

**Financial Report at Month 5**  
**Primary Care Commissioning Committee Meeting**  
**20 September 2018**

**D**

<b>Author</b>	Linda McDermott – Finance Manager
<b>Sponsor Director</b>	Julia Newton - Director of Finance
<b>Purpose of Paper</b>	
This report provides Primary Care Commissioning Committee with the financial position for primary care budgets for the five months to 31 August 2018 and considers whether there are any issues emerging in the financial year which may have an impact on the year end position.	
<b>Key Issues</b>	
<p>The pay settlement for GPs and their practice staff has been announced by the Government following completion of the DDRB review. Based on best estimates this has utilised most of the £740k reserve we have been holding to cover the settlement. However, together with a re-assessment of some other expenditure, we are at month 5 in a position to create budgets of £300k for winter resilience and £50k for GP retainer scheme, subject to approval of both by PCCC.</p> <p>There are some small year to date underspends on budgets at month 5 but due to the likely volatility of spend against budgets at month 5 we have continued to project breakeven on delegated budgets and are showing a net marginal underspend for other budgets of £4k.</p>	
<b>Is your report for Approval / Consideration / Noting</b>	
Consideration.	
<b>Recommendations / Action Required by the Primary Care Commissioning Committee</b>	
The Primary Care Commissioning Committee is asked to consider the financial position at month 5.	
<b>Governing Body Assurance Framework</b>	
<p><b><i>Which of the CCG's objectives does this paper support?</i></b>                  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>	
<b>Are there any Resource Implications (including Financial, Staffing etc)?</b>	
There are no resource implications.	
<b>Have you carried out an Equality Impact Assessment and is it attached?</b>	
There are no specific issues associated with this report.	
<b>Have you involved patients, carers and the public in the preparation of the report?</b>	
Not applicable.	

## **Financial Report at Month 5**

### **Primary Care Commissioning Committee Meeting**

**20 September 2018**

#### **1. Introduction**

The purpose of this paper is to update the Committee on the financial position for the first 5 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 is now known. 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 budget paper highlighted that any final DDRB settlement above the 1% used to set the budget would need to be a first call on the £740k uncommitted reserve which exists for 2018/19. The cost of the additional settlement will be funded from this reserve. There is still a figure of £615k shown as this is our current best estimate of the additional cost. It is only once the actual payments are made that we will be able to move the budget to the appropriate line. £50k of the balance of the reserve is being used, subject to PCCC approval, to create a budget for GP retention scheme and the remainder is to contribute to the creation of a winter resilience budget as discussed below.

The finalisation of the DDRB settlement and a review of other Delegated Budgets is allowing us to propose to NON-recurrently transfer £300k into Additional CCG Commissioned Primary Care expenditure to create a winter resilience budget of £300k. The potential options for use of this budget are being presented to PCCC as a separate paper.

The General Contingency Reserve of £370k remains available for unexpected pressures which may arise throughout the year. There are a couple of possible calls against this reserve which may or may not materialise as the year progresses.

### 3. Month 5 Financial Position and Forecast Outturn

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

<b>Table 1 : Summary of Resources 2018/19</b>				
	<b>Primary Care Delegated Budgets</b>	<b>Additional CCG Commissioned Services</b>	<b>Additional CCG Commissioned Services</b>	<b>Total</b>
	<b>Total</b>	<b>Recurrent</b>	<b>Non-Recurrent</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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
<b>Non-Recurrent Funding</b>				
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
<b>Initial Budgets 2018/19 (note 1)</b>	<b>73,940</b>	<b>16,106</b>	<b>2,724</b>	<b>92,770</b>
<b>In-Year Adjustments to Budgets</b>				
Transfers To & From Reserves	(140)	(65)	974	770
Transfers Between Budgets	(733)		733	0
Allocations To & From NHS England				0
<b>Revised 2018/19 Budget at Month 5</b>	<b>73,067</b>	<b>16,041</b>	<b>4,432</b>	<b>93,539</b>
<b>Use of Proposed Budget 2018/19:</b>				
<b>Delegated Expenditure</b>				
Core Contract	50,332			50,332
Premises	10,121			10,121
Directed Enhanced Services	1,776			1,776
QOF	7,501			7,501
Other GP Services	2,352			2,352
<b>Additional CCG-Commissioned Expenditure:</b>				
Ophthalmology		319		319
GP Services		8,430	22	8,452
Pharmacy		445		445
Other Primary Care Expenditure		6,529	23	6,552
QIPP		(24)		(24)
PLI Budget		100		100
PQIS			1,329	1,329
<b>Reserves:</b>				
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
<b>Total Use of 2018/19 Budgets</b>	<b>73,067</b>	<b>15,799</b>	<b>4,668</b>	<b>93,535</b>
<b>Forecast Variance (note 4)</b>	<b>0</b>	<b>(241)</b>	<b>237</b>	<b>(4)</b>
<b>Note 1: Budget is £100k higher than per GB Board Paper as it includes budget for PLIs which forms part of CCG's RCA</b>				
<b>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</b>				
<b>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</b>				
<b>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</b>				

