

Primary Care Commissioning Committee (PCCC)

Date: Tuesday 30th October

Time: 9.00-11.00

Location: Vassall Centre, Gill Avenue, Bristol, BS16 2QQ

Agenda number: 11

**Report title: Primary Care Finance Report as at 30th
September 2018 (Month 6)**

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Report Sponsor: Mike Vaughton (Deputy Chief Finance Officer)

1. Purpose

To update Primary Care Commissioning Committee on the latest reported financial position for all BNSSG CCG primary care budgets).

2. Resource Allocation

The delegated allocation received from NHSE totalled £122,813k. In Month 6, there has been a transfer of resource from the delegated commissioning budgets to CCG Primary Care budgets of £1,350k, to ensure the total PMS premium reinvestment funding is accounted for in one place.

There has been no overall change to the total Primary Care budget, as outlined in the following table:

		Delegated Primary Care	Other Primary Care	TOTAL Allocation
Opening Budget	As at Month 2	£122,813	£18,404	£141,217
Month 3 Allocation Changes	Improving Access Transfer	(£704)	£704	£0
Month 6 Allocation Changes	PMS Premium Reinvestment	(£1,350)	£1,350	£0
Current Budget (month 6)		£120,759	£20,458	£141,217

In line with National planning guidance, 0.5% of the total delegated commissioning budget must be held as a non-recurrent contingency (£614k).

In addition to this, £209K of the funding allocation was uncommitted at planning stage, and a further £318k has been subsequently identified where Improved Access funding was budgeted for at a level higher than the national requirement. There is a total of £527k held in reserves.

3. Reported Financial Position as at 30th September 2018 (month 6)

3.1 Delegated Primary Care

Year to Date Position

At the end of Month 6 (30th September 2018), there is a year to date overspend of £3K against a year to date budget of £60,379K:

Variations: underspend / (overspend)

Table 1	Annual Budget £'000K	Year to Date Budget £'000K	Year to Date Actuals £'000K	Year to Date Variance £'000K	Sum of Forecast Out-turn £'000K	Forecast Out-turn Variance £'000K	Prior Month Forecast Variance £'000K	Forecast Variance Movement £'000K
Contract (GMS/PMS/APMS)	86,820	43,410	43,144	266	86,326	494	494	0 →
Premises Costs	13,779	6,889	6,971	(82)	13,899	(120)	(120)	0 →
DES	3,062	1,531	1,531	0	3,062	0	0	0 →
Quality Outcomes Framework (QOF)	11,684	5,842	5,842	0	11,684	0	0	0 →
Locums	715	358	750	(392)	1,500	(785)	(785)	0 →
Prescribing	1,252	626	626	0	1,252	0	0	0 →
Other	2,305	1,153	1,153	0	2,305	0	0	0 →
0.5% Contingency	614	307	307	0	614	0	0	0 →
Other Reserves	527	264	59	205	117	410	410	0 →
Grand Total	120,759	60,379	60,382	(3)	120,759	0	0	0 →

The headline variances (shown in Table 1 above) are described in more detail below, and the detailed delegated commissioning finance table can be found in Appendix 1.

GMS/PMS/APMS Contract - £269K year to date underspend

Average Growth of 0.8% has been built into practice budgets to reflect anticipated list size changes over the course of the year reflecting new patient registrations. Actual growth is averaging 0.3%, resulting in a year to date underspend of £269K. In October reporting (month 7), there will be a further update to list size growth.

Premises Costs - £82K year to date overspend



The main driver behind the year to date premises costs overspend is an increase in the service charge levied on practices by CHP.

The CCG has also reported to NHS England (NHSE), a financial risk of £703k from increased premises rental costs following market rent reviews. In previous years this has been funded non-recurrently by NHSE, and the financial position reported assumes a non-recurrent allocation of funds to the CCG in 2018/19. The CCG is still awaiting formal notice of the allocation increase.

Locum Costs - £392K year to date overspend

Year to date expenditure on locums is £750K against a year to date budget of £358K. Forecast expenditure in 2018/19 is broadly in line with the previous year prior to delegation. The CCG had requested an analysis of locum spend in 2017/18 from NHSE to support our risk review of this position. NHSE have advised that current expenditure levels reflect the underlying demand for locums and as such should be considered recurrent. The forecast position at month 6 therefore reflects this. Financial planning for 2019-20 will also reflect this.

