

Agenda item: 10

Report title: Primary Care Commissioning Committee Finance Update and Month 5 (August) Reporting

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1. Background

The purpose of this report is to update the Primary Care Commissioning Committee (PCCC) on the 2019/20 operational budget for Primary Care Services, encompassing delegated commissioning (devolved Primary Medical Care allocation), 'other' Primary Care services and medicines management (as funded from the CCGs Core allocation).

The report also provides an update as on the reported position as at 31st August 2019 as reported to the CCG Governing Body, and the emerging financial risks to delivery of the financial plan.

2. 2019/20 Revenue Resource Limits

Table 1: Primary Care Revenue Resource Limits (current budget) 2019/20:

		Delegated Primary Care £ '000K	Medicines Mgmt. £ '000K	Other GP Provided Services £ '000K	TOTAL Allocation £ '000K
Opening Budget	Recurrent	£127,655	£130,350	£19,372	£277,377
In Month Allocations					
Workforce Training Hubs	Non-Recurrent (GPFV)			£165	£165
Fellowships Core Offer	Non-Recurrent (GPFV)			£148	£148
Fellowships Aspiring Leaders	Non-Recurrent (GPFV)			£189	£189
Current Budget (month 5)		£127,655	£130,350	£19,874	£277,879

General Practice Forward View (GPFV) Funding

In addition to previous GPFV allocations, NHS England (NHSE) has confirmed allocation of a further £502K primary care monies, which details three priorities:

- General Practice Fellowships
- Primary Care Training Hubs
- Fellowships Aspiring Leaders (GPN 10-point plan)

The full allocation has been received by the CCG. NHSE will issue further guidance on the expected outcomes for this investment, which will inform future planning discussions.

3. Month 5 Reported Position (as at 31st August 2019)

Table 2: Summary Finance Report as at 31st August 2019:

Underspend / (Overspend)	YTD Budget (£'000K)	YTD Expenditure (£'000K)	YTD Variance (£'000K)		Annual Budget (£'000K)	Forecast Outturn (£'000K)	Forecast Variance (£'000K)	Risk (£'000K)	Mitigation (£'000K)	Risk Adjusted Forecast Out-turn (£'000K)
Primary Care (Delegated)										
GMS/PMS/APMS Contracts	37,696	37,702	(6)	●	90,470	90,470	0			0
Primary Care Networks DES	1,286	1,286	0	●	3,087	3,087	0			0
Designated Enhanced Services (DES)	1,130	1,130	0	●	2,712	2,712	0			0
Quality Outcomes Framework (QOF)	5,075	5,075	0	●	12,181	12,181	0			0
Premises Costs	5,996	6,274	(278)	●	14,392	14,392	0	(665)	665	0
Other GP Services	631	645	(14)	●	1,515	1,515	0			0
Locum Reimbursement Costs	750	750	0	●	1,800	1,800	0			0
Prescribing & Dispensing Fees	550	550	0	●	1,320	1,320	0			0
Delegated Primary Care Reserve	(192)	60	(252)	●	178	178	0	(1,000)	1,000	0
Primary Care (Delegated) Total	52,924	53,473	(549)	●	127,655	127,655	0	(1,665)	1,665	0
Medicines Management										
Primary Care Prescribing	49,591	50,358	(768)	●	119,695	119,695	0	(2,051)	2,128	77
Central Drugs Costs	2,575	2,682	(107)	●	6,180	6,180	0			0
Home Oxygen Service	976	976	0	●	2,343	2,343	0			0
Other Prescribing	790	790	0	●	1,895	1,895	0			0
Medicines Management - Clinical	99	101	(2)	●	237	237	0			0
Medicines Management Total	54,030	54,907	(876)	●	130,350	130,350	0	(2,051)	2,128	77
Primary Care										
GP Forward View	3,305	3,306	(1)	●	7,933	7,933	0			0
PMS Premium Reinvestment	2,151	2,146	6	●	5,164	5,164	0			0
Primary Care Networks DES	638	638	0	●	1,531	1,531	0			0
Local Enhanced Services	1,185	1,103	82	●	2,845	2,845	0			0
Clinical Leads & Membership Engagement	644	619	24	●	1,545	1,545	0			0
Other Primary Care	120	38	82	●	289	289	0			0
Locality Leadership Groups	236	267	(31)	●	567	567	0			0
Primary Care Total	8,281	8,119	162	●	19,874	19,874	0	0	0	0
Grand Total	115,235	116,498	(1,263)	●	277,879	277,879	0	(3,716)	3,793	77

