

Financial Report at Month 11

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Primary Care Commissioning Committee Meeting

21 March 2019

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Purpose of Paper	
This report provides Primary Care Commissioning Committee with the financial position for primary care budgets for the eleven months to 28 February 2019 and the forecast out-turn for the year.	
Key Issues	
<p>As might be expected at this stage of the financial year there are no material movements in the forecast position to report. We still have some limited reserves to manage any unexpected pressures in the final month of the year. If not required these reserves will be released at the end of the year as part of managing the CCG's overall year end financial position.</p> <p>Processes have been completed to allocate over £700k of funding to Neighbourhoods following the submission of proposals. More detail on the successful proposals can be found in section 3 of the report.</p>	
Is your report for Approval / Consideration / Noting	
Consideration.	
Recommendations / Action Required by the Primary Care Commissioning Committee	
The Primary Care Commissioning Committee is asked to consider the financial position at month 11.	
Governing Body Assurance Framework can be found	
<p><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.</p>	
Are there any Resource Implications (including Financial, Staffing etc)?	
There are no resource implications.	
Have you carried out an Equality Impact Assessment and is it attached?	
<p><i>Please attach if completed. Please explain if not, why not</i> There are no specific issues associated with this report.</p>	
Have you involved patients, carers and the public in the preparation of the report?	
Not applicable.	

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1. Introduction

The primary purpose of this paper is to update the Committee on the financial position for the first 11 months of 2018/19 and the forecast year end position. The paper also provides an update on the use of the various non-recurrent funding made available largely by NHS England during 2018/19.

2. Month 11 Financial Position and Forecast Outturn

Table 1 below summarises the overall financial position, with more detail provided in Appendices **A** and **B**.

Delegated Budgets

Overall there is a year to date underspend of £437k which we are forecasting to increase to £641k (this is after releasing 75% of the general contingency at month 11). The variance is due to:

- Core Contract – a net £89k overspend due to list size fluctuations
- Enhanced Services - £189k underspend as not all practices signed up to the Extended Hours DES and there are underspends on the Minor Surgery DES to date; It is likely that the underspend on Enhanced Services will continue to year and this has been factored into the forecast £201k underspend;
- Premises – £162k underspend on rent reimbursement increases and pressures. The use of this budget varies between months depending on approvals. Some of the underspend is due to savings on reimbursements for domestic rates and this has been shown in the forecast position (£93k underspend). It is anticipated that the rest of this budget will be utilised by the end of the year;
- Other GP Services - a £174k underspend mainly as we have not needed to use all of the budget set aside to reimburse locum expenditure. It is hard to predict the use of such budgets, and we have seen a large increase in the number of claims being submitted in the last couple of months. Taking into account what we can estimate we have released a £147k underspend into the forecast position (was £200k in previous months). The variance also reflects a likely £20k spend in year against the £50k budget created for the GP Retention Scheme.

Additional CCG Commissioned Expenditure

The month 11 position is an overall net underspend of £171k. The forecast outturn is an underspend primarily due to 3 ring-fenced allocations where spend is anticipated to be in 2019/20 as discussed in previous reports.

Table 1 : Summary of Resources 2018/19	Primary Care Delegated Budgets	Additional CCG Commissioned Services	Additional CCG Commissioned Services	Total
	Total	Recurrent	Non-Recurrent	
	£'000	£'000	£'000	£'000
2016/17 Confirmed Allocation	74,747			74,747
Less: Subsequent claw backs by NHSE	(226)			(226)
Add: confirmed cash uplifts				
- 2017/18 uplift	1,375			1,375
- 2018/19 uplift	1,469			1,469
Less: Transfers to CCG Commissioned Services = PMS transition released -mainly to fund "over & above" LCS	(3,425)	3,425		0
CCG commissioned service recurrent budget b/f		9,185		9,185
Primary Care Access funding made recurrent for 18/19		3,496		3,496
Non-Recurrent Funding				
PCS System-Wide Work			150	150
Practice Transformational Support (bal of £3 per head)			1,539	1,539
Primary Care at Scale - Networks - £1 per head			591	591
Primary Care at Scale - £0.50 per head			296	296
On-Line Consultations			148	148
Initial Budgets 2018/19 (note 1)	73,940	16,106	2,724	92,770
In-Year Adjustments to Budgets				
Transfers To & From Reserves	(140)	(65)	983	778
Transfers Between Budgets	(1,325)		1,325	0
Allocations To & From NHS England	592		692	1,284
Revised 2018/19 Budget at Month 11	73,067	16,041	5,724	94,831
Use of Budgets in 2018/19:				
Delegated Expenditure				
Core Contract	51,123			51,123
Premises	9,947			9,947
Directed Enhanced Services	1,574			1,574
QOF	7,501			7,501
Other GP Services	2,164			2,164
Additional CCG-Commissioned Expenditure:				
Ophthalmology		312		312
GP Services		8,307	96	8,402
Pharmacy		336		336
Other Primary Care Expenditure		6,374	344	6,718
QIPP		(24)		(24)
PLI Budget		100		100
PQIS			1,329	1,329
Reserves:				
Non-Recurrent Reserve - 1% (note 2)	25			25
General Contingency Reserve 0.5% (note 3)	93			93
Development Reserve			32	32
Winter Reserve			302	302
Practice Transformational Support & Primary Care at Scale			2,515	2,515
Total Use of 2018/19 Budgets	72,426	15,405	4,618	92,449
Forecast Variance (note 4)	(641)	(636)	(1,106)	(2,382)
Note 1: Budget is £100k higher than per GB Board Paper as it includes budget for PLIs which forms part of CCG's RCA				
Note 2 - CCG held a £740k risk reserve for the outcome of DDRB settlement. Played into budgets as required at M8 leaving a residual £25k reserve				
Note 3: At the start of the year, to meet NHSE Business Rules the CCG must provide for a 0.5% contingency on Delegated Budgets. At M11 we have released 75% into the position				
Note 4: Any underspend on activity-driven budgets, as per the rest of the CCG budgets, needs to contribute to delivery of the overall financial position				

