

Agenda item: 9

Paper no: 7

Title of Report:	East Surrey CCG Finance Report Month Six (September 2019)	
Status:	FOR INFORMATION	
Committee:	Primary Care Co-Commissioning Committees in Common Part One	Date: 08/11/2019
Venue:	Martineau Hall, Dorking Halls, Reigate Road, Dorking, Surrey, RH4 1SG	

Presented by:	Andy Law, Associate Director of Finance (North West Surrey CCG)	
Executive Lead sign off:	Pippa Ross Smith, Chief Finance Officer (NHS Commissioning Alliance)	Date: 17/10/2019
Author(s):	Samantha Kennett, Head of Finance (NHS Commissioning Alliance)	

Governance:

Conflict of Interest: The Author considers:	None identified	✓
Previous Reporting: (relevant committees/ forums this paper has previously been presented to)	East Surrey CCG Primary Care Operational Group 22/10/2019	
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.

This report has been prepared by East Surrey CCG and has been presented to the East Surrey Primary Care Operational Group in October. As part of the transition to Surrey Heartlands the delegated budgets for East Surrey are being reviewed to fully understand the financial commitments in place, the budgeting issues that have been identified from NHSE and the availability of any surplus funds for investment. An update will be brought to the January meeting.

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?	Not Applicable
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 6

Next Steps:

N/A



Primary Care Finance Update

Name of Meeting:	Primary Care Commissioning Operational Group
Date of Meeting:	22 nd October 2019
Item Number:	
Recommendation:	
For information. The group is asked to note the current primary care position within East Surrey CCG (ESCCG).	
Reviewed at:	
The Delegated Primary Care Commissioning budget reports are included within the CCG Financial Reporting to North Place Finance and Performance Committee.	
Summary	
Delegated Budget	
ESCCG took responsibility for the Primary Care commissioning budget on 1 st April 2019; having previously been the responsibility of NHS England (NHSE).	
The opening budgets are set based on the budget book supplied by NHSE. They have provided assurances that any pressure identified relating to before the transfer date would be NHSE responsibility.	
There has been a shortfall in allocation identified in the Primary Care Network (PCN) participation funding. The funding was to cover July 2019 to March 2020; however payments now confirmed as backdated to April 2019.	
The plan was built on the detail within planning guidance including:	
<ul style="list-style-type: none">• Requiring CCGs to commit a recurrent £1.50/head recurrently to developing and maintaining primary care networks so that the target of 100% coverage is achieved as soon as is possible and by 30 June 2019 at the latest.• Real terms investment in primary medical and community services should grow faster than CCGs overall revenue growth.	
Assurance is in progress on the opening budgets to ensure the key requirements are met and to identify any flexibility to be retained within a Primary Care reserve.	
A review of other areas of Primary Care spend including LCS are also detailed in the report.	



Lead Director:	Pippa Ross-Smith – Chief Finance Officer
Clinical Lead	
Author	Samantha Kennett – Head of Finance
Date of Report:	
Financial Implications	
<p>The finance report details the performance of the notified Primary Care Commissioning budget, the impact of which contributes towards the overall CCGs financial performance.</p> <p>The Primary Care Delegated budget is a specific allocation received by the CCG for the commissioning of the Primary Care Services available to the population.</p>	
Legal or Compliance Implications	
NHS Business Rules, Planning Assumptions and NHS England control total.	
Link to key objective and/or assurance framework risk	
<p>Financial Sustainability goal linked to managing of a budget.</p> <p>Be an Effective Organisation goal</p> <p>The finance report is provided to demonstrate the awareness and contributions supporting the on-going financial planning of the CCGs aiming to meet set targets. Managing the budget effectively and being aware of the aligned risks.</p>	
Patient, carer and public engagement	
Delivery of the financial plans supports the communications and engagement with patients, carers and the public.	
Equality Impact Assessment	
An EIA is not appropriate for this report; however, in assuring delivery of our operating plan, Control Total and the associated value for money, the equality of access to delivery of healthcare is supported.	

Primary Care Finance Update

Part 1: Delegated Primary Care Commissioning Finance Update

Background information

East Surrey CCG (ESCCG) took responsibility for the Primary Care commissioning budget on 1st April 2019; having previously been the responsibility of NHS England (NHSE).

The opening budgets are set based on the budget book supplied by NHSE. They have provided assurances that any pressure identified relating to before the transfer date would be NHSE responsibility

The finance team and primary care team continue to work together to gain assurances of the financial position and the process and procedures required to effectively manage the budget.

Assumptions within 2019/20 Budget Setting

The NHSE budget book was used to allocate the budget transferred to the CCG.

