

Financial Report at Month 12

Primary Care Commissioning Committee meeting

C

24 May 2017

| | |
|---|---|
| Author(s) | Linda McDermott, Senior Finance Manager |
| Sponsor | Julia Newton, Director of Finance |
| Is your report for Approval / Consideration / Noting | |
| For consideration: This report provides the committee with information on the financial position for primary care budgets for the full financial year to 31 st March 2017. | |
| Are there any Resource Implications (including Financial, Staffing etc)? | |
| None. | |
| Audit Requirement | |
| <p><u>CCG Objectives</u></p> <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> | |
| <p><u>Equality Impact Assessment</u></p> <p><i>Have you carried out an Equality Impact Assessment and is it attached?</i> No.</p> <p><i>If not, why not?</i> There are no specific issues associated with this report.</p> | |
| <p><u>PPE Activity</u></p> <p><i>How does your paper support involving patients, carers and the public?</i> Not applicable.</p> | |
| Recommendations | |
| The Primary Care Commissioning Committee is asked to consider the financial position at Month 12 as incorporated into the CCG's draft accounts. | |

Financial Report at Month 12

Primary Care Commissioning Committee meeting

24 May 2017

1. Introduction

The Primary Care Commissioning Committee considered the financial position, risks and challenges for Month 11 (February 2017) at the meeting on 29 March 2017. The purpose of this paper is to update the committee on the final financial position as at Month 12 (March 2017) subject to audit of the CCG's formal accounts for 2016/17 and to note the reasons for any variances between the final financial position and the previously forecasted position.

2. Financial Position

2.1 Budget Changes at month 12

One amendment has been actioned to budgets since month 11. £17k has been brought in non-recurrently for the repatriation of lost records. In July it was found that a backlog of clinical correspondence and results stretching back over several years remained in NHS Shared Business Services storage areas and had not been processed. In agreement with the BMA, NHS England has provided financial compensation to provide support to practices where required. The payment was made to practices in February 2017, but the allocation was only made in March.

The CCG also received £28,430 as income for Practice Manager Development Funding which was available from NHS England as a result of slippage from the Transformation Team posts at NHS England.

2.2 Year end Financial Position

Table 1 below summarises the position and **Appendices A and B** show the final financial position for all primary care budgets. Overall there is a year-end underspend on the totality of the delegated and the CCG commissioned budget of £1,611k which has been factored into the CCG's overall reported financial position at month 12.

Of this total, it is important to highlight that £747k represents the release of the 1% non recurrent reserve at M12. As documented in the financial reports to Governing Body, all CCGs have been required by NHS England to hold 1% of their allocations without commitment all year and this included the delegated Primary Care budgets as part of managing the overall NHS financial position. All CCGs received an instruction to release these reserves at M12, thereby increasing our reported surpluses. This is what we have done in Sheffield. While this funding will be carried forward by the CCG for local use in due course, NHS England have indicated that access to the funding is unlikely to be until the end of the current planning cycle - i.e. 2020/21.

