

Agenda item: 7

Paper no: 5

Title of Report:	Guildford & Waverley CCG Finance Report Month 10 (January 2020)	
Status:	FOR INFORMATION	
Committee:	Primary Care Co Commissioning Committee in Common	Date: 13/03/20
Venue:	North West Surrey CCG, 58 Church Street, Weybridge	

Presented by:	Andy Law, Associate Director of Finance (NWS)	
Executive Lead sign off:	Claire Fuller, Deputy CFO	Date: 15/02/20
Author(s):	Andy Law, Associate Director of Finance (NWS)	

Governance:

Conflict of Interest: The Author considers:	None identified	✓
	CONFLICT(S) NOTED Name(s) of individuals with conflict: Mitigating Action(s):	
Previous Reporting: (relevant committees/ forums this paper has previously been presented to)	Guildford & Waverley CCG PCOG 28/02/20	
Freedom of Information: The Author considers:	Open – no exemption applies	✓

Executive Summary:

The financial position as reported to NHS England at Month 10 for delegated co-commissioning budgets is a breakeven position for year to date and forecast outturn.

Working together across Surrey Heartlands

East Surrey CCG | Guildford and Waverley CCG | North West Surrey CCG | Surrey Downs CCG

Implications:

What is the health impact/ outcome and is this in line with the CCG's strategic objectives ?	Primary Care development
What is the financial/ resource required?	As set out in this report
What legislation, policy or other guidance is relevant?	n/a
Is an Equality Analysis required?	n/a
Any Patient and Public Engagement/ consultation required?	n/a
Potential risk(s) ? (including reputational)	All risks have been identified within the report

Recommendation(s):

The Primary Care Co-Commissioning Committee in Common is asked to:

- (1) Note the risks and assumptions described within the report
- (2) Note the forecast position as reported to NHSE at Month 10

Next Steps:

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Guildford & Waverley CCG
Primary Care Finance Report January 10 (Month 10 2019/20)

1. Overview of Month 10 Financial Position

The purpose of this paper is to update the Primary Care Co-Commissioning Committee on the Month 10 (end of January) financial position for delegated co-commissioning allocations and other primary care budgets.

2. Co-Commissioning Budgets

The CCG is currently reporting a break even position for delegated co-commissioning budgets in both the year to date and year end positions. A detailed breakdown of delegated co-commissioning budgets is detailed in Appendix A.

An analysis of the financial position is provided below;

	Annual Budget	YTD Budget	YTD Spend	YTD Variance	YE Forecast	YE Variance
	£000s	£000s	£000s	£000s	£000s	£000s
GMS/PMS and APMS Contract Payments	18,870	15,725	15,702	(23)	18,827	(43)
Enhanced Services	163	139	149	10	179	17
Quality Outcomes Framework	2,462	1,487	1,491	5	2,473	11
Premises Reimbursements	2,715	2,215	2,231	16	2,735	19
PCO Administered	1,607	1,339	1,234	(105)	1,489	(119)
NHSE Managed Contracts	18	15	15	0	18	1
Primary Care Network DES	1,032	824	823	(1)	1,032	0
Locally Commissioned Services	287	215	215	0	287	0
Primary Care Team	159	133	160	27	191	32
Primary Care Non Pay	67	56	56	0	67	(0)
Contingency	139	116	116	0	139	0
Surplus / Risk Reserve	301	251	322	71	384	83
	27,821	22,514	22,514	0	27,821	0

i. GMS, PMS and APMS Contract Payments

The financial position as at month 10 shows a year to date under spend of £23k and £43k under spend at year end. This reflects the adjustment to list sizes which have been made in January, and the release of the budgeted list size reserve.

ii. Enhanced Services

The enhanced services budget fund services that the CCG is required to offer to contractors and is linked to national priorities (extended hours, learning disabilities and violent patients). This distinguishes these services from any locally commissioned enhanced services that may also be offered. This is currently forecast to over spend by £17k at year end mainly due to learning disability health check payments being above plan.

iii. Quality Outcomes

Payments relating to the Quality Outcomes Framework are automatically calculated by the Calculating Quality Reporting Service (CQRS). An aspiration payment based on 2018/19 achievement has been made to practices in June. The month 10 position is showing an over

spend of £11k which reflects an under accrual in 2018/19, which has been maintained into the forecast outturn.

iv. Premises Costs

The position for reimbursable practice costs (rent, rates and water) has been forecast to over spend by £19k driven mostly by increased rates payments made to NHSPS properties for 2019/20. Increased rental costs in year (£30k year to date) have been offset by the matching release of the rent reserve budget (£57k annually) which was set at the start of the year.

