

Financial Report at Month 5

Primary Care Commissioning Committee meeting

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5 October 2016

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Is your report for Approval / Consideration / Noting	
For Consideration: This report provides the Committee with information on the financial position for primary care budgets at month 5 (August 2016), together with a discussion on key risks and challenges to deliver a balanced position at year-end.	
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 5 and consider the potential risks and challenges to delivery of a balanced financial position against primary care budgets.	

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1. Introduction

The Primary Care Committee considered the financial position, risks and challenges for month 4 (July 2016) at the meeting on 8 September 2016. The purpose of this paper is to update the Committee on the financial position as at month 5 (August 2016) and the forecast of the potential year-end position.

2. Financial Position

2.0 Budget Overview

One amendment has been actioned to budgets this month, a recurrent return to NHS England of £94k as the budget for suspended doctors was delegated to the CCG in error in April 2016. This transfer has a nil impact on the overall financial position.

Table 1 shows the budgets and projected spend at month 5.

Table 1: Summary of Resources and Projected Spend

	Primary Care Delegated Budgets £'000	Additional CCG Commissioned Services £'000	TOTAL £'000
2015/16 Recurrent Budget	72,174	5,998	78,172
Growth Funding from NHSE	2,573	0	2,573
Investment from CCG allocation		3,477	3,477
Opening 2016/17 Budget	74,747	9,475	84,222
Transfer from General Reserve		167	167
Transfer From Commissioning Reserve		41	41
Transfer between budgets	-2,724	2,724	0
Total Prior Month Movements	-2,724	2,932	208
Month 5 Budget Movements			
Recurrent return to (NHS England)	-94		-94
Revised 2016/17 Budget	71,929	12,407	84,336
Increase in Funding			6,164 8%
Projected Spend at Month 5			
Core Contract	47,893		47,893
Premises	9,939		9,939
Directed Enhanced Services	3,166		3,166
QOF	7,433		7,433
Other GP Services	2,015		2,015
CCG Commissioned Services		8,298	8,298
CCG Commissioned Services Reserve e.g. for Neighbourhoods Developments		1,114	1,114
Other Primary Care Expenditure		3,138	3,138
Contingency Reserve	306		306
1.0% Systems-Wide Reserve	747		747
	71,499	12,550	84,049
Forecast Variance - Underspend			-287

2.1 Month 5 Financial Position and Forecast Outturn Position

Appendices A and B show the year to date and forecast financial position for all primary care budgets. Overall there is a forecast underspend on the totality of the delegated and the CCG commissioned budget of £287k which is factored into the CCG's overall reported financial position at month 5.

The position has moved favourably by £356k since month 4 due to clarification of a number of issues.

The Primary Care delegated budget (Appendix A) is showing an underspend of £430k to month 5 and a forecast underspend of a similar value. The main variances relate to:

- Core contract where an overall forecast underspend of £100k is reported. This relates in part to the closure of a GP practice which has caused the dispersal of patients. We have been informed that the impact on other practice list sizes has now been recognised in payments to surrounding practices. Contract payments for all practices are currently based on the list size as at April 2016, and changes to payments may be due when the list sizes are reviewed, particularly regarding the University practice, which may well utilise some of the currently reported underspend..
- Premises where a forecast underspend of £330k is reported, which reflects the charges for LIFT premises for GP practices being lower than budget at this stage. Further work has been done to fully understand the position and these figures are now based on the latest information which has been provided by Community Health Partnerships. However, spend on premises can be subject to change with rent and rate reviews in year and so it would not be prudent to re-allocate the budget and spend on other matters at this stage in the year.

The Primary Care budget from the CCG's main allocation (Appendix B) is showing an favourable variance of £422k to month 5, mainly as a result of an underspend of £323k on the reserve we have set aside for GP engagement with Neighbourhoods, where the LCS is now expected to commence on 1st October. Slippage on this reserve is expected to be required to support the wider system resilience agenda during the winter months and hence no year end underspend is forecast..

The forecast financial position is, however, £144k overspent which is due to variances over a number of areas but predominantly because of GP IT with a £168k overspend as a result of additional costs which emerged under the new contract arrangements.

2.2 Key Financial Issues, Risks and Challenges

While the forecast position looks favourable, expenditure can vary and there are still some areas where expenditure may change over the coming months. These areas include:

- Premises – impact of ongoing rent and rate reviews
- Impact of Primary Care Transformation Fund applications
- Enhanced services – dependent on sign-up and activity undertaken
- Other GP services – locum services required randomly throughout the year.
- List size adjustments – noting that 0.7% budget increase has been built in
- The impact of a GP practice closing and dispersal of patients

- QOF – dependent on the level of achievement by practices
- Locally commissioned services – particularly interpreting services annual demand increase.
- PCS Ltd contract - actual CASES activity

It should be noted that, at Month 5, the CCG is holding a contingency reserve of £306k to manage potential pressures which may arise in year. NHS England is still expecting all CCGs to hold the 1% headroom reserve without commitment.

