

## Financial Report at Month 10

Primary Care Commissioning Committee Meeting  
 20 February 2020

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<b>Sponsor Directors</b>	Jackie Mills - Director of Finance Nicki Doherty – Director of Delivery – Care Out Of Hospital
<b>Purpose of Paper</b>	
This report provides Primary Care Commissioning Committee with the financial position for primary care budgets for the ten months to 31 January 2020.	
<b>Key Issues</b>	
<p>There is a year to date underspend on primary care budgets of £469k (£428k underspend on delegated budgets and £41k underspend on CCG additionally commissioned budgets).</p> <p>The forecast for the year end position shows a £588k underspend (£464k underspend on delegated budgets and £124k underspend on CCG additionally commissioned budgets). The forecast underspend is largely as a result of recurrent pressures on the delegated budget being offset by non-recurrent slippage. As a result, a recurrent deficit will be carried forward into 2020/21.</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 reported financial position as at month 10.	
<b>Governing Body Assurance Framework can be found</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>	
<p><b><i>Please attach if completed. Please explain if not, why not</i></b>                  There are no specific issues associated with this report.</p>	
<b>Have you involved patients, carers and the public in the preparation of the report?</b>	
Not applicable.	

## Financial Report at Month 10

### Primary Care Commissioning Committee Meeting

#### 20 February 2020

### 1. Introduction

The purpose of this paper is to update the Committee on the financial position for the period April 2019 to January 2020.

### 2. Month 10 Final Financial Position

**Table 1** below summarises the overall financial position, with more detail provided in Appendices **A** and **B**. The Delegated Budget is based on the primary care allocation (adjusted for agreed transfers to additional CCG commissioned services).

Table 1 : Summary of Resources 2019/20	Primary Care Delegated Budgets	Additional CCG Commissioned Services Recurrent	Additional CCG Commissioned Services Non-Recurrent	Total
	£'000	£'000	£'000	£'000
<b>Approved 2019/20 budgets</b>	77,727			77,727
2019/20 uplift	2,372			2,372
CCG commissioned service recurrent budget b/f		8,747		8,747
Primary Care Access funding made recurrent		3,496		3,496
Less: Transfers to CCG Commissioned Services	(4,275)	4,275		0
£1.50 per head to develop & maintain Networks		900		900
<b>Non-Recurrent Funding</b>				
On-Line Consultations - b/f from prior years			348	348
£1 per head - Development of Networks			600	600
PQIS			1,715	1,715
<b>Initial Budgets for 2019/20</b>	<b>75,824</b>	<b>17,418</b>	<b>2,663</b>	<b>95,904</b>
<b>In-Year Adjustments to Budgets</b>				
Transfers To & From Reserves		(74)	9	(65)
Allocations To & From NHS England			1,160	1,160
<b>Revised 2019/20 Budget at Month 10</b>	<b>75,824</b>	<b>17,344</b>	<b>3,832</b>	<b>96,999</b>
<b>Use of Budget 2019/20:</b>				
Core Contract	51,866			51,866
Premises	10,135			10,135
Directed Enhanced Services	848			848
QOF	7,641			7,641
Other GP Services	2,040			2,040
New Network DES/LCS	2,830	914		3,744
<b>Additional CCG-Commissioned Expenditure:</b>				
Ophthalmology		349		349
Pharmacy		325		325
LCS with GP Practices		8,006	40	8,046
GPIT		1,714	518	2,231
Contract With Primary Care Sheffield Ltd		4,384	128	4,511
Other Expenditure re Primary Care		1,027	599	1,626
PQIS			1,715	1,715
GPFV Allocations			826	826
<b>Reserves:</b>				
General Contingency Reserve 0.5%		501	7	508
Other Reserves				
<b>Total Use of 2019/20 Budgets</b>	<b>75,360</b>	<b>17,219</b>	<b>3,832</b>	<b>96,411</b>
<b>Forecast Variance</b>	<b>(464)</b>	<b>(124)</b>	<b>0</b>	<b>(588)</b>

## 2.1 Delegated Budgets

The year to date position shows an underspend of £428k due to:

- Premises Developments – slippage of £378k as due to confirmation that the 2 new developments will not happen in 2019/20.
- Enhanced Services – underspend to date of £73k over a few of the services
- Other GP Services – underspend of £38k due to a reduction in pharmacy costs offset by an increase in reimbursement for CQC fees and reimbursement of locum expenditure.
- Unfunded cost pressure (see note below) - £620k overspend, offset by release of the year to date contingency reserve £423k, leaving a residual year to date cost pressure of £197k.
- Core contract – underspend to date of £133k which is the list size reserve released this month as the final list size of the financial year is now known.