4. Primary Care Medical (Delegated) - £549K overspend

GMS/PMS/APMS Contracts

- **Practice List Size Growth** – Contractual payments to practices are updated quarterly based on the latest weighted list sizes. As part of the annual planning, an average of 0.23% list size growth per quarter was factored into budgets. Actual weighted list sizes only grew by 0.1% in quarter 1 (751 patients), resulting in a year to date underspend of £178K across GMS and PMS contract lines.
- **Seniority Payments** – 2019/20 represents the final year of the phasing out of seniority payments to eligible GPs. The total amount of funding is cut by approximately 15% each year, to include the impact of attrition (retirement, and closing entrants to the scheme), and an annual reduction to seniority pay scales.
- Additional, non-recurrent support has been put in place to ensure smooth transition of service provision for contracts picked up new providers after contract handbacks. This is resulting in year to date costs of £245K at the end of August.

The net impact of the issues described above result in a net year to date adverse variance against plan of £6K.

Property Costs

As set out in previous PCC Finance papers, the CCG had assumed additional income (over and above the notified revenue resource allocation) of £665K in 2019/20 planning assumptions, based on non-recurrent allocations being received in the previous two years.

It has now been confirmed by the national allocations team that this allocation has been built into the CCGs notified primary medical care recurrent allocation. The year to date impact of this is an overspend of £278K.

Locum Funding

The CCG had assumed additional income (over and above the notified revenue resource allocation) of £1,000K in 2019/20 planning assumptions, based on analysis showing that there was an underlying shortfall in the allocation received by the CCG in 2018/19. The year to date impact of this is an overspend of £417K.

The CCG continues to formally report a £1.6m recurrent cost pressure and risk associated with delegated primary care budgets for the above two reasons with NHS England, as set out in Table 3 in section 7.

Delegated Primary Care Reserve

As part of the annual planning round, the CCG had budgeted for the additional cost (over and above that within the CCG core allocation) of the £6/head Improved Access scheme. This has now been received by the CCG as a non-recurrent allocation from NHSE, and therefore results in an uncommitted budget of £369K. The year to date impact of this is a £154K underspend.

5. Medicines Management - £876K overspend

Prescribing costs have seen a 0.3% increase in growth compared to the same period in the previous year. This contributes to the YTD overspend of £876k. It is anticipated that the commencement of planned savings schemes will return the budget to a breakeven position in future months.

6. Other CCG commissioned Primary Care services - £162K underspend

Local Enhanced Services

The enhanced services were budgeted for based on the maximum sign up for each service. Actual activity for the first quarter has been below this budgeted level, creating a YTD underspend of £82k

7. Risks and mitigations as reported at Month 5

As part of the CCGs monthly submission to NHSE, the following risks and mitigations specific to primary care have been reported as part of the CCGs overall financial risks and mitigations:

Table 3: Risks & Mitigations (month 5)

Description	Area	Risk	Mitigation	Net
Additional prescribing savings - system savings	Medicines Management		128	128
Waste and Repeat Prescribing	Medicines Management	(21)		(21)
Optimising primary care prescribing	Medicines Management	(29)		(29)
Total Savings Risk		(51)	128	77
Category M Price Changes from August	Medicines Management	(2,000)	2,000	0
Locums	Primary Care (Delegated)	(1,000)	1,000	0
Planning Gap	Primary Care (Delegated)	(665)	665	0
Emerging Risks		(3,665)	3,665	0
Total Risks & Mitigations as at Month 5		(3,716)	3,793	77

Medicines Management - Category M Price increases

Category M reimbursement prices are being amended from 1 August 2019. This is outside of the usual three monthly cycle, in which Category M reimbursement prices are updated because the Department of Health and Social Care, with the Pharmaceutical Services Negotiating Committee's agreement, is increasing Category M reimbursement prices by £15 million per month.

Based on the CCG share of the cat M spend currently being 1.56%, this equates to a potential additional £234,000 cost per month, and a total cost pressure in 2019/20 of c. £2m.

8. Other emerging risks and mitigations

APMS Contract Expiry

3 APMS contracts expire on 30th September 2019, with either a procurement process for a new provider, or a managed list dispersal potential outcomes to ensure long-term and sustainable contract resolutions.

The contracts and finance department are working closely to understand the potential additional (non-recurrent) costs of either a procurement for a new provider or a managed list dispersal, and seeking to minimise the risk of any significant additional costs over and above budgeted amounts, whilst ensuring a long-term sustainable and affordable solution.

