

BNSSG Primary Care Commissioning Committee (PCCC)

Date: 28th April 2020

Time: 9.00am – 10.20am

Location: Virtual meeting to be held via Microsoft Teams. Details to be included in the calendar invite.

Agenda Number :	8
Title:	Finance Update and Month 12 (March 2020) Reporting
Purpose: For Information	
Key Points for Discussion:	
<p>This report provides an update on the reported financial position as at 31st March 2020, for all 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).</p>	
Recommendations:	<ul style="list-style-type: none"> • Note that at Month 12, combined primary care budgets are reporting an overspend of £4.4M • Note that this does not include any additional costs incurred as a response to the Covid-19 pandemic • Note that this report reflects the final, year-end outturn expenditure, but is subject to external audit as part of the CCGs statutory year-end process.
Previously Considered By and feedback :	Financial Position reported through Primary Care Operational Group (PCOG) on a monthly basis, and as part of CCGs overall monthly reporting to Governing Body and NHS England.
Management of Declared Interest:	Conflicts of Interest are managed at each meeting of the Committee.



Risk and Assurance:	All identified risks and mitigations have been brought into the forecast position.
Financial / Resource Implications:	See Key Points for Discussion
Legal, Policy and Regulatory Requirements:	Not Applicable
How does this reduce Health Inequalities:	No implications to note
How does this impact on Equality & diversity	No implications to note
Patient and Public Involvement:	No implications to note
Communications and Engagement:	Not applicable
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Agenda item: 8 Primary Care Commissioning Committee Finance Update and Month 12 (March) Reporting

1. Background

The purpose of this report is to update the Primary Care Commissioning Committee (PCCC) on the final year-end position for the CCGs 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).

2. Headline Movements from previous month

The final variance from budget at the end of the financial year was reported as £4.36m adverse against plan. This represents a deterioration of £177K from the risk adjusted position as at the end of February.

Programme Area	Risk Adjusted FOT Variance (Month 11)	Final Reported Variance (Month 12)	Movement
Primary Care Prescribing	(£4,430K)	(£4,386K)	£44K
Primary Care (Delegated)	£0K	(£215K)	(£215K)
Other Primary Care	£248K	£243K	(£5K)
Total Risk Adjusted Forecast Deficit	(£4,183K)	(£4,358K)	(£177K)

Most notably, the CCG revised forecast QF reimbursement numbers based on updated anticipated achievement rates, which accounted for £155K of the movement between Month 11 and the final out-turn.

A summary table showing key variances by programme area is presented in Section 4 of this report, and discussed in more detail in Sections 5 – 8. Detailed budget statements are provided in Appendix 1a-1c of this paper.

3. 2019/20 & 2020/21 Revenue Resource Limits (Budget)

Two adjustments have been made to primary care budgets in the final quarter of 2019/20:

Flash Glucose Sensors – In 2019/20 all CCGs have been reimbursed for each set of sensors prescribed for up to 20% of their type 1 diabetes population.



Nurse Forum Funding – internal transfer of budget for continued funding of nurse forums.

The final 2019/20 budget for all Primary Care services is set out in the table below. Non-recurrent budget transfers and allocations are removed from the baseline funding at the end of the year to give a recurrent baseline budget carried forward to 2020/21.

The table has been extended to show the confirmed allocation growth the CCG will receive in 2020/21 to deliver delegated primary care functions. The CCG has also had confirmation through the Long-Term Plan (LTP) submission process, that funding received in 2019/20 to deliver GP Forward View (GPFV) streams will continue to be received by the CCG until 2023/24.

Table 3.1: Primary Care Revenue Resource Limits (current budget) 2019/20, and 2020/21 Opening Budget:

		Delegated Primary Care £ '000K	Medicines Mgmt. £ '000K	Other GP Provided Services £ '000K	TOTAL Allocation £ '000K
Opening Budget (Month 9)		£125,955	£130,327	£22,205	£278,487
Month 10-12 Allocations					
Flash Glucose Monitoring	Non-Recurrent		£638		£638
Transfer Nurse Forums funding	Recurrent			£15	£15
Current Budget (as at Month 12)		£125,955	£130,965	£22,220	£279,140
Remove Non-Recurrent Funding					
Transfer of PMS Premium		£2,700		(£2,700)	£0
Non-Recurrent NHSE Support		(£700)			(£700)
Non-Recurrent GPFV Funding				(£2,461)	(£2,461)
Non-Recurrent Flash Glucose Funding			(£638)		(£638)
Recurrent Baseline (19/20 exit)		£127,955	£130,237	£17,034	£275,326
2020/21 Allocation Growth		£6,292			£6,292
2020/21 PC Transformation Funding				£2,592	£2,592
2020/21 Opening Budget		£134,247	£130,237	£19,626	£284,210

4. Month 12 Reported Position (as at 31st March 2020) Out-turn Overspend £4,358K

At month 12, BNSSG CCG is reporting an out-turn overspend of £4.4M against Primary Care budgets. Narrative outlining the key drivers behind these variances from plan can be found in the following sections.

Table 4.1: Summary Finance Report as at 31st March 2020:

Underspend / (Overspend)	Annual Budget (£'000K)	Annual Expenditure (£'000K)	Variance (£'000K)		Month 11 Risk Adjusted Variance (£'000K)	Movement (M11-M12)
Primary Care (Delegated)						
GMS/PMS/APMS Contracts	87,770	88,294	(523)	●	(394)	(129)
Primary Care Networks DES	3,087	2,969	118	●	0	118
Designated Enhanced Services (DES)	2,712	2,617	95	●	95	(0)
Quality Outcomes Framework (QOF)	12,181	12,336	(155)	●	0	(155)
Premises Costs	14,392	15,039	(648)	●	(622)	(26)
Other GP Services	1,515	1,672	(157)	●	(107)	(50)
Locum Reimbursement Costs	1,800	1,806	(6)	●	0	(6)
Prescribing & Dispensing Fees	1,320	1,233	88	●	54	34
Delegated Primary Care Reserve	1,178	205	973	●	973	(0)
Primary Care (Delegated) Total	125,955	126,170	(215)	●	0	(215)
Medicines Management						
Primary Care Prescribing	120,333	124,628	(4,295)	●	(4,154)	(140)
Central Drugs Costs	6,180	6,606	(426)	●	(312)	(114)
Home Oxygen Service	2,343	2,236	107	●	(25)	132
Other Prescribing	1,895	1,722	173	●	90	83
Medicines Management - Clinical	213	159	54	●	(28)	83
Medicines Management Total	130,965	135,350	(4,386)	●	(4,430)	44
Other Primary Care						
GP Forward View	7,933	7,961	(28)	●	21	(49)
PMS Premium Reinvestment	7,864	7,713	151	●	103	48
Primary Care Networks DES	1,531	1,531	0	●	0	0
Local Enhanced Services	2,845	2,731	114	●	114	0
Clinical Leads & Membership Engagement	1,322	1,272	50	●	93	(43)
Other Primary Care	95	185	(90)	●	(16)	(74)
Locality Leadership Groups	629	582	47	●	(65)	112
Primary Care Total	22,220	21,976	243	●	248	(5)
Grand Total	279,139	283,497	(4,358)	●	(4,181)	(177)



5. Primary Care (Delegated) Out-turn (£215K overspend)

The key variances between the planned deficit of delegated budgets and the out-turn position are summarised as follows:

Budget Line	Description	Month 12 Surplus / (deficit)
1. Planned Deficit	The planned deficit against delegated budgets before assumed additional funding	(£1,665K)
2. n/r allocation	A non-recurrent allocation to fully fund improved access at £6/head (remainder of allocation already in CCG baseline)	£369K
3. Population growth	Benefit of actual list size growth being lower than budgeted levels	£54K
4. Seniority Payments	Benefit of lower than planned seniority payments	£193K
5. List Dispersals	The net cost of premiums and list size growth paid to practices taking on new patients on the back of list dispersals	(£321K)
6. Transitional Funding	Non-recurrent funding agreed to support safe transition of services to new providers post contract handbacks.	(£450K)
7. 0.5% Contingency	Uncommitted budget at the start of the year that has now been released to off-set in year cost pressures	£638K
8. Additional Roles	Underspend against budgeted position	£118K
9. QOF	QOF Achievement higher than planned	(£155K)
10. Other	Other Net variance from plan	£4K
11. Recurrent allocation	£300K increase in recurrent allocation received from NHSE, and representing BNSSGs share of regional cost pressures relating to locum costs	£300K
12. Non-recurrent allocation	Additional non-recurrent resource confirmed by NHS England	£700K
13. 2019/20 Forecast	Revised Forecast out-turn variance	(£215K)