Additional budget was transferred to the CCG on recognition of an omission of special allocation.

Budget to include building in a 0.5% contingency reserve £0.1m

Includes additional allocations for required PCN payments e.g. participation and clinical leads.

Financial Performance as at Month 6 September 2019

The below table shows the financial position as at Month 6. A detailed breakdown of this is reported in Appendix 2.

Delegated Co-Commissioning	Year to Date £m			Annual £m		
	Plan	Actual	Variance	Plan	Forecast	Variance
Medical Services Contract	7.8	7.8	0.0	15.6	15.6	0.0
Directed Enhanced Services	0.4	0.4	0.0	1.0	1.0	0.0
QOF (Quality and Outcomes Framework)	1.0	1.0	0.0	2.1	2.1	0.0
Premises	1.3	1.3	0.0	2.6	2.6	0.0
Additional Payments	0.3	0.3	0.0	0.7	0.7	0.0
Other Payments	0.1	0.1	0.0	0.2	0.2	0.0
PMS Premium	0.0	0.0	0.0	0.1	0.1	0.0
GP Pensions	0.0	0.0	0.0	0.0	0.0	0.0
LMC Levy	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	0.0	0.0	0.0	0.2	0.2	0.0
Delegated Co-Commissioning Total	11.0	11.0	0.0	22.5	22.5	0.0

The CCG is reporting to plan for Month 6.

There is no year to date spend within the contingency reserve and the budget is protected by assuming a forecast position. There has been agreement for use of £23k of the contingency on a s96 approved payment.

The PCN payments are within the Direct Enhanced Service. The Plan includes funds set aside for the Primary Care Networks (PCNs) of £0.9m. This is in addition to the £1.50 per head PCN Transformation funding £0.3m that is within Core CCG Allocations.

For the Network Participation payment it is understood that the CCG received 9months budget for payments to commence in July 2019 but these are being back dated to April 2019.

Table below gives a breakdown of the £0.9m.

Due to the value of this table is reported in thousands.

Primary Care Network (PCN)	Year to date £000's			Annual £000's		
	Plan	Actual	Variance	Plan	Actual	Variance
PCN - Extended Hours £1.099 ph	154	155	(1)	290	290	0
PCN - Clinical Director £0.514 ph	32	32	0	95	95	(0)
PCN Payments - Network Participation £1.76 ph	79	154	(75)	237	311	(74)
PCN - Clinical Pharmacist	35	0	35	105	105	0
PCN - Social Prescribing	32	0	32	95	95	0
Total Primary Care Network (PCN)	332	340	(9)	823	897	(74)

Part 2: Other Areas of Primary Care Spend

Financial Performance as at Month 6 September 2019

The below table shows the financial position as at Month 6. This includes the delegated budget detailed in Part 1.

Primary and Community Care	Year to Date £m			Annual £m		
	Plan	Actual	Variance	Plan	Forecast	Variance
Locally Commissioned Services	1.7	1.7	0.0	3.4	3.4	0.0
Primary Care Networks DES	0.1	0.1	0.0	0.3	0.3	0.0
Delegated Co-Commissioning	11.0	11.0	0.0	22.5	22.5	0.0
Out of Hours	0.4	0.4	0.0	0.7	0.7	0.0
GP Forward View	0.3	0.3	0.0	1.0	1.0	0.0
Primary Care Development	0.1	0.1	0.0	0.1	0.1	0.0
GPIT	0.3	0.3	0.0	0.6	0.6	0.0
Primary Care Investment Reserve	0.0	0.0	0.0	0.2	0.2	0.0
Programme Total	13.9	13.9	0.0	28.8	28.8	0.0

There is a small underspend within the Locally Commissioned Services (LCS) that is mainly driven by the activity for LCS's new for 2019/20 not yet at anticipated levels.

The CCG has received the allocation for the Improved Access Service for 2019/20 £1.0m.

There are no significant risks emerging.

Locally Commissioned Services

The Locally Commissioned Services have been reviewed with the Primary Care team and an indicative budget to be set based on the price uplift of 1.4% to all LCS and a 1% activity growth assumption. The LCS budget also includes additional investment for 2 new LCS' expected to commence in 2019/20.

The below table details the current LCS spend based on actual claims received from practices for quarter 1.

Due to the value of spend in LCS these tables are reported in thousands.

