

## Primary Care Commissioning Committee

<b>Subject:</b>	NHSE Primary Care – Month 11 2017/18
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<b>Finance Contributor:</b>	John Burrows / Kevin Davis
<b>Decision/Approve/ Endorse/Discuss/Note:</b>	Note

### Purpose of paper:

To inform the Committee of the Month 11 2017/18 position for the NHS England (South West) Primary Care medical (delegated) budgets.

### Recommendations:

The Committee is asked to:

- **Note** the position of the NHS England (South West) Primary Care medical (delegated) budgets at Month 11.

## NHSE Primary Care – Month 11 2017/18

### 1. Overview

1.1 This report is intended to inform the Committee of the financial position of the NHS England (South West) Primary Care Medical budgets for the Bristol, North Somerset and South Gloucestershire area at 28<sup>th</sup> February 2018. Work is currently ongoing on preparing the results for the full financial year.

### 2. Allocations

2.1 The table below show the makeup of the current medical allocation.

	South Gloucestershire CCG £ 000	Bristol CCG £ 000	North Somerset CCG £ 000	Total £ 000
<b>17/18 Primary Care Allocation (ACRA figure)</b>	33,366	63,901	28,732	125,999
<b>Recurring transfers after initial publication</b>				
- PMS Premiums 2016/17	(485)	(1,004)	(88)	(1,577)
- PMS Premiums re Public Health Childhood Immunisations	(557)	(940)	(325)	(1,822)
<b>Initial allocation 2017/18</b>	32,324	61,957	28,319	122,600
<b>Recurring transfers in 2017/18</b>				
- PMS Premiums 2017/18	(484)	(778)	(88)	(1,350)
- Collaborative fees transferred to CCG	(154)	(554)	(215)	(923)
- Service funding transferred to CCG			(71)	(71)
<b>Sub total</b>	(638)	(1,332)	(374)	(2,344)
<b>Recurring allocation at 28th February 2018</b>	31,686	60,625	27,945	120,256
<b>Non recurring transfers in 2017/18</b>				
- Market rent funding	184	541	7	732
<b>Total allocation at 28th February 2018</b>	31,870	61,166	27,952	120,988

### 3. Financial performance to 28<sup>th</sup> February 2018

3.1 Financial performance is reported each month to the CCGs' finance teams as part of the routine month end process. The table attached as **Appendix 1** gives overall figures Bristol, North Somerset, and South Gloucestershire combined.

3.2 As has previously been discussed for historical reasons budgets set for the year are in excess of the delegated budget assigned to the BNSSG CCGs by £1.89m. This includes allowance for headroom of £1.2m and contingency of £0.6m.

- 3.3 These budgets were not delegated to the CCGs in 2017/18 but form part of the overall NHS England South West Primary Care budget; the key target for NHS England is to remain within the total allocation.
- 3.4 Operational budgets are forecast to underspend by £0.9m (headroom £0.2m, contingency £0.6m, other budgets £0.1m).
- 3.5 Variances against budgets are minor given the overall level of spend involved. There have been several key factors affecting financial performance for the year:
- The national rates review of primary care premises has led to savings in excess of those anticipated at budget setting; favourable £0.3m
  - There has been the need to provide additional support to vulnerable practises in the Bristol area; adverse £0.2m.
  - Increasing locum costs, partly due to changes in the rules for locum reimbursement agreed as part of the 2017/18 GP; adverse £0.3m. There has also recently been an initiative to encourage practices to make claims promptly to reduce the need for estimated accruals at year end.
  - Other small variances on GP contracts, Clinical waste and Seniority have been sufficient to bring the overall budget back into balance.
- 3.6 At the meeting in January the Committee asked for a breakdown of “Other Services”. The table attached as **Appendix 2** shows a breakdown of these budgets at 28<sup>th</sup> February.

#### **4. Calculation of Primary Care allocations**

- 4.1 At its meeting in January the Committee asked for more information about the national process for calculating allocations. Attached at **Appendix 3** is a paper prepared by the NHSE team outlining the process.

#### **5. Recommendations**

- 5.1 The Committee is asked to note the contents of this report.

John Burrows, Assistant Head of Finance (Primary Care)  
Kevin Davis, Head of Finance (South West)

11<sup>th</sup> April 2017

## Appendix 1

### Analysis by Area of Spend Period Ending 28th February 2018



Area of Spend	Year to date			Forecast			
	Budget	Actual	Variance	Budget	Actual	Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
<b>General Practice - GMS</b>							
	Global sum	10,801	10,915	(114)	11,843	11,989	(146)
	MPIG	95	95	-	103	103	-
<b>General Practice - PMS</b>							
	Contract value	57,837	57,630	207	63,508	63,216	292
	PMS Premium	4,887	4,878	9	5,331	5,331	-
<b>General Practice - APMS</b>							
<b>Premises Costs</b>							
	Rent	8,269	8,185	84	9,107	9,082	25
	Service charges	2,036	2,030	6	2,221	2,221	-
	Rates	1,349	1,164	185	1,446	1,207	239
	Water rates	130	125	5	142	142	-
	Clinical Waste	532	502	30	581	497	84
	Other premises cost	2,399	2,400	(1)	2,554	2,554	-
<b>GP -Dispensing</b>							
		1,138	1,135	3	1,242	1,218	24
<b>Enhanced Services</b>							
	Learning Disability Health Check	304	310	(6)	331	331	-
	Minor Surgery	733	679	54	801	801	-
	Unplanned Admissions	-	-	-	-	-	-
	Extended Hours	1,614	1,609	5	1,760	1,760	-
	Violent Patients	69	69	-	76	76	-
<b>QOF</b>							
	Aspiration	7,433	7,433	-	8,108	8,108	-
	Achievement	2,469	2,469	-	3,848	3,848	-
<b>Seniority</b>							
		982	895	87	1,310	1,225	85
<b>Other Services</b>							
		1,616	2,121	(505)	1,709	2,178	(469)
<b>Headroom</b>							
					1,202	993	209
<b>Contingency</b>							
					601	-	601
<b>Overcommitment of allocation</b>							
		(1,729)	-	(1,729)	(1,886)	-	(1,886)
<b>Total- Delegated</b>							
		107,595	109,310	(1,715)	120,988	121,957	(969)