3. Update on Plans for Expenditure of Primary Care at Scale Monies and Other Non-Recurrent Budgets

As detailed in previous papers, there has been significant additional non-recurrent funding available for primary care in 2018/19. This is an update on all the key elements:

Previously Confirmed Funding

- £1,539k – balance of Transformation Fund We are working hard to ensure full utilisation of this funding by year-end as it is a national CCG assurance framework metric that funding is fully utilised in 2018/19. The Committee has previously agreed that £600k was to be spent on bids for neighbourhood development proposals. The table below shows which bids were successful. An additional £118k was made available from the late £592k allocation discussed below. Practices have been notified of the outcome of their bids and payments made.

Neighbourhood	Scheme	Amount £
Townships 1	To target care for frail elderly housebound patients	150,000
Peak Edge	To develop a mental health service for 11-18 year olds	55,500
North 2	To develop a pain management model, create a model for enhanced care of patients in care homes, use of care assistants in care navigation role supporting patients at high risk of admission	150,000
Network North	To provided dedicated support to patients who are at high risk of falls and severely frail	65,500
West 5	To develop an enhanced primary care mental health service	147,342
City Centre	To develop a unique approach to case management and care planning to focus on prevention and cost-effective use of services	149,982
Total		718,324

- £591k - £1 per head for local care network development linked to priorities identified as part of the neighbourhood maturity self-assessment and also to the completion of development action plans for the year ahead. Returns from practices were requested by 29 June and payments have now been made to all Neighbourhoods. Practices which elected to use their £1 for Virtual Wards were paid at the beginning of September for the first 5 months of the agreed practice payment and have been paid monthly since. The small projected year end underspend reflects changes to practice list sizes compared to when the allocation was made.
- £296k - 50p per head for multi-disciplinary team working and enhanced ase-management, to be paid in conjunction with the Neighbourhoods LCS. Practices have submitted their returns to the CCG and all payments (apart from the ones for Virtual

Ward) were made at the beginning of August 2018. Practices which elected to use their 50p for Virtual Wards were paid at the beginning of September for the first 5 months of the agreed practice payment and the rest is being paid monthly. The small underspend at year end is due to changes in weighted list size compared to when the allocation was made by NHSE.

- Prescribing Quality Incentive Scheme (PQIS) budget of £1,329k. There are 2 elements to this budget. Regarding the practice payments, all of the practice submissions have been approved and payments have been made. In terms of the element for locality payments, the process is ongoing with business cases having been approved by the CCG's Clinical Commissioning Committee. We are working with Locality Managers to actively manage the funding to minimise underspends at year end and the complication of trying to carry forward funding into next year to honour full utilisation of the PQIS entitlements.
- Winter Resilience Budget of £300k. The Locally Commissioned Service for this funding was sent to practices for them to choose how the funding would be utilised and a payment of 50% was made in December with the balance due in April once monitoring has been submitted. We expect a small overspend on this budget due to changes in list size but this can be accommodated.
- On-Line Consultations - £348k in total (combining 2017/18 and 2018/19 ring-fenced allocations). The CCG is dependent on work by specialist colleagues leading on the implementation of this initiative. Progress has been slower than originally envisaged. The latest intelligence is that the contract will not be awarded until the end of March 2019 so there will be minimal or no spend in 2018/19. As reported in last month's report this funding is being re-provided in 2018/19 and so is showing as an underspend in 2018/19.
- Reception & Clerical Training (Care Navigation) - £101k 2018/19 is the second year of specific funding for this initiative. There was good use of the training last year and we are now proactively working to ensure that we sensibly fully utilise this year's funding. The plans include paying for care navigation champions in practices and working with the voluntary sector to help with issues around Universal Credit in particular. As a result we are forecasting full utilisation of the budget.