Locally Commissioned Services	Year to Date £000's			Annual £000's		
	Plan	Actual	Variance	Plan	Forecast	Variance
Primary and Community Care						
Diabetes	155	178	(22)	311	356	(45)
Anti-Coagulation	248	234	15	497	468	29
Unplanned Care	453	460	(7)	906	920	(14)
Phlebotomy	107	105	3	215	209	5
Referral Management	223	228	(5)	445	456	(11)
Engagement & Elective Care	78	72	6	156	144	12
GP Prescribing	47	47	0	93	93	0
Severe Mental Illness (SMI) Physical Health Care	18	9	9	35	35	0
Rheumatology	34	33	2	68	65	3
Zoladex	19	14	5	39	28	11
Monitoring Toxic Drugs	7	7	0	14	14	1
Basket of Procedures*	282	280	2	563	560	3
Legal Fees	4	4	0	4	4	0
Prior Year	0	(7)	7	0	(7)	7
Primary Care & Community Development Total	1,675	1,663	12	3,347	3,346	1
Stroke, Falls, Care Homes & EOLC						
Care Homes	39	34	5	78	68	11
Stroke, Falls, Care Homes & EOLC Total	39	34	5	78	68	11
	0	0		0	0	
Urgent Care						
Deep Vein Thrombosis	3	3	0	7	6	0
Urgent Care Total	3	3	0	7	6	0
Medicine Management						
H Pylori	3	3	0	7	6	1
Medicine Management Total	3	3	0	7	6	1
Planned Care						
Ambulatory Blood Pressure Monitoring	35	36	(0)	71	71	(0)
Ear Irrigation	72	49	23	145	145	0
Planned Care Total	108	85	23	216	216	(0)
Combined Locally Commissioned Services Total	1,829	1,788	41	3,654	3,642	12

*Basket of Procedures: includes Ambulatory Venous Leg Ulcers, Buddy Service Minor Surgery, removal of Sutures and Clips and Complex Wound Dressings.

Appendix 1

Types of spend within the breakdown of the delegated budget:

Medical Services Contract – Main Contract Payments (GMS/PMS) paid to the practices.

Directed Enhanced Services – Payments for Extended Access and Health Checks.

QOF (Quality and Outcomes Framework) – QOF Achievement and Aspiration payments

Premises – Rent and Rates payment

Additional Payments – Dispensing Fees, Locum payments, Seniority payments

Other Payments – CQC Payments

GP Pension – Pass through of Practitioner Superannuation to NHS Pension Agency

LMC Levy – Pass through of LMC contributions

Reserves – 0.5% of allocation set aside for Contingency as per NHS England business Rules and a Non Recurrent Reserve.

Appendix 2

Delegated Co-Commissioning	Year to Date £m			Annual £m		
	Plan	Actual	Variance	Plan	Forecast	Variance
Medical Services Contract	7.8	7.8	0.0	15.6	15.6	0.0
Directed Enhanced Services	0.4	0.4	(0.0)	1.0	1.0	(0.0)
QOF (Quality and Outcomes Framework)	1.0	1.0	(0.0)	2.1	2.1	(0.0)
Premises	1.3	1.3	0.0	2.6	2.6	0.0
Additional Payments	0.3	0.3	0.0	0.7	0.7	0.0
Other Payments	0.1	0.1	(0.0)	0.2	0.2	(0.0)
PMS Premium	0.0	0.0	0.0	0.1	0.1	(0.0)
GP Pensions	0.0	0.0	0.0	0.0	0.0	0.0
LMC Levy	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	0.0	0.0	0.0	0.2	0.2	0.0
Delegated Co-Commissioning Total	11.0	11.0	0.0	22.5	22.5	0.0
	(14,626)	(14,599)		(29,770)	(29,770)	

