

Agenda item: 7

Paper no: 6

Title of Report:	NWS CCG Finance Report July 2019 Month Four	
Status:	FOR INFORMATION	
Committee:	Primary Care Co-Commissioning Committees in Common	Date: 13/09/2019
Venue:	Board Room, Third Floor, NHS G&W CCG, Dominion House, Woodbridge Road, Guildford, Surrey, GU1 4PU	

Presented by:	Andy Law, Associate Director of Finance, NWS CCG	
Executive Lead sign off:	Claire Fuller, Deputy Chief Finance Officer	Date: 13/08/2019
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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)	NWS CCG Primary Care Operational Group 30/08/2019	
Freedom of Information: The Author considers:	Open – no exemption applies	✓

Executive Summary:

The financial position as reported to NHS England at Month 4 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 Co-Commissioning Committee in Common is asked to:

- (1) Note the risks and assumptions described within the report
- (2) Note the forecast position as reported to NHSE at Month 4

Next Steps:

N/A

North West Surrey CCG
Primary Care Finance Report July 19 (Month 4 2019/20)

1. Overview of Month 4 Financial Position

The purpose of this paper is to update the Primary Care Co-Commissioning Committee in Common on the Month 4 (end of July) financial position for delegated co-commissioning allocations.

2. Co-Commissioning Budgets

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.

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	31,078	10,359	10,359	(0)	31,078	0
Enhanced Services	291	177	190	13	308	17
Quality Outcomes Framework	4,141	966	966	0	4,142	1
Premises Reimbursements	3,754	1,076	1,076	0	3,754	0
PCO Administered	1,553	518	505	(13)	1,536	(18)
NHSE Managed Contracts	18	6	6	0	18	0
Locally Commissioned Services	1,219	406	406	0	1,219	0
Primary Care Network DES	1,950	495	495	(0)	1,950	0
Primary Care Team	162	54	54	(0)	162	0
Primary Care Non Pay	68	23	23	(0)	68	(0)
Contingency	232	0	0	(0)	232	(0)
Surplus / Risk Reserve	1,970	657	657	0	1,970	0
	46,436	14,738	14,738	(0)	46,436	0

i. GMS, PMS and APMS Contract Payments

The financial position as at month 4 shows breakeven in both the year to date and year end positions. This reflects adjustments to list sizes from July which has been funded from the budgeted list size reserve.

ii. Enhanced Services

The enhanced services budget funds 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. The month 4 position shows a year to date over spend of £13k and year end position of £17k which reflects an under accrual for extended hours in 2018/19.

iii. Quality Outcomes

Payments relating to the Quality Outcomes Framework are automatically calculated by the Calculating Quality Reporting Service (CQRS). The Month 4 position shows break even a position in both year to date and year end position.

iv. Premises Costs

The position for reimbursable practice costs (rent, rates and water) has been forecast with the information available, and this assumes a breakeven year to date and forecast outturn position.

Charging schedules for 2019/20 have now been received from NHS Property Services and the CCG is working with practices to ensure reimbursement for rent from August where these values are agreed.

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.

Additionally, in order to increase capacity to accommodate a future practice closure within the locality it has been agreed to fund increased clinical space at a number of practices. These are:

- Knowle Green – internal reconfiguration of space resulting in a net increase of rent reimbursement of £3,465 per annum;
- Packers (Virginia Water) - internal reconfiguration of space resulting in a net increase of rent reimbursement of £4,055 per annum;
- Staines Health Centre – agreed to fund minor works to create additional clinical space at a cost of £13,520

v. PCO Administered Costs

As at month 4, there is an under spend of £13k and year end forecast of £18k driven mostly by a reduction in seniority payments made in year.

vi. NHSE Managed Budgets

Under delegated co-commissioning arrangements syringe costs are managed by NHSE on a Surrey/Sussex wide basis. These are forecast to be on budget year to date and in the forecast outturn.

vii. Locally Commissioned Services

Quarter 1 claims have been received from practices and paid in July. Backdated payments relating to the outcome of the LCS review and standardisation of payments across Surrey Heartlands will be made to practices alongside quarter 2 claims.

viii. Primary Care Team

The costs of the Primary Care team have been charged against the co-commissioning budget. These costs have been reconciled and allocated to budgets within Guildford and Waverley and North West Surrey and Surrey Downs respectively. Month 4 shows a break even position.

ix. Reserves

The CCG has a risk reserve of £1,970k for primary care co-commissioning, being the difference between the 'top-down' allocation it received and the 'bottom-up' budgets set based on the 2019/20 GMS contract and informed by historic spend.

Against this reserve the Primary Care Co-Commissioning Committee in July approved the decision to fund a number of priority areas. These were to top up funding under the PCN DES for the Clinical Director role including 12 months admin support, set-up costs and support towards legal fees (totalling £180k) and to fund the Clinical Pharmacist role at 100% (maximum £162k). Additionally a Primary Care Implementer role was agreed (£39k).

There will be an additional requirement to fund the practice dispersal policy relating to the closure of Staines Thameside Medical Practice, which would cost a maximum of £91k.

Plans are currently being developed to commit the remaining £1.5m.

In addition, there is a 0.5% contingency reserve of £232k (0.5%) set in accordance with NHSE business rules.

