

Agenda item: 9

Paper no: 9

Title of Report:	North West 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:	Claire Fuller, Deputy Chief Finance Officer	Date: 18/10/2019
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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)	North West Surrey CCG Primary Care Operational Group 25/10/19	
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?	Not Applicable	
Is an Equality Analysis required?	N/A	

Working across Surrey Heartlands

East Surrey CCG | Guildford and Waverley CCG | North West Surrey CCG | Surrey Downs CCG

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

North West Surrey 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 in Common on the Month 6 (end of September) 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	15,539	15,536	(3)	31,070	(8)
Enhanced Services	291	215	227	13	300	9
Quality Outcomes Framework	4,141	1,449	1,450	0	4,141	0
Premises Reimbursements	3,754	1,614	1,610	(4)	3,748	(6)
PCO Administered	1,553	777	770	(6)	1,558	5
NHSE Managed Contracts	18	9	9	0	18	0
Locally Commissioned Services	1,219	609	609	0	1,219	0
Primary Care Network DES	1,950	859	859	(0)	1,950	0
Primary Care Team	162	81	81	0	162	0
Primary Care Non Pay	68	34	35	0	68	(0)
Contingency	232	116	116	0	232	0
Surplus / Risk Reserve	1,970	985	985	0	1,970	0
	46,436	22,287	22,287	0	46,436	(0)

i. GMS, PMS and APMS Contract Payments

The financial position as at month 6 shows a small underspend 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 6 position shows a year to date over spend of £13k and a forecast over spend of £9k. These reflect an under accrual for extended hours in 2018/19, offset by in year under spends against learning disability health checks.

iii. Quality Outcomes

Payments relating to the Quality Outcomes Framework are automatically calculated by the Calculating Quality Reporting Service (CQRS). The Month 6 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 shows a small under spend on year to date and forecast outturn position.

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 is made where these values have been 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 6, there is an under spend of £6k and year end forecast over spent of £5k driven mostly by locum reimbursement 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 6 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 Tameside Medical Practice, which would cost a maximum of £91k.

Plans are currently being developed to commit the remaining £1.5m with a paper to be presented to the Primary Care Co-Commissioning Committee in November for discussion.

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 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	2,708	1,354	1,219	(135)	2,573	(134)
Primary Care Network Support [core £1.50]	561	281	283	2	561	0
Primary Care IT	1,071	535	535	0	1,071	0
Clinical Leads	533	266	222	(44)	466	(67)
Practice Engagement	270	135	131	(4)	262	(8)
Sub-Total	5,143	2,570	2,390	(181)	4,933	(209)
Practice Prescribing	43,965	21,947	21,785	(162)	44,401	437
Medicines Management	601	300	288	(12)	601	(0)
Primary Care Prescribing	2,025	919	784	(135)	1,859	(166)
Home Oxygen	679	339	327	(11)	657	(23)
Drugs Costs Met Centrally	1,373	684	666	(18)	1,336	(37)
Out of Hours	1,781	890	889	(1)	1,778	(2)
Sub-Total	50,423	25,079	24,740	(339)	50,632	209
Total	55,565	27,650	27,130	(520)	55,565	0

i. Locally Commissioned Services

Costs for locally commissioned services show a £135k under spend which relates to the release of a 2018/19 accrual due to quarter 4 claims being lower than estimated. Quarter 1 2019/20 claims were paid to practices in July.

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. 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 £44k. 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 July 2019 data. This shows a £162k under spend year to date. The forecast position is a £437k over spend which reflects the Category M price increase from August.

vi. Medicines Management Team

There is currently a small underspend of £12k, but is forecast to breakeven at year end.

vii. Primary Care Prescribing

Primary Care Prescribing is forecast to underspent by £166k 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 6 shows a small under spend of 1k year to date and 2k 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:

- 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 up are:

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

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							