Additional Allocations confirmed by NHS England in late December 2018.

This is an update on their utilisation.

- Funding for the 1% additional pay award for GPs and practice staff agreed as part of the DDRB final agreement - £592k. The allocation was unexpected as earlier indications were that CCGs needed to plan to fund the additional pay award pressures that formed part of the DDRB settlement for 2018/19 as part of existing allocations. We did not have the flexibility to carry forward into 2019/20. A plan was agreed and is summarised in the table below:

Category	Proposal	Funding £'000
Resilience	GP Mentoring Scheme support	60
Communications and Patient Engagement	Translation of primary care leaflets and information	40
	Primary care compliance with accessibility standards	
	Extending diversity of patient participation in primary care and practice groups including young people and minorities	
Estates	Estates advisor support and phase 2 estates strategy implementation	96
	Estates master class workshops for practices	
	Residual 6 Facet Surveys	
Training	INR Star training for primary care	39
	Chaperone training	
	Other training (Primary Care Commissioning)	
	Training to support primary care ECG - GPs and HCAs	
GP IT	Purchase of INR Star licence	182
	HSCN national implementation	
	Wi-Fi switches	
Beacon	Additional funding for beacon neighbourhood support	175
TOTAL		592

Work is on-going to ensure that the above plan is carried out. There have been some minor changes to the original plan, for example only £118k is required for beacon neighbourhood support (on top of the £600k ear-marked from Practice Transformational Support). Also due to the timing of the HSCN implementation, there is likely to be some slippage on GP IT.

- Funding at approx £1 per head for the development of primary care networks (neighbourhoods) - £575k. As previously confirmed this funding is being re-provided in 2019/20 as a cost pressure against the CCG's main allocation. Thus the budget is shown as fully underspent.
- Funding for Windows 10 implementation of £58k. This is to pay for the roll-out of Windows 10 and a plan is underway in association with Embed.

4. Recommendation

The Primary Care Commissioning Committee is asked to consider the financial position at month 11.

Paper prepared by: Linda McDermott – Finance Manager
On behalf of: Julia Newton - Director of Finance
Nicki Doherty - Director of Delivery Care Out of Hospital

8 March 2019

**Primary Care Delegated Budget
Month 11 Position - April 2018 - February 2019**

Budget	Full Year Plan	Year to Date Budget	Year to Date Spend	Year to Date Variance	Forecast Spend	Forecast Variance
	£	£	£	£	£	£
Core Contract GMS practices	21,153,475	19,390,689	19,353,441	(37,248)	21,117,475	(36,000)
Core Contract PMS practices	28,117,276	25,773,650	25,918,536	144,886	28,291,276	174,000
Core Contract APMS practices	1,733,195	1,588,775	1,569,785	(18,990)	1,714,195	(19,000)
Directed Enhanced Services	1,775,847	1,630,003	1,440,515	(189,488)	1,574,482	(201,365)
Premises	10,039,625	9,200,702	9,038,769	(161,933)	9,946,770	(92,855)
QOF	7,500,590	6,863,548	6,863,548	0	7,500,590	0
Other GP services - including seniority & locums	1,849,244	1,725,300	1,550,718	(174,582)	1,691,073	(158,171)
Prescribing & Dispensing Doctors	452,952	412,093	412,093	0	452,952	0
GP Retention Scheme	50,000	15,319	15,319	0	20,000	(30,000)
<u>Reserves</u>						
Reserve for impact of DDRB settlement - (note 1)	24,587			0	24,587	0
0.5% General Contingency (note 2)	370,000			0	92,500	(277,500)
Total	73,066,791	66,600,079	66,162,724	(437,355)	72,425,900	(640,891)

note 1 - CCG created a £740k risk reserve for outcome of DDRB settlement. This was then estimated to cost £615k. The actual cost now calculated at £590k leaving £25k in reserves.

note 2 - To meet NHSE Business Rules, the CCG must provide for a 0.5% contingency on Delegated Budgets to manage in year unexpected pressures. Half contingency has been released at M10.