## Appendix 2

### Other Services budgets

	Budget £ 000	Forecast outturn £ 000	Variance £ 000
Locums	736	989	(253)
Translation fees	77	77	0
GP Retainers	138	88	49
Sterile products	1	76	(75)
CQC Fees	591	591	0
Long Acting Reversible Contraception	166	166	0
Practice Support	0	190	(190)
	<u>1,709</u>	<u>2,178</u>	<u>(469)</u>

## Appendix 3

### Calculation of Primary Care allocations

#### Introduction

Following a request from the Joint Primary Care Commissioning Committee this briefing gives an overview of the calculations behind the CCGs' Primary Care allocations.

#### Target vs. actual allocation in Primary Care

##### Current and next year funding

In 2017-18 Bristol, North Somerset, and South Gloucestershire CCGs as a group are funded above allocation, with a total primary care allocation of £125.999m – £1.613m over target.

<b>Primary Care</b>				
<b>2017-18</b>	<b>NHS Bristol CCG</b>	<b>NHS SG CCG</b>	<b>NHS NS CCG</b>	<b>Total</b>
Allocation £k	63,901	33,366	28,732	125,999
Target £k	64,794	31,155	28,437	124,386
	<b>(893)</b>	<b>2,211</b>	<b>295</b>	<b>1,613</b>

In 2018-19 the collective will move closer to the target allocation at £94k under target.

<b>2018-19</b>	<b>NHS Bristol CCG</b>	<b>NHS SG CCG</b>	<b>NHS NS CCG</b>	<b>Total</b>
Allocation £k	65,278	33,906	29,372	128,556
Target £k	67,025	32,188	29,437	128,650
	<b>(1,747)</b>	<b>1,718</b>	<b>(65)</b>	<b>(94)</b>

##### Target and actual allocation calculations

In 2015-16 the initial target allocation for CCGs was calculated by taking the weighted population of the CCG area, dividing this by the total weighted population in England, and then multiplying by the baseline funding figure of £7,066.758m. Cash terms growth is then applied to the baseline year-on-year as seen in the table below.

<b>Target</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Baseline ALL CCGs</b>	7,066,758	7,332,800	7,568,300	7,811,500	8,072,900	8,403,800
Cash terms growth		<b>3.8%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.3%</b>	<b>4.1%</b>
<b>BNSSG target</b>	115,604	120,241	124,386	128,650	133,214	138,922
Growth		<b>4.0%</b>	<b>3.4%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>4.3%</b>

The actual allocation is derived by using the same target baseline and then applying the pace of change policy. This policy balances the aspiration for all CCGs to be no further than 5% below their target allocation through differential growth.

The policy sets:

- A maximum growth for the furthest below target, set at a level that can be efficiently used.
- A minimum growth for the furthest over target to ensure stability of service, unless over 5% where a phased cap is applied for policy pressures.

<b>Actual</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>baseline + adjustments ALL (£)</b>	7,066,758	7,344,230	7,575,166	7,763,415	7,999,732	8,337,266
final growth (minimum + place based)		3.9%	3.1%	2.5%	3.0%	4.2%

<b>BNSSG</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
actual allocation	119,654	123,708	125,999	128,556	132,661	138,417
minimum growth applied		3.6%	1.8%	1.9%	2.1%	2.2%
minimum growth through pace of change		3.4%	1.9%	2.0%	3.2%	4.3%
Distance from target		2.9%	1.3%	-0.1%	-0.4%	-0.4%

As can be seen in the table above, BNSSG benefits from the pace of change policy from 2017-18 to 2020-21. This is consistent with the finding when Bristol CCG is considered independently (below):

<b>Bristol actual allocation</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
Bristol CCG baseline + adjustments (£)	60,431	62,585	63,901	65,278	67,480	70,390
minimum growth applied		3.6%	1.8%	1.9%	2.1%	2.2%
minimum growth through pace of change		3.6%	2.1%	2.2%	3.4%	4.3%

### **Bristol CCG moving further from target to 2020**

A comparison between the Primary Care target allocation and the actual allocation for all CCGs identifies that the target is growing faster than the actual allocation in 2017-20. As a result, those CCGs which are under target will fall further from target.

Although Bristol CCG benefits from the differential growth applied in the pace of change, it is not growing as strongly as the target because funding is weighted towards those CCGs that are more than 5% under target.

### **Summary**

The target is recalculated each year.

The actual allocation is based on the distance from target and the pace of change.

The NHSE aspiration is to reduce variations over 5%, as variation under 5% is not viewed as statistically significant due to uncertainties in the data.

Summary guide to NHS allocations: <https://www.england.nhs.uk/wp-content/uploads/2017/07/nhs-allocations-infographics-v1-1.pdf>