

Financial Report at Month 6
Update to Primary Care Commissioning Committee
22 October 2020

1. Introduction

The purpose of this paper is to update the Committee on the financial position for the six months April to September 2020 in relation to primary care budgets.

2. New Financial Regime

As previously reported, the NHS financial regime was suspended from 1 April 2020 with the onset of COVID-19 and replaced initially with a new regime covering the period 1 April to 31 July, which was further extended to the end of September 2020.

Since the previous report, we have now had confirmation of additional allocations for primary care expenditure incurred as a result of our COVID response for month 5 which means that we have now received £1,540k in total (£1,314k previously notified for M1 – M4, plus an additional £226k for M5). We are expecting that the adjustment for COVID spend in M6 will be forthcoming.

We have also received a retrospective adjustment to our main CCG programme allocation to fund the non-COVID variance for M1-M5. The appendices show the additional budget which has been allocated to primary care (£1,311k). This allocation effectively covered the non-COVID variances shown at month 5. We expect an additional allocation to fund the month 6 non-COVID variance.

From October 2020, the CCG has received a fixed allocation with additional funding allocated to the ICS to cover Covid expenditure and top ups. The distribution of this additional funding to individual organisations has now been agreed and the CCG is expected to contain spending within this revised fixed envelope. For primary care delegated budgets, the funding for the second half of the year has been increased more in line with the original notified allocation, and so more in line with the budgets approved by PCCC in March. A revised financial plan for primary care budgets will be submitted to the November PCCC meeting for approval.

3. Month 6 Financial Position

At month 6, there is an overspend on primary care budgets of £1,441k (£1,027k overspend on delegated budgets and £414k overspend on CCG additionally commissioned budgets). As summarised in the table below, £402k variance relates to M6 COVID spend and £1,039k relates to the cumulative non-COVID variance against the original allocation and the primary care share of the CCG retrospective top up allocation for M1-M5.

	Delegated Primary Care Budget £'000	Additionally Commissioned Primary Care £'000	Total £'000
Total M6 variance	1,027	414	1,441
Of which:			
M6 COVID spend unfunded to date	7	395	402
M6 non-COVID related variance	1,020	19	1,039
To Note – Proportion of M1-M5 CCG retrospective top up allocation relating to primary care budgets	1,269	42	1,311

3.1 Delegated Budgets

The position at month 6 shows an overspend of £1,027k which is purely the variance at month 6 as any variance from previous months has now been funded. It is mainly due to a cost pressure on reimbursements for locum expenditure and also showing additional expenditure on the Additional Roles Reimbursement Scheme.

3.2 Additional CCG Commissioned Expenditure

The allocation for locally commissioned primary care expenditure is more in line with the plan approved by PCCC in March. The position at month 6, in relation to Additional CCG Commissioned Expenditure, shows a non-COVID overspend of £19k due to:

- PQIS overspend of £628k which is a result of the fact that whilst the allocation is based on 4 months' spend, the full amount of spend has been incurred in the first six months
- Interpreting services underspend of £196k due to reduced activity in practices
- Underspends on reserves including winter reserve, of £225k to date, but noting that although we have an allocation for winter in the first six months, spend will naturally relate to the latter months of the financial year
- Overspend on the Extended Access Service to reflect an additional allocation for the service
- Underspend on GPIT and the new IT service due to lower SMS charges and staff vacancies (recruitment delayed due to COVID)
- Other activity variances particularly on database activity due to the need to ensure that practice income is not affected by COVID-19

4. Additional, Exceptional Expenditure Regarding COVID-19

At month 6 the following processes and services have been put in place and are included in the CCG's financial position:

Details	Expenditure at M6 £'000
Bank holiday reimbursement to practices	326
PPE and cleaning materials (bought centrally and reimbursed)	414
Network response funding (networks have determined what was required in each area)	150
Practice claims (non-PPE) – additional, exceptional and reasonable expenditure reimbursed to practices	367
Additional primary care input to care of the homeless	54
City-wide hubs run by PCS	172
Screens – fixed and free-standing purchased for practices	47
Support to care homes in lieu of the introduction of the Network DES	238
GPIT – additional staffing, webcams etc	54
Swabbing service	58
Other – pharmacy, PPE for optometrists etc	62
Total	1,942
Of which M1-M5 spend has now been funded	(1,540)
Residual spend relating to M6	402

Until all of the claims submitted by practices have been reviewed, these figures are an estimate.

We have had confirmation that additional funding of £1,540k has been approved, based on information provided up to month 5, leaving an unfunded variance of £402k relating to the primary care COVID response.

On 4 August NHS E issued guidance – COVID-19 Support Fund for General Practice. This outlined guidance to practices on claiming reimbursement for a number of things including backfill for COVID-19 related absences and COVID-19 related consumables. The CCG already had a process in place for most of these areas. A letter to practices explaining how this guidance fits with the existing CCG processes was agreed with the LMC and issued on 20 August 2020. All claims needed to be submitted by 11 September 2020. Practices have been reimbursed and colleagues are working through the residual claims.

5. Recommendation

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

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On behalf of: Jackie Mills - Director of Finance

October 2020

Primary Care Delegated Budget
Month 6 Position - April 2020 - September 2020

Budget	Full Year Plan approved by PCCC	6 Month Allocation	Year to Date Budget	Year to Date Spend	Year to Date Variance
	£	£	£	£	£
Core Contract GMS practices	21,981,130	10,983,086	10,983,086	10,883,086	(100,000)
Core Contract PMS practices	29,629,308	14,793,705	14,793,705	15,036,503	242,798
Core Contract APMS practices	1,802,361	929,253	929,253	929,253	0
Allocation Expected (Increase in Practice Funding)	199,000	99,500	99,500	0	(99,500)
Directed Enhanced Services	723,585	361,771	361,771	394,271	32,500
Premises	10,155,048	5,035,489	5,035,489	5,045,989	10,500
QOF	7,788,051	3,894,025	3,894,025	3,894,025	0
Other GP Services:					
Seniority	443,139	221,570	221,570	0	(221,570)
Locums	670,923	335,462	335,462	535,462	200,000
Occupational Health	42,384	21,192	21,192	21,192	0
CQC Fees	369,522	184,761	184,761	189,261	4,500
Retention Scheme	50,499	25,250	25,250	25,250	0
Prescribing & Dispensing Doctors	490,812	245,405	245,405	245,405	0
Specific Reserves					
Previous PCCC agreed Premises Developments	519,168	301,619	301,619	250,919	(50,700)
New Requirements (based on current guidance):					
Network Contract DES £1.50/head		shown in LCS as funded from CCG Allocations			
Network Contract DES - Clinical Director Support	445,020	222,511	222,511	222,511	0
Network Participation Practice Payment	1,047,861	523,950	523,950	523,950	0
Allocation Expected - Network Contract Care Homes Premium	267,000	133,500	133,500	0	(133,500)
Additional Roles Reimbursement scheme	2,548,158	1,274,079	1,274,079	1,960,996	686,917
Extended Hours DES	893,742	446,872	446,872	446,872	0
Allocation Expected - PCN Support Fund (Impact and Investment Fund)	402,000	201,000	201,000	160,660	(40,340)
Shortfall as Identified in Budget Paper	(945,711)	(471,500)	(471,500)	0	471,500
0.5% General Contingency	417,000	208,500	208,500	0	(208,500)
Adjustment required to tie back to allocation	0	(1,060,500)	(1,060,500)	0	1,060,500
Adjustment for non-receipt of expected allocations	0	(434,000)	(434,000)	0	434,000
Non-COVID Budget M1-M5		1,269,294	1,269,294	0	(1,269,294)
Total	79,940,000	39,745,794	39,745,794	40,765,605	1,019,811
COVID-19 Expenditure in Primary Care	0	35,029	35,029	42,035	7,006
Total Variance:					1,026,817
<i>Memorandum - indicative proportion of additional allocation which relates to Delegated:</i>					
Revised Variance					1,026,817
Non-COVID Variance					1,019,811
COVID Variance					7,006

**Additional CCG-Commissioned Expenditure on Primary Care Services
Month 6 Position - April 2020 - September 2020**

Budget	Full Year Plan approved by PCCC £	6 Month Allocation £	Year to Date Budget £	Year to Date Spend £	Year to Date Variance £
Ophthalmology Services	350,832	175,416	175,416	111,448	(63,968)
Pharmacy	336,053	168,027	168,027	132,981	(35,046)
LCS Contracts With GP Practices					
PMS Transition:"Over and Above"	2,974,000	1,487,000	1,487,000	1,486,760	(240)
Quality Contract	2,379,000	1,189,500	1,189,500	1,189,400	(100)
£1.50 per Head to Develop and Maintain Networks	925,000	462,500	462,500	462,281	(219)
Care Homes	691,000	345,500	345,500	283,896	(61,604)
Anticoagulation	620,000	310,000	310,000	319,640	9,640
Special Cases	562,000	281,000	281,000	291,500	10,500
24 Hour Blood Pressure Monitoring	207,385	103,692	103,692	94,184	(9,508)
Dmards	253,101	126,551	126,551	145,074	18,523
Existing Dermatology & Respiratory Clinics	50,390	25,195	25,195	22,100	(3,095)
Latent TB Screening	0	0	0	38,747	38,747
Pessaries	47,860	23,930	23,930	25,102	1,172
Zoladex	51,600	25,800	25,800	30,454	4,654
Care Of Homeless	42,667	21,333	21,333	29,333	8,000
Eating Disorders	40,327	20,163	20,163	19,053	(1,110)
Mirena	24,900	12,450	12,450	18,450	6,000
Endometrial Biopsy	13,620	6,810	6,810	6,060	(750)
Dermatology/Cryotherapy/Cutting	11,560	5,780	5,780	9,520	3,740
Minor Surgery	10,600	5,300	5,300	7,146	1,846
Colorectal Screening	10,574	5,287	5,287	5,694	407
Hepatitis B	5,066	2,533	2,533	3,036	503
Degarelix	0	0	0	4,280	4,280
Carpal Tunnel	2,070	1,035	1,035	0	(1,035)
D Dimers	1,250	625	625	0	(625)
LCS Contracts With GP Practices - Sub Total	8,923,970	4,461,984	4,461,984	4,491,710	29,726
2020/21 Contract With Primary Care Sheffield Ltd					
CASES	685,000	342,500	342,500	342,500	(0)
System-Wide Work	150,000	75,000	75,000	91,500	16,500
Clinical Pharmacists	0	0	0	1,913	1,913
Extended Access	3,631,300	1,815,650	1,815,650	1,857,150	41,500
2020/21 Contract With Primary Care Sheffield - Sub Total	4,466,300	2,233,151	2,233,151	2,293,063	59,912
Other Expenditure to Support Primary Care					
PLIs and Practice Training	140,243	70,121	70,121	66,667	(3,454)
GP IT	713,576	356,788	356,788	272,958	(83,830)
GP IT - New Service	1,279,246	500,712	500,712	452,972	(47,740)
Out of Hours	21,083	10,542	10,542	10,542	0
Round Robin Postage	36,000	18,000	18,000	16,982	(1,018)
Interpreting Services	837,165	418,583	418,583	222,829	(195,754)
Other Primary Care Expenditure - Sub Total	3,027,313	1,374,746	1,374,746	1,042,950	(331,796)
Non-Recurrent Items					
PQIS		433,000	433,000	1,060,637	627,637
Non-Recurrent Items Sub-Total	0	433,000	433,000	1,060,637	627,637
Reserves					
Winter	300,000	150,000	150,000	0	(150,000)
Reserve	150,338	75,169	75,169	0	(75,169)
Non-COVID Budget M1-M5	0	41,574	41,574	0	(41,574)
Sub-Total Reserves	450,338	266,743	266,743	0	(266,743)
Additional CCG- Commissioned Expenditure - Total	17,554,806	9,113,065	9,113,065	9,132,789	19,724
COVID-19 Expenditure in Primary Care	0	1,504,991	1,504,991	1,899,499	394,508
Total Variance:					414,232
<i>Memorandum - indicative proportion of additional allocation which relates to Additional CCG-Commissioned Services:</i>					
Revised Variance					414,232
Non-COVID Variance					19,724
COVID Variance					394,508