All three existing contracts have a premium attached to them which is fully funded in 2019/20, and any cost pressures over and above budgeted amounts arising as a result of this process are expected to be minimal, and will be presented in detail in future reports.

Contingency

The CCG has an uncommitted budget of £638K (0.5% of allocation) to mitigate against the above risks, and any further emergent, in-year cost pressures.

9. Financial resource implications

As set out above

10. Legal implications

There are no legal implications arising from this paper.

11. Risk implications

The risks set out in Section 7 and 8 above highlight the key risks inherent in the Primary Care plan for 2019/20. Any emerging risks that may have further financial implications for delivering a break-even position against budget in 2019/20 will be highlighted in future Finance reports.

12. Implications for health inequalities

None to note

13. Implications for equalities (Black and Other Minority Ethnic/Disability/Age Issues)

None to note

14. Consultation and Communication including Public Involvement

Commissioners will work with practices to ensure communications to patients are robust, ensuring patients are aware of where and when they can access services across a PCN.

15. Recommendations

The committee is asked to note the following:

- Note the confirmed additional non-recurrent resource allocations received for additional GPFV funding (£502K)
- Note that at Month 5, primary care budgets are reporting a break-even year to date position and forecast out-turn against budget
- Note the emerging risks to delivery of this plan as outlined in Section 7 above, and the associated mitigations

Appendices

- i. Appendix 1a - BNSSG Primary Care Medical Finance Report as at 31st August 2019
- ii. Appendix 1b - BNSSG 'Other' Primary Care Finance Report as at 31st August 2019
- iii. Appendix 1c - BNSSG Medicines Management Finance Report as at 31st August 2019

Summary Finance Report as at 31st August 2019 (Month 5)
Delegated Co-Commissioning (Appendix 1a)

	Annual Budget (£'000K)	YTD Budget (£'000K)	YTD Expenditure (£'000K)	YTD Variance (£'000K)	Forecast Outturn (£'000K)	Forecast Variance (£'000K)	Prior month FOT variance (£'000K)	Movement from prev month (£'000K)	
GMS/PMS/APMS Contracts									
PMS Contract Value	67,457	28,107	28,219	(111)	67,457	0	0	0	0
GMS Global Sum	17,043	7,101	7,056	45	17,043	0	0	0	0
PMS Premium	4,375	1,823	1,823	(0)	4,375	0	0	0	0
Seniority Payments	828	345	285	60	828	0	0	0	0
APMS Contract Premium	732	305	305	(0)	732	0	0	0	0
Minimum Practice Income Guarantee (MPIG)	34	14	14	(0)	34	0	0	0	0
GMS/PMS/APMS Contracts Total	90,470	37,696	37,702	(6)	90,470	0	0	0	0
Primary Care Networks DES									
PCN Participation Payment	1,696	707	707	0	1,696	0	0	0	0
Additional Roles - Clinical Pharmacist	910	379	379	0	910	0	0	0	0
Additional Roles - Social Prescribing Link Worker	821	342	342	0	821	0	0	0	0
PCN GP Clinical Leadership	525	219	219	0	525	0	0	0	0
Additional Roles - Slippage	(866)	(361)	(361)	0	(866)	0	0	0	0
Primary Care Networks DES Total	3,087	1,286	1,286	0	3,087	0	0	0	0
Designated Enhanced Services (DES)									
Extended Hours Access	1,500	625	625	(0)	1,500	0	0	0	0
Minor Surgery	803	335	335	0	803	0	0	0	0
Learning Disabilities	334	139	139	0	334	0	0	0	0
Violent Patients	75	31	31	0	75	0	0	0	0
Designated Enhanced Services (DES) Total	2,712	1,130	1,130	(0)	2,712	0	0	0	0
Quality Outcomes Framework (QOF)									
QOF Achievement	12,181	5,075	5,075	(0)	12,181	0	0	0	0
QOF Aspiration Payments	0	0	0	0	0	0	0	0	0
Quality Outcomes Framework (QOF) Total	12,181	5,075	5,075	(0)	12,181	0	0	0	0
Premises Costs									
Notional Rent	6,775	2,823	2,823	(0)	6,775	0	0	0	0
Service Charges	2,508	1,045	1,045	(0)	2,508	0	0	0	0
Healthcentre Rent	1,776	740	740	(0)	1,776	0	0	0	0
Rates	1,406	586	586	(0)	1,406	0	0	0	0
Actual / Cost Rent	866	361	361	(0)	866	0	0	0	0
Void Costs	847	353	353	(0)	847	0	0	0	0
Clinical Waste	764	318	318	(0)	764	0	0	0	0
Water Rates	113	47	47	(0)	113	0	0	0	0
Anticipated Market Rent Funding	(665)	(277)	0	(277)	(665)	0	0	0	0
Premises Costs Total	14,392	5,996	6,274	(278)	14,392	0	0	0	0
Other GP Services									
CQC Fees Reimbursement	500	208	208	(0)	500	0	0	0	0
Connecting Care and LMC	351	146	156	(10)	351	0	0	0	0
Doctors Retainer Scheme	220	91	91	(0)	220	0	0	0	0
IUC Devices	178	74	74	(0)	178	0	0	0	0
Sterile Products	175	73	73	(0)	175	0	0	0	0
Translation Fees	92	38	42	(4)	92	0	0	0	0
Other GP Services Total	1,515	631	645	(14)	1,515	0	0	0	0
Locum Reimbursement Costs									
Locum Costs (Sickness Cover)	1,279	533	533	0	1,279	0	0	0	0
Locum Costs (Adoption / Maternity / Paternity Leave)	521	217	217	0	521	0	0	0	0
Locum Reimbursement Costs Total	1,800	750	750	0	1,800	0	0	0	0
Prescribing & Dispensing Fees									
Dispensing Fees	723	301	301	(0)	723	0	0	0	0
Prescribing Fees	554	231	231	0	554	0	0	0	0
Dispensing Quality Scheme	43	18	18	(0)	43	0	0	0	0
Prescribing & Dispensing Fees Total	1,320	550	550	(0)	1,320	0	0	0	0
Delegated Primary Care Reserve									
Contingency	638	0	0	0	638	0	0	0	0
Other Reserves	369	154	0	154	369	0	0	0	0
Section 96 Practice Support	170	71	60	11	170	0	0	0	0
Anticipated Funding	(1,000)	(417)	0	(417)	(1,000)	0	0	0	0
Delegated Primary Care Reserve Total	177	(192)	60	(252)	177	0	0	0	0
Grand Total	127,655	52,923	53,473	(549)	127,655	0	0	0	0