## Delegated Budgets Review

Overall there is a year to date underspend of £159k. The variance is due to:

- Core Contract - £52k underspend due to list size fluctuations – this will change each quarter and could easily fluctuate to an overspend at year end;
- Enhanced Services - £93k 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.
- Premises – £45k 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. It is anticipated that all of this budget will be utilised by the end of the year
- GP Other - £32k overspend as a higher than expected number of locum payments have been received from practices in the first few months of the year.

Given the possible fluctuations month on month, the forecast outturn has been kept at breakeven 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 5 position is a small overall underspend of £62k due to:

- Pharmacy – underspend of £23k as minor ailments activity is low based on the latest figures
- Interpreting – underspend of £10k which is activity-driven
- Anti-coagulation – underspend of £18k due to lower activity than previous years
- Care Homes – underspend of £22k as not all homes are covered currently
- PLIs – underspend of £21k due to the timing of events, this will catch-up over the year
- GP IT – overspend of £23k as there are a number of cost pressures within this budget including the costs of HSCN connectivity

The forecast outturn is a marginal underspend of £4k but 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 three of the elements:

- £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 payments 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.

- £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 been made to 2 Neighbourhoods 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.
- Prescribing Quality Incentive Scheme (PQIS) budget of £1,329k. Many of the practice submissions have been approved and the first payments will be made in the second week of September. The Central Locality proposal against the previously agreed criteria for use of funding was approved at the CCG's Clinical Commissioning Committee (CCC) on 3 September. This will allow all practices in the locality (whether or not they made an underspend on their prescribing last year) to access funding across 4 main areas such as additional pharmacy advisor support and extended additional appointments for patients with long term conditions. Other Localities are due to submit their business cases for use of PQIS funding to CCC in October.

## **5. Recommendation**

The Primary Care Commissioning Committee is asked to consider the financial position at month 5.

Julia Newton  
Director of Finance  
6 September 2018

**Primary Care Delegated Budget  
Month 5 Position - April 2018 - August 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	8,678,326	8,671,341	(6,985)	20,819,352	0
Core Contract PMS practices	27,799,307	11,579,287	11,547,924	(31,363)	27,799,307	0
Core Contract APMS practices	1,713,714	714,048	700,293	(13,755)	1,713,714	0
Directed Enhanced Services	1,775,847	765,523	672,771	(92,752)	1,775,847	0
Premises	10,120,785	4,206,099	4,160,899	(45,200)	10,120,785	0
QOF	7,500,590	3,046,702	3,046,702	0	7,500,590	0
Other GP services - seniority & locums	1,849,244	770,357	801,816	31,459	1,849,244	0
Prescribing & Dispensing Doctors	452,952	169,315	169,315	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	0	0	615,000	0
0.5% General Contingency (note 2)	370,000	0	0	0	370,000	0
<b>Total</b>	<b>73,066,791</b>	<b>29,929,657</b>	<b>29,771,061</b>	<b>(158,596)</b>	<b>73,066,791</b>	<b>0</b>

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 5 Position - April 2018 - August 2018**