| Table 1 : Summary of Resources and Projected Spend | Primary Care Delegated Budgets | Additional CCG Commissioned Services | Total | |
|--|---------------------------------------|---|----------------|-----------|
| | £'000 | £'000 | £'000 | |
| 2015/16 Budget | 72,174 | 5,998 | 78,172 | |
| Growth Funding From NHSE | 2,573 | - | 2,573 | |
| Investment From CCG Allocation | | 3,477 | 3,477 | |
| Opening 2016/17 Budget | 74,747 | 9,475 | 84,222 | |
| Transfer From General Reserve | | 202 | 202 | |
| Transfer From Commissioning Reserve | | 41 | 41 | |
| Transfer to General Reserve | | (50) | (50) | |
| Transfer to Commissioning Reserve | | (388) | (388) | |
| Transfer Between Budgets | (3,574) | 3,574 | 0 | |
| Transfers with NHS England | (43) | | (43) | |
| Total Prior Month Movements | (3,617) | 3,379 | (238) | |
| Month 12 Budget Movements | | | | |
| Transfers with NHS England | 17 | | 17 | |
| Revised 2016/17 Budget | 71,147 | 12,854 | 84,001 | |
| Increase in Funding | | | 5,829 | 7% |
| Actual Spend at Month 12: | | | | |
| Core Contract | 47,851 | | 47,851 | |
| Premises | 9,561 | | 9,561 | |
| Directed Enhanced Services | 3,086 | | 3,086 | |
| QOF | 7,408 | | 7,408 | |
| Other GP Services | 2,027 | | 2,027 | |
| CCG Commissioned Services | | 8,135 | 8,135 | |
| CCG Commissioned Services Reserve e.g. for Neighbourhoods Developments | | 659 | 659 | |
| Winter Resilience | | 350 | 350 | |
| Contingency Reserve | | 216 | 216 | |
| Other Primary Care Expenditure | | 3,098 | 3,098 | |
| Contingency Reserve | - | | - | |
| 1% Systems-Wide Reserve | - | | - | |
| | 69,932 | 12,458 | 82,390 | |
| Forecast Variance - Underspend | (1,215) | (396) | (1,611) | |

Table 2 below provides a more detailed analysis of the change in the reported position between month 11 and month 12. Overall there was an increase in the underspend reported by £840k, the vast majority (£747k) of which was due to the release of the 1% reserve discussed above. Other movements were small, the main one being a further underspend on premises costs.

| Table 2 : Movements in Variance | Primary Care Delegated Budgets excl Reserve | 1% Reserve | Additional CCG Commissioned Services | Total |
|---------------------------------|---|--|--------------------------------------|---------|
| | £'000 | | £'000 | £'000 |
| M11 Forecast Variance | (375) | 0 | (388) | (763) |
| M12 Actual Variance | (468) | (747) | (396) | (1,611) |
| Movement in Variance | (93) | (747) | (8) | (848) |
| Reason for Movement in Variance | Mainly Premises | Change in reporting requirement from NHS E | Various | |

The Primary Care budget from the CCG's main allocation (Appendix B) has a favourable variance of £396k to month 12. There was only a movement of £8k in the month. The main variances contributing to the year-end position are:

- Care Planning underspend of £162k (this underspend has been forecast all year and increased slightly as fewer practices submitted case-studies at the end of the year than was anticipated)
- The contract with Primary Care Sheffield Ltd underspent by £173k as activity for the CASES pilot was not as high as expected in the initial months
- The budget for Neighbourhoods underspent by £405k as the LCS commenced mid year.
- The budget for interpreting services has overspent by £133k as activity has increased since last year, offset partly by the new contractual arrangements from November 2016
- GP IT is overspent by £170k in line with previous forecasts.
- 24 hour ABPM and Ophthalmology are overspent by £84k due to increased activity
- Anticoagulation and Care Homes are underspent by £81k due to decreased activity

2.3 Expenditure to Support GP Forward View Objectives

There were a number of additional mainly non-recurrent funding streams made available in the last few months of 16/17 for primary care resilience, transformation and care navigation. Some funding came from NHS England, and some was from reserves set aside in primary care. In total there was £655k. Expenditure included:

- Medical coding training for practices
- Care navigation and receptionist training for practices
- Nurse mentor training and development of a training network
- Practice manager training
- Development of practice manager mentors and super-managers
- Continuation of the scheme which funds clinical pharmacists into practices
- Commissioning of an organisation to aid with the Public Health initiative tackling inequalities in healthcare
- Respiratory, wound care and ear care training for practice nurses

3. Recommendation

The Primary Care Commissioning Committee is asked to consider the financial position at Month 12 as incorporated into the CCG's draft accounts.

