

Agenda item: 7

Paper no: 7

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

<b>Presented by:</b>	Andy Law, Associate Director of Finance (NWS)	
<b>Executive Lead sign off:</b>	Claire Fuller, Deputy CFO	Date: 15/02/20
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**Governance:**

<b>Conflict of Interest:</b> The Author considers:	None identified	✓
	<b>CONFLICT(S) NOTED</b> Name(s) of individuals with conflict: Mitigating Action(s):	
<b>Previous Reporting:</b> (relevant committees/ forums this paper has previously been presented to)	Surrey Downs CCG PCOG 21/02/20	
<b>Freedom of Information:</b> 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 <b>health impact/ outcome</b> and is this in line with the <b>CCG's strategic objectives</b> ?	Primary Care development
What is the <b>financial/ resource</b> required?	As set out in this report
What <b>legislation, policy or other guidance</b> is relevant?	n/a
Is an <b>Equality Analysis</b> required?	n/a
Any <b>Patient and Public Engagement/</b> consultation required?	n/a
Potential <b>risk(s)</b> ? (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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**Surrey Downs 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 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 breakeven position in both the year to date and forecast positions for delegated co-commissioning budgets. 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	25,795	21,496	21,466	(30)	25,775	(20)
Enhanced Services	305	275	261	(14)	289	(15)
Quality Outcomes Framework	3,335	2,779	2,783	4	3,339	5
Premises Reimbursements	4,001	3,335	3,358	24	4,007	6
PCO Administered	1,579	1,316	1,480	164	1,790	211
NHSE Managed Contracts	20	17	17	(0)	20	(0)
Primary Care Network DES	1,448	1,186	1,186	0	1,449	0
Locally Commissioned Services	371	309	299	(10)	343	(28)
Primary Care Team	162	135	161	26	194	32
Primary Care Non Pay	67	56	49	(7)	67	0
Contingency	190	158	0	(158)	0	(190)
Surplus / Risk Reserve	636	530	530	0	636	0
	<b>37,909</b>	<b>31,591</b>	<b>31,591</b>	<b>0</b>	<b>37,909</b>	<b>0</b>

**i. GMS, PMS and APMS Contract Payments**

The financial position as at as at month 10 shows a year to date under spend of £30k and a forecast under spend of £20k. This reflects the quarterly adjustment to list sizes.

**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. This is currently under spent by £14k and forecast to under spend by £15k at year end; with under spend reported 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 year to date position shows a £4k over spend which represents in year aspiration payments made.

#### **iv. Premises Costs**

The position for reimbursable practice costs (rent, rates and water) has been forecast with the information available. The reported position is based upon either claims made by practices to date, or from information provided by NHS Property Services (NHSPS).

The month 10 forecast position shows an £24k over spend. This reflects the impact of a number of rent reviews which have taken place in year (partially mitigated through the release in full of the rent reserve) along with cost pressures on rates reimbursement that are in excess of budget.

The value of the backdated payments that the CCG have made in 2019/20 for rent reviews total £66k which relate to prior years. NHS England have confirmed that these costs will not be reimbursed.

#### **v. PCO Administered Costs**

At month 10 there is an over spend of £164k, forecast to increase to £211k by year end. The forecast reflects the current rate of locum reimbursement (£179k over spend) and retainers (£50k over spend), which have been partially offset by an under spend on seniority payments.

#### **vi. NHSE Managed Budgets**

Under delegated co-commissioning arrangements syringe costs are managed by NHSE on a Surrey / Sussex wide basis. This is on budget year to date and forecast to be on budget at year end.

#### **vii. Locally Enhanced Services**

The locally commissioned enhanced services budget includes the £166k that has been released following the PMS review and reflects savings generated from practices converting to GMS from 1<sup>st</sup> July 2016, net of the transitional funding provided. The budget includes the additional schemes for ADHD, Ring Pessary, Ear Irrigation & Micro suction and Spirometry and price uplift for 24hr BP monitoring and Phlebotomy, as agreed by the Primary Care Co-Commissioning Committee in May 2019. The year-end forecast outturn assumes underspend of £28k.

#### **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 a £26k over spend on year to date and forecast over spend of £32k driven by the use of agency staff.

#### **ix. Reserves**

The CCG has a risk reserve of £636k 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 £89k) and to fund the Clinical Pharmacist role at 100% (maximum £97k).

There is also a requirement, following a direction from NHS England to provide investment in the form of additional locum cover for a 3-month period to prevent a practice closure. The maximum cost of this would be £207k.

Proposals to commit the remaining £243k have been agreed by the Primary Care Co-Commissioning Committee in January. This will see investment into a number of design, development and feasibility studies to review primary care estate within Surrey Downs.

In addition a 0.5% contingency reserve of £190k, in accordance with NHSE business rules has been set. The full value of £158k has been released into the year to date position and the full value of £190k into the forecast outturn to achieve the reported breakeven positions.

### 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	2,913	2,427	2,079	(348)	2,602	(310)
Primary Care Network Support [Core £1.50]	462	385	385	(0)	462	(0)
Primary Care IT	983	819	829	10	994	12
Clinical Leads	893	744	650	(94)	768	(125)
Practice Engagement	229	206	264	58	283	54
Sub-Total	<b>5,479</b>	<b>4,582</b>	<b>4,206</b>	<b>(376)</b>	<b>5,110</b>	<b>(369)</b>
Practice Prescribing	37,163	31,156	31,807	650	37,979	816
Medicines Management	843	702	682	(21)	817	(26)
Primary Care Prescribing	892	744	855	111	1,031	139
Home Oxygen	300	251	237	(15)	284	(16)
Drugs Costs Met Centrally	1,159	971	982	10	1,177	18
Out of Hours	1,555	1,296	1,270	(26)	1,526	(29)
Sub-Total	<b>41,913</b>	<b>35,121</b>	<b>35,831</b>	<b>711</b>	<b>42,813</b>	<b>901</b>
Total	<b>47,392</b>	<b>39,703</b>	<b>40,038</b>	<b>335</b>	<b>47,923</b>	<b>531</b>

#### i. Locally Commissioned Services

Costs for locally commissioned services are showing a year to date under spend of £348k, this is due to Q1 and Q2 claims being lower than budgeted and release of prior year over accruals.

#### 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, back dated to April.

### **iii. Primary Care IT**

The primary care IT budget of £983k is showing a year to date over spend of £10k and forecast over spend of £12k by year end.

### **iv. Clinical Leads and Practice Engagement**

At month 10 Clinical leads are forecast to underspend by £125k due to the receipt of partial funding for a post and the release of prior year accruals. Practice engagement claims are forecast to over spend by £54k due to an under accrual from 2018/19.

### **v. Practice Prescribing**

The Practice Prescribing Authority (PPA) data is received two months in arrears so the month 10 position is based upon November data and an estimate for December and January. The month 10 year to date position shows a £650k over spend and is forecast to be £816k over spend at year end which represents the national price increase to Category M drugs in August.

### **vi. Medicines Management Team**

Medicines Management is currently showing a small underspend, the forecast position is an £26k under spend, which relates to vacant posts.

### **vii. Primary Care Prescribing**

Primary Care Prescribing is currently showing a forecast over spend of £139k, this relates to an under accrual from 2018/19 and provision for in year level 2 prescribing incentive scheme payments.

### **viii. Drugs Costs Met Centrally**

Drugs Costs Met Centrally are currently showing a forecast over spend of £18k.

### **ix. Out of Hours**

At month 10 the Out of Hours budget is forecast under spend by £29k at year end.

## **4. GPFV**

The CCG has received an allocation of £612k in June which along with £1,149k received in baseline allocations is to fund GP extended access. Contracts have been agreed with the three Surrey Downs federations to provide coverage from April 2019, at the increased rate of 45 minutes per 1,000 populations.

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

- Practice Resilience £114k (£39k) – 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 PCCCiC in November. Bids have now been received from practices and notification of successful bids will be sent in January.

- Reception & Clerical (Workflow Optimisation) £152k (£52k) – this funding, along with the allocation received in 2018/19 (£153k Surrey Heartlands wide (£52k)) has been paid to networks in September, based upon network list size.
- On-line Consultation £242k (£82k) – 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 (£212k) – 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 (£61k)
- Workforce Training Hubs £143k (£49k)
- Fellowships Core Offer £129k (£44k)
- Fellowships Aspiring Leaders £165k (£56k).

## Appendix A

	Annual Budget	Movement in	Annual budget
	M9	M10	M10
	£000s	£000s	£000s
Global Sum / MPIG	18,662		18,662
GMS Transitional Relief	192		192
PMS Contracts	6,829		6,829
PMS Other	113		113
<b>GMS/PMS and APMS Contract Payments</b>	<b>25,795</b>	<b>0</b>	<b>25,795</b>
Extended Hours	126		126
Learning Disabilities	111		111
Dispensing Quality Scheme	39		39
Violent Patients	28		28
<b>Enhanced Services</b>	<b>304</b>	<b>0</b>	<b>304</b>
Aspiration	2,430		2,430
Achievement	905		905
<b>Quality Outcomes Framework</b>	<b>3,335</b>	<b>0</b>	<b>3,335</b>
Rent	3,130		3,130
Rates	701		701
Water	16		16
Premises Other	97		97
Voids & Subsidies	57		57
<b>Premises Reimbursements</b>	<b>4,001</b>	<b>0</b>	<b>4,001</b>
Seniority	294		294
Locum Payments	207		207
PADM/ Dispensing	192		192
GP Fees Dispensing	602		602
GP Prescriptions Income	(120)		(120)
GP Retainers	73		73
CQC Fees	192		192
Interpreting Services	21		21
Clinical Waste	119		119
<b>PCO Administered</b>	<b>1,579</b>	<b>0</b>	<b>1,579</b>
Participation Payment	519		519
Extended Hrs to PCNs (July Onwards)	339		339
Clinical Director	159		159
Clinical Pharmacist	227		227
Social Prescribing	205		205
	1,448	0	1,448
Syringes	20		20
<b>Other Costs</b>	<b>20</b>		<b>20</b>
Primary Care Team	162		162
Primary Care Non Pay	67		67
<b>primary Care Team</b>	<b>229</b>	<b>0</b>	<b>229</b>
PMS Premium Release	166		166
Locally Commissioned Services	205		205
0.5% Contingency	190		190
Surplus / Risk Reserve	636		636
<b>Total</b>	<b>37,909</b>	<b>0</b>	<b>37,909</b>

\* 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	
<b>Cummulative £</b>	<b>121,144</b>	<b>282,670</b>	<b>450,908</b>	<b>616,909</b>	<b>781,418</b>	<b>822,545</b>	
<b>In Year £</b>	<b>121,144</b>	<b>161,526</b>	<b>168,238</b>	<b>166,000</b>	<b>164,509</b>	<b>41,127</b>	
<b>2019/20</b>			<b>450,908</b>	<b>166,000</b>			<b>616,909</b>
	CCG Core Funding - Locally Commissioned Services			Delegated Co-Commissioning Allocation			