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	10,344	9,688	(656)	23,250	(1,575)
Glaucoma Service	8,295	3,456	3,544	88	8,505	210
CATS Scheme	9,390	3,913	2,025	(1,888)	4,860	(4,530)
PEARS Scheme	291,117	121,299	117,551	(3,748)	282,123	(8,994)
<b>Ophthalmology Services - Sub Total</b>	<b>333,627</b>	<b>139,011</b>	<b>132,808</b>	<b>(6,204)</b>	<b>318,738</b>	<b>(14,889)</b>
24 Hour Blood Pressure Monitoring	220,541	91,892	90,219	(1,673)	220,541	0
Anticoagulation	781,055	302,577	285,075	(17,502)	739,051	(42,004)
Care Homes	744,255	304,033	282,146	(21,886)	744,255	0
Care Planning	277,017	102,017	102,017	0	277,017	0
Care Of Homeless	42,667	17,778	17,778	0	42,667	0
Carpal Tunnel	1,280	533	600	67	1,440	160
Eating Disorders	37,941	15,917	16,988	1,071	40,956	3,015
D Dimers	1,158	196	425	229	1,708	550
Dermatology/Cryotherapy/Cutting	10,200	2,168	4,080	1,913	14,790	4,590
Dmards	217,909	92,123	97,397	5,274	230,567	12,658
Endometrial Biopsy	12,400	4,998	4,385	(613)	10,930	(1,470)
Hepatitis B	6,578	2,489	1,605	(884)	4,456	(2,122)
Mirena	22,043	9,578	11,425	1,847	26,475	4,432
Colorectal Screening Follow-Up	8,287	3,561	4,122	561	9,633	1,346
Pessaries	47,542	19,880	20,030	150	47,902	360
Latent TB Screening (allocation due)	8,308	8,308	8,308	0	8,308	0
Zoladex	42,280	17,757	18,507	750	44,080	1,800
Minor Surgery	7,810	1,883	1,758	(125)	7,510	(300)
Existing Dermatology & Respiratory	65,000	27,083	32,131	5,048	65,000	0
PMS Transition:"Over and Above"	2,896,000	1,206,667	1,214,208	7,542	2,914,100	18,100
Special Cases	530,000	220,833	220,833	0	530,000	0
GP Engagement Elective Service Transformation	1,158,434	482,681	482,837	156	1,158,808	374
GP Engagement Prescribing Quality	289,637	120,682	119,538	(1,145)	286,890	(2,747)
GP Engagement - Neighbourhood Developments	868,834	362,014	364,258	2,244	874,220	5,386
<b>GP Services - Sub Total</b>	<b>8,297,176</b>	<b>3,417,646</b>	<b>3,400,670</b>	<b>(16,976)</b>	<b>8,301,304</b>	<b>4,128</b>
<b>Pharmacy - Sub Total</b>	<b>445,581</b>	<b>186,708</b>	<b>164,127</b>	<b>(22,581)</b>	<b>445,581</b>	<b>0</b>
PLIs	100,000	41,667	20,716	(20,951)	100,000	0
GP IT	1,232,554	507,114	530,030	22,916	1,282,554	50,000
Contract with Primary Care Sheffield Ltd	4,621,465	1,923,662	1,918,012	(5,650)	4,621,465	0
Out of Hours	21,083	8,785	8,785	0	21,083	0
GP Training	40,000	16,667	13,889	(2,778)	33,333	(6,667)
Interpreting Services	744,595	298,581	288,461	(10,120)	720,306	(24,289)
PQIS	1,329,056	0	0	0	1,329,056	0
<b>Other Primary Care Expenditure - Sub Total</b>	<b>8,088,753</b>	<b>2,796,475</b>	<b>2,779,892</b>	<b>(16,583)</b>	<b>8,107,797</b>	<b>19,044</b>
Primary Care Developments *	131,762	0	0	0	131,762	0
Practice Transformational Support (Bal of £3 per head) *	1,539,000	80,859	80,859	0	1,539,000	0
Networks - £1 per head ex NHSE *	591,000	112,576	112,576	0	582,825	(8,175)
Primary Care at Scale - £0.50 per head partly ex NHSE *	296,000	258,728	258,728	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	0
<b>Reserves - Sub Total</b>	<b>3,307,210</b>	<b>460,842</b>	<b>460,842</b>	<b>0</b>	<b>3,294,442</b>	<b>(12,768)</b>
<b>Additional CCG- Commissioned Expenditure on Primary Care Services - Total</b>	<b>20,472,347</b>	<b>7,000,683</b>	<b>6,938,339</b>	<b>(62,344)</b>	<b>20,467,862</b>	<b>(4,485)</b>

\* budget is phased to reflect likely expenditure profile