

Financial Report at Month 3

Primary Care Commissioning Committee meeting

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27 July 2017

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Is your report for Approval / Consideration / Noting	
For Consideration: This report provides information on the financial position for primary care budgets for 3 months to 30 June 2017 and asks PCCC to consider the risks and issues to be managed in year.	
Are there any Resource Implications (including Financial, Staffing etc)?	
None.	
Audit Requirement	
<u>CCG Objectives</u> <i>Which of the CCG's objectives does this paper support?</i> Strategic Objective - To ensure there is a sustainable, affordable healthcare system in Sheffield. It supports management of the CCG's principal risks 3.1, 4.1, 4.2 and 4.3 in the Assurance Framework.	
<u>Equality Impact Assessment</u> <i>Have you carried out an Equality Impact Assessment and is it attached?</i> No. <i>If not, why not?</i> There are no specific issues associated with this report.	
<u>PPE Activity</u> <i>How does your paper support involving patients, carers and the public?</i> Not applicable.	
Recommendations	
The Primary Care Commissioning Committee is asked to note the financial position at month 3 and consider the potential risks and challenges to delivery of a balanced financial position against primary care budgets for 2017/18.	

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1. Introduction

The purpose of this paper is to update the Committee on the financial position at month 3 and to give a forecast on the potential year end position.

2 Financial Position: At Month 3 and Forecast Out-turn

The month 3 year-to-date position is showing a small underspend of £80k on the Delegated budgets and an underspend of £40k on the Additional CCG Commissioned budgets. At month 3, the forecast outturn position has been kept at a break-even position, as at this stage in the financial year we would expect to fully utilise the primary care budget although decisions will not be taken on for example the winter resilience reserve until later in the year, in the context of both the CCG's overall position re urgent care requirements and finance.

Table 1 below summarizes the position and Appendices **A and B** show the detail.

Primary Care delegated budget (Appendix A) the year to date variances relate to;

- Core contract: the underspend of £50k relates to list size adjustments. The budget for core contract was uplifted by 0.4% for 2017/18 to reflect an expected demographic increase. The variance is due to the actual list size currently calculated as at April 2017 where the increase is less than expected and also due to the volatility of the student population.
- Premises: an underspend of £30k is reported against the reserve set aside for pressures resulting from the re-valuation of premises. These pressures have not yet materialised.

Additional Primary Care Services (Appendix B) – the variance relates to very small underspends on numerous services.

Budget Changes Two amendments have been actioned to budgets at month 3:

- £150k has been brought in non-recurrently to support the full year impact of CASES within the contract with Primary Care Sheffield Ltd.
- £101k has been allocated from NHS England for Reception and Clerical Training.

	Primary Care Delegated Budgets	Additional CCG Commissioned Services	Additional CCG Commissioned Services	Total	
Table 1 : Summary of Resources 2017/18	Total	Recurrent	Non-Recurrent	Total	
	£'000	£'000	£'000	£'000	
Closing Allocation from 2016/17	74,653			74,653	
2017/18 Cash Uplift on Allocation	1,375	0		1,375	
Confirmed Allocation NHSE	76,028	0		76,028	
Closing Recurrent Budget from CCG Programme		8,728		8,728	
Previously Approved Budget Changes (note 1)	(3,100)	3,100	883	883	
Proposed Budget 2017/18 (29th March meeting)	72,928	11,828	883	85,639	
Following Further Budget Review:					
Funding Between Budgets	(800)	800		0	
Transfer From Commissioning Reserve		247		247	
Transfer From NHS England (GP Extended Access)		3,479		3,479	
Revised Opening Budget 2017/18 (note 2)	72,128	16,354	883	89,365	
Month 3 Budget Movements					
Transfer From Commissioning Reserve		150		150	
Allocation from NHS England for Reception and Clerical Training	101			101	
Revised 2017/18 Budget	72,229	16,504	883	89,616	
Projected Spend at Month 3					
Delegated Expenditure					
Core Contract	49,704			49,704	
Premises	9,711			9,711	
Directed Enhanced Services	1,763			1,763	
QOF	7,559			7,559	
Other GP Services	2,766			2,766	
Additional CCG-Commissioned Expenditure:					
Ophthalmology		291		291	
GP Services		8,617		8,617	
Pharmacy		448		448	
Other Primary Care Expenditure		6,798		6,798	
Reserves:					
Non-Recurrent Reserve - 0.5% (note 3)	363			363	
General Contingency Reserve 0.5% (note 4)	363			363	
Provisional Winter Resilience		350		350	
Practice Transformational Support (note 5)			883	883	
Total Use of 2017/18 Budgets	72,229	16,504	883	89,616	
Note 1: Practices move from £4 to £5 per head on 'over and above' LCS and this can be funded from PMS transition £'s					
Note 2: Budget is £103k higher than per GB Board Paper as it includes budget for PLIs which forms part of CCG's RCA					
Note 3: 0.5% reserve to be held uncommitted as required by NHSE					
Note 4: at the start of the year, to meet NHSE Business Rules the CCG must provide for a 0.5% contingency on Delegated Budgets					
Note 5 Identification of £3 per head over 2 years non-recurrently is FYFV and National Operational Plan Guidance - PCCC will need to confirm use of £s in due course.					

