

CCG REPORT COVER SHEET

Meeting Title:	Primary Care Commissioning Committee Meeting in Public	Date: 12 March 2019								
Report Title:	Primary Care Finance Report – Month 10	Agenda Item: 3.4								
Chief Officer:	Louis Kamfer, Chief Finance Officer									
Clinical Lead:										
Report Author:	Louise Jinks, Finance Lead (Primary Care), C&P CCG									
Document Status:	Final									
Report Summary:	This paper updates the Committee on the financial performance of the Primary Care budgets to 31 January 2019 (Month 10).									
Report Purpose:	<table border="1"> <tr> <td>For Assurance</td> <td></td> <td>For Decision</td> <td></td> <td>For Approval</td> <td></td> <td>For Noting</td> <td>X</td> </tr> </table>	For Assurance		For Decision		For Approval		For Noting	X	
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Recommendation:	The Committee is asked to note the Primary Care Finance Report.									
Link to Corporate Objective:	Objective 1 – Delivering the Improvement Plan for 208/19 and beyond;	X								
	Objective 2 – Delivering the Financial Plan for 2018-2019	X								
	Objective 3 – Delivering national must dos and service priorities set out in the National Planning Guidance	X								
	Objective 4 – Ensuring clear oversight of patient safety and quality	X								
	Objective 5 – Ensuring robust governance arrangements are in place to ensure the CCG delivers its statutory duties	X								
	Objective 6 – Ensuring delivery of robust engagement and communications plans to support delivery	X								
CAF (Strategic Risk) Reference	Description of Risk	Current Risk Score								
CAF01	Failure to engage with Member Practices and wider stakeholders	16 (R)								
CAF12	Failure to achieve the Financial Control total agreed with NHS England	20 (R)								
CAF22	Risk to maintaining robust CCG Governance Arrangements	12 (A)								
NHSE CCG IAF Links	IAF 1 Domain 1 - Better Health	X								
	IAF 2 Domain 2 - Better Care	X								
	IAF 3 Domain 3 - Sustainability:	X								
	IAF 4 Domain 4 - Leadership	X								
Resource implications:	Refer to main report.									
Chief Officer/ SRO Sign Off:										
Chief Finance Officer Sign Off: (if required)										
Legal implications including equality and diversity assessment:	EDS Goal 1 – Better health outcomes for all.									
Conflicts of Interest										
Report history:	Regular report to Committee.									
Next steps:	To continue monthly reporting to the Committee.									

MEETING: PRIMARY CARE COMMISSIONING COMMITTEE MEETING IN PUBLIC

AGENDA ITEM: 3.1 **SECTION:** OPERATIONS

DATE: 12 MARCH 2019

TITLE: PRIMARY CARE FINANCE REPORT – MONTH 10 2018/19

FROM: CHIEF FINANCE OFFICER

FOR: DISCUSSION/INFORMATION

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide the Committee with an overview of the month 10 financial position for all primary care budgets.
- 1.2 Table 1 below shows the summary position at month 10.

TABLE 1	YTD Month 10				Forecast Position			
	Plan £000's	Actual £000's	Variance (Adv) / Fav £000's	%	Plan £000's	Actual £000's	Variance (Adv) / Fav £000's	%
Other Primary Care	9,872	15,263	(5,391)	(48%)	11,847	18,207	(6,360)	(54%)
Delegated Commissioning	101,529	96,612	4,917	5%	125,056	118,900	6,156	5%
Total Primary Care Commissioning	111,401	111,876	(475)	1%	136,902	137,107	(205)	(0%)

- 1.3 At month 10, Primary Care Commissioning is showing an overall year to date overspend of £475k and a forecast overspend of £205k. The year to date variance is due to the budget for improved access being phased in 12ths but the expenditure will be incurred from October to March. The adverse forecast movement in position from month 9 is due to Delegated Commissioning costs increasing in month 10. This is mainly due to January 2019 list size adjustment payments and receipt of locum fee invoices.
- 1.4 The variance between the two rows is due to the PMS to GMS rebasing exercise and a reserve release at month 10 of £1,250k in delegated commissioning to offset the QIPP target within Primary Care. This can be seen in Table 2 in Delegated Commissioning 'Other Reserves (6)' and 'PMS/GMS Reserves Release (7)' and Table 3 in Other Primary Care 'Primary Care QIPP' £1,250k and 'Primary Care Rebasing to DEL' £5,292k.