6. Primary Care Medical (Delegated) Out-turn Variance (£215K deficit)

6.1 GMS/PMS/APMS Contracts

- **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. This has resulted in an underspend of £193K.
- **List Dispersals** - Non-recurrent costs have been incurred support has been put in place to ensure smooth transition of service provision for contracts picked up new providers after contract handbacks and list dispersals. This has resulted in an associated overspend of £321K.
- **APMS Contract Support** – Additional costs have been incurred to support practices in financial difficulty. The impact of this is a £450k overspend.

The net impact of the issues described above result in an adverse variance against plan of £523K.

6.2 Primary Care Network DES

The number of additional roles recruited into has been steadily increasing since July, but remains below the level initially assumed by the CCG. This has resulted in an underspend against plan of £118K.

6.3 Quality Outcomes Framework (QOF)

2019/20 QOF budgets were set on an assumption of 97% achievement. It is now forecast that achievement rates will be 97.7%. This increase creates an overspend against the budget of £155K.

6.4 Premises Costs

As set out in previous PCCC 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 was confirmed by the national allocations team that this allocation was built into the CCGs notified primary medical care recurrent allocation. Along with some minor variations, the overall impact against premises budgets is an adverse variance of £648K.



6.5 Other GP Services

The reimbursement of CQC fees to practices has exceeded the budget by £134K. The 20/21 budget will be increased to reflect the increase in these payments.

6.6 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 was received by the CCG as a non-recurrent allocation from NHSE, and therefore resulted in an uncommitted budget of £369K.

The release of the non-committed contingency budget in month 12 of £638K has also created a favourable variance.

7. Medicines Management (£4,386K) outturn overspend

As part of the CCGs overall financial planning process, growth in prescribing expenditure was planned to be fully mitigated by a number of medicines optimisation schemes totalling approximately £8.5m as part of the 2019/20 organisational QIPP programme. The prescribing budget was therefore set at 2018/19 out-turn levels.

Whilst the Medicines Optimisation team has successfully managed to control growth in the numbers of items prescribed, there are a number of pricing impacts leading to an overall cost increase of £4.4M compared to prior year spend.

7.1 Category M drugs

Category M drugs are those, which are readily available as generic, and the reimbursement price is updated quarterly (as set by the Secretary of State). In 2019/20, in addition to the normal quarterly price adjustments, there was an extraordinary adjustment to prices to ensure that the retained margin for community pharmacies was maintained at an appropriate level. This resulted in a national increase of £15 million per month from August 2019.

BNSSG CCG saw an additional monthly cost of £250K over and above planned expenditure levels. The full year impact of this (August 2019 to March 2020) was £2 million.

7.2 No Cheaper Stock Obtainable (NCSO)

In addition to the national price rises to category M drugs, the CCG also incurred drug price increases as a result of NCSO. This occurs when a pharmacy is unable to purchase a drug at



drug tariff price. The pharmacy will then be reimbursed at the higher value. This had an adverse effect on the prescribing budget of £1.4M in 2019/20.

7.3 Personally Administered Items (PAdm)

There is an overspend relating to the cost of personally administered items of approximately £440K. This overspend can be attributed to backdated claims related to previous financial years, as well as a drive by practices to ensure they are maximising their entitlement to reimbursement.

The net impact of the above pricing issues has resulted in an out-turn overspend against prescribing budgets of £4.3M.

7.4 Central Drugs Costs & Dressings

The £426K net year to date overspend is a result of a change in the charging process for spend on dressings (formeo/solo), with costs having transferred from FP10 spend in the primary care prescribing budget without the necessary budget following. Some of the additional spend is attributed to practices ensuring dressings supplies are available in practices and initially ordering above usual quantities in order to stock treatment rooms. There is also a continued increase use in dressings that the Medicines Optimisation team will be exploring further to attempt to control spend in 2020/21.