Other Reserves - £205K year to date underspend

Uncommitted reserves of £205K year to date are off-setting the above cost pressures.

Forecast Out-turn - breakeven

The forecast out-turn position remains at break-even at the end of Month 6.

3.2 Other Primary Care

Year to Date Position

At the end of Month 6 (30th September 2018), there is a year to date overspend of 481K against a year to date budget of £17,358K (2.8%).

Variations: underspend / (overspend)

Table 2	Annual Budget £'000K	Year to Date Budget £'000K	Year to Date Actuals £'000K	Year to Date Variance £'000K	Sum of Forecast Out-turn £'000K	Forecast Out-turn Variance £'000K	Prior Month Forecast Variance £'000K	Forecast Variance Movement £'000K	
Out of Hours	13,353	6,677	7,239	(562)	14,480	(1,127)	(1,161)	34	↑
GP Forward View	7,626	3,813	3,633	180	7,446	180	0	180	↑
PMS Review	6,370	3,185	3,190	(5)	6,370	0	0	0	→
Local Enhanced Services	2,916	1,458	1,362	96	2,796	120	0	120	↑
BpCAG and Compact	1,838	919	919	0	1,838	0	0	0	→
Clinical Leads & Membership	2,022	1,011	1,046	(34)	2,022	0	0	0	→
Primary Care Other	792	396	451	(55)	942	(150)	0	(150)	↓
Savings Target 2018/19	-298	-101	0	(101)	-298	0	0	0	→
Grand Total	34,620	17,358	17,839	(481)	35,596	(977)	(1,161)	184	

The headline variances (shown in Table 2 above) are detailed below, and the detailed finance table can be found in Appendix 2.

Out of Hours - £562K year to date overspend

Previous contracts for both the 111 service and the Out of Hours service came to an end on the 31st March 2018. In order to ensure continuity of service ahead of the reprocurement of the IUC CAS service from April 2019, both contracts have been extended for a further year.

In order for these contracts to be viable for a one year extension there was significant investment agreed to the block contract values, which will result in a non-recurrent £1.1m overspend against budget. The year to date position reflecting this is a £562K overspend.

GP Forward View - £180K year to date underspend

GP Forward View Funding includes Improved Access funding (£5.6m), the second tranche of practice transformation funds (£3/head, £1.5m total), and funding for reception and clerical training and on-line consultations (£0.5m).

Improved Access is currently contracted for through OneCare, and includes claw-back of funding for under delivery against the additional 45 minutes/000 population target. Quarter 1 performance averaged 93% delivery, and Quarter 2 performance averaged 90% delivery, resulting in a year to date underspend of £180K.

This variance is now being reflected in the forecast out-turn, representing an improvement from the position in the previous month.

Local Enhanced Services - £96K year to date underspend

The Local Enhanced Services are showing a £96K year to date underspend. £61k of this is in relation to a decrease in Anti-Coagulation activity as a result of patients being switched from the Warfarin drug that requires the monitoring.

A forecast underspend of £120K is reported as a result of this, resulting in an improvement in forecast from month 5.

Primary Care Other

The Primary Care Other forecast has increased to £150K from the previous month. This is in relation to the ongoing costs associated with the 111 reprocurement process.

Forecast Out-turn – (£977K overspend)

This reflects the non-recurrent pressures on the 1-year extension of the OOH and 111 contracts, as well as the other factors described above.

4. System Financial Recovery

As part of the CCG recovery programme, and in line with the financial plan agreed with NHSE, the CCG has a requirement to deliver £37m of savings in 2018/19 (approximately 3% of the total CCG allocation).

As part of this plan, there is a savings target of £500k to be delivered from the Primary Care budget (with a £1 million full-year effect to be achieved in 2019/20). This equates to less than 0.4% of the total primary care budget this year, and 0.7% recurrently.



BPCAg and Compact contracts have been extended to March 2019, with a revised 30% reduction in payments to practice (alongside a reduced activity requirement where applicable) from November 2018, delivering a non-recurrent saving of £213K.

It is expected that the remainder of the savings this year will be found non-recurrently due to under-performance against Improved Access targets in April - September, which means a claw-back of funding through contractual routes.

