

## Financial Report at Month 9

### Primary Care Commissioning Committee Meeting

23 January 2020

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<b>Purpose of Paper</b>	
This report provides Primary Care Commissioning Committee with the financial position for primary care budgets for the nine months to 31 December 2019.	
<b>Key Issues</b>	
<p>There is a year to date underspend on primary care budgets of £303k (£293k underspend on delegated budgets and £5k underspend on CCG additionally commissioned budgets).</p> <p>The forecast for the year end position shows a £438k underspend (£350k underspend on delegated budgets and £88k 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 9.	
<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>Does this report relate to a formal statutory / delegated Primary Care responsibility of the CCG?</b>	
<p><i>If so please state which function?</i>  <b>Yes – budget management and discretionary payment</b></p>	
<b>Are there any Resource Implications (including Financial, Staffing etc)?</b>	
There are no resource implications.	

**Have you carried out an Equality Impact Assessment and is it attached?**

***Please attach if completed. Please explain if not, why not***

There are no specific issues associated with this report.

***Have you involved patients, carers and the public in the preparation of the report?***

Not applicable.

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#### 1. Introduction

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

#### 2. Month 9 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			1,057	1,057
<b>Revised 2019/20 Budget at Month 9</b>	<b>75,824</b>	<b>17,344</b>	<b>3,729</b>	<b>96,896</b>
<b>Use of Budget 2019/20:</b>				
Core Contract	52,026			52,026
Premises	10,121			10,121
Directed Enhanced Services	877			877
QOF	7,641			7,641
Other GP Services	1,979			1,979
New Network DES/LCS	2,830	914		3,744
<b>Additional CCG-Commissioned Expenditure:</b>				
Ophthalmology		355		355
Pharmacy		319		319
LCS with GP Practices		8,017	40	8,057
GPIT		1,715	501	2,215
Contract With Primary Care Sheffield Ltd		4,412	45	4,457
Other Expenditure re Primary Care		1,022	600	1,622
PQIS			1,715	1,715
GPFV Allocations			826	826
<b>Reserves:</b>				
General Contingency Reserve 0.5%		501	3	504
Other Reserves				
<b>Total Use of 2019/20 Budgets</b>	<b>75,474</b>	<b>17,256</b>	<b>3,729</b>	<b>96,458</b>
<b>Forecast Variance</b>	<b>(350)</b>	<b>(88)</b>	<b>0</b>	<b>(438)</b>

## 2.1 Delegated Budgets

The year to date position shows an underspend of £293k due to:

- Premises Developments – slippage of £384k as due to confirmation that the 2 new developments will not happen in 2019/20.
- Enhanced Services – underspend to date of £44k over a few of the services
- Other GP Services – underspend of £41k due to a reduction in pharmacy costs offset by an increase in reimbursement for CQC fees.
- Unfunded cost pressure (see note below) - £558k overspend, offset by release of the year to date contingency reserve £380k, leaving a residual year to date cost pressure of £178k.

The forecast position at month 9 is a £350k 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. 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 is underway to understand the timing of the recruitment within networks and whether any underspend is likely. All networks have now provided forecast information and information will be sent to networks in January.

## 2.2 Additional CCG Commissioned Expenditure

The month 9 position, in relation to Additional CCG Commissioned expenditure, shows a year to date underspend of £5k. There are significant cost pressures in terms of expenditure on interpreting services (11%), in addition to overspends on Ophthalmology Services (15%) and DMARDS (11%). These overspends are offset by underspends on Pharmacy Services, Anti-Coagulation, Care Homes, Quality Contract, Equitable Funding, PLIs and Community Clinics.

The forecast position at month 9 is a net underspend of £88k.

### **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. 85% of the budget has been paid out in December 2019 leaving just one project to pay.

**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.

**GP Forward View Allocations.** In addition to the funding previously notified to PCCC, £387k was received last month for PCN Development. £1.156m was received by the ICS in total, £200k has been retained by the ICS and the rest allocated to CCGs. This is being divided between the 15 networks and payments were made in December 2019.

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 £438k 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 will be presented to the private session of PCCC in January, which will include the initial assessment of pressures for next year, including the brought forward recurrent over-commitment.

