

Financial Report at Month 6

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Primary Care Commissioning Committee Meeting

8 November 2018

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Sponsor Director	Julia Newton - Director of Finance Nicki Doherty – Director of Delivery – Care Out Of Hospital
Purpose of Paper	
This report provides Primary Care Commissioning Committee with the financial position for primary care budgets for the six months to 30 September 2018 and considers whether there are any issues emerging in the financial year which may have an impact on the year end position.	
Key Issues	
There are some year to date underspends on budgets at month 6 and some of these have been reported as part of the forecast position.	
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 6.	
Governing Body Assurance Framework	
<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.	
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?	
<i>Please attach if completed. Please explain if not, why not</i> There are no specific issues associated with this report.	
<i>Have you involved patients, carers and the public in the preparation of the report?</i>	
Not applicable.	

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1. Introduction

The purpose of this paper is to update the Committee on the financial position for the first 6 months of 2018/19 and consider whether there are any issues emerging in the financial year which may have an impact on the year end position.

2. 2018/19 Budgets Update

A paper was brought to PCCC in March 2018 detailing the initial budgets for primary care. In relation to the delegated budgets, it was noted that GMS contract negotiations were ongoing and that the final outcome was still to be confirmed. The DDRB final agreement was known and reported upon in last month's report. The Government has decided to award GPs and practice staff a 2% pay uplift in 2018/19 which is to be back-dated to 1 April 2018. The Global Sum uplift which had been implemented earlier in the year already included a 1% pay uplift, and so an additional 1% is due. This additional 1% (back-dated to 1 April 2018) will be paid to practices from October 2018 as directed by NHS England. The £615k required to fund this payment remains as a reserve until the actual payments are made in October 2018 and we will be able to move the budget to the appropriate line.

On 8 October 2018, Dr Richard Vautrey, Chair of the BMA's GP Committee sent a letter to all CCGs. It was a request for CCGs to pay an additional 1% pay uplift in 2018/19. The potential for an additional 1% for 2019/20 was outlined in the NHS E letter dated 26 July 2018 which summarised the outcome of the 2018/19 General Medical Services contract negotiations. However as this 1% is conditional on the ongoing contract negotiations for 2019/20, NHS E clarified in a letter to CCGs on 16 October 2018 that this additional 1% should not be paid at this time.

The General Contingency Reserve of £370k remains available for unexpected pressures which may arise throughout the year.

There have been a number of changes to the Primary Care budgets in month 6 including additional budgets received for GP IT, Diabetes and Latent TB.

3. Month 6 Financial Position and Forecast Outturn

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

Table 1 : Summary of Resources 2018/19				
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	(3,425)	3,425		0
= PMS transition released -mainly to fund "over & above" LCS				
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)	1,060	856
Transfers Between Budgets	(733)		733	0
Allocations To & From NHS England				0
Revised 2018/19 Budget at Month 6	73,067	16,041	4,518	93,625
Use of Proposed Budget 2018/19:				
Delegated Expenditure				
Core Contract	50,362			50,362
Premises	10,037			10,037
Directed Enhanced Services	1,776			1,776
QOF	7,501			7,501
Other GP Services	2,352			2,352
Additional CCG-Commissioned Expenditure:				
Ophthalmology		323		323
GP Services		8,419	46	8,465
Pharmacy		330		330
Other Primary Care Expenditure		6,343	259	6,602
QIPP		(24)		(24)
PLI Budget		100		100
PQIS			1,329	1,329
Reserves:				
Non-Recurrent Reserve - 1% (note 2)	615			615
General Contingency Reserve 0.5% (note 3)	370			370
Development Reserve			132	132
Winter Reserve			300	300
Practice Transformational Support & Primary Care at Scale			2,863	2,863
Total Use of 2018/19 Budgets	73,013	15,491	4,929	93,432
Forecast Variance (note 4)	(54)	(550)	411	(193)
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 has been holding £740k risk reserve for outcome of DDRB settlement. This is now announced and is estimated to cost £615k which will play into budgets from October				
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				
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				

Delegated Budgets Review

Overall there is a year to date underspend of £329k. The variance is due to:

- Core Contract - £65k underspend due to list size fluctuations – this will change each quarter and could easily fluctuate to an overspend at year end;
- Enhanced Services - £161k underspend as not all practices are 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 end given that not all practices are signed up to the extended hours DES and this will be factored into next month's monitoring report .
- Premises – £101k underspend as there are some budgets set aside for agreed rent reimbursement increases and pressures and 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. It is anticipated that the rest of this budget will be utilised by the end of the year

Given the possible fluctuations month on month, the forecast outturn only includes known variances such as the savings on domestic rates with the key assumption that any further pressures can be contained within the 0.5% general contingency reserve of £370k.