Charging schedules for 2019/20 have now been received from NHS Property Services and the CCG has worked with practices to ensure reimbursement for rent has been made where these values are agreed.

Work continues with those practices in NHS Property Services (NHSPS) premises to reconcile the 2017/18 and 2018/19 non-reimbursable costs.

v. PCO Administered Costs

As at month 10 there is a year to date under spend of £105k and forecast year end under spend of £119k. This is driven mostly by the release of a prior year clinical waste accrual and a reduction in seniority payments made in year, partially offset by a reduction in prescribing income deductions.

vi. NHSE Managed Budgets

Under delegated co-commissioning arrangements syringe costs are managed by NHSE on a Surrey/Sussex wide basis. These are forecast to be on budget year to date and in the forecast outturn.

vii. Locally Enhanced Services

This budget funds a number of LCS schemes including Ring Pessary, Ear Irrigation and ADHD that were agreed as a part of the Surrey Heartlands LCS harmonisation review. Additionally this includes the PMS release funding received and funds any over performance on LCS schemes funded through programme allocations. Quarter 3 claims have been received from practices and paid in January.

viii. Primary Care Team

The costs of the Primary Care team have been charged against the co-commissioning budget. These costs have been reconciled and allocated to budgets within Guildford and Waverley and North West Surrey and Surrey Downs respectively. Month 10 shows an over spend of £27k year to date and £32k position at year end. This is due to the use of agency staff.

ix. Reserves

The CCG has an indicative budget surplus of £301k for primary care co-commissioning, being the difference between the 'top-down' allocation it received and the 'bottom-up' budgets set based on the 2019/20 GMS contract and informed by historic spend.

In year under spends (as detailed within this report but mainly due to the release of the clinical waste accrual) has increased the value of this reserve by £83k to £384k.

Against this reserve the Primary Care Co-Commissioning Committee in July approved the decision to fund a number of priority areas. These were to top up funding under the PCN DES for the Clinical Director role including 12 months' admin support, set-up costs and support towards legal fees (totalling £49k) and to fund the Clinical Pharmacist role at 100% (maximum £65k).

There will be an additional requirement to fund the practice dispersal policy relating to the closure of New Inn Medical Practice, which would cost a maximum of £61k.

The Primary Care Co-Commissioning Committee in November agreed that the balance of the reserve would be used to fund 50% of the cost of the outline business case for the North Guildford Estates project. The remaining 50% would need to be funded from 2020/21 reserves.

In addition, the 0.5% contingency reserve of £139k, in accordance with NHSE business rules has been set. To achieve the reported break even position £39k has been released into the year to date position but none in the year end forecast.

3. Other Primary Care Budgets

The financial position for other Primary Care budgets at Month 10 is as follows;

	Annual Budget	YTD Budget	YTD Spend	YTD Variance	YE Forecast	YE Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Locally Commissioned Services	2,422	2,018	2,018	0	2,421	0
Primary Care Network Support [Core £1.50]	355	296	296	0	355	0
Primary Care IT	724	603	603	0	724	0
Clinical Leads	306	255	236	(18)	301	(4)
Practice engagement	0	0	0	0	0	0
Sub-total	3,807	3,172	3,153	(18)	3,801	(4)
Practice Prescribing	27,794	23,161	23,437	276	28,049	255
Prescribing PDS	108	90	74	(16)	92	(16)
Primary Care Prescribing / Other prescribing	1,435	1,196	1,115	(80)	1,397	(38)
Medicines Management	794	662	629	(34)	782	(13)
Home Oxygen	339	282	245	(37)	301	(38)
Drugs Costs Met Centrally	836	697	707	10	846	10
Out of Hours	1,140	950	935	(16)	1,131	(10)
Sub-Total	32,446	27,038	27,142	103	32,598	150
Total	36,253	30,210	30,295	85	36,399	146

i. Locally Commissioned Services

Costs for locally commissioned services are showing a break even position. Quarter 3 claims have been received from practices and have been paid in January. Appendix C shows the quarterly trend of claims received over the past seven quarters.

ii. Primary Care Network Support [Core £1.50]

The month 10 position shows a break even position in both the year to date and year end positions. These payments form part of the Primary Care Network DES but are not funded

from delegated allocations. Payments have been made to networks from July in line with guidance, backdated to April 2019.

iii. Practice Prescribing

The Practice Prescribing Authority (PPA) data is received two months in arrears so this position is based upon November 2019 data. This shows a £276k over spend year to date and £255k over spend in the forecast position. This includes the impact of the national price increase to Category M drugs from August.

iv. Medicines Management Team

There is a year to date under spend of £34k at month 10 due to vacancies within the team. The budget is forecast under spend by £13k at year end.

v. Out of Hours

At month 10 the Out of Hours budget is forecast to under spend by £16k year to date and £10k at year end. This is driven by the release of 2018/19 accruals.