Some underspends against prior year balances within the Home Oxygen Service and Other Prescribing budgets have created some favourable variances to offset against the above costs.

8. Other CCG commissioned Primary Care services **Surplus £243K**

8.1 PMS Premium Reinvestment

Some APMS contracts are not entitled to additional payments above the agreed contract value. Some payments have therefore not been made against the PMS Premium Reinvestment budget. This has resulted in an underspend of £151K.

8.1 Local Enhanced Services

The enhanced services were budgeted for based on the maximum sign up for each service. Actual activity for the year was below this budgeted level, creating an underspend of £114K.



The Anti-Coagulation LES continues to show a decreasing trend in activity, resulting in an underspend of £118K. The activity for the Near Patient Testing LES is also £75K below the YTD budgeted level.

9. Financial resource implications

As set out above

10. Legal implications

There are no legal implications arising from this paper.

11. Risk implications

No implications to note

12. How does this reduce health inequalities

No implications to note

13. How does this impact on Equality and Diversity?

No implications 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.

Appendices

- a. Appendix 1a - BNSSG Primary Care Medical Finance Report as at 31st March 2020
- b. Appendix 1b - BNSSG 'Other' Primary Care Finance Report as at 31st March 2020
- c. Appendix 1c - BNSSG Medicines Management Finance Report as at 31st March 2020



Summary Finance Report as at 31st March 2020 (Month 12)
Delegated Co-Commissioning (Appendix 1a)

	Annual Budget (£'000K)	Final Outturn (£'000K)	Final Variance (£'000K)
GMS/PMS/APMS Contracts			
PMS Contract Value	67,457	67,437	20
GMS Global Sum	17,043	17,009	34
PMS Premium	1,675	1,675	(0)
Seniority Payments	828	635	193
APMS Contract Premium	732	657	75
Minimum Practice Income Guarantee (MPIG)	34	34	0
List Dispersal Premium	0	262	(262)
List Dispersal Costs	0	134	(134)
APMS Contract Support	0	450	(450)
GMS/PMS/APMS Contracts Total	87,770	88,294	(523)
Primary Care Networks DES			
PCN Participation Payment	1,696	1,695	2
Additional Roles - Clinical Pharmacist	910	500	410
Additional Roles - Social Prescribing Link Worker	821	250	571
PCN GP Clinical Leadership	525	525	0
Additional Roles - Slippage	(866)	0	(866)
Primary Care Networks DES Total	3,087	2,969	118
Designated Enhanced Services (DES)			
Extended Hours Access	1,500	1,404	95
Minor Surgery	803	803	0
Learning Disabilities	334	334	0
Violent Patients	75	75	0
Designated Enhanced Services (DES) Total	2,712	2,617	95
Quality Outcomes Framework (QOF)			
QOF Aspiration & Achievement	12,181	12,336	(155)
Quality Outcomes Framework (QOF) Total	12,181	12,336	(155)
Premises Costs			
Notional Rent	6,775	6,963	(187)
Service Charges	2,508	2,559	(51)
Healthcentre Rent	1,776	1,839	(63)
Rates	1,406	1,424	(18)
Actual / Cost Rent	866	866	0
Void Costs	847	511	336
Clinical Waste	764	764	0
Water Rates	113	113	0
Anticipated Market Rent Funding	(665)	0	(665)
Premises Costs Total	14,392	15,039	(648)
Other GP Services			
CQC Fees Reimbursement	500	634	(134)
Connecting Care and LMC	351	210	141
Doctors Retainer Scheme	220	298	(78)
IUC Devices	178	177	1
Sterile Products	175	175	0
Translation Fees	92	150	(58)
Other Delegated Costs	0	29	(29)
Other GP Services Total	1,515	1,672	(157)
Locum Reimbursement Costs			
Locum Costs (Sickness Cover)	1,279	1,285	(6)
Locum Costs (Adoption / Maternity / Paternity Leave)	521	521	0
Locum Reimbursement Costs Total	1,800	1,806	(6)
Prescribing & Dispensing Fees			
Dispensing Fees	723	704	19
Prescribing Fees	554	527	27
Dispensing Quality Scheme	43	2	42
Prescribing & Dispensing Fees Total	1,320	1,233	88
Delegated Primary Care Reserve			
Contingency	638	0	638
Other Reserves	369	0	369
Section 96 Practice Support	170	205	(35)
Delegated Primary Care Reserve Total	1,178	205	973
Grand Total	125,955	126,170	(215)