### 4. Recommendation

The Primary Care Commissioning Committee is asked to consider the financial position at month 9.

Paper prepared by: Linda McDermott – Finance Manager  
On behalf of: Jackie Mills - Director of Finance  
Nicki Doherty - Director of Delivery Care Out of Hospital

9 January 2020

**Primary Care Delegated Budget  
Month 9 Position - April - December 2019**

<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>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Core Contract GMS practices	21,094,854	15,680,108	15,680,108	0	21,094,854	0
Core Contract PMS practices	29,169,293	21,830,170	21,830,170	0	29,169,293	0
Core Contract APMS practices	1,761,960	1,325,758	1,325,758	0	1,761,960	0
Directed Enhanced Services	936,314	756,504	712,052	(44,452)	877,021	(59,293)
Premises	10,076,800	7,556,659	7,557,530	871	10,120,843	44,043
QOF	7,640,659	5,729,883	5,729,883	0	7,640,659	0
<u>Other GP Services:</u>						
Seniority	438,752	328,751	316,776	(11,975)	422,368	(16,384)
Locums	664,281	498,204	498,204	0	664,281	0
Occupational Health	41,964	31,473	32,359	886	43,145	1,181
CQC Fees	365,863	274,276	281,116	6,840	374,821	8,958
Retention Scheme	50,000	37,494	37,494	0	50,000	0
Prescribing & Dispensing Doctors	474,596	355,652	318,430	(37,222)	424,596	(50,000)
<b><u>Specific Reserves</u></b>						
Previous PCCC agreed Premises Developments	512,000	384,000	0	(384,000)	0	(512,000)
<b><u>New Requirements (based on current guidance):</u></b>						
Network Contract DES £1.50/head	shown in LCS as funded from CCG Allocations					
Network Contract DES - Clinical Director Support	311,000	207,312	208,913	1,601	313,135	2,135
Network Participation Practice Payment	1,043,000	782,035	778,685	(3,350)	1,038,246	(4,754)
Additional Roles Re-imburement scheme (PYE)	809,134	62,434	62,434	0	809,134	0
Extended Hours DES - effective from 1st July 2019	669,524	447,235	447,235	0	669,524	0
Budget Shortfall 2019/20	(236,409)	(177,307)	0	177,307	0	236,409
<b>Total</b>	<b>75,823,585</b>	<b>56,110,641</b>	<b>55,817,147</b>	<b>(293,494)</b>	<b>75,473,880</b>	<b>(349,705)</b>