- 1.5 There are currently unmitigated risks shown in the risk table, shown in Table 5. These are being reviewed and are likely to crystallise. We are therefore expecting to see an increase in the forecast position in month 11.

2. DELEGATED COMMISSIONING – MONTH 10 POSITION

- 2.1 The overall year to date position as at 31 January 2019 is an underspend of £4,917k, as summarised in Table 2 below.

TABLE 2	FYE Budget £000's	Budget YTD M10 £000's	Actuals YTD M10 £000's	YTD Variance fav / (adv) £000's	FOT £000's	FOT Variance fav / (adv) £000's
Contractual (1)	85,519	71,339	72,168	(829)	86,633	(1,115)
Premises Reimbursements (2)	12,879	10,884	10,097	787	11,821	1,058
Enhanced Services (3)	2,498	1,862	1,658	204	2,010	488
QOF (4)	10,764	6,282	6,180	103	10,680	84
Other GP Services (5)	7,261	5,514	6,510	(996)	7,756	(495)
Other Reserves (6)	726	1,428	0	1,428	0	726
Sub - Total	119,647	97,310	96,612	697	118,900	747
PMS/GMS reserve release (7)	5,409	4,219	0	4,219	0	5,409
Total Delegated Commissioning	125,056	101,529	96,612	4,917	118,900	6,156

- 2.2 Contractual (1). The payment for the Atypical Population adjustment has been paid in November 18 and backdated to February 18. The full adjustment amount of £262k is included in the forecast position. The DDRB uplift of £900k is now fully reflected in the forecast position.
- 2.3 Premises Reimbursements (2). The favourable YTD variance of £787k relates to a benefit from premises rates being reduced due to a national rebasing exercise..
- 2.4 Enhanced Services (3). Enhanced service payments have been paid for quarter's one to three. The forecast underspend of £488k is mainly in Direct Enhanced Services for Extended Hours and Minor Surgery.
- 2.5 QOF (4). The favourable YTD variance of £103k is due to some final 17/18 QOF achievement amendments for a few practices, resulting in slightly lower payments being due. QOF achievement is being forecasted based on the 17/18 practice percentage achievement with an uplift to include the payable rate for 18/19.
- 2.6 Other GP Services (5). The adverse YTD variance of £996k is mainly due to CQC fees which have been paid annually but the budget has been profiled monthly and locum fee invoices.
- 2.7 Other Reserves (6). The favourable YTD variance of £1,428k represents the release of 10 months QiPP £1,250k and the release of £178k to cover locum costs for 17/18.
- 2.8 PMS/GMS Reserves (7). The favourable YTD variance is due to the release of 10 months of PMS/GMS rebasing for agreed reinvestment into Primary Care. This spend is included in section 3. Other Primary Care below.
- 2.9 A brief description of each category of spend is outlined in Appendix A.

3. OTHER PRIMARY CARE

3.1 Table 3 below shows the year to date (YTD) and forecast position for primary care expenditure within the CCG's programme budget. There is a year to date and forecast overspend which is offset by the delegated commissioning budget.

