

Primary Care Commissioning Committee

Date: 31st July 2018

Time: 9.00-11.10am

Location: Vassall Centre, Gill Avenue, Bristol, BS16 2QQ

Agenda item: 9

Report title: Primary Care Finance Report – Month 3 (30th June 2018)

Report Author: Rob Ayerst, Head of Finance – Community and Primary Care

Report Sponsor: Mike Vaughton, Deputy Chief Finance Officer

1. Background

In April 2018, BNSSG CCG assumed responsibility for primary care delegated budgets totalling £122.8m, combined with existing primary care services (excluding medicines management) commissioned by the CCG with planned expenditure of £19.1m, Primary Care budgets for 2018/19 total £141.2m.

This report is to update the Primary Care Commissioning Committee (PCCC) with the latest reported financial position against budget, and any emerging financial risks for all primary care services commissioned by Bristol, North Somerset and South Gloucestershire CCG (BNSSG CCG) as at the end of June 2018 (month 3).

2. Resource Allocation

The delegated allocation received from NHSE totalled £122,813k. In Month 3, as per national guidance, there has been a transfer of resource from the delegated commissioning budgets to CCG Primary Care budgets of £