

Agenda item: 9

Paper no: 8

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

|                                 |   |                         |
|---------------------------------|---|-------------------------|
| <b>Presented by:</b>            | Andy Law, Associate Director of Finance (North West Surrey CCG) |                         |
| <b>Executive Lead sign off:</b> | Claire Fuller, Deputy Chief Finance Officer                     | <b>Date:</b> 18/10/2019 |
| <b>Author(s):</b>               | Andy Law, Associate Director of Finance (North West Surrey CCG) |                         |

**Governance:**

|   |   |   |
|---|---|---|
| <b>Conflict of Interest:</b><br>The Author considers:   | None identified   | ✓ |
| <b>Previous Reporting:</b><br>(relevant committees/ forums this paper has previously been presented to) | Guildford & Waverley CCG Primary Care Operational Group<br>25/10/2019 |   |
| <b>Freedom of Information:</b><br>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 <b>health impact/ outcome</b> and is this in line with the <b>CCG's strategic objectives</b> ? | Primary Care development  |  |
| What is the <b>financial/ resource</b> required?   | As set out in this report |  |
| What <b>legislation, policy or other guidance</b> is relevant?   | Not Applicable            |  |
| Is an <b>Equality Analysis</b> required?   | N/A                       |  |

|  |  |
|--|--|
| Any <b>Patient and Public Engagement/</b> consultation required? | N/A  |
| Potential <b>risk(s)</b> ? (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

**Guildford & Waverley CCG**  
**Primary Care Finance Report September 19 (Month 6 2019/20)**

**1. Overview of Month 6 Financial Position**

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**

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 is detailed in Appendix A.

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 | 18,870        | 9,435         | 9,421         | (14)         | 18,854        | (16)        |
| Enhanced Services                  | 163           | 107           | 112           | 5            | 179           | 17          |
| Quality Outcomes Framework         | 2,462         | 892           | 903           | 11           | 2,473         | 10          |
| Premises Reimbursements            | 2,715         | 1,329         | 1,337         | 8            | 2,731         | 16          |
| PCO Administered                   | 1,607         | 804           | 757           | (47)         | 1,498         | (109)       |
| NHSE Managed Contracts             | 18            | 9             | 9             | 0            | 18            | 0           |
| Primary Care Network DES           | 1,032         | 407           | 407           | (0)          | 1,032         | 0           |
| Locally Commissioned Services      | 287           | 143           | 143           | 0            | 287           | 0           |
| Primary Care Team                  | 159           | 80            | 80            | 0            | 160           | 0           |
| Primary Care Non Pay               | 67            | 34            | 34            | 0            | 67            | (0)         |
| Contingency                        | 139           | 69            | 69            | 0            | 139           | 0           |
| Surplus / Risk Reserve             | 301           | 151           | 188           | 37           | 383           | 82          |
|                                    | <b>27,821</b> | <b>13,459</b> | <b>13,460</b> | <b>0</b>     | <b>27,821</b> | <b>0</b>    |

**i. GMS, PMS and APMS Contract Payments**

The financial position as at month 6 shows a year to date under spend of £14k and £16k at year end. This reflects the adjustment to list sizes which have been made in July.

**ii. Enhanced Services**

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 over spend by £17k at year end mainly due to learning disability health check payments being above plan.

**iii. Quality Outcomes**

Payments relating to the Quality Outcomes Framework are automatically calculated by the Calculating Quality Reporting Service (CQRS). An aspiration payment based on 2018/19 achievement has been made to practices in June. The month 6 position is showing an over spend of £11k which reflects an under accrual in 2018/19, which has been maintained into the forecast outturn.

#### **iv. Premises Costs**

The position for reimbursable practice costs (rent, rates and water) has been forecast to over spend by £16k driven mostly by increased rates payments made to NHSPS properties for 2019/20.

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

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**

As at month 6 there is a year to date under spend of £47k and forecast year end under spend of £109k. This is driven mostly by the release of a prior year clinical waste accrual and a reduction in seniority payments made in year, partially offset by a reduction in prescribing income deductions.

#### **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 Enhanced 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 6 shows a break even position for year end.

#### **ix. Reserves**

The CCG has an indicative budget surplus of £301k 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 £49k) and to fund the Clinical Pharmacist role at 100% (maximum £65k).