TABLE 3 Project/Scheme Description	Year to Date Month 10				FOT Month 10	
	Annual Budget £'000	YTD Budget £000	YTD Actual £000	YTD Variance £000	Forecast Outturn £000	Forecast Variance £000
LES						
Anti-coagulation monitoring	1,159	966	948	18	1,138	21
Minor injury services	347	289	307	(18)	368	(21)
LHRH	207	172	174	(2)	209	(2)
Nursing Homes Local Schemes	573	477	486	(9)	584	(11)
Phlebotomy LES	1,004	837	843	(6)	1,011	(7)
NPT	726	605	612	(8)	735	(9)
24hr BP Monitoring	163	136	136	0	158	5
Complex Dressings LES	866	721	782	(60)	922	(57)
Treatment Room	1,436	1,197	1,197	0	1,436	0
Diabetes	270	225	225	0	270	0
Other LES (<£100k)	241	201	211	(10)	258	(17)
LES Total	6,992	5,827	5,921	(94)	7,089	(97)
Other Primary Care						
Other Expenditure	708	579	513	66	616	92
AQP Vasectomy	275	229	219	10	269	6
Dermatology GPSI	325	270	273	(3)	328	(4)
PDMA/QEF	3,579	2,706	2,698	8	3,579	(0)
Primary Care IT	1,726	1,438	1,209	229	1,726	0
Other Primary Care Total	6,612	5,223	4,913	310	6,518	94
Practice Transformation						
New Care Models/Primary Care at Scale	1,500	1,250	1,022	227	1,431	69
Improving Access	175	146	0	146	65	110
Workforce	241	200	118	83	311	(70)
Workload	248	207	90	116	119	129
Unallocated	6	5	0	5	0	6
Practice Transformation Total	2,169	1,807	1,231	577	1,925	244
Primary Care Investments - Improved Access						
GPFV GP Dev Reception & Clerical Train	164	136	75	61	164	0
GPFV Online Consult Software Sys	321	267	267	0	321	0
GPFV Improved GP Access Scheme	3,667	3,056	2,837	219	3,667	0
GPFV GP Retention	118	98	20	78	118	0
Primary Care Investments/ Improved Access Total	4,269	3,558	3,199	359	4,269	0
Primary Care rebasing to DEL com	(6,696)	(5,292)	0	(5,292)	(1,595)	(5,101)
Primary Care QIPP	(1,500)	(1,250)	0	(1,250)	0	(1,500)
CCG Primary Care	11,847	9,872	15,263	(5,391)	18,207	(6,360)

3.2 The practice transformation budget includes the £1.50 per head General Practice Forward View funding for 2018/19 of £1,398k plus the 17/18 underspend of £771k, this ensures that the full £3 per head is made available to GP practices over the two years.

3.3 The YTD underspend on the primary care investments line is mainly due to the budget for improved access being phased in 12ths but the expenditure plan is now for the spend to be from October to March.

3.4 It is planned that the £1.5m QIPP target will be met from the underspend against the reserves within delegated commissioning.

4. GPFV TRANSFORMATION FUND 2018/19

4.1 Table 4 below shows details of the schemes funded by the General Practice Forward View Transformation Fund for 2018/19.

4.2 Expenditure is closely monitored each month and is currently showing a forecast underspend of £244k. If this forecast underspend materialises it will be carried forward into 2019/20.

Initiative	Budget 2018/19 £	YTD Budget Month 10 £	YTD Actuals Month 10 £	YTD Variance Month 10 £	Total Expenditure Apr-Mar19 £	Variance to budget £
TABLE 4						
New Care Models/Primary Care at Scale						
LUCHs - continued investment as per Business Case - E	115,760	96,467	86,820	9,646	125,407	(9,647)
LUCHs - continued investment as per Business Case - D	68,336	56,946	0	56,946	0	68,336
LUCHs - continued investment as per Business Case - W	77,816	64,847	0	64,847	77,816	0
Primary Care Home - Granta Medical Practices	99,300	82,750	41,377	41,374	99,302	(2)
Alliance Working with system partners (pathway development) - GPN Ltd	260,802	217,335	217,335	0	260,802	0
Oundle - new care model	16,358	13,632	16,358	(2,726)	16,358	0
Northstowe Development	8,000	6,667	0	6,667	8,000	0
Primary Care at Scale offer	400,000	333,333	327,366	5,967	400,000	0
Investment in West Cambs and Cambridge Federation for at scale working	403,164	335,970	333,174	2,796	403,164	0
Additional IT support for practice mergers	50,000	41,667	0	41,667	0	50,000
Octagon - Management support	0	0	0	0	40,000	(40,000)
Sub-Total	1,499,536	1,249,614	1,022,430	227,183	1,430,850	68,687
Improving Access						
Support for delivery of interim solution, including IT platform, Rota management system and some consumables so practices are ready for delivery from 1 October or earlier as planned and agreed	175,000	145,833	0	145,833	64,551	110,449
Sub-Total	175,000	145,833	0	145,833	64,551	110,449
Workforce						
Training Hubs (including Nurse Tutors)	240,570	200,475	95,508	104,967	238,570	2,000
Education events & MH training		0	22,300	(22,300)	22,300	(22,300)
CCG Contribution for WF Retention	0	0		0	50,000	(50,000)
Sub-Total	240,570	200,475	117,808	82,667	310,870	(70,300)
Workload						
Time to Care programme - backfill support for available programmes on offer	247,980	206,650	90,460	116,190	118,752	129,228
Sub-Total	247,980	206,650	90,460	116,190	118,752	129,228
Total	2,163,086	1,802,572	1,230,699	571,873	1,925,023	238,064
Unallocated budget	5,574	4,644	0	4,644		5,574
Grand Total	2,168,660	1,807,216	1,230,699	576,517	1,925,023	243,637

5. KEY FINANCIAL RISKS

- 5.1 The key risks to delivery of financial balance within primary care budgets in 2018/19 are outlined in Table 5 below, alongside the mitigations available.
- 5.2 The current risk included in the forecast breakeven position is £1,595k shown in Table 3 'Primary Care rebasing to Del com'. The current assessment of risk shown in Table 5 below includes £240k for PMS Reconciliations which has not yet been included in the forecast position. This is due to further on-going work to understand the reconciliation process.

TABLE 5	Total	Risk	Assessed	
Month 9	Risk	Assessment	Risk	Comments
	£'000	%	£'000	
Total Current Risks Identified				
DDRB increase to contracts	(900)	100%	(900)	1% uplift for GMS/PMS/APMS contracts for 18/19
Atypical Population - Thistle Moor Medical Practice	(262)	100%	(262)	Additional funding agreed for Thistle Moor.
17/18 accruals for income not materialised	(300)	100%	(300)	Accruals were over stated at 17/18 year end for pre delegated commissioning costs to be recharged to NHSE.
Agreement to spend Transformation Fund slippage	(244)	50%	(122)	
PMS Reconciliations	(240)	100%	(240)	PMS core contract payments calculated and paid incorrectly in 2017/18. This is not yet included in the forecast position.
Current assessment of Risk	(1,946)		(1,824)	
Total Current Mitigations				
Do not spend Transformation Fund slippage	244	50%	122	Slippage into 19/20
Improving Access	264	100%	264	Slippage on Improving Access due to schemes starting mid year.
LES expenditure	70	75%	53	
Syrian Families funding out of time	100	100%	100	Unused balance of funding after the 12 month funding period.
Rate reviews	200	58%	115	Due to National rebasing exercise. Assessed down due to 18/19 savings possibly already included in expenditure and clarification needed from NHSE how to access 17/18 savings.
GP On Line 17/18 accrual	235	100%	235	Accrual from 17/18 which should not be needed. Already funded in 18/19 and into 19/20.
GP dev reception & clerical training	110	50%	55	Slippage into 19/20
Online consult software system	321	75%	241	Slippage into 19/20
Current Mitigations	1,544		1,184	
Current shortfall in mitigations	(402)		(640)	

6. RECOMMENDATION

- 6.1 The Committee is asked to note the following:
- 1 The YTD Month 10 position and forecast financial position.
 - 2 The risks associated with the forecast and the mitigations available to offset these risks.

Appendix A – Types of contractual spend

- **Contractual payments** contains General Practice GMS, PMS and other list based services relating to contract; these list size driven budgets are allocated at practice level. They include global sum, MPIG, contract values, PMS premium/growth and seniority budgets. These budgets, with the exception of the PMS premium treatments are driven by contractual obligations.
- **Enhanced Services** are budgeted for on the basis of historic achievement for the ad-hoc smaller payments or recognising the potential full achievement for those which are list size/patient driven for the practices that have signed up to the particular services, e.g. extended hours. Payment is based upon achievement so variances against budget can occur.
- **Other – GP Services** include budgets and payments for dispensing & prescribing professional fees and locum allowances such as for maternity & paternity cover. Budgets for the locum allowances are not allocated at practice level at the start of the year as claims can be difficult to forecast but are held in a default code and released once incurred.
- **Premises cost reimbursements** include budgets for rent, rates and water charges. Premises budgets are also allocated on a contractual basis and have very little scope for local influence other than through commissioner decisions around future investments in buildings or estate rationalisation.
- **Quality Outcomes Framework (QOF)** aspiration payments are based upon 70% of the previous year's achievement adjusted for year on year points and price changes. Budgets are set in line with this and pro rata to reflect final forecast achievement. As payment is based upon actual achievement this means that the CCG may have a financial risk or benefit depending on future practice achievement.
- **Reserves** includes budgets for anticipated list size changes, premises rent increases etc. as well as some central budgets such as Clinical Waste, Occupational Health Contracts and Translation Services. CQC Fees are also funded from here along with any QoF over achievement and any additional enhanced services signed up for after the budgets were set.