Breakdown of Budgets by Area

Medical Services Contract	Year to Date £m			Annual £m		
	Plan	Actual	Variance	Plan	Forecast	Variance
GMS Global Sum	7.7	7.7	0.0	15.5	15.5	0.0
GP Fees Dispensing	0.0	0.0	0.0	0.0	0.0	0.0
GMS Other FDR Payment	0.1	0.1	0.0	0.1	0.1	0.0
Transitional Relief	0.0	0.0	0.0	0.0	0.0	0.0
Medical Services Contract Total	7.8	7.8	0.0	15.6	15.6	0.0
	0	0		0	0	
Directed Enhanced Services	Year to Date £m			Annual £m		
	Plan	Actual	Variance	Plan	Forecast	Variance
Dispensing Quality Scheme	0.0	0.0	0.0	0.0	0.0	0.0
Extended Hours	0.2	0.2	(0.0)	0.3	0.3	0.0
PCN Payments - Clinical Directors	0.0	0.0	0.0	0.1	0.1	(0.0)
PCN Payments - Pharmacists	0.0	0.0	0.0	0.1	0.1	0.0
PCN Payments - Network Participation	0.1	0.2	(0.1)	0.2	0.3	(0.1)
PCN Payments - Social Prescribing	0.0	0.0	0.0	0.1	0.1	0.0
Learning Disability Health Check	0.1	0.1	0.0	0.2	0.1	0.1
Minor Surgery	0.0	0.0	0.0	0.0	0.0	0.0
Violent Patients	0.0	0.0	0.0	0.0	0.0	0.0
TPP Qrisk	0.0	0.0	0.0	0.0	0.0	0.0
Other Costs	0.0	0.0	0.0	0.0	0.0	0.0
Directed Enhanced Services Total	0.4	0.4	(0.0)	1.0	1.0	(0.0)
	0	0		0	0	
QOF (Quality and Outcomes Framework)	Year to Date £m			Annual £m		
	Plan	Actual	Variance	Plan	Forecast	Variance
QOF Aspiration	0.8	0.8	(0.0)	1.5	1.5	(0.0)
QOF Achievement	0.3	0.3	0.0	0.6	0.6	(0.0)
QOF (Quality and Outcomes Framework)	1.0	1.0	(0.0)	2.1	2.1	(0.0)

Total						
	0	0		0	0	
Premises	Year to Date £000's			Annual £000's		
	Plan	Actual	Variance	Plan	Forecast	Variance
Rent	1.0	1.0	0.0	2.1	2.1	(0.0)
Clinical Waste	0.0	0.0	0.0	0.0	0.0	(0.0)
Premises Other	0.0	0.0	0.0	0.1	0.1	0.0
Rates	0.3	0.2	0.0	0.4	0.4	0.0
Water Rates	0.0	0.0	0.0	0.0	0.0	(0.0)
Premises Total	1.3	1.3	0.0	2.6	2.6	0.0
	0	0		0	0	
Additional Payments	Year to Date £000's			Annual £000's		
	Plan	Actual	Variance	Plan	Forecast	Variance
Prof Fees Dispensing	0.1	0.1	0.0	0.1	0.1	(0.0)
GP Prescriptions Income	0.0	0.0	0.0	0.0	0.0	0.0
Seniority	0.1	0.1	0.0	0.1	0.1	0.0
Locum / Adoption / Paternity / Maternity	0.2	0.2	0.0	0.3	0.3	0.0
Interpreting Services	0.0	0.0	0.0	0.0	0.0	(0.0)
GP Fees Dispensing Quality Scheme	0.0	0.0	0.0	0.0	0.0	0.0
GP retainers	27	27	0	55	55	(0)
Additional Payments Total	0.3	0.3	0.0	0.7	0.7	0.0
	0	0		0	0	
Other Payments	Year to Date £000's			Annual £000's		
	Plan	Actual	Variance	Plan	Forecast	Variance
CQC	0.1	0.1	(0.0)	0.1	0.1	(0.0)
PCO Other	0.0	0.0	0.0	0.0	0.0	0.0
Syringes	0.0	0.0	0.0	0.0	0.0	(0.0)
Other	0.0	0.0	0.0	0.1	0.1	0.0
GP Indemnity	0.0	0.0	0.0	0.0	0.0	0.0
Other Payments Total	0.1	0.1	(0.0)	0.2	0.2	(0.0)
	0	0		0	0	
GP Pensions	Year to Date £000's			Annual £000's		
	Plan	Actual	Variance	Plan	Forecast	Variance
Employer Contributions	0.0	0.0	0.0	0.0	0.0	0.0
Employee Added Years Contributions	0.0	0.0	0.0	0.0	0.0	0.0
Employer Prior Year Contributions	0.0	0.0	0.0	0.0	0.0	0.0
Employee Prior Year Contributions	0.0	0.0	0.0	0.0	0.0	0.0
Employee Contributions	0.0	0.0	0.0	0.0	0.0	0.0
GP Pensions Total	0.0	0.0	0.0	0.0	0.0	0.0
	0	0		0	0	
LMC Levy	Year to Date £000's			Annual £000's		
	Plan	Actual	Variance	Plan	Forecast	Variance
Statutory Contributions	0.0	0.0	0.0	0.0	0.0	0.0
Voluntary Contributions	0.0	0.0	0.0	0.0	0.0	0.0
LMC Levy Total	0.0	0.0	0.0	0.0	0.0	0.0
	0	0		0	0	
Reserves	Year to Date £m			Annual £m		
	Plan	Actual	Variance	Plan	Forecast	Variance
0.5% Non Recurrent	0.0	0.0	0.0	0.2	0.2	0.0
Reserves Total	0.0	0.0	0.0	0.2	0.2	0.0