There will be an additional requirement to fund the practice dispersal policy relating to the closure of New Inn Medical Practice, which would cost a maximum of £61k.

This leaves £126k of the reserve as uncommitted, with a paper to be presented to the Primary Care Co-Commissioning Committee in November for discussion.

In addition, the 0.5% contingency reserve of £139k, in accordance with NHSE business rules has been set.

### 3. Other Primary Care Budgets

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       |
| Locally Commissioned Services                | 2,422         | 1,211         | 1,210         | (1)          | 2,421         | (1)         |
| Primary Care Network Support [core £1.50]    | 355           | 178           | 178           | 0            | 355           | 0           |
| Primary Care IT                              | 667           | 334           | 334           | 0            | 667           | 0           |
| Clinical Leads                               | 306           | 153           | 163           | 10           | 327           | 21          |
| Practice Engagement                          | 0             | 0             | 0             | 0            | 0             | 0           |
| <b>Sub-Total</b>                             | <b>3,750</b>  | <b>1,876</b>  | <b>1,885</b>  | <b>9</b>     | <b>3,770</b>  | <b>20</b>   |
| Practice Prescribing                         | 27,736        | 13,868        | 13,939        | 71           | 27,950        | 214         |
| Prescribing PDS                              | 108           | 54            | 38            | (16)         | 92            | (16)        |
| Primary Care Prescribing / Other Prescribing | 1,435         | 717           | 694           | (23)         | 1,435         | 0           |
| Medicines Management                         | 794           | 397           | 366           | (31)         | 773           | (21)        |
| Home Oxygen                                  | 339           | 169           | 178           | 9            | 339           | 0           |
| Drugs costs Met Centrally                    | 836           | 418           | 413           | (5)          | 836           | 0           |
| Out of hours                                 | 1,140         | 570           | 520           | (50)         | 1,090         | (50)        |
| <b>Sub-Total</b>                             | <b>32,388</b> | <b>16,193</b> | <b>16,148</b> | <b>(45)</b>  | <b>32,515</b> | <b>127</b>  |
| <b>Total</b>                                 | <b>36,138</b> | <b>18,069</b> | <b>18,033</b> | <b>(36)</b>  | <b>36,285</b> | <b>147</b>  |

#### i. Locally Commissioned Services

Quarter 1 2019/20 claims have been received and paid in July. The month 6 position is showing forecast as breakeven.

#### ii. Primary Care Network Support [Core £1.50]

The month 6 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. Practice Prescribing

The Practice Prescribing Authority (PPA) data is received two months in arrears so this position is based upon July 2019 data. This shows an £71k over spend year to date. The forecast over spend of £214k represents the anticipated impact of the price increase to Category M drugs from August.

#### **iv. Medicines Management Team**

There is a year to date under spend of £31k at month 6 due to vacancies within the team. The budget is forecast under spend by £21k at year end.

#### **iv Out of Hours**

At month 6 the Out of Hours budget is forecast to under spend by £50k. This is driven by release of 1819 accruals.

#### **4. GPFV**

The CCG has received an allocation of £1,279k in June to fund GP extended access services. Contracts are in place with the Federation (Procare) 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:

- Practice Resilience £114k – this funding will be distributed to practices via an application process, which will be assessed upon a range of criteria. The scoring criteria will be presented to PCOGs in October for agreement and feedback.
- Reception & Clerical (Workflow Optimisation) £152k – this funding, along with the allocation received in 2018/19 (£153k Surrey Heartlands wide) has been paid to networks in September, based upon network list size.
- On-line Consultation £242k – a Surrey Heartlands wide procurement process to secure on-line consultation software is due to commence in November.
- Primary Care Networks £625k – this is due to be paid to networks in November, based upon network list size.