The forecast position at month 10 is a £464k underspend. However, this is mainly due to forecast non-recurrent slippage due to delays on the premises developments (£512k), as well as non-recurrent slippage on other budgets eg the list size reserve. As a consequence, a recurrent deficit will be carried forward into 2020/21.

### **Key Issues:**

**Additional Roles Reimbursement Scheme.** This scheme is part of the Network DES and allows practices to claim for the cost of certain roles which are additional to the baseline agreed as at 31st March 2019. There are rules governing the values which can be claimed.

The forecast assumes that all of the budget which has been put in place to fund this scheme will be spent and in the guidance there is an expectation that this is the case. If it looks as though there may be an underspend then CCGs are encouraged to put in place a local scheme to allow any underspend to be used within the Network DES rules. A piece of work has taken place to understand the timing of the recruitment within networks and whether any underspend is likely. All networks have now provided forecast information and networks have been asked if they were able to pre-recruit a clinical pharmacist or social prescribing link worker ready for next year. Even after this pre-recruitment takes place, it is anticipated that there will be an underspend of approximately £300k. PCN Clinical Directors have been asked to put forward proposals on how this slippage could be recycled to meet the objectives of the scheme, primarily in relation to developing the workforce. Responses are due back by Friday 14 February and as a result a verbal update will be provided to the meeting.

## 2.2 Additional CCG Commissioned Expenditure

The month 10 position, in relation to Additional CCG Commissioned Expenditure, shows a year to date underspend of £41k. There are significant cost pressures in terms of expenditure on interpreting services (12%), in addition to overspends on Ophthalmology Services (12%) and DMARDS (11%). These overspends are offset by underspends on Pharmacy Services, Anti-Coagulation, Care Homes, Quality Contract, Equitable Funding, PLIs, CASES and Community Clinics. These figures incorporate the quarter 3 activity for the LCS database services.

The forecast position at month 10 is a net underspend of £124k.

A large element of the underspend relates to anticoagulation which is forecast to be underspent by £80k. The expenditure on this LCS has been decreasing each quarter, mainly due to the transfer to the use of Novel Oral Anticoagulants (NOACs) and Direct Oral Anticoagulants (DOACs) for which patients require significantly less blood monitoring than for those patients on warfarin. As services change then the amount which sits in Primary Care budgets may also need to change to reflect that the service is now delivered in a different setting.

Another large element of the underspend is Care Homes which is forecast to underspend by £60k this year. This is because some homes are not covered by the current LCS despite significant efforts to align homes with practices and therefore the budget is underspent. This budget will need to be looked at in light of the Network DES specifications which have been released and are being discussed.

### **Key Issues:**

**GP IT Additional Non-Recurrent Funding.** £15m of national, additional non-recurrent funding to enhance GP IT infrastructure and resilience arrangements has been announced and allocated on a weighted capitation basis. Sheffield has received £153k.

**Prescribing Quality Improvement Scheme (PQIS).** £1.6m has been paid to practices and localities to date, leaving just under 8% left to approve and pay.

**Neighbourhood Development Transformation Funding (£600k).** In line with the process in the last financial year, bids were invited from neighbourhoods which have been reviewed and specific projects agreed. All of the payments have been made.

**Winter Resilience Funding (£300k).** Practices were asked to confirm how their allocation would be spent and 50% of the payment was made in November 2019. The rest will be paid in April 2020.

**GP Forward View Allocations.** The £387k received for PCN Development has been paid out to networks. Some of the remaining allocations have been spent, and plans have been drawn up to ensure that the rest of the allocations are spent before the end of the year. The proposals are currently being discussed with the LMC.

As PCCC agreed to commit the winter pressures reserve of £300k at September's meeting, there is now only a £300k uncommitted reserve left of which £100k has already been released.