Summary Finance Report as at 31st March 2020 (Month 12)

Other Primary Care (Appendix 1b)

	Annual Budget (£'000K)	Final Outturn (£'000K)	Final Variance (£'000K)
GP Forward View			
Improved Access	5,839	5,888	(49)
PCN Organisational Development	718	718	0
Online consultations	364	364	0
GP Retention	209	209	0
Fellowships Aspiring Leaders	189	189	0
Reception and Clerical Training	170	170	0
Workforce Training Hubs	165	165	0
Fellowships Core Offer	148	148	0
Practice Resilience	131	131	0
GPRISS	0	(21)	21
GP Forward View Total	7,933	7,961	(28)
PMS Premium Reinvestment			
PMS review	7,375	7,225	150
Primary Care Offer	203	203	(0)
Treatment Rooms	191	191	0
BCH Admin Staff	46	46	(0)
Additional Basket of Procedures	44	43	0
Counselling	5	5	0
PMS Premium Reinvestment Total	7,864	7,713	151
Primary Care Networks DES			
£1.50 Core PCN Payment	1,531	1,531	0
Primary Care Networks DES Total	1,531	1,531	0
Local Enhanced Services			
Care Home LES	1,054	1,054	0
Near Patient Testing LES	675	575	100
Anti-Coagulation LES	600	482	118
Dementia LES	408	498	(90)
Diabetes Insulin LES	62	55	7
DVT	46	67	(21)
Local Enhanced Services Total	2,845	2,731	114
Clinical Leads & Membership Engagement			
Clinical Leads	1,076	1,009	68
GP Forums	207	207	0
Practice Manager Forums	25	25	0
Nurse Forums	15	15	0
Locality Leadership Group (non-pay)	0	0	0
Clinical Leads non pay	0	1	(1)
NHSE Secondment	0	0	0
Workforce Lead Practice Nurse	0	16	(16)
Clinical Leads & Membership Engagement Total	1,322	1,272	50
Locality Leadership Groups			
North Somerset	202	176	26
North & West	125	119	6
Inner City & East	95	76	19
South Bristol	95	93	1
South Gloucestershire	63	72	(9)
LLG Practice Nurse	50	46	3
Locality Leadership Groups Total	629	582	47
Other Primary Care			
Hartcliffe Chiro	24	23	1
Community Glaucoma	61	75	(14)
Ophthalmology	0	37	(37)
Vaccines	0	1	(1)
Other	0	0	0
CEPN	0	(0)	0
CEPN GPN	10	10	0
Care of the Homeless	0	40	(40)
Other Primary Care Total	95	185	(90)
Grand Total	22,220	21,976	243

Summary Finance Report as at 31st March 2020 (Month 12)

Medicines Management (Appendix 1c)

	Annual Budget (£'000K)	Final Outturn (£'000K)	Final Variance (£'000K)
Primary Care Prescribing			
Practice Prescribing	121,086	125,361	(4,275)
Rebate Income	(752)	(733)	(20)
Primary Care Prescribing Total	120,333	124,628	(4,295)
Central Drugs Costs			
Central Drugs Costs	3,961	3,973	(12)
Dressings	2,159	2,580	(421)
OOH Stock	60	53	7
Central Drugs Costs Total	6,180	6,606	(426)
Home Oxygen Service			
Home Oxygen	2,343	2,236	107
Home Oxygen Service Total	2,343	2,236	107
Other Prescribing			
Prescribing Incentive Schemes	1,022	937	85
Prescribing Software	340	346	(6)
Other Prescribing	228	203	25
St Peters	90	0	90
Primary Care Dispensing	84	132	(48)
Brook	66	66	0
Trust Drugs	65	39	27
Other Prescribing Total	1,895	1,722	173
Medicines Management - Clinical			
Medicines Management - External Contractors	213	152	61
Meds Man programme mileage	0	1	(1)
Medicines Management - Non Pay	0	6	(6)
Medicines Management - Clinical Total	213	159	54
Grand Total	130,965	135,350	(4,386)