Summary Finance Report as at 31st August 2019 (Month 5)
Other GP Provided Services (Appendix 1b)

	Annual Budget (£'000K)	YTD Budget (£'000K)	YTD Expenditure (£'000K)	YTD Variance (£'000K)	Forecast Outturn (£'000K)	Forecast Variance (£'000K)	Prior month FOT variance (£'000K)	Movement from prev month (£'000K)	
Improved Access (GPFV)									
Improved Access	5,839	2,433	2,434	(1)	5,839	0	0	0	0
PCN Organisational Development	718	299	299	0	718	0	0	0	0
Online consultations	364	152	152	0	364	0	0	0	0
GP Retention	209	87	87	0	209	0	0	0	0
Fellowships Aspiring Leaders	189	79	79	0	189	0	0	0	0
Reception and Clerical Training	170	71	71	0	170	0	0	0	0
Workforce Training Hubs	165	69	69	0	165	0	0	0	0
Fellowships Core Offer	148	62	62	0	148	0	0	0	0
Practice Resilience	131	55	55	0	131	0	0	0	0
GPRISS	0	0	0	(0)	0	0	0	0	0
Improved Access (GPFV) Total	7,933	3,305	3,306	(1)	7,933	0	0	0	0
Primary Care Networks DES									
£1.50 Core PCN Payment	1,531	638	638	(0)	1,531	0	0	0	0
Primary Care Networks DES Total	1,531	638	638	(0)	1,531	0	0	0	0
PMS Premium Reinvestment									
PMS review	4,675	1,948	1,948	(0)	4,675	0	0	0	0
Primary Care Offer	203	85	79	6	203	0	0	0	0
Treatment Rooms	191	79	79	0	191	0	0	0	0
BCH Admin Staff	46	19	19	(0)	46	0	0	0	0
Additional Basket of Procedures	44	18	18	(0)	44	0	0	0	0
Counselling	5	2	2	0	5	0	0	0	0
PMS Premium Reinvestment Total	5,164	2,151	2,146	6	5,164	0	0	0	0
Local Enhanced Services									
Care Home LES	1,054	439	439	0	1,054	0	0	0	0
Near Patient Testing LES	675	281	241	41	675	0	0	0	0
Anti-Coagulation LES	600	250	208	42	600	0	0	0	0
Dementia LES	408	170	170	0	408	0	0	0	0
Diabetes Insulin LES	62	26	26	0	62	0	0	0	0
DVT	46	19	19	0	46	0	0	0	0
BPCAg Over 75's & Mental Health	0	0	(0)	0	0	0	0	0	0
SG Compact Referral Mgmt & Performance	0	0	0	0	0	0	0	0	0
Minor Injuries LES	0	0	0	(0)	0	0	0	0	0
Local Enhanced Services Total	2,845	1,185	1,103	82	2,845	0	0	0	0
Clinical Leads & Membership Engagement									
Clinical Leads	1,160	483	459	24	1,160	0	0	0	0
Practice Representation	177	74	74	(0)	177	0	0	0	0
LLG N.Somerset	153	64	76	(13)	153	0	0	0	0
Macmillan GP post	131	55	47	8	131	0	0	0	0
LLG N&W	126	53	58	(5)	126	0	0	0	0
LLG IC&E	83	35	47	(13)	83	0	0	0	0
LLG South	82	34	40	(6)	82	0	0	0	0
LLG S.Glos	73	31	26	5	73	0	0	0	0
Practice Education	51	21	21	0	51	0	0	0	0
LLG Practice Nurse	50	21	20	1	50	0	0	0	0
Nurse Forums	15	6	6	0	15	0	0	0	0
Practice Manager Forums	9	4	4	0	9	0	0	0	0
Locality Leadership Group (non-pay)	2	1	1	0	2	0	0	0	0
Workforce Lead Practice Nurse	0	0	8	(8)	0	0	0	0	0
Clinical Leads & Membership Engagement Total	2,112	880	887	7	2,112	0	0	0	0
Other Primary Care									
Connecting Care	266	111	26	85	266	0	0	0	0
Referral Service	16	7	7	(0)	16	0	0	0	0
Weston Primary Care Transformation	7	3	0	3	7	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Vaccines	0	0	6	(6)	0	0	0	0	0
Integrated Care System	0	0	0	0	0	0	0	0	0
CEPN	0	0	0	(0)	0	0	0	0	0
Locality GP Retention	0	0	(0)	0	0	0	0	0	0
Other Primary Care Total	289	120	38	82	289	0	0	0	0
Grand Total	19,874	8,280	8,119	162	19,874	0	0	0	0