### **3. Financial Risk**

As noted in section 2 above, there is a forecast underspend of £588k against primary care budgets, based on our current knowledge of future expenditure commitments. There are a range of issues being managed in terms of GPIT projects which may result in additional liabilities but we are managing these closely in order to minimise the risks. There is potential for further slippage to be incurred, especially in budget areas where changes can be unpredictable or 'lumpy' eg locum spend, premises revaluations and list size changes. As noted in section 2.1, the forecast underspend is as a result of non-recurrent slippage. We need to carefully manage our recurrent expenditure commitments being carried

forward into future years. A first draft of the financial plan for 2020/21 was presented to the private session of PCCC in January and this included the initial assessment of pressures for next year, including the brought forward recurrent over-commitment. An update to the GP contract agreement 2020/21 – 2023/24 was issued on 6 February so any assumptions made in the planning paper will be reviewed in light of this.

#### **4. Recommendation**

The Primary Care Commissioning Committee is asked to consider the financial position at month 10.

Paper prepared by: Linda McDermott – Finance Manager

On behalf of: Jackie Mills - Director of Finance

Nicki Doherty - Director of Delivery Care Out of Hospital

10 February 2020



**Primary Care Delegated Budget  
Month 10 Position - April 2019 - January 2020**

<b>Budget</b>	<b>Full Year Plan £</b>	<b>Year to Date Budget £</b>	<b>Year to Date Spend £</b>	<b>Year to Date Variance £</b>	<b>Forecast Spend £</b>	<b>Forecast Variance £</b>
Core Contract GMS practices	21,094,854	17,567,018	17,433,681	(133,337)	20,934,854	(160,000)
Core Contract PMS practices	29,169,293	24,280,891	24,280,891	0	29,169,293	0
Core Contract APMS practices	1,761,960	1,474,696	1,474,696	0	1,761,960	0
Directed Enhanced Services	936,314	816,223	743,250	(72,973)	848,094	(88,220)
Premises	10,076,800	8,396,288	8,444,297	48,009	10,135,242	58,442
QOF	7,640,659	6,366,537	6,366,537	0	7,640,659	0
<b>Other GP Services:</b>						
Seniority	438,752	365,279	351,973	(13,306)	422,368	(16,384)
Locums	664,281	553,560	574,393	20,833	739,281	75,000
Occupational Health	41,964	34,971	35,954	983	43,145	1,181
CQC Fees	365,863	304,734	312,261	7,527	374,821	8,958
Retention Scheme	50,000	41,660	29,167	(12,493)	35,000	(15,000)
Prescribing & Dispensing Doctors	474,596	395,169	353,502	(41,667)	424,596	(50,000)
<b>Specific Reserves</b>						
Previous PCCC agreed Premises Developments	512,000	426,667	0	(426,667)	0	(512,000)
<b>New Requirements (based on current guidance):</b>						
Network Contract DES £1.50/head	shown in LCS as funded from CCG Allocations					
Network Contract DES - Clinical Director Support	311,000	241,864	243,643	1,779	313,135	2,135
Network Participation Practice Payment	1,043,000	868,914	864,952	(3,962)	1,038,246	(4,754)
Additional Roles Re-imbursement scheme (PYE)	809,134	181,769	181,770	1	809,134	0
Extended Hours DES - effective from 1st July 2019	669,524	521,272	521,272	0	669,524	0
Budget Shortfall 2019/20	(236,409)	(197,008)	0	197,008	0	236,409
<b>Total</b>	<b>75,823,585</b>	<b>62,640,504</b>	<b>62,212,239</b>	<b>(428,265)</b>	<b>75,359,352</b>	<b>(464,233)</b>