4. GPFV

The CCG has received an allocation of £1,279k in June to fund GP extended access services. Contracts are in place with the Federation (Procure) to provide coverage from April 2019 at the increased rate of 45 minutes' consultation time per 1,000 population.

Additionally, North West Surrey CCG has received the following GPFV allocations on behalf of all Surrey Heartlands CCGs (the Guildford & Waverley CCG weighted capitation share of this funding is shown in brackets against each funding stream):

- Practice Resilience £114k (£28k) – this funding will be distributed to practices via an application process, which will be assessed upon a range of criteria which has been agreed by the Primary Care Co-Commissioning Committee. Bids have now been received and notification of successful bids will be sent to practices in January.
- Reception & Clerical (Workflow Optimisation) £152k (£38k) – this funding, along with the allocation received in 2018/19 (£153k Surrey Heartlands wide (£38k)) has been paid to networks in September, based upon network list size.
- On-line Consultation £242k (£60k) – a Surrey Heartlands wide procurement process to secure on-line consultation software is due to commence in January, after a short delay caused by the December General Election.
- Primary Care Networks £625k (£155k) – this has been paid to networks in November, based upon network list size.

Additional GPFV allocations for which plans are being drawn up are:

- GP Retention £181k (£45k)
- Workforce Training Hubs £143k (£36k)
- Fellowships Core Offer £129k (£32k)
- Fellowships Aspiring Leaders £165k (£41k).

Appendix A

Primary Care Co-Commissioning Budget Tracker

	Annual Budget	Movement in	Annual budget
	M9	M10	M10
	£000s		
Global Sum / MPIG	13,982		13,982
GMS Transitional Relief	57		57
PMS Contracts	4,756		4,756
PMS Other	75		75
GMS/PMS and APMS Contract Payments	18,870	0	18,870
Extended Hours	51		51
Learning Disabilities	63		63
Dispensing Quality Scheme	46		46
Violent Patients	3		3
Enhanced Services	163	0	163
Aspiration	1,784		1,784
Achievement	679		679
Quality Outcomes Framework	2,462	0	2,462
Rent	2,221		2,221
Rates	404		404
Water	33		33
Premises Other	57		57
Premises Reimbursements	2,715	0	2,715
Seniority	260		260
Locum Payments	321		321
PADM / Dispensing	147		147
GP Fees Dispensing	604		604
GP Prescriptions Income *	(167)		(167)
GP Retainers	78		78
CQC Fees	140		140
Interpreting Services	28		28
Clinical Waste	197		197
PCO Administered	1,607	0	1,607
Participation Payment	379		379
Extended Hrs to PCNs (July Onwards)	249		249
Clinical Director	117		117
Clinical Pharmacist	151		151
Social Prescribing	136		136
	1,032	0	1,032
Syringes	18		18
Other Costs	18		18
Primary Care Team	159		159
Primary Care Non Pay	67		67
Primary Care Team	226	0	226
PMS Premium Release	70		70
Locally Commissioned Services	217		217
0.5% Contingency	139		139
Surplus / Risk Reserve	301		301
Total	27,821	0	27,821

* This relates to dispensing practices only. It is the prescription charge income that practices receive from patients at the point of dispensing, and offsets the income that practices receive for the cost of drugs prescribed which is reimbursed at full cost. The cost to the CCG of the drugs reimbursement to practices is charged against the prescribing budget and not delegated commissioning.

Appendix B

PMS Release Funds

	Year 1 2016/2017 Premium Release After Additional Support	Year 2 2017/2018 Premium Release After Additional Support	Year 3 2018/2019 Premium Release After Additional Support	Year 4 2019/2020 Premium Release After Additional Support	Year 5 2020/2021 Premium Release After Additional Support	Year 6 2021/2022 Premium Release After Additional Support	2019/20 Total Premium Release	
	2016	2017	2018	2019	2020	2021		
Cumulative £	52,627	122,796	192,965	263,134	333,303	350,845		
In Year £	52,627	70,169	70,169	70,169	70,169	17,542		
2019/20 £		122,796		140,338			263,134	
	CCG Core Funding - Locally Commissioned Services		Delegated Co-Commissioning Allocation					

Appendix C

Guildford & Waverley LCS Scheme Quarterly Spend