Additional GPFV allocations for which plans are being drawn are:

- GP Retention £181k
- Workforce Training Hubs £143k
- Fellowships Core Offer £129k
- Fellowships Aspiring Leaders £165k

## Appendix A

### Primary Care Co-Commissioning Budget Tracker

|   | Annual Budget | Movement in | Annual budget |
|---|---------------|-------------|---------------|
|   | M5            | M6          | M6            |
|   | £000s         |             |               |
| Global Sum / MPIG                         | 13,982        |             | 13,982        |
| GMS Transitional Relief                   | 57            |             | 57            |
| PMS Contracts                             | 4,756         |             | 4,756         |
| PMS Other                                 | 75            |             | 75            |
| <b>GMS/PMS and APMS Contract Payments</b> | <b>18,870</b> | <b>0</b>    | <b>18,870</b> |
| Extended Hours                            | 51            |             | 51            |
| Learning Disabilities                     | 63            |             | 63            |
| Dispensing Quality Scheme                 | 46            |             | 46            |
| Violent Patients                          | 3             |             | 3             |
| <b>Enhanced Services</b>                  | <b>163</b>    | <b>0</b>    | <b>163</b>    |
| Aspiration                                | 1,784         |             | 1,784         |
| Achievement                               | 679           |             | 679           |
| <b>Quality Outcomes Framework</b>         | <b>2,462</b>  | <b>0</b>    | <b>2,462</b>  |
| Rent                                      | 2,221         |             | 2,221         |
| Rates                                     | 404           |             | 404           |
| Water                                     | 33            |             | 33            |
| Premises Other                            | 57            |             | 57            |
| <b>Premises Reimbursements</b>            | <b>2,715</b>  | <b>0</b>    | <b>2,715</b>  |
| Seniority                                 | 260           |             | 260           |
| Locum Payments                            | 321           |             | 321           |
| PADM / Dispensing                         | 147           |             | 147           |
| GP Fees Dispensing                        | 604           |             | 604           |
| GP Prescriptions Income *                 | (167)         |             | (167)         |
| GP Retainers                              | 78            |             | 78            |
| CQC Fees                                  | 140           |             | 140           |
| Interpreting Services                     | 28            |             | 28            |
| Clinical Waste                            | 197           |             | 197           |
| <b>PCO Administered</b>                   | <b>1,607</b>  | <b>0</b>    | <b>1,607</b>  |
| Participation Payment                     | 379           |             | 379           |
| Extended Hrs to PCNs (July Onwards)       | 249           |             | 249           |
| Clinical Director                         | 117           |             | 117           |
| Clinical Pharmacist                       | 151           |             | 151           |
| Social Prescribing                        | 136           |             | 136           |
|   | 1,032         | 0           | 1,032         |
| Syringes                                  | 18            |             | 18            |
| Other Costs                               | 18            |             | 18            |
| Primary Care Team                         | 159           |             | 159           |
| Primary Care Non Pay                      | 67            |             | 67            |
| <b>primary Care Team</b>                  | <b>226</b>    | <b>0</b>    | <b>226</b>    |
| PMS Premium Release                       | 70            |             | 70            |
| Locally Commissioned Services             | 217           |             | 217           |
| 0.5% Contingency                          | 139           |             | 139           |
| Surplus / Risk Reserve                    | 301           |             | 301           |
| <b>Total</b>                              | <b>27,821</b> | <b>0</b>    | <b>27,821</b> |

\* 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<br>2016/2017<br>Premium<br>Release<br>After<br>Additional<br>Support | Year 2<br>2017/2018<br>Premium<br>Release<br>After<br>Additional<br>Support | Year 3<br>2018/2019<br>Premium<br>Release<br>After<br>Additional<br>Support | Year 4<br>2019/2020<br>Premium<br>Release<br>After<br>Additional<br>Support | Year 5<br>2020/2021<br>Premium<br>Release<br>After<br>Additional<br>Support | Year 6<br>2021/2022<br>Premium<br>Release<br>After<br>Additional<br>Support | 2019/20<br>Total<br>Premium<br>Release |  |
|----------------------|---|---|---|---|---|---|--|--|
|                      | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |  |  |
| <b>Cummulative £</b> | 52,627  | 122,796   | 192,965   | 263,134   | 333,303   | 350,845   |  |  |
| <b>In Year £</b>     | 52,627  | 70,169  | 70,169  | 70,169  | 70,169  | 17,542  |  |  |
| <b>2019/20 £</b>     |   | 122,796   |   | 140,338   |   |   | 263,134                                |  |
|                      | CCG Core Funding -<br>Locally Commissioned<br>Services                      |   | Delegated Co-Commissioning Allocation                                       |   |   |   |  |  |