**Additional CCG-Commissioned Expenditure on Primary Care Services**  
**Month 10 Position - April 2019 - January 2020**

<b>Budget</b>	<b>Full Year Plan</b>	<b>Year to Date</b>	<b>Year to Date</b>	<b>Year to Date</b>	<b>Forecast Spend</b>
	<b>£</b>	<b>Budget</b>	<b>Spend</b>	<b>Variance</b>	<b>£</b>
		<b>£</b>	<b>£</b>	<b>£</b>	
<b>Ophthalmology Services</b>	<b>310,564</b>	<b>258,803</b>	<b>290,586</b>	<b>31,783</b>	<b>348,703</b>
<b>Pharmacy</b>	<b>336,053</b>	<b>280,044</b>	<b>271,612</b>	<b>(8,432)</b>	<b>324,810</b>
<b>LCS Contracts With GP Practices</b>					
PMS Transition:"Over and Above"	2,959,970	2,466,642	2,455,117	(11,525)	2,946,140
Quality Contract	2,367,976	1,973,313	1,964,110	(9,203)	2,356,932
£1.50 per Head to Develop and Maintain Networks	907,000	755,833	761,515	5,682	913,818
Care Homes	754,667	628,889	578,953	(49,936)	694,744
Anticoagulation	712,994	594,162	514,191	(79,971)	617,029
Special Cases	530,000	441,667	468,333	26,666	562,000
24 Hour Blood Pressure Monitoring	207,385	172,821	176,927	4,106	212,312
Dmards	226,342	188,618	209,334	20,716	251,201
Existing Dermatology & Respiratory Clinics	65,958	54,965	49,808	(5,157)	59,770
Latent TB Screening	75,000	62,500	62,500	0	75,000
Pessaries	47,860	39,883	38,494	(1,389)	46,193
Zoladex	44,760	37,300	42,489	5,189	50,987
Care Of Homeless	42,667	35,556	35,556	0	42,667
Eating Disorders	40,327	33,606	32,218	(1,388)	38,661
Mirena	24,900	20,750	21,417	667	25,700
Endometrial Biopsy	13,620	11,350	8,583	(2,767)	10,300
Dermatology/Cryotherapy/Cutting	11,560	9,633	11,189	1,556	13,427
Minor Surgery	10,600	8,833	14,356	5,523	17,227
Colorectal Screening	10,574	8,812	9,416	604	11,299
Hepatitis B	5,066	4,222	2,157	(2,065)	2,588
Diabetes	2,962	2,468	8,064	5,596	8,064
Carpal Tunnel	2,070	1,725	1,956	231	2,347
D Dimers	1,250	1,042	944	(98)	1,133
<b>LCS Contracts With GP Practices - Sub Total</b>	<b>9,065,508</b>	<b>7,554,590</b>	<b>7,467,627</b>	<b>(86,963)</b>	<b>8,959,539</b>
<b>2019/20 Contract With Primary Care Sheffield Ltd</b>					
CASES	685,000	570,833	548,492	(22,341)	658,190
PCS Accommodation & System-Wide Work	150,000	125,000	125,000	0	150,000
Clinical Pharmacists	66,936	66,936	68,211	1,275	68,848
Extended Access	3,634,000	3,028,333	3,028,333	0	3,634,300
<b>2019/20 Contract With Primary Care Sheffield - Sub Total</b>	<b>4,535,936</b>	<b>3,791,102</b>	<b>3,770,036</b>	<b>(21,066)</b>	<b>4,511,338</b>
<b>Other Expenditure to Support Primary Care</b>					
PLIs and Practice Training	140,000	116,666	84,977	(31,689)	128,333
GP IT	2,231,478	1,274,121	1,274,121	0	2,231,478
Out of Hours	21,083	17,569	15,769	(1,800)	18,923
Round Robin Postage	36,000	30,000	35,556	5,556	42,667
Interpreting Services	749,757	624,798	697,011	72,213	837,220
<b>Other Primary Care Expenditure - Sub Total</b>	<b>3,178,318</b>	<b>2,063,154</b>	<b>2,107,434</b>	<b>44,280</b>	<b>3,258,621</b>
<b>Non-Recurrent Items</b>					
£1/Head Neighbourhood Development Transformation Funding	600,000	600,000	599,083	(917)	599,083
PQIS	1,715,000	1,584,237	1,584,237	0	1,715,000
GPFV Allocation 19/20 - On-Line Consultation	152,847	0	0	0	152,847
GPFV Allocation 19/20 - Reception & Clerical	93,704	0	0	0	93,704
GPFV Allocation 19/20 - GP Retention	117,575	0	0	0	117,575
GPFV Allocation 19/20 - Practice Resilience	75,177	28,500	28,500	0	75,177
GPFV Allocation 19/20 - PCN Development	386,856	386,856	386,865	9	386,865
<b>Non-Recurrent Items Sub-Total</b>	<b>3,141,159</b>	<b>2,599,593</b>	<b>2,598,685</b>	<b>(908)</b>	<b>3,140,251</b>
<b>Reserves</b>					
Winter	300,000	150,000	150,001	1	300,000
Reserve	307,864			0	207,864
<b>Sub-Total Reserves</b>	<b>607,864</b>	<b>150,000</b>	<b>150,001</b>	<b>1</b>	<b>507,864</b>
<b>Additional CCG- Commissioned Expenditure - Total</b>	<b>21,175,402</b>	<b>16,697,286</b>	<b>16,655,981</b>	<b>(41,305)</b>	<b>21,051,126</b>