Additional CCG-Commissioned Expenditure

The month 6 position is an overall small net underspend of £85k with the following key components:

- Pharmacy – underspend of £58k as minor ailments activity is low based on the latest figures
- Interpreting – underspend of £13k which is activity-driven
- Anti-coagulation – underspend of £21k due to lower activity than previous years
- GP IT – overspend of £28k as there are a number of cost pressures within this budget including the costs of HSCN connectivity

The forecast outturn is an underspend of £139k mainly due to the lower activity for pharmacy minor ailments expenditure and interpreting, offset by an overspend on GP IT. There are a number of assumptions regarding activity which may change as the year progresses.

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

As detailed in previous papers, there are a number of additional elements of funding available for primary care in 2018/19. This is an update on four of the elements as there is a separate paper to this meeting of PCCC on the £1.5m Practice Transformational Support budget:

- £296k - 50p per head for multi-disciplinary team working and enhanced case-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 will be paid monthly for the rest of the year.

- £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 to date payments have been made to 3 Neighbourhoods. Neighbourhoods need to submit a signed Neighbourhood Financial Agreement in order to receive the funding and only 3 have been returned so far. 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.
- Prescribing Quality Incentive Scheme (PQIS) budget of £1,329k. There are 2 elements to this budget. With regard to the practice payments, all but 5 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 reviewed by the CCG's Clinical Commissioning Committee in September and October.
- Winter Resilience Budget of £300k. The Locally Commissioned Service for this funding is about to be sent to practices for them to choose how the funding will be utilised and a payment of 50% should be made in December.

5. Recommendation

The Primary Care Commissioning Committee is asked to consider the financial position at month 6.

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

26 October 2018

**Primary Care Delegated Budget
Month 6 Position - April 2018 - September 2018**

Budget	Full Year Plan	Year to Date Budget	Year to Date Spend	Year to Date Variance	Forecast Spend	Forecast Variance
	£	£	£	£	£	£
Core Contract GMS practices	20,819,352	10,412,699	10,405,878	(6,821)	20,849,426	30,074
Core Contract PMS practices	27,799,307	13,896,436	13,854,663	(41,773)	27,799,307	0
Core Contract APMS practices	1,713,714	856,859	840,676	(16,183)	1,713,714	0
Directed Enhanced Services	1,775,847	909,603	748,985	(160,618)	1,775,847	0
Premises	10,120,785	5,050,932	4,950,379	(100,553)	10,036,902	(83,883)
QOF	7,500,590	3,682,843	3,682,843	0	7,500,590	0
Other GP services - seniority & locums	1,849,244	949,429	946,011	(3,418)	1,849,244	0
Prescribing & Dispensing Doctors	452,952	209,778	209,778	0	452,952	0
GP Retention Scheme	50,000	-	-	0	50,000	0
<u>Reserves</u>						
Reserve for impact of DDRB settlement - (note 1)	615,000			0	615,000	0
0.5% General Contingency (note 2)	370,000			0	370,000	0
Total	73,066,791	35,968,579	35,639,213	(329,366)	73,012,982	(53,809)

note 1 - CCG has been holding £740k risk reserve for outcome of DDRB settlement. This is now announced and is estimated to cost £615k which will play into budgets from October

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 to manage in year unexpected pressures