0.5% Non-Recurrent Reserve

Planning guidance from NHS England requires that all CCGs hold back 0.5% of the revenue resource limit as a contingency. We await further guidance from NHSE as to if/when we can make a case to utilise the funding in 2017/18 or whether we will have to release to the CCG's "bottom line" to increase our overall surplus and hence carry forward the funding to future years.

Key Financial Issues, Risks and Challenges

At this stage of the financial year, as might be expected, there are a number of potential risks/cost pressures that may need to be managed and which will need to be a first call on the £363k General Contingency Reserve if they crystallise including:

- the revenue consequences of any capital developments. There has been a process for practices to bid for capital funds under the Estates and Technology Transformation Fund (ETTF). The one scheme which has been put in cohort 1 will not have any revenue consequences. However there are 10 schemes in cohort 2 which may have revenue consequences. The revenue impact of these schemes is unlikely to start until later in 2017/18 or possibly 2018/19 but nevertheless should be budgeted for at a reasonable level.
- the recent national rates review may have an impact on the reimbursement due to GPs.
- the increase in the weekly amount payable for sickness cover may mean that additional budget is required, This is entirely variable expenditure and hard to forecast.
- GP IT pressures around Transition Network costs.
- Further growth on interpreting services activity.

Recommendation

The Primary Care Commissioning Committee is asked to note the financial position at month 3 and consider the potential risks and challenges to delivery of a balanced financial position against primary care budgets.

Julia Newton
Director of Finance
July 2017

**Primary Care Delegated Budget
Month 3 Position - April - June 2017**

Budget	Full Year Plan	Year to Date Budget	Year to Date Spend	Year to Date Variance	Forecast Spend	Forecast Variance
	£	£	£	£	£	£
Core Contract GMS practices	20,518,600	5,129,561	5,117,151	(12,410)	20,518,600	0
Core Contract PMS practices	27,497,551	6,874,314	6,843,064	(31,250)	27,497,551	0
Core Contract APMS practices	1,688,343	422,084	415,834	(6,250)	1,688,343	0
Directed Enhanced Services	1,763,214	440,758	440,758	0	1,763,214	0
Premises	9,710,572	2,427,339	2,396,883	(30,456)	9,710,572	0
QOF	7,559,000	1,889,538	1,889,538	0	7,559,000	0
Other GP services - seniority & locums	2,284,578	545,900	545,900	0	2,284,578	0
Prescribing & Dispensing Doctors	481,142	120,174	120,174	0	481,142	0
<u>Reserves</u>						
1% Non-Recurrent Reserve 0.5% - to remain uncommitted (note 1)	363,000	0	0	0	363,000	0
0.5% General Contingency (note 2)	363,000	0	0	0	363,000	0
Total	72,229,000	17,849,668	17,769,302	(80,366)	72,229,000	0

note 1 - 0.5% reserve to be held uncommitted as required by NHSE

note 2 - at the start of the year, to meet NHSE Business Rules, the CCG must provide for a 0.5% contingency on Delegated Budgets