3. Other Primary Care Budgets

The financial position for other Primary Care budgets at Month 4 is as follows;

	Annual Budget	YTD Budget	YTD Spend	YTD Variance	YE Forecast	YE Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Locally Commissioned Services	2,708	903	768	(134)	2,574	(134)
Primary Care Network Support [Core £1.50]	561	187	187	0	561	0
Primary Care IT	1,071	357	357	(0)	1,071	0
Clinical Leads	533	178	151	(26)	497	(35)
Practice Engagement	270	90	107	17	270	0
Sub-Total	5,142	1,714	1,571	(143)	4,972	(170)
Practice Prescribing	43,906	14,664	14,516	(148)	43,757	(148)
Medicines Management	601	200	200	(0)	601	0
Primary Care Prescribing	2,025	613	517	(96)	1,926	(99)
Home Oxygen	679	227	205	(21)	658	(21)
Drug Costs Met Centrally	1,373	458	435	(24)	1,349	(23)
Out of Hours	1,762	587	592	5	1,777	15
Sub-Total	50,345	16,750	16,466	(284)	50,069	(276)
Total	55,487	18,464	18,036	(428)	55,041	(446)

i. Locally Commissioned Services

Costs for locally commissioned services show a £134k under spend which relates to the release of a 2018/19 accrual due to quarter 4 claims being lower than estimated. This value has been adjusted in month 4 to reflect diabetes claims, which have been cross charged against transformation funding. Quarter 1 2019/20 claims were paid to practices in July.

ii. Primary Care Network Support [Core £1.50]

The month 4 position shows a break even position in both the year to date and year end positions. These payments form part of the Primary Care Network DES but are not funded from delegated allocations. Payments have been made to networks from July in line with guidance, backdated to April 2019.

iii. Primary Care IT

The Primary Care IT budget of £1,071k is forecast to breakeven at year end.

iv. Clinical Leads and Practice Engagement

The year to date position against clinical leads shows an under spend of £26k. This is due to vacant posts and maternity leave.

v. Practice Prescribing

The Practice Prescribing Authority (PPA) data is received two months in arrears so this position is based upon May 2019 data. This shows a £148k under spend which has been maintained into the month 4 and forecast positions.

vi. Medicines Management Team

There is currently a small over spend due to maternity leave and backfill arrangements, but is forecast to breakeven at year end.

vii. Primary Care Prescribing

Primary Care Prescribing is forecast to underspent by £99k at year end. This is due to under spends on wound dressings and the release of a prior year accrual on the Medicine Management Quality Delivery scheme, which was paid to practices in June 2019.

viii. Out of Hours

Out of Hours Month 4 shows an over spend of 5k year to date and 15k at year end positions. This relates to drug costs prescribed by the out of hours provider.

4. GP Forward View

The CCG has received an allocation of £2,141k in June to fund GP extended access services. Contracts have been agreed with the Federation (North West Surrey Integrated

Care Services) to provide coverage from April 2019 at the increased rate of 45 minutes' consultation time per 1,000 population.

Additionally, North West Surrey CCG has received the following GPFV allocations on behalf of all Surrey Heartlands CCGs:

- GP Retention £181k
- Practice Resilience £114k
- Reception & Clerical £152k
- On-line Consultation £242k
- Primary Care Networks £625k
- Workforce Training Hubs £143k
- Fellowships Core Offer £129k
- Fellowships Aspiring Leaders £165k

Plans are being drawn up on commitments against these schemes on a Surrey Heartlands wide basis.

Appendix A.

	Annual Budget	Movement in	Annual budget
	M3	M4	M4
	£000s		
Global Sum / MPIG	30,682		30,682
GMS Transitional Relief	147		147
PMS Contracts	245		245
PMS Transitional Payment	4		4
GMS/PMS and APMS Contract Payments	31,078	0	31,078
Extended Hours	138		138
Learning Disabilities	142		142
Dispensing Quality Scheme	6		6
Violent Patients	5		5
Enhanced Services	291	0	291
Aspiration	2,899		2,899
Achievement	1,242		1,242
Quality Outcomes Framework	4,141	0	4,141
Rent	2,539		2,539
Rates	649		649
Water	39		39
Voids & Subsidies	426		426
Other	100		100
Premises Reimbursements	3,754	0	3,754
Seniority	252		252
Locum Payments	467		467
PADM/ Dispensing	235		235
GP Fees Dispensing	50		50
GP Prescriptions Income *	(24)		(24)
GP Retainers	44		44
Safeguarding GP	50		50
CQC Fees	234		234
Interpreting Services	33		33
Clinical Waste	212		212
PCO Administered	1,553	0	1,553
Participation Payment	627		627
Extended Hrs to PCNs (July Onwards)	411		411
Clinical Director	192		192
Clinical Pharmacist	378		378
Social Prescribing	341		341
Primary Care Network DES	1,950	0	1,950
Syringes	18		18
Other Costs	18		18
Primary Care Team	162		162
Primary Care Non Pay	68		68
primary Care Team	230	0	230
PMS Premium Release	79		79
Locally Commissioned Services	1,140		1,140
0.5% Contingency	232		232
Surplus / Risk Reserve	1,970		1,970
Total	46,436	0	46,436

* This relates to dispensing practices only. It is the prescription charge income that practices receive from patients at the point of dispensing, and offsets the income that practices receive for the cost of drugs prescribed which is reimbursed at full cost. The cost to the CCG of the drugs reimbursement to practices is charged against the prescribing budget and not delegated commissioning.

Appendix B.

PMS Release Funds

	Year 1 2016/2017 Premium Release After Additional Support	Year 2 2017/2018 Premium Release After Additional Support	Year 3 2018/2019 Premium Release After Additional Support	Year 4 2019/2020 Premium Release After Additional Support	Year 5 2020/2021 Premium Release After Additional Support	Year 6 2021/2022 Premium Release After Additional Support	2019/20 Total Premium Release
	2016	2017	2018	2019	2020	2021	
Cumulative £	56,316	131,403	212,669	291,876	369,710	389,168	
In Year £	56,316	75,087	81,267	79,207	77,834	19,458	
2019/20 £				291,876			291,876
Delegated Co- Commissioning Allocation							