5. Risk and Mitigations

Risks:

- GP Pay Award – 1% announced in April (funded within budgets), further 1% announced in July (currently unfunded), to be transacted as an uplift to Global Sum payment. Approximate £1m cost pressure if no further funding awarded.
- Market rent increases £0.7m

Mitigations:

- Assumed central funding to cover GP Pay Award and Market Rent issue
- 0.5% contingency Reserve uncommitted (£0.6m)

6. Summary and Recommendations

The Primary Care Commissioning Committee is asked to;

- note the current financial position, the key risks, issues and mitigations.

Appendix 1

Delegated Primary Care Month End Report 30th September 2018 (Month 6)

	Annual Budget £'000K	Year to Date Budget £'000K	Year to Date Actuals £'000K	Year to Date Variance £'000K	Sum of Forecast Out-turn £'000K	Forecast Out-turn Variance £'000K	Prior Month Forecast Variance £'000K	Forecast Variance Movement £'000K	
Contract									
PMS Contract Value	63,628	31,814	30,439	1,375	60,911	2,717	2,716	0	↑
PMS Premium	3,350	1,675	1,675	(0)	3,350	0	0	0	→
GMS Contract Value	12,597	6,298	7,376	(1,078)	14,765	(2,168)	(2,164)	(4)	↓
MPIG (GMS only)	69	34	34	0	69	0	0	0	→
APMS Contract Value	5,683	2,842	2,873	(31)	5,737	(54)	(57)	3	↑
APMS Premium	942	471	471	(0)	942	0	0	0	→
Section 96 Support	553	276	276	0	553	0	0	0	→
Contract Total	86,820	43,410	43,144	266	86,326	494	494	0	→
Premises									
Rent	8,955	4,477	4,443	34	8,885	70	70	0	→
Assumed Market Rent Funding	-732	-366	-366	0	-732	0	0	0	→
Rates	1,431	715	703	12	1,406	24	24	0	→
Service Charges	2,401	1,200	1,328	(128)	2,656	(255)	(255)	0	→
Water Rates	113	57	57	(0)	113	0	0	0	→
Voids & Subsidies	847	424	424	(0)	847	0	0	0	→
Clinical Waste	764	382	382	(0)	723	41	41	0	→
Premises Total	13,779	6,889	6,971	(82)	13,899	(120)	(120)	0	→
DES									
Extended Hours	1,757	879	879	0	1,757	0	0	0	→
Learning Disability	334	167	167	0	334	0	0	0	→
Minor Surgery	803	402	402	0	803	0	0	0	→
Patient Participation	92	46	46	0	92	0	0	0	→
Violent Patients	76	38	38	0	76	0	0	0	→
DES Total	3,062	1,531	1,531	0	3,062	0	0	0	→
QOF									
Achievement	3,809	1,905	1,568	337	3,133	676	676	0	→
Aspiration	7,875	3,937	4,274	(337)	8,550	(676)	(676)	0	→
QOF Total	11,684	5,842	5,842	0	11,684	0	0	0	→
Locum Spend									
Locum Sick/Adop/Mat/Pat Pay	715	358	750	(392)	1,500	(785)	(785)	0	→
Locum Total	715	358	750	(392)	1,500	(785)	(785)	0	→
Prescribing Spend									
Dispensing Fees	667	334	334	0	667	0	0	0	→
Prescribing Fees	676	338	338	0	676	0	0	0	→
Prescribing Income	-134	-67	-67	0	-134	0	0	0	→
Quality Scheme	43	22	22	0	43	0	0	0	→
Prescribing Spend Total	1,252	626	626	0	1,252	0	0	0	→
Delegated Primary Care Other									
Connecting Care and LMC	351	176	176	0	351	0	0	0	→
CQC Fees Reimbursement	400	200	200	0	400	0	0	0	→
IUCD	166	83	83	0	166	0	0	0	→
Seniority	1,021	510	510	0	1,021	0	0	0	→
Sterile Products	175	88	88	0	175	0	0	0	→
GP Retainers	193	96	96	0	193	0	0	0	→
Primary Care Other Total	2,305	1,153	1,153	0	2,305	0	0	0	→
Reserves									
Contingency	614	307	307	0	614	0	0	0	→
Other Reserves	527	264	59	205	117	410	410	0	→
Reserves Total	1,141	571	366	205	731	410	410	0	→
Delegated Grand Total	120,759	60,379	60,382	(3)	120,759	0	0	0	→

Appendix 2

'Other' Primary Care Month End Report 30th September 2018 (Month 6)