**Additional CCG-Commissioned Expenditure on Primary Care Services
Month 6 Position - April 2018 - September 2018**

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	12,413	10,170	(2,243)	20,340	(4,485)
Glaucoma Service	8,295	4,148	4,452	305	8,904	609
CATS Scheme	9,390	4,695	2,184	(2,511)	4,368	(5,022)
PEARS Scheme	291,117	145,559	144,723	(836)	289,446	(1,671)
Ophthalmology Services - Sub Total	333,627	166,814	161,529	(5,285)	323,058	(10,569)
24 Hour Blood Pressure Monitoring	220,541	110,271	104,467	(5,804)	220,541	0
Anticoagulation	781,055	370,931	349,929	(21,002)	739,051	(42,004)
Care Homes	744,255	366,922	340,658	(26,264)	744,255	0
Care Planning	277,017	127,017	127,017	0	253,017	(24,000)
Care Of Homeless	42,667	21,334	21,334	1	42,667	0
Carpal Tunnel	1,280	640	720	80	1,440	160
Eating Disorders	37,941	19,063	20,348	1,285	40,512	2,571
D Dimers	1,158	333	608	275	1,708	550
Dermatology/Cryotherapy/Cutting	10,200	3,315	5,610	2,295	14,790	4,590
Dmards	217,909	110,092	116,421	6,329	230,567	12,658
Endometrial Biopsy	12,400	6,055	5,320	(735)	10,930	(1,470)
Hepatitis B	6,578	3,073	2,012	(1,061)	4,456	(2,122)
Mirena	22,043	11,359	13,575	2,216	26,475	4,432
Colorectal Screening Follow-Up	8,287	4,236	4,122	(114)	9,633	1,346
Pessaries	47,542	23,832	24,012	180	47,902	360
Latent TB Screening (allocation due)	31,308	31,308	31,308	0	31,308	0
Zoladex	42,280	21,260	22,160	900	44,080	1,800
Minor Surgery	7,810	2,730	1,758	(972)	7,510	(300)
Existing Dermatology & Respiratory	65,000	32,500	37,743	5,243	65,043	43
Diabetes	11,000	11,000	14,440	3,440	14,440	3,440
PMS Transition:"Over and Above"	2,896,000	1,448,000	1,457,050	9,050	2,914,100	18,100
Special Cases	530,000	265,000	265,000	0	530,000	0
GP Engagement Elective Service Transformation	1,158,434	579,217	579,404	187	1,158,808	374
GP Engagement Prescribing Quality	289,637	144,819	143,445	(1,374)	286,890	(2,747)
GP Engagement - Neighbourhood Developments	868,834	434,417	437,110	2,693	874,220	5,386
GP Services - Sub Total	8,331,176	4,148,722	4,125,571	(23,151)	8,314,343	(16,833)
Pharmacy - Sub Total	445,581	221,531	163,884	(57,647)	329,756	(115,825)
PLIs	100,000	50,000	43,628	(6,372)	100,000	0
GP IT	1,468,554	723,219	750,719	27,500	1,518,554	50,000
Contract with Primary Care Sheffield Ltd	4,437,534	2,217,097	2,213,080	(4,017)	4,437,534	0
Out of Hours	21,083	10,542	10,542	0	21,083	0
GP Training	40,000	20,000	16,667	(3,334)	33,333	(6,667)
Interpreting Services	744,595	362,298	349,138	(13,160)	718,276	(26,319)
PQIS	1,329,056	348,433	348,433	0	1,329,056	0
Other Primary Care Expenditure - Sub Total	8,140,822	3,731,588	3,732,206	618	8,157,836	17,014
Primary Care Developments *	131,762	0	0	0	131,762	0
Practice Transformational Support (Bal of £3 per head) *	1,539,000	99,988	99,988	0	1,539,000	0
Networks - £1 per head ex NHSE *	591,000	121,666	121,666	0	582,825	(8,175)
Primary Care at Scale - £0.50 per head partly ex NHSE *	296,000	263,396	263,396	0	291,407	(4,593)
On-Line Consultation c/f from 2017/18 *	148,000	0	0	0	148,000	0
Winter Reserve *	300,000	0	0	0	300,000	0
Transfer From Delegated Budget - as per NHSE:						
Reception and Clerical Training *	101,915	8,679	8,679	0	101,915	0
On-Line Consultations 18/19 *	199,533	0	0	0	199,533	0
				0	0	0
Reserves - Sub Total	3,307,210	493,729	493,729	0	3,294,442	(12,768)
Additional CCG- Commissioned Expenditure on Primary Care Services - Total	20,558,416	8,762,384	8,676,920	(85,464)	20,419,435	(138,981)

* budget is phased to reflect likely expenditure profile

LCS	17,183,995	7,112,929	7,049,093	(63,836)	17,052,000	(131,995)
BCF	1,021,272	493,939	467,675	(26,264)	997,272	(24,000)
Other	2,253,149	1,105,517	1,116,524	11,007	2,270,163	17,014
PLIs	100,000	50,000	43,628	(6,372)	100,000	0
	20,558,416	8,762,384	8,676,920	(85,464)	20,419,435	(138,981)