

Financial Planning Update 2019/20

Agenda Item 9

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1. Purpose

The purpose of the paper is to update the Committee on draft financial allocations for 2019/20, and emerging national planning guidance and GP contract reforms that will impact on the CCGs financial planning and budget setting process for 2019/20.

The committee is asked to note that a detailed financial plan and budget setting paper will be presented at March PCCC ahead of the national submission of the CCGs overall financial plan on the 4th April 2019.

2. CCG Financial Allocation 2019/20 – 2023/24

The CCG has been notified of its draft allocations for financial years 2019/20 to 2023/24, which are part of the deployment of NHS England's five-year revenue funding settlement as announced in June 2018, averaging 3.4% a year in real terms, and reaching £20.5bn additional funding for the NHS by 2023/24.

BNSSG place based funding, which covers the whole BNSSG system, averages 3.6% growth over the 5-year period (compared with the NHS average of 3.4%), but is differential across the following areas:

Table 1: BNSSG placed based funding uplifts 2019/20 – 2023/24:

	2019/20	2020/21	2021/22	2022/23	2023/24	Cumulative Average Growth
CCG Core Allocation	4.20%	2.87%	2.52%	2.18%	1.57%	2.80%
Primary Care	4.80%	3.20%	4.00%	2.70%	2.30%	3.60%
Specialised Commissioning *	6.80%	5.30%	5.40%	5.80%	5.70%	6.50%
BNSSG System	4.70%	3.40%	3.20%	2.90%	2.50%	3.60%

* Commissioned by NHS England

The 2019/20 uplift includes funding for the 2018/19 Agenda for Change pay award funded directly to providers in 2018/19.

3. Primary Care Medical Services Allocation 2019/20

Revised Primary Care (GP) allocations have been published, which take account of data and population updates. No changes have been made to the formula to determine target allocations. The draft Primary Care allocation in 2019/20 is £131.4m (3.28% below fair-share target allocation), which represents cash growth (unadjusted for inflationary impacts) of 6.4%:

Table 2: BNSSG CCG Primary Care Medical Draft Allocations 2019/20 – 2023/24:

Primary Care Medical	2019/20 £K	2020/21 £K	2021/22 £K	2022/23 £K	2023/24 £K
Allocation published in January 2016	£128,556	£131,438	£137,908	£145,976	£152,602
Baseline adjustment	£-5,078	£0	£0	£0	£0
Adjusted baseline	£123,478	£131,438	£137,908	£145,976	£152,602
Adjusted closing DfT	-3.10%	-3.28%	-2.99%	-2.70%	-2.41%
Final allocation after place-based pace of change	£131,438	£137,908	£145,976	£152,602	£159,514
Final growth	6.45%	4.92%	5.85%	4.54%	4.53%
Final per capitagrowth	5.47%	3.99%	4.95%	3.67%	3.68%
Final closing DfT	-3.28%	-2.99%	-2.70%	-2.41%	-2.12%
Other funding after pace of change	£0	£0	£0	£0	£0
Final allocation including other funding	£131,438	£137,908	£145,976	£152,602	£159,514

4. 2019/20 Planning Assumptions and Requirements

4.1 Control totals

NHS England will set a system control total for each STP/ICS which will be the sum of individual organisation control totals.

The CCG will be expected to plan against a financial control total which is yet to be formally communicated by NHS England (assumed to be break-even for planning purposes). In line with the 2018/19 financial framework for commissioners, CCGs will not be required to contribute to a national risk reserve, nor to spend any element of their recurrent allocation non-recurrently.

Decisions on how allocations are committed are for local prioritisation and must, in line with best practice, include an assessment of the risks to plan delivery alongside a robust risk mitigation strategy. There are however a number of mandated requirements, including some specific to Primary Care, which are set out below.

4.2 Primary Care Planning Guidance & Finance Business Rules

Source: *NHS Operational & Planning Guidance 2019/20 Annex B & Annex D*

- Primary Care Commissioners will plan to spend their allocation in full
- No requirement to invest any portion of allocations non-recurrently nor to set aside a risk reserve. Commissioners **will** be required to set aside a contingency of 0.5% of allocations and to demonstrate through the assurance process that they have adequate mitigations for any risk to delivery of their plan.
- Provide a minimum of £1.50 per head of financial support to PCNs for their management and organisational development. This investment should start in 2019/20 and continue each year until 31 March 2024 (funded from core CCG allocations)
- Ensure that the delegated budgets received are used to support the development of all practices in the context of PCN development, with a detailed local plan published by 1 July 2019 showing that every practice is actively engaged and all activity is completed by 31 March 2020
- Ensure that the local practice development plans continue to identify those practices who need more intensive and immediate support to stabilise, build their resilience and become sustainable. 75% of 2019/20 sustainability and resilience funding (allocated by NHS England) must be spent by 31 December 2019, with 100% of the allocation spent by 31 March 2020.

5. GP Contract Reform

Source: *Investment and evolution: A five-year framework for GP contract reform to implement The NHS Long Term Plan*

5.1 Global Sum adjustment & Indemnity Costs

Funding for the core practice contract is now agreed and fixed for each of the next five years, and increases by £978 million in 2023/24.

The Global Sum amount (£84.63 net of out of hours adjustment in 2018/19), which is the basis for setting the majority of GMS and PMS contracts, has not been formally published for 2019/20 contracts, however, the GP contract reform document refers to a rise in contract funding of 1.4%, which will be the basis for CCG planning in the absence of any further communication.

A key change for 2019/20 is that the global sum will be permanently adjusted in order to fund the new Clinical Negligence Scheme for General Practice, which means costs under the scheme will be borne centrally by NHS England, rather than by individual practices.

5.2 Primary Care Network Funding & Network Contract DES

Table 3 shows how the Network Contract DES will rise over five years to be worth up to £1.799 billion nationally in 2023/24. It comprises four different funding components:

Table 3: National Network Contract DES funding 2019/20 – 2023/24

National Network Funding	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
1. Additional Roles Scheme	£110	£257	£415	£634	£891
2. Network Support					
- £1.50 per head from CCG general Allocations	£90	£90	£91	£91	£92
- GP PCN Leadership (0.25 WTE per PCN)	£31	£42	£43	£44	£45
3. Access					
- Extended Hours Access DES	£66	£87	£87	£87	£87
- Improving Access to General Practice (£6 per head)			£367	£376	£385
4. Investment & Impact Fund	£0	£75	£150	£225	£300
Total PCN Funding	£296	£552	£1,153	£1,457	£1,799

5.2.1 Additional Roles Scheme

The new additional roles reimbursement scheme (£110m nationally in 2019/20) is dependent on the extent to which networks draw down their entitlement.

The funding for the scheme is intended to create up to an estimated 20,000+ additional posts in five specific primary care roles, phased over the five-year period, with fixed percentages agreed under the new Network Financial Entitlements:

- Clinical pharmacists 70% funded 2019/20
- Social prescribing link workers 100% funded 2019/20
- Physician associates 70% funded 2020/21
- First contact physiotherapists 70% funded 2020/21
- First contact community paramedics 70% funded 2021/22

From 2020/21, each network will be allotted a single *maximum* reimbursement sum, based on weighted capitation shares of the annual national expenditure amounts shown in Table 3.

Introductory arrangements for 2019/20

Rather than introduce a capitated sum, between 1st July 2019 until March 2020, every network of at least 30,000 population will be able to claim 70% funding for *one* additional whole-time equivalent (WTE) clinical pharmacist and 100% funding for *one* additional WTE social prescribing link worker.

Beyond 100,000 network size, the 2019/20 reimbursement scheme doubles to two WTE clinical pharmacists and two social prescribers, with a further WTE of each, for every additional 50,000 network population size.

Fuller guidance on the introductory scheme is expected to be issued by March 2019, at which point the financial implications for the CCG will be confirmed.

Based on a network with an averagely-weighted 50,000 population, the additional roles scheme is likely to equate to approximately £182K in 2019/20.

5.2.2 Network Support

As set out in planning guidance, the CCG must plan, as a minimum for two elements of network support funding over the next five years. The existing, recurrent £1.50/head, and a new 0.25 WTE contribution to for the Network Clinical Director (from July 2019).

In 2019/20 this equates to £2.01/head, and represents a total commitment of £2.06m for BNSSG, rising to £2.3m in 2023/24.

5.2.3 Access

Through a combination of the transferred Extended Hours Access DES and the £6/head CCG commissioned enhanced access arrangements, which become a combined legal entitlement under the network contract DES in 2021/22.

The CCG will continue to fund a maximum of £6/head enhanced access through a combination of core CCG and delegated allocations, totalling £6.1m in 2019/20.

5.2.4 Investment & Impact Fund

Access to the new investment & impact fund, if agreed with GPC England becomes an entitlement, in line with national rules. It is currently unclear as to whether this funding is devolved as part of the draft CCG Primary Medical Services allocation, or funded centrally.

This will be updated in the detailed budget setting paper to be presented to PCCC in March.

5.2.5 Sources & Applications (awaiting further guidance)

National Network Funding	Assumed Funding Source	CCG Investment 2019/20
1. Additional Roles Scheme	Assumed Funded Centrally (not included in draft published allocations)	tbc
2. Network Support		
- £1.50 per head from CCG general Allocations	CCG Core Allocation	£1.53m
- GP PCN leadership (0.25 WTE per PCN)	Primary Medical Services Allocation	£0.53m
3. Access		
- Extended Hours Access DES	Primary Medical Services Allocation	tbc
- Improving Access to General Practice (£6 per head)	£5.4m in CCG Core Allocation, additional to be funded from Primary Medical Services Allocation	£6.13m
4. Investment & Impact Fund	Assumed Funded Centrally (not included in draft published allocations)	tbc

6. Other Primary Care Funding

In 2019/20 the CCG will continue to invest significant funding from its CCG core allocation into additional primary medical care services through newly agreed Local Enhanced Service contracts, clinical leadership and membership engagement funding, and continued reinvestment of PMS premiums.

Full detail of this will be presented in the detailed budget setting paper to be presented at March PCCC.

7. Summary and Recommendations

The Primary Care Commissioning Committee is asked to;

- note the key changes that need to be incorporated in the CCGs financial planning assumptions
- note that a detailed budget setting paper will be presented for approval at March PCCC ahead of submission of the CCGs overall financial plan submission on the 4th April