

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Executive Lead sign off:	Karen McDowell, Chief Financial Officer	Date: 03/01/2019
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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 8 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
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Recommendation(s):

The Primary Care Commissioning Committee is asked to:

- (1) Note the risks and assumptions described within the report
- (2) Note the forecast position as reported to NHSE at Month 8

Next Steps:

N/A

North West Surrey CCG
Primary Care Finance Report November 18 (Month 8 2018/19)

1. Overview of Month 8 Financial Position

1.1. The purpose of this paper is to update the Primary Care Co-Commissioning Committee in Common on the Month 8 (end of November) 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. Appendix A shows a detailed breakdown of Co-Commissioning budgets.

2.2. A detailed 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	30,733	20,232	20,431	199	31,033	300
Enhanced Services	678	340	335	(4)	707	30
Quality Outcomes Framework	4,090	1,909	1,928	19	4,119	29
Premises Reimbursements	3,697	2,181	2,362	182	3,918	221
PCO Administered	1,397	893	779	(114)	1,394	(4)
NHSE Managed Contracts	44	29	30	1	44	0
Locally Commissioned Services	767	511	161	(350)	767	0
Primary Care Team	305	209	122	(87)	225	(80)
Primary Care Non Pay	35	18	5	(12)	35	0
Contingency	446	297	0	(297)	446	0
Surplus / Risk Reserve	2,051	1,367	1,832	465	1,554	(497)
	44,243	27,986	27,986	(0)	44,243	(0)

i. GMS, PMS and APMS Contract Payments

2.3. The financial position as at Month 8 shows a year to date overspend of £199k, which now includes the GP Pay award uplift backdated to April 2018. This is forecast to overspend by £300k at year end due to the list size adjustment for quarter two being underspent against reserve. It has been assumed that the pay award will be funded from the reserve as additional funding from NHSE has not been confirmed.

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 £30k based on a revised list of practices carrying out the Extended Hours Service and learning and disabilities payments.

iii. Quality Outcomes

- 2.5. Payments relating to the Quality Outcomes Framework are automatically calculated by the Calculating Quality Reporting Service (CQRS). The Month 8 position assumes a year end forecast over spend of £29k.
- 2.6. In May 2018, the CCG had paid the achievement payment for 2017/18.

iv. Premises Costs

- 2.7. The position for reimbursable practice costs (rent, rates and water) has been forecast with the information available. At month 8 there is an over spend of £182k which has been driven predominantly by rent and rates revaluations and is forecast to be £221k overspent by year end. 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 now slipped into 2019. Once received this will enable the forecast to be updated accordingly.
- 2.8. Work continues with those practices in NHS Property Services premises to reconcile the 2016/17 and 2017/18 non-reimbursable costs. Progress has made with some multi occupancy sites in agreeing the percentage occupancies and the CCG is awaiting final confirmation.

v. PCO Administered Costs

- 2.9. As at month 8, there is a forecast year end underspend of £4k based on current dispensing fees and prescription income. The year to date position of £114k underspend is driven mostly by seniority payment adjustments being made by Capita, which given the payment issues they are currently experiencing we are forecasting this to meet the year end budget.

vi. NHSE Managed Budgets

- 2.10. Under delegated co-commissioning arrangements, a small number of services continued to be managed by NHSE on a Surrey / Sussex wide basis at April 2018, namely, interpreting, occupational health, all forecast on budget.
- 2.11. Clinical waste management transferred to the CCG from the 1st April, and the interpreting services were transferred to the CCG at 1st October 2018.

vii. Locally Commissioned Services

- 2.12. The locally commissioned services budget includes the £213k 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 forecast outturn assumes breakeven, as a number of new LCS's were introduced at the commencement of the year.

viii. Primary Care Team

- 2.13. The costs of the Primary Care team have been charged against the co-commissioning budget. At month 6 these costs were reconciled and allocated to budgets within Guildford and Waverley and North West Surrey respectively. At month 8 this leaves a forecast underspend of £80k 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% has been 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 £352k for 2018/19. As we are yet to receive confirmation from NHSE as to how this will be funded, an assumption has been made that this would be committed against the GMS/PMS Global Sum budget funded through an underspend on the surplus/reserve.

x. Reserves

- 2.17. The CCG has an indicative budget surplus of £2,051k 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 approving the financial framework, it was agreed that proposals would be presented to the PCCC meeting on how the indicative budget surplus of £2,051k would be committed in 2018/19.
- 2.19. After a review to determine the priorities for investment, PCCC have agreed a plan totalling £1.382m which covered:
- Equipment for practices to support delivery of locally commissioned services. This is non-recurrent investment and includes ECGs, Spirometry and Blood Pressure monitors (**£934k**).
 - Technology to support service transformation to address issues of demand and capacity, new models of working and different modes of contact with primary care. This included EMIS Analytics, Pathfinder (demand and capacity tool) and Health Unlocked (directory of services) (**£272k**).
 - New Locally Commissioned Services covering mental health SMI, dermatology and care home visiting (**£176k**).
- 2.20. Practices have been written to asking them to identify the equipment and technology they wish to purchase (within the levels agreed by PCCC) and setting out the process for financial reimbursement.
- 2.21. In addition, there is a 1% contingency reserve of £446k (0.5%) set in accordance with NHSE business rules, and £378k for GPFV allocations which was transferred to the CCG programme allocation.