Julia Newton
Director of Finance
15 May 2017

**Primary Care Delegated Budget
Month 12 Position - April 2016 to March 2017**

| Budget | Full Year Plan £000 | Final Out-turn Position £000 | Year end over/(under) spend £000 |
|--|------------------------|------------------------------------|---|
| Core Contract GMS practices | 19,297 | 19,390 | 93 |
| Core Contract PMS practices | 26,738 | 26,676 | (62) |
| Core Contract APMS practices | 1,781 | 1,786 | 4 |
| Directed Enhanced Services | 3,066 | 3,086 | 20 |
| Premises | 10,019 | 9,561 | (458) |
| QOF | 7,433 | 7,408 | (25) |
| Other GP services - seniority & locums | 1,619 | 1,546 | (73) |
| Prescribing & Dispensing Doctors | 447 | 481 | 34 |
| <u>Reserves</u> | | | |
| 1% Non-Recurrent Reserve | 747 | - | (747) |
| General Contingency | - | - | 0 |
| Total | 71,147 | 69,932 | (1,215) |

**Locally Commissioned Expenditure on Primary Care Services
Month 12 Position - April 2016 to March 2017**

Appendix B

| Budget | Full Year Plan | Final Out-turn Position | Year end over/(under) spend |
|---|----------------|----------------------------|-----------------------------------|
| | £000 | £000 | £000 |
| Paediatric Referral Refinement | 23 | 22 | (1) |
| Glaucoma Service | 7 | 8 | 1 |
| CATS scheme | 10 | 10 | 0 |
| PEARS scheme | 213 | 251 | 38 |
| Ophthalmology Services - Sub Total | 253 | 291 | 38 |
| 24 Hour Blood Pressure Monitoring | 152 | 197 | 45 |
| Anticoagulation | 952 | 909 | (43) |
| Care Homes | 755 | 717 | (38) |
| Care Planning | 544 | 382 | (162) |
| Care Of Homeless | 43 | 43 | 0 |
| Carpal Tunnel | 35 | 10 | (24) |
| Eating Disorders | 37 | 37 | 0 |
| D Dimers | 4 | 2 | (2) |
| Dermatology/Cryotherapy/Cutting | 28 | 32 | 4 |
| Dmards | 180 | 192 | 12 |
| Diabetes (note 1) | 0 | 45 | 45 |
| Diabetes Income (note 1) | 0 | (45) | (45) |
| Central Locality ENT Pilot | 88 | 85 | (3) |
| Endometrial Biopsy | 9 | 4 | (5) |
| Hepatitis B | 8 | 7 | (1) |
| Mirena | 22 | 30 | 8 |
| Colorectal Screening | 9 | 7 | (2) |
| Pessaries | 49 | 48 | (1) |
| Latent TB Screening | 35 | 29 | (6) |
| Zoladex | 41 | 41 | 1 |
| Minor Surgery | 24 | 22 | (2) |
| PMS Transition:"Over and Above" & Special Cases | 3,216 | 3,198 | (18) |
| GP Engagement Elective Service Transformation | 1,149 | 1,143 | (6) |
| GP Engagement Prescribing Quality | 287 | 281 | (6) |
| GP Engagement - Neighbourhood Developments | 1,064 | 659 | (405) |
| Winter Resilience | 350 | 350 | 0 |
| Contingency Reserve | 200 | 216 | 16 |
| GPs in A&E SCH and STH | (88) | 0 | 88 |
| GP Services - Sub Total | 9,189 | 8,640 | (549) |
| Pharmacy - Sub Total | 448 | 429 | (19) |
| Other Primary Care Expenditure | | | |
| PLIs | 106 | 104 | (2) |
| GP IT | 1,009 | 1,179 | 170 |
| Contract With Primary Care Sheffield Ltd | 1,083 | 910 | (173) |
| GP Training | 40 | 46 | 6 |
| Interpreting Services | 726 | 859 | 133 |
| Other Primary Care Expenditure - Sub Total | 2,964 | 3,098 | 134 |
| Locally Commissioned Expenditure on Primary Care Services - Total (note 2) | 12,854 | 12,458 | (396) |

Notes:

1) The CCG has received income of £45k for diabetes which was 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