Summary Finance Report as at 31st August 2019 (Month 5)
Medicines Management (Appendix 1c)

	Annual Budget (£'000K)	YTD Budget (£'000K)	YTD Expenditure (£'000K)	YTD Variance (£'000K)	Forecast Outturn (£'000K)	Forecast Variance (£'000K)	Prior month FOT variance (£'000K)	Movement from prev month (£'000K)	
Primary Care Prescribing									
Practice Prescribing	123,925	51,353	51,403	(50)	123,925	0	0	0	0
Rebate Income	(752)	(313)	(313)	(0)	(752)	0	0	0	0
Local Authority income	(3,477)	(1,449)	(732)	(717)	(3,477)	0	0	0	0
Primary Care Prescribing Total	119,695	49,591	50,358	(768)	119,695	0	0	0	0
Central Drugs Costs									
Central Drugs Costs	3,961	1,650	1,650	0	3,961	0	0	0	0
Dressings	2,159	900	1,007	(107)	2,159	0	0	0	0
OOH Stock	60	25	25	0	60	0	0	0	0
Central Drugs Costs Total	6,180	2,575	2,682	(107)	6,180	0	0	0	0
Home Oxygen Service									
Home Oxygen	2,343	976	976	(0)	2,343	0	0	0	0
Home Oxygen Service Total	2,343	976	976	(0)	2,343	0	0	0	0
Other Prescribing									
Prescribing Incentive Schemes	1,022	426	426	0	1,022	0	0	0	0
Prescribing Software	340	142	142	0	340	0	0	0	0
Other Prescribing	228	95	95	0	228	0	0	0	0
St Peters	90	38	38	0	90	0	0	0	0
Primary Care Dispensing	84	35	35	(0)	84	0	0	0	0
Brook	66	28	28	0	66	0	0	0	0
Trust Drugs	65	27	27	(0)	65	0	0	0	0
Other Prescribing Total	1,895	790	790	0	1,895	0	0	0	0
Medicines Management - Clinical									
Designated Enhanced Services (DES)	213	89	93	(4)	213	0	0	0	0
Extended Hours Access	24	10	6	4	24	0	0	0	0
Minor Surgery	0	0	2	(2)	0	0	0	0	0
Learning Disabilities	0	0	0	(0)	0	0	0	0	0
Medicines Management - Clinical Total	237	99	101	(2)	237	0	0	0	0
Grand Total	130,350	54,030	54,907	(876)	130,350	0	0	0	0