3. Recommendation

The Primary Care Commissioning Committee is asked to note the financial position at month 5 and consider the potential risks and challenges to delivery of a balanced financial position against primary care budgets.

Julia Newton
Director of Finance

21 September 2016

**Primary Care Delegated Budget
Month 5 Position - April to August**

Budget	Full Year Plan	Year to Date Budget	Year to Date Spend	Year to Date Variance	Forecast Spend	Forecast Variance
	£000	£000	£000	£000	£000	£000
Core Contract GMS practices	19,297	8,040	8,043	2	19,297	0
Core Contract PMS practices	26,915	11,215	11,026	(189)	26,735	(180)
Core Contract APMS practices	1,781	742	778	36	1,861	80
Directed Enhanced Services	3,166	1,319	1,319	0	3,166	0
Premises	10,269	4,279	4,069	(210)	9,939	(331)
QOF	7,433	3,097	3,097	0	7,433	0
Other GP services - seniority & locums	1,568	653	583	(70)	1,568	(0)
Prescribing & Dispensing Doctors	447	186	186	0	447	0
<u>Reserves</u>						
1% Non-Recurrent Reserve	747	0	0	0	747	0
General Contingency	306	0	0	0	306	0
Total	71,929	29,530	29,100	(430)	71,498	(431)

Locally Commissioned Expenditure on Primary Care Services

Month 5 Position - April to August

Budget	Full Year Plan	Year to Date Budget	Year to Date Spend	Year to Date Variance	Forecast Spend	Forecast Variance
	£000	£000	£000	£000	£000	£000
Paediatric Referral Refinement	23	9	10	1	25	2
Glaucoma Service	7	3	3	0	7	0
CATS scheme	10	4	4	(0)	9	(1)
PEARS scheme	213	89	97	8	234	20
Ophthalmology Services - Sub Total	253	105	114	9	274	22
24 Hour Blood Pressure Monitoring	152	63	67	4	161	10
Anticoagulation	952	376	370	(6)	918	(33)
Care Homes	755	314	309	(6)	755	0
Care Planning	544	207	115	(92)	494	(50)
Care Of Homeless	43	18	18	0	43	0
Carpal Tunnel	35	14	14	(0)	23	(11)
Eating Disorders	37	15	15	(0)	37	(0)
D Dimers	4	2	1	(0)	3	(1)
Dermatology/Cryotherapy/Cutting	28	12	12	0	34	6
Dmards	180	75	75	0	194	14
Diabetes (note 1)	0	0	0	0	0	0
Central Locality ENT Pilot	88	37	31	(6)	104	16
Endometrial Biopsy	9	4	2	(2)	4	(5)
Hepatitis B	8	3	3	(0)	11	3
Mirena	22	9	9	(0)	22	0
Colorectal Screening	9	4	2	(1)	8	(1)
Pessaries	49	20	20	(0)	48	(0)
Zoladex	41	17	17	0	43	3
Minor Surgery	24	10	10	(0)	21	(2)
PMS Transition:"Over and Above" & Special Cases	3,216	1,340	1,340	0	3,216	0
GP Engagement Elective Service Transformation	1,149	479	479	0	1,149	0
GP Engagement Prescribing Quality	287	120	120	0	287	0
GP Services - Sub Total	7,628	3,138	3,028	(110)	7,576	(52)
Pharmacy - Sub Total	448	150	149	(1)	448	(0)
Neighbourhood Developments Reserve	1,114	464	141	(323)	1,114	0
Other Primary Care Expenditure						
PLIs	106	44	41	(3)	106	0
GP IT	1,009	420	490	70	1,177	168
Contract With Primary Care Sheffield Ltd	1,083	241	134	(107)	1,083	0
GP Training	40	17	28	11	46	6
Interpreting Services	726	302	334	32	726	0
Other Primary Care Expenditure - Sub Total	2,964	1,024	1,027	3	3,138	174
Locally Commissioned Expenditure on Primary Care Services - Total (note 2)	12,407	4,881	4,460	(422)	12,550	144
Notes:						
1) The CCG has received income of £22.5k for diabetes which will be spent by the end of the year						
2) If this total is compared with the Governing Board Paper there is a difference of £106k as the PLI budget is recorded under Running Costs						