3. Other Primary Care Budgets

3.1. The financial position for other Primary Care budgets at Month 8 is as follows;

	Annual Budget	YTD Budget	YTD Spend	YTD Variance	YE Forecast	YE Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Local Enhanced Services	2,639	1,759	2,050	291	2,563	(77)
Primary Care IT	963	609	609	0	963	0
Clinical Leads	525	350	191	(159)	525	0
Practice Engagement	236	157	165	8	236	(0)
Sub-Total	4,362	2,875	3,015	140	4,286	(76)
Practice Prescribing	43,591	29,190	28,947	(243)	43,077	(514)
Medicines Management	777	394	374	(21)	747	(30)
Primary Care Prescribing	2,008	1,217	1,123	(94)	1,933	(75)
Home Oxygen	607	409	446	37	663	55
Drugs Costs Met Centrally	1,303	878	877	(0)	1,308	5
Out of Hours	2,097	1,398	1,359	(39)	2,093	(4)
Sub-Total	50,383	33,486	33,125	(361)	49,820	(563)
Total	54,745	36,361	36,140	(221)	54,106	(640)

i. Locally Commissioned Services

3.2. Costs for locally commissioned services show a £77k under spend which relates to the release of a 2017/18 accrual due to quarter 4 claims being lower than estimated. The claims for the second quarter of 2018/19 were paid in October 18 in line with plan.

ii. Primary Care IT

3.3. The Primary Care IT budget of £963k consists of the CSU contract (£643k), staff costs relating to the Programme Director (£44k), the GP text messaging service (£57k), repairs and maintenance (£62k) and COIN telephony (£69k). As at Month 8, all of these costs are forecast in line with plan.

iii. Clinical Leads and Practice Engagement

3.4. The year to date position shows under spend of £151k combined. However, it is assumed that costs will be in line with the budget by year end.

iv. Practice Prescribing

3.5. The Practice Prescribing Authority (PPA) data is received two months in arrears. At month 8 there is a £243k underspend and based upon current data, this is forecast to underspend by £514k by year end. The benefit from an over accrual in 2017/18 has been released into the year to date position.

v. Medicines Management Team

- 3.6. A small year to date underspend of £21k at month 8 due to vacancies within the team and is forecast to underspend by £30k at year end.

vi. Primary Care Prescribing

- 3.7. The year to date under spend of £94k relates to community ordering of wound dressings and enteral feed costs at Ashford & St Peters.

4. GP Forward View

- 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
Improving Access to General Practice	192		991		1,183
Locality Transformation Scheme		552			552
Online Consultations	123				123
Reception and Clerical Training	63				63
GPFV Implementation Capacity				31	31
ETTF Walton and Sunbury				801	801
Total GP Forward View Funding	378	552	991	832	2,753

i. Improving Access to General Practice

The allocation of £1.2m 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 North West Surrey Integrated Care Services (NICS) 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.

It has been agreed that additional appointments will be delivered by NICS over the winter period (over and above that identified within their contract). This will be funded from within the existing allocation received.

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 utilise this funding to develop a locality vehicle to work at scale to provide an enhanced primary care offering including extended access and to secure primary care services. NICS have submitted a plan for the utilisation of this fund which has been agreed by PCCC.

iii. Online Consultations

An allocation of £123k 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 £63k 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. The CCG has commissioned workflow optimisation training which supports this shift (where appropriate).

In 2018/19 work will be undertaken with practices to develop the administrative staff's role in care navigation/active signposting.

v. Implementation Capacity

A Heartlands wide allocation of £76k for 2018/19 to support the implementation of the GPFV has been invoiced to NHSE. The North West Surrey share of this would be £31k but the funds will be utilised to provide Heartlands wide support to the GPFV programme.

5. Estates and Technology Transformation Fund (ETTF)

- 5.1. A bid was made via the ETTF in 2017/18 for the relocation of Fort House Surgery to Walton Hospital and to support the redevelopment of the Sunbury site. The approval process was delayed and it is now expected that this funding will be received in 2018/19, with the bid having been approved in principle by NHS England. Public engagement events regarding the Fort House have been conducted in September. An application to increase funding for the Sunbury project to 100% has been submitted to NHSE for which the outcome is awaited.

Appendix A.

Primary Care Co-Commissioning Budget Tracker

	Annual Budget	Movement to	Annual Budget	Narrative
	M7	M8	M8	
	£000s	£000s	£000s	
Global Sum / MPIG	29,825		29,825	
GMS Transitional Relief	276		276	
PMS Contracts	238		238	
PMS Other	8		8	
GP Indemnity (Now Reserve)	385		385	Moved from GP Indemnity in PCO Administered
GMS/PMS and APMS Contract Payments	30,733	0	30,733	
Learning Disabilities	120		120	
Violent Patients	5		5	
Extended Hrs	553		553	
Enhanced Services	678	0	678	
Aspiration	2,863		2,863	
Achievement	1,227		1,227	
Quality Outcomes Framework	4,090	0	4,090	
Rent	2,532		2,532	
Rent Reserve & Voids	426		426	
Rates	515		515	
Water	33		33	
Clinical Waste	191		191	
Premises Reimbursements	3,697	0	3,697	
Locums	475		475	
Seniority	347		347	
Retainers	36		36	
Prof Fees Dispensing	47		47	
Prescription Income	(21)		(21)	
PADM	230		230	
GP Sessions - Safeguarding	50		50	
GP Indemnity	0		0	Indemnity budget now moved to GMS/PMS Reserve
CQC Fees	232		232	
PCO Administered	1,397	0	1,397	
Interpreting	32		32	
Syringes	12		12	
NHSE Managed Contracts	44	0	44	
Primary Care Team	305		305	
Primary Care Non Pay	35		35	
Primary Care Team	340	0	340	
Locally Commissioned Services	767	0	767	
Indemnity/GPFV (Training, Imp Access, Online)	0	0	0	Transferred into CCG Programme Allocation in M3
Contingency	446	0	446	
Surplus / Risk Reserve	2,051	0	2,051	
Total	44,243	0	44,243	