**Additional CCG-Commissioned Expenditure on Primary Care Services  
Month 9 Position - April - December 2019**

Budget	Full Year Plan £	Year to Date Budget £	Year to Date Spend £	Year to Date Variance £	Forecast Spend £	Forecast Variance £
<b>Ophthalmology Services</b>	<b>310,564</b>	<b>232,923</b>	<b>266,578</b>	<b>33,655</b>	<b>355,437</b>	<b>44,873</b>
<b>Pharmacy</b>	<b>336,053</b>	<b>252,040</b>	<b>239,954</b>	<b>(12,086)</b>	<b>318,963</b>	<b>(17,090)</b>
<b>LCS Contracts With GP Practices</b>						
PMS Transition:"Over and Above"	2,959,970	2,219,978	2,209,605	(10,373)	2,946,140	(13,830)
Quality Contract	2,367,976	1,775,982	1,767,699	(8,283)	2,356,932	(11,044)
£1.50 per Head to Develop and Maintain Networks	907,000	680,250	685,364	5,114	913,818	6,818
Care Homes	754,667	566,000	518,048	(47,952)	690,730	(63,937)
Anticoagulation	712,994	534,746	476,675	(58,071)	635,566	(77,428)
Special Cases	530,000	397,500	421,500	24,000	562,000	32,000
24 Hour Blood Pressure Monitoring	207,385	155,539	157,812	2,273	210,416	3,031
Dmards	226,342	169,757	188,451	18,694	251,268	24,926
Existing Dermatology & Respiratory Clinics	65,958	49,469	42,800	(6,669)	57,067	(8,891)
Latent TB Screening	75,000	56,250	56,250	0	75,000	0
Pessaries	47,860	35,895	34,245	(1,650)	45,660	(2,200)
Zoladex	44,760	33,570	38,340	4,770	51,120	6,360
Care Of Homeless	42,667	32,000	32,000	0	42,667	0
Eating Disorders	40,327	30,245	29,018	(1,227)	38,661	(1,666)
Mirena	24,900	18,675	18,225	(450)	24,300	(600)
Endometrial Biopsy	13,620	10,215	8,573	(1,642)	11,430	(2,190)
Dermatology/Cryotherapy/Cutting	11,560	8,670	11,040	2,370	14,720	3,160
Minor Surgery	10,600	7,950	13,643	5,693	18,190	7,590
Colorectal Screening	10,574	7,931	7,284	(647)	9,712	(862)
Hepatitis B	5,066	3,800	2,192	(1,608)	2,922	(2,144)
Diabetes	2,962	2,222	8,064	5,842	8,064	5,102
Carpal Tunnel	2,070	1,553	2,340	787	3,120	1,050
D Dimers	1,250	938	975	37	1,300	50
<b>LCS Contracts With GP Practices - Sub Total</b>	<b>9,065,508</b>	<b>6,799,135</b>	<b>6,730,143</b>	<b>(68,992)</b>	<b>8,970,803</b>	<b>(94,705)</b>
<b>2019/20 Contract With Primary Care Sheffield Ltd</b>						
CASES	685,000	513,750	513,750	0	685,000	0
PCS Accommodation & System-Wide Work	150,000	112,500	112,500	0	150,000	0
Clinical Pharmacists	66,936	66,936	67,892	956	70,760	3,824
Extended Access	3,551,000	2,663,250	2,663,250	0	3,551,000	0
<b>2019/20 Contract With Primary Care Sheffield - Sub Total</b>	<b>4,452,936</b>	<b>3,356,436</b>	<b>3,357,392</b>	<b>956</b>	<b>4,456,760</b>	<b>3,824</b>
<b>Other Expenditure to Support Primary Care</b>						
PLIs and Practice Training	140,000	105,000	82,199	(22,801)	128,333	(11,667)
GP IT	2,215,478	1,134,709	1,134,709	0	2,215,478	0
Out of Hours	21,083	15,812	14,192	(1,620)	18,923	(2,160)
Round Robin Postage	36,000	27,000	32,000	5,000	42,667	6,667
Interpreting Services	749,757	562,318	623,286	60,968	832,392	82,635
<b>Other Primary Care Expenditure - Sub Total</b>	<b>3,162,318</b>	<b>1,844,839</b>	<b>1,886,386</b>	<b>41,547</b>	<b>3,237,793</b>	<b>75,475</b>
<b>Non-Recurrent Items</b>						
£1/head Neighbourhood Development Transformation Funding	600,000	509,083	509,083	0	600,000	0
PQIS	1,715,000	1,584,237	1,584,237	0	1,715,000	0
GPFV Allocation 19/20 - On-Line Consultation	152,847	0	0	0	152,847	0
GPFV Allocation 19/20 - Reception & Clerical	93,704	0	0	0	93,704	0
GPFV Allocation 19/20 - GP Retention	117,575	0	0	0	117,575	0
GPFV Allocation 19/20 - Practice Resilience	75,177	26,910	26,910	0	75,177	0
GPFV Allocation 19/20 - PCN Development	386,856	386,856	386,865	9	386,865	9
<b>Non-Recurrent Items Sub-Total</b>	<b>3,141,159</b>	<b>2,507,086</b>	<b>2,507,095</b>	<b>9</b>	<b>3,141,168</b>	<b>9</b>
<b>Reserves</b>						
Winter Reserve	300,000	150,000	150,001	1	300,000	0
Reserve	303,864			0	203,864	(100,000)
<b>Sub-Total Reserves</b>	<b>603,864</b>	<b>150,000</b>	<b>150,001</b>	<b>1</b>	<b>503,864</b>	<b>(100,000)</b>
<b>Additional CCG- Commissioned Expenditure - Total</b>	<b>21,072,402</b>	<b>15,142,459</b>	<b>15,137,549</b>	<b>(4,910)</b>	<b>20,984,788</b>	<b>(87,614)</b>