	Annual Budget £'000K	Year to Date Budget £'000K	Year to Date Actuals £'000K	Year to Date Variance £'000K	Sum of Forecast Out-turn £'000K	Forecast Out-turn Variance £'000K	Prior Month Forecast Variance £'000K	Forecast Variance Movement £'000K	
Out of Hours									
Out of Hours (BrisDoc Contract)	8,868	4,434	4,529	(95)	9,058	(190)	(190)	0	↑
NHS 111 Service (Care UK Contract)	2,837	1,419	1,904	(485)	3,808	(971)	(971)	0	→
GPSU & GPST	1,648	824	806	18	1,614	34	0	34	↑
Out of Hours Total	13,353	6,677	7,239	(562)	14,480	(1,127)	(1,161)	34	↑
GP Forward View									
Improved Access	5,672	2,836	2,656	180	5,492	180	0	180	↑
LTS Phase 1	1,450	725	725	0	1,450	0	0	0	→
Online consultations	334	167	167	0	334	0	0	0	→
Reception and Clerical Training	170	85	85	0	170	0	0	0	→
GP Forward View Total	7,626	3,813	3,633	180	7,446	180	0	180	↑
PMS Review									
PMS review	4,884	2,442	2,365	77	4,884	0	0	0	→
Treatment Rooms	935	467	550	(83)	935	0	0	0	→
Primary Care Offer	407	203	203	0	407	0	0	0	→
BCH Admin Staff	91	46	46	(0)	91	0	0	0	→
Additional Basket of Procedures	43	22	21	1	43	0	0	0	→
Counselling	10	5	5	(0)	10	0	0	0	→
PMS Review Total	6,370	3,185	3,190	(5)	6,370	0	0	0	→
Local Enhanced Services									
Care Home LES	804	402	402	0	804	0	0	0	→
Anti-Coagulation LES	749	375	314	61	629	120	0	120	↑
Near Patient Testing LES	656	328	316	12	656	0	0	0	→
Minor Injuries LES	355	178	177	1	355	0	0	0	→
Dementia LES	220	110	88	22	220	0	0	0	→
Diabetes Insulin LES	91	46	45	1	91	0	0	0	→
Care of Homeless LES	41	21	20	1	41	0	0	0	→
Local Enhanced Services Total	2,916	1,458	1,362	96	2,796	120	0	120	↑
BpCAG and Compact									
BPCAg Over 75's & Mental Health	1,405	702	702	0	1,405	0	0	0	→
SG Compact Referral Mgmt & Performance	400	200	200	0	400	0	0	0	→
BPCAg Clinical Resource Lead	33	17	17	0	33	0	0	0	→
BpCAG and Compact Total	1,838	919	919	0	1,838	0	0	0	→
Clinical Leads & Membership Engagement									
Clinical Leads	1,189	595	672	(77)	1,189	0	0	0	→
LLG Membership	580	290	311	(21)	580	0	0	0	→
GP Commissioning Locality Meetings	172	86	26	60	172	0	0	0	→
Practice Education	50	25	25	(0)	50	0	0	0	→
Nurse Forums	14	7	7	0	14	0	0	0	→
Locality Leadership Group (non-pay)	9	4	1	3	9	0	0	0	→
Practice Manager Forums	9	4	4	1	9	0	0	0	→
Clinical Leads & Membership Engagement Total	2,022	1,011	1,046	(34)	2,022	0	0	0	→
Primary Care Other									
Referral Service	483	242	222	20	483	0	0	0	→
Collaborative Payments	0	0	-0	0	0	0	0	0	→
Urology	129	65	65	(0)	129	0	0	0	→
Connecting Care	109	54	54	0	109	0	0	0	→
Weston Primary Care Transformation	64	32	32	(0)	64	0	0	0	→
Hartcliffe Chiro	24	12	12	(0)	24	0	0	0	→
111 Reprourement	0	0	66	(66)	150	(150)	0	(150)	↓
Other	8	4	4	(0)	8	0	0	0	→
Asylum Seekers	-24	-12	-4	(8)	-24	0	0	0	→
Primary Care Savings Target 2018/19	-298	-101	0	(101)	-298	0	0	0	→
Primary Care Other Total	494	295	451	(156)	644	(150)	0	(150)	↓
Grand Total	34,620	17,358	17,839	(481)	35,596	(977)	(1,161)	184	↑