

# Meeting of Primary care Commissioning Committee

Date: 25<sup>th</sup> April 2018

Time: 11:00 – 13:00

Location: Academy 1+2, Holiday Inn, Bond St, Bristol, BS1 3LE

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## Agenda item: 5.2

### Report title: Delegated Commissioning Budget

Report Author: M Vaughton

Report Sponsor: M Vaughton

#### 1. Purpose

To seek approval from PCC on the proposed budget for primary medical services 2018/19.

#### 2. Recommendations

PCC is asked:

- To approve the BNSSG budget for primary medical services 2018/19

#### 3. Background

The CCG took on delegated commissioning of primary medical services on 1<sup>st</sup> April 2018. Preparations for delegated commissioning started in 2017/18 and CCG staff have worked closely with NHSE colleagues to establish and implement a structured, phased approach to the work required. The CCG now has delegated responsibility for the primary medical services allocation amounting to £121.6m. The budget setting process has been led by NHSE with CCG support for 2018/19 and reflects resolution of some significant funding issues with regard to extra-contractual payments.

#### 4. Discussion

Primary medical services budgets have been set at Practice level using the nationally mandated approach and agreed local adjustments where relevant. The consolidated budget for approval is shown at Appendix 1.

The proposed budget has been calculated using;

- GMS / PMS weighted patient populations
- National agreement on the Global Sum for primary care
- 0.5 percent contingency (equivalent to £614,000) to manage in-year cost pressures
- Non-recurrent payments under s96 to the value of £553,000
- Assumed non-recurrent allocation from NHSE of £0.7m for market rent increases
- GP dispensing fees (c£1.3m per annum) will not be transferred to the CCG and responsibility will remain with NHSE

The proposed budget shows a residual surplus of £211,000.

## **5. Financial resource implications**

The consolidated expenditure budget is proposed at £121.4m for 2018/19 against an expected allocation of £121.6m (excluding GP dispensing fees of £1.3m expected to be returned to NHSE). A contingency reserve of 0.5% has been allowed and there is no longer a requirement for the plan to include uncommitted financial headroom.

The proposed budget shows a net underspend of £0.2m in the full year.

## **6. Legal implications**

None

## **7. Risk implications**

The income position includes an assumption that the CCG will receive a non-recurrent allocation of £0.7m in respect of additional costs arising from the market rent reviews undertaken two years ago. In both 2016/17 and 2017/18 this was fully funded in the NHSE allocations. However this is not yet confirmed and therefore remains a risk to the budget position.

## **8. Implications for health inequalities**

None

## **9. Implications for equalities (Black and Other Minority Ethnic/Disability/Age Issues)**

None

## **10. Consultation and Communication including Public Involvement**

The decision to take on delegated commissioning of primary medical services was subject to engagement and consultation with member Practices and formal Governing Body support.

## **11. Appendices**

## Appendix 1 – proposed consolidated BNSSG CCG budget for primary medical services

### Glossary of terms and abbreviations

|                              |  |
|------------------------------|--|
| <b>BNSSG</b>                 | Bristol, North Somerset, South Gloucestershire.  |
| <b>NHSE</b>                  | NHS England  |
| <b>GMS</b>                   | General Medical Services – Practices working for the NHS under the national contract.  |
| <b>Global Sum</b>            | The amount each GMS practice is paid per weighted patient on its practice list. The 2017/18 value is £81.15.   |
| <b>Weighted patient/list</b> | For funding purposes practice list sizes are weighted for a number of factors intended to reflect the additional work for different categories of patient.   |
| <b>MPIG</b>                  | Minimum Practice Income Guarantee. When GMS was introduced it would have substantially reduced the income of some practices. These practices were given an MPIG to compensate. MPIGs are being phased out over 7 years from 2014/15 with the amount saved used to increase the global sum. |
| <b>PMS</b>                   | Personal Medical Services – practices working for the NHS under local contracts, most of which were originally let by PCTs. Contracts are now held by NHSE and have converged with GMS.  |
| <b>PMS Premium</b>           | The amount by which PMS practices were calculated as being funded more generously than other practices. PMS Premiums are being phased out over 4 years from 2016/17 with the amount saved being transferred to CCGs for reinvestment in Primary Care                                       |
| <b>APMS</b>                  | Alternative Provider Medical Services – contract for the provision of medical services which are not suitable for PMS or GMS. Contracts can be let to companies and the commercial sector. Most new contracts let by NHSE use the aPMS framework.  |
| <b>QOF</b>                   | Quality and Outcomes Framework. Practices can earn additional funding by meeting key clinical targets  |
| <b>Seniority</b>             | GPs are entitled to additional payments based on their length of service. Seniority payments are being phased out over 6 years from 2014/15 with the amount saved being used to increase the global sum.   |

Bristol, North Somerset, South Gloucestershire CCG Delegated Primary Care budgets 2018/19

| Area of Spend                            |                                  | South Gloucestershire | Bristol | North Somerset | Bristol N Somerset S Gloucestershire |
|--|----------------------------------|-----------------------|---------|----------------|--------------------------------------|
|  |                                  | £ 000                 | £ 000   | £ 000          | £ 000                                |
| <b>General Practice - GMS</b>            |                                  |                       |         |                |                                      |
|  | Global sum                       | 239                   | 5,744   | 6,766          | 12,749                               |
|  | MPIG                             | 3                     | 52      | 13             | 68                                   |
| <b>General Practice - PMS</b>            |                                  |                       |         |                |                                      |
|  | Contract value                   | 19,445                | 33,116  | 11,879         | 64,440                               |
|  | PMS Premium                      | 1,684                 | 2,545   | 471            | 4,700                                |
| <b>General Practice - APMS</b>           |                                  | 1,678                 | 4,053   | 952            | 6,683                                |
| <b>Premises Costs</b>                    |                                  |                       |         |                |                                      |
|  | Rent                             | 2,583                 | 3,671   | 1,969          | 8,223                                |
|  | Service charges                  |                       | 2,401   |                | 2,401                                |
|  | Rates                            | 474                   | 623     | 334            | 1,431                                |
|  | Water rates                      | 35                    | 50      | 28             | 113                                  |
|  | Clinical Waste                   | 237                   | 302     | 224            | 763                                  |
|  | Other premises cost              |                       | 847     |                | 847                                  |
| <b>Enhanced Services</b>                 |                                  |                       |         |                |                                      |
|  | Learning Disability Health Check | 85                    | 182     | 67             | 334                                  |
|  | Minor Surgery                    | 208                   | 411     | 184            | 803                                  |
|  | Extended Hours                   | 498                   | 946     | 313            | 1,757                                |
|  | Violent Patients                 |                       | 76      |                | 76                                   |
| <b>QOF</b>                               |                                  |                       |         |                |                                      |
|  | Aspiration                       | 2,145                 | 3,849   | 1,880          | 7,874                                |
|  | Achievement                      | 1,027                 | 1,878   | 904            | 3,809                                |
| <b>Seniority</b>                         |                                  | 276                   | 531     | 213            | 1,020                                |
| <b>Other Services</b>                    |                                  | 472                   | 1,212   | 408            | 2,092                                |
| <b>Contingency</b>                       |                                  | 161                   | 310     | 143            | 614                                  |
| <b>Non recurring Section 96 payments</b> |                                  |                       |         |                | 553                                  |
| <b>Uncommitted balance of allocation</b> |                                  |                       |         |                | 211                                  |
| <b>Allocation</b>                        |                                  |                       |         |                | <b>121,561</b>                       |