**Additional CCG-Commissioned Expenditure on Primary Care Services
Month 11 Position - April 2018 - February 2019**

Appendix B

Budget	Full Year Plan	Year to Date Budget	Year to Date Spend	Year to Date Variance	Forecast Spend	Forecast Variance
	£	£	£	£	£	£
Paediatric Referral Refinement	24,825	22,756	14,630	(8,126)	15,960	(8,865)
Glaucoma Service	8,295	7,604	7,315	(289)	7,980	(315)
CATS Scheme	9,390	8,608	3,916	(4,692)	4,272	(5,118)
PEARS Scheme	291,117	266,857	260,420	(6,438)	284,094	(7,023)
Ophthalmology Services - Sub Total	333,627	305,825	286,281	(19,544)	312,306	(21,321)
24 Hour Blood Pressure Monitoring	220,541	202,163	188,274	(13,889)	205,390	(15,151)
Anticoagulation	781,055	712,701	632,853	(79,848)	693,948	(87,107)
Care Homes	744,255	681,366	632,410	(48,956)	690,848	(53,407)
Care Planning	277,017	252,017	224,599	(27,418)	245,017	(32,000)
Care Of Homeless	42,667	39,111	39,112	1	42,667	0
Carpal Tunnel	1,280	1,173	1,418	244	1,547	267
Eating Disorders	37,941	34,795	37,073	2,278	40,512	2,571
D Dimers	1,158	1,021	547	(474)	641	(517)
Dermatology/Cryotherapy/Cutting	10,200	9,053	5,157	(3,896)	5,950	(4,250)
Dmards	217,909	199,940	217,959	18,020	237,567	19,658
Endometrial Biopsy	12,400	11,343	10,692	(651)	11,690	(710)
Hepatitis B	6,578	5,994	3,434	(2,560)	3,785	(2,793)
Mirena	22,043	20,262	25,475	5,213	25,475	3,432
Colorectal Screening Follow-Up	8,287	7,612	9,273	1,662	10,100	1,813
Pessaries	47,542	43,590	43,407	(183)	47,342	(200)
Latent TB Screening (allocation due)	76,308	76,308	76,308	0	76,308	0
Zoladex	42,280	38,777	41,282	2,506	45,013	2,733
Minor Surgery	7,810	6,963	14,932	7,969	16,503	8,693
Existing Dermatology & Respiratory	65,000	59,583	56,910	(2,673)	68,103	3,103
Diabetes	16,000	16,000	19,278	3,278	19,278	3,278
PMS Transition:"Over and Above"	2,896,000	2,654,667	2,671,258	16,592	2,914,100	18,100
Special Cases	530,000	485,833	485,833	0	530,000	0
GP Engagement Elective Service Transformation	1,158,434	1,061,898	1,062,241	343	1,158,808	374
GP Engagement Prescribing Quality	289,637	265,501	262,983	(2,518)	286,890	(2,747)
GP Engagement - Neighbourhood Developments	868,834	796,431	801,368	4,937	874,220	5,386
GP Services - Sub Total	8,381,176	7,684,100	7,564,076	(120,024)	8,251,703	(129,473)
Pharmacy - Sub Total	445,581	408,239	317,331	(90,908)	336,491	(109,090)
PLIs	100,000	91,667	93,427	1,760	95,000	(5,000)
GP IT	1,543,554	1,414,003	1,470,070	56,067	1,593,554	50,000
Contract with Primary Care Sheffield Ltd	4,452,586	4,067,461	4,073,241	5,780	4,459,522	6,936
Out of Hours	21,083	19,326	17,337	(1,989)	18,913	(2,170)
GP Training	40,000	36,667	30,555	(6,111)	33,333	(6,667)
Interpreting Services	744,595	680,879	684,201	3,322	748,219	3,624
PQIS	1,329,056	1,006,463	1,006,463	0	1,325,402	(3,654)
Other Primary Care Expenditure - Sub Total	8,230,874	7,316,465	7,375,294	58,829	8,273,943	43,069
Primary Care Developments	32,000	0	0	0	32,000	0
Practice Transformational Support (Bal of £3 per head) *	1,539,000	1,329,875	1,329,875	0	1,539,000	0
Networks - £1 per head ex NHSE *	591,000	570,852	570,852	0	582,825	(8,175)
Primary Care at Scale - £0.50 per head partly ex NHSE *	296,000	286,739	286,739	1	291,407	(4,593)
On-Line Consultation c/f from 2017/18 *	148,000	0	0	0	0	(148,000)
Winter Reserve *	300,000	150,000	150,959	959	301,918	1,918
Transfer From Delegated Budget - as per NHSE:						
Reception and Clerical Training *	101,915	18,804	18,804	0	101,915	0
On-Line Consultations 18/19 *	199,533	0	0	0	0	(199,533)
M9 Allocations - Funding for 1% Additional Pay Award - GPs & Practice Staff	592,000	182,860	182,860	0	592,000	0
M9 Allocations - £1 per head Development of Primary Care Networks	575,000	0	0	0	0	(575,000)
Reserves - Sub Total	4,374,448	2,539,129	2,540,089	960	3,441,065	(933,383)
Additional CCG- Commissioned Expenditure on Primary Care Services - Total	21,765,706	18,253,759	18,083,071	(170,688)	20,615,508	(1,150,198)

* budget is phased to reflect likely expenditure profile