

Agenda item: 7

Paper no: 6

Title of Report:	North West Surrey 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
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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)	North West Surrey 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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**North West Surrey CCG
Primary Care Finance Report January 20 (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 in Common on the Month 10 (end of January) financial position for delegated co-commissioning allocations.

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 Appendix A shows a detailed breakdown of Co-Commissioning budgets.

A detailed 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	31,078	25,898	25,907	9	31,126	48
Enhanced Services	291	254	259	5	300	9
Quality Outcomes Framework	4,141	2,416	2,416	0	4,141	(1)
Premises Reimbursements	3,754	2,690	2,686	(4)	3,750	(5)
PCO Administered	1,553	1,294	1,256	(38)	1,470	(83)
NHSE Managed Contracts	18	15	15	0	18	0
Locally Commissioned Services	1,219	1,016	1,016	0	1,219	0
Primary Care Network DES	1,950	1,586	1,586	(0)	1,950	0
Primary Care Team	162	135	163	27	194	32
Primary Care Non Pay	68	57	57	0	68	(0)
Contingency	232	193	193	0	232	0
Surplus / Risk Reserve	1,970	1,641	1,641	0	1,970	0
	46,436	37,196	37,196	0	46,436	0

i. GMS, PMS and APMS Contract Payments

The financial position as at month 10 shows an over spend of £9k year to date and £48k over spend at year-end. This reflects an increase in list size from January. The list size adjustment reserve has been released in full in the forecast position and pro rata year to date.

ii. Enhanced Services

The enhanced services budget funds 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. The month 10 position shows a year to date over spend of £5k and a forecast over spend of £9k. These reflect an under accrual for extended hours in 2018/19, partly offset by in year under spends against learning disability health checks.

iii. Quality Outcomes

Payments relating to the Quality Outcomes Framework are automatically calculated by the Calculating Quality Reporting Service (CQRS). The Month 10 position shows break even a position in both year to date and year-end position.

iv. Premises Costs

The position for reimbursable practice costs (rent, rates and water) has been forecast with the information available, and this shows a £4k under spend on year to date and forecast underspend of £5k on outturn position driven by Staines Thameside Medical practice closure.

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 is made where these values have been agreed.

Work continues with those practices in NHS Property Services premises to reconcile the 2017/18 and 2018/19 non-reimbursable costs. Progress has been made with some multi occupancy sites in agreeing the percentage occupancies and the CCG is awaiting final confirmation.

v. PCO Administered Costs

Month 10 shows a £38k under spend on year to date, forecast to underspend by £83k. This reflects under spends on clinical waste (due to a prior year over accrual) seniority and retainer payments, offset by increased locum reimbursement claims.

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 Commissioned Services

This budget funds a number of LCS schemes including Spirometry, Ear Irrigation and ECGs 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, North West Surrey and Surrey Downs respectively. Month 10 shows a £27k overspend on year to date and forecast over spend of £32k driven by use of agency staff.

ix. Reserves

The CCG has a risk reserve of £1,970k 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.

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 £180k) and to fund the Clinical Pharmacist role at 100% (maximum £162k). Additionally, a Primary Care Implementer role was agreed (£39k).

There will be an additional requirement to fund the practice dispersal policy relating to the closure of Staines Thameside Medical Practice, which would cost a maximum of £91k.

Plans to commit the remaining £1.5m reserve have now been agreed by the Primary Care Co-Commissioning Committee. This will see investment into schemes that will support the development of Primary Care estate within North West Surrey, and will fund design & development surveys, feasibility studies, strategic outline cases and the necessary management support in order to deliver.

In addition, there is a 0.5% contingency reserve of £232k (0.5%) set in accordance with NHSE business rules.

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	2,708	2,256	2,122	(134)	2,573	(134)
Primary Care Network Support [core £1.50]	561	468	468	0	561	0
Primary Care IT	1,561	970	970	(0)	1,561	0
Clinical Leads	533	444	266	(178)	323	(210)
Practice Engagement	270	225	220	(5)	254	(16)
Sub-Total	5,632	4,363	4,046	(318)	5,272	(360)
Practice Prescribing	44,045	36,880	36,993	114	44,398	353
Medicines Management	601	501	468	(33)	554	(47)
Primary Care Prescribing	2,025	1,531	1,337	(194)	1,837	(187)
Home Oxygen	679	569	552	(16)	660	(19)
Drugs Costs Met Centrally	1,373	1,149	1,165	16	1,392	19
Out of Hours	1,781	1,484	1,455	(29)	1,751	(30)
Sub-Total	50,503	42,113	41,971	(142)	50,591	89
Total	56,134	46,476	46,017	(459)	55,863	(271)

i. Locally Commissioned Services

Costs for locally commissioned services show a £134k under spend which relates to the release of a 2018/19 accrual due to quarter 4 claims being lower than estimated. Quarter 3 claims have been received from practices and paid in January. Appendix C shows a trend of claims paid over the last seven quarters. Appendix D shows 2019/20 spend against budget as at December 2019.

ii. Primary Care Network Support [Core £1.50]

The month 10 position shows a break even position at year end. 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. Primary Care IT

The Primary Care IT budget of £1,165k is forecast to breakeven at year end.

iv. Clinical Leads and Practice Engagement

The year to date position against clinical leads shows an under spend of £178k. This is due to vacant posts and maternity leave.

v. 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 £114k over spend year to date. The forecast position is a £353k over spend which reflects the Category M price increase from August.

vi. Medicines Management Team

There is currently an under spend of £33k due to vacancies within the team and is forecast to under spend by £47k at year-end.

vii. Primary Care Prescribing

Primary Care Prescribing is forecast to under spend by £187k at year end. This is due to under spends on wound dressings and the release of a prior year accrual on the Medicine Management Quality Delivery scheme, which was paid to practices in June 2019.

viii. Out of Hours

Out of Hours Month 10 shows an under spend of £29k year to date and £30k at year end positions. This reflects an over accrual from 2018/19.

4. GP Forward View

The CCG has received an allocation of £2,141k in June to fund GP extended access services. Contracts have been agreed with the Federation (North West Surrey Integrated Care Services) 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 North West Surrey CCG weighted capitation share of this funding is shown in brackets against each funding stream):

- Practice Resilience £114k (£47k) – this funding will be distributed to practices via an application process, which will be assessed upon a range of criteria as agreed by the Primary Care Co-Commissioning Committee. Notification of successful bids will be sent to practices in January.
- Reception & Clerical (Workflow Optimisation) £152k (£63k) – this funding, along with the allocation received in 2018/19 (£153k Surrey Heartlands wide (£63k)) has been paid to networks in September, based upon network list size.
- On-line Consultation £242k (£100k) – a Surrey Heartlands wide procurement process to secure on-line consultation software is due to commence in January after a short delay due to the December General Election.

- Primary Care Networks £625k (£258k) – 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 (£75k)
- Workforce Training Hubs £143k (£59k)
- Fellowships Core Offer £129k (£53k)
- Fellowships Aspiring Leaders £165k (£68k).

Appendix A.

	Annual Budget	Movement in	Annual budget
	M9	M10	M10
	£000s		
Global Sum / MPIG	30,682		30,682
GMS Transitional Relief	147		147
PMS Contracts	245		245
PMS Transitional Payment	4		4
GMS/PMS and APMS Contract Payments	31,078	0	31,078
Extended Hours	138		138
Learning Disabilities	142		142
Dispensing Quality Scheme	6		6
Violent Patients	5		5
Enhanced Services	291	0	291
Aspiration	2,899		2,899
Achievement	1,242		1,242
Quality Outcomes Framework	4,141	0	4,141
Rent	2,539		2,539
Rates	649		649
Water	39		39
Voids & Subsidies	426		426
Other	100		100
Premises Reimbursements	3,754	0	3,754
Seniority	252		252
Locum Payments	467		467
PADM/ Dispensing	235		235
GP Fees Dispensing	50		50
GP Prescriptions Income *	(24)		(24)
GP Retainers	44		44
Safeguarding GP	50		50
CQC Fees	234		234
Interpreting Services	33		33
Clinical Waste	212		212
PCO Administered	1,553	0	1,553
Participation Payment	627		627
Extended Hrs to PCNs (July Onwards)	411		411
Clinical Director	192		192
Clinical Pharmacist	378		378
Social Prescribing	341		341
Primary Care Network DES	1,950	0	1,950
Syringes	18		18
Other Costs	18		18
Primary Care Team	162		162
Primary Care Non Pay	68		68
primary Care Team	230	0	230
PMS Premium Release	79		79
Locally Commissioned Services	1,140		1,140
0.5% Contingency	232		232
Surplus / Risk Reserve	1,970		1,970
Total	46,436	0	46,436

* 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 £	56,316	131,403	212,669	291,876	369,710	389,168	
In Year £	56,316	75,087	81,267	79,207	77,834	19,458	
2019/20 £				291,876			291,876
Delegated Co- Commissioning Allocation							

Appendix C

North West Surrey LCS Scheme Quarterly Spend



Appendix D

North West Surrey CCG Budget Report Q3 2019/20

Locally Comissioned Services	Annual Budget	YTD Budget	YTD Actual	Variance
24 Hour Blood Pressure Monitoring	112,298	84,224	93,595	9,372
ADHD	42,128	31,596	30,400	(1,196)
DVT	44,935	33,701	36,828	3,127
Dermatoscope	13,176	9,882	13,620	3,738
Diabetes	889,620	476,293	570,612	94,319
Anti-Coagulation (INR)	384,435	288,326	194,874	(93,452)
Phlebotomy	374,346	280,760	277,501	(3,258)
Denosumab	55,460	41,595	48,040	6,445
Drug Monitoring	143,740	107,805	105,256	(2,549)
Ring Pessary	33,705	25,279	27,140	1,861
Zoladex	58,400	43,800	43,646	(154)
Buddy Admin Fee	7,401	5,551	8,940	3,389
Doppler	29,067	21,800	22,520	720
Minor Surgery	1,220,884	915,663	892,394	(23,269)
Influenza Outbreaks	2,014	1,511	4,020	2,510
Mental Health (SMI)	112,492	84,369	21,802	(62,567)
12 Lead ECGs	170,016	127,512	125,664	(1,848)
Spirometry Diagnosis	206,278	154,709	70,040	(84,669)
Ear Irrigation & Microsuction	159,970	119,978	178,833	58,856
Other Delegated Budget (Balance of PMS Release)	215,765	161,824	-	(161,824)
Grand Total	4,276,130	3,016,176	2,765,726	(250,449)

The above shows LCS claims made for 2019/20 up to December 2019. The annual budget includes that with core CCG allocations, delegated co-commissioning and diabetes transformation fund.