**Additional CCG-Commissioned Expenditure on Primary Care Services
Month 3 Position - April - June 2017**

Budget	Full Year Plan	Year to Date Budget	Year to Date Spend	Year to Date Variance	Forecast Spend	Forecast Variance
	£	£	£	£	£	£
Paediatric Referral Refinement	21,900	5,475	9,050	3,575	21,900	0
Glaucoma Service	7,875	1,969	1,995	26	7,875	0
CATS Scheme	10,180	2,545	2,440	(105)	10,180	0
PEARS Scheme	250,989	62,747	66,758	4,011	250,989	0
Ophthalmology Services - Sub Total	290,944	72,736	80,243	7,507	290,944	0
24 Hour Blood Pressure Monitoring	196,954	49,239	49,239	0	196,954	0
Anticoagulation	904,729	226,182	226,182	0	904,729	0
Care Homes	754,667	188,667	167,400	(21,267)	754,667	0
Care Planning	500,000	125,000	125,000	0	500,000	0
Care Of Homeless	42,667	10,667	10,667	0	42,667	0
Carpal Tunnel	10,281	2,570	2,570	0	10,281	0
Eating Disorders	37,280	9,320	9,320	0	37,280	0
D Dimers	2,025	506	506	0	2,025	0
Dermatology/Cryotherapy/Cutting	31,875	7,969	7,969	0	31,875	0
Dmards	192,043	48,011	48,011	0	192,043	0
Diabetes	45,000	11,250	11,250	0	45,000	0
Diabetes Income	(45,000)	(11,250)	(11,250)	0	(45,000)	0
Central Locality ENT Pilot	42,614	10,654	10,654	0	42,614	0
Endometrial Biopsy	4,475	1,119	1,119	0	4,475	0
Hepatitis B	7,405	1,851	1,851	0	7,405	0
Mirena	29,583	7,396	7,396	0	29,583	0
Colorectal Screening	6,562	1,641	1,641	0	6,562	0
Pessaries	47,550	11,888	11,888	0	47,550	0
Latent TB Screening (allocation due)	0	0	0	0	0	0
Zoladex	41,140	10,285	10,285	0	41,140	0
Minor Surgery	21,905	5,476	5,476	0	21,905	0
PMS Transition:"Over and Above"	2,896,000	724,000	724,002	2	2,896,000	0
Special Cases	530,000	132,500	132,500	0	530,000	0
GP Engagement Elective Service Transformation	1,158,434	289,609	287,953	(1,656)	1,158,434	0
GP Engagement Prescribing Quality	289,637	72,409	71,278	(1,132)	289,637	0
GP Engagement - Neighbourhood Developments	868,834	217,209	217,202	(7)	868,834	0
GP Services - Sub Total	8,616,660	2,154,165	2,130,107	(24,058)	8,616,660	0
Pharmacy - Sub Total	448,100	74,683	74,683	0	448,100	0
PLIs	104,200	26,050	26,050	0	104,200	0
GP IT	1,238,936	309,734	297,488	(12,246)	1,238,936	0
Primary Care Sheffield Ltd Contract	4,332,997	1,045,749	1,039,943	(5,807)	4,332,997	0
Out of Hours	50,000	12,500	12,500	0	50,000	0
GP Training	40,000	10,000	10,000	0	40,000	0
Interpreting Services	781,757	195,439	189,757	(5,682)	781,757	0
Other Primary Care Expenditure - Sub Total	6,547,890	1,599,473	1,575,738	(23,735)	6,547,890	0
Primary Care Developments	250,000	12,500	12,500	0	250,000	0
Provisional Winter Resilience Reserve	350,000	0	0	0	350,000	0
Practice Transformational Support	883,000	0	0	0	883,000	0
Reserves - Sub Total	1,483,000	12,500	12,500	0	1,483,000	0
Additional CCG- Commissioned Expenditure on Primary Care Services - Total	17,386,594	3,913,557	3,873,271	(40,286)	17,386,594	0

Notified Allocations - yet to be transferred from NHSE:

Online Consultation Systems

152,560