

BNSSG Primary Care Commissioning Committee (PCCC)

Date: 26th March 2019

Time: 9:00am – 11:00am

Location: Vassall Centre Bristol, BS16 2QQ

Agenda Number: 8

Report title: 2019/20 Financial Planning Update

Report Author: Rob Ayerst (Head of Finance, Primary & Community Care)

Report Sponsor: Rob Moors (Deputy Chief Finance Officer)

1. Purpose

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

2. Primary Care Medical Services Allocation 2019/20

Revised Primary Care (GP) allocations were published on the 31st January 2019, taking account of data and population updates. No changes were made to the formula to determine target allocations. The draft Primary Care allocation for 2019/20 as notified, was £131.4m (3.28% below fair-share target allocation), which represents cash growth (unadjusted for inflationary impacts) of £7.96m (6.4%):

Table 1: 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

2.1 Changes to allocations due to the GP Contract agreement

As set out in the NHS England Allocations Board Paper published on the 31st January, CCG allocations were subject to adjustments to take account of the GP Contract agreement which was also announced on the same day.

The impact of this review was published in a letter to CCGs on the 7th March, along with notification of the following consequential adjustments to allocations:

- Reduction to CCG Primary Care Medical allocations to reflect a lower net increase (1.4% in 2019/20) from funding changes implicit within the GP contract, due to the introduction of a centrally funded Clinical Negligence Scheme for General Practice (CNSGP)
- A transfer to move the Improving Access for General Practice funding from CCG Core allocations (£5.4m received recurrently by the CCG in 2017/18), into Primary Care Medical allocations from 2019/20 (net nil impact to overall CCG allocations)

The CCG has also received confirmation that *all* funding for Primary Care Networks (PCNs), apart from the £1.50 per head payment will be payable from CCG Primary Medical Care Allocations. The £1.50 per head is from core CCG allocations.

The CCG is now awaiting further national guidance and revised allocations for 2019/20, in order to quantify the overall impact this has on the financial plan for 2019/20.

3. GMS Contract Changes 2019/20 – 19th February update

3.1 GMS Finance changes for 2019/20

“Investment and evolution: A five-year framework for GP contract reform to implement The NHS Long Term Plan” was published on the 31st January, and headline financial implications were presented at the February PCCC meeting, covering the following key changes:

- Primary Care Network Additional Roles funding (including transitional arrangements for 2019/20)
- Network Clinical Director funding (0.25 WTE)
- Network administration support (£1.50 per head)

CCGs have now been provided further details of the financial implications of the revised contract which take effect from 1st April 2019.

Changes to the value of the Quality & Outcome Framework (QOF) point, Global Sum price per weighted patient and Out of Hours adjustment for 2019/20 are set out in Table 2 (below). These will now be included in the amendments to the Statement of Financial Entitlements Directions.

Table 2: Key contract figures 2019/20

Figure	2018/19	2019/20
Global Sum price per weighted patient	£88.96	£89.88
Out of Hours (OOH) adjustment (%)	4.87%	4.82%
Net Global Sum after OOH adjustment	£84.63	£85.55
Value of QOF point	£179.26	£187.74

In addition, a network participation payment will be made to practice for signing up to the Network Contract Directed Enhanced Service (DES) by 1st July 2019. This payment is equivalent to £1.761 per weighted patient for the year, although will be paid to practices in monthly instalments from July onwards.

4. Other Financial Planning commitments for 2019/20

In addition to the updated key contract implications set out above, the revised GP contract outlined the following additional financial commitments for CCGs in 2019/20:

Table 3: Other Primary Care Funding commitments 2019/20

Funding Stream	Basis for funding	2018/19	2019/20
Additional Roles scheme (year 1)			
- Clinical pharmacist	Dependent on weighted network size and recruitment levels	n/a	70% x £37,810 per WTE

- Social prescribing link worker	Dependent on weighted network size and recruitment levels	n/a	100% x £34,113 per WTE
GP Clinical leadership	0.25 WTE per PCN	n/a	Equivalent to £0.51 per head
Network administration payment*	Registered list size	£1.50	£1.50
Improving access to General Practice	Weighted list size	£5.83	£6.00

* operational planning guidance requirement for CCGs to recurrently fund £1.50 per head transformational support as funded non-recurrently by the CCG in 2017/18 and 2018/19

As noted in Section 1, the revised Primary Care Medical allocation for 2019/20 is still to be formally communicated to the CCG, and as such, a full income and expenditure cannot be presented at this time, however the following additional planning areas will need to be quantified and included in the financial plan:

- Requirement to recurrently fund 2018/19 global sum uplift (non-recurrently funded in 2018/19)
- Requirement to recurrently fund 2018/19 cost pressures, including property costs and GP locum costs
- Requirement to fully fund contract changes including global sum uplift from April 2019 and Primary Care Networks from July 2019
- Requirement to fully fund implications of operational planning guidance including £1.50 per head recurrently (from CCG core allocations), and non-recurrently plan for 0.5% contingency budget
- 2019/20 demographic growth

5. Key Risks

- The CCG is expecting a reduction to the draft allocation previously published, which has been confirmed, but not quantified by National Allocations team. A significant reduction in the draft allocation, alongside the mandated funding commitments set out above, adds risk that the CCG will not be able to deliver a balanced financial plan for 2019/20.

The draft allocation was based on growth of £7.96M (6.4%), so for every 0.1% reduction in the final published allocation, the CCG can expect to receive approximately £124K less income.

-
- 2019/20 draft allocations were based on registered population growth of 0.93% in 2019/20. If actual growth exceeds this figure, there will be further unfunded cost implications to the CCG.

6. 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 to PCCC when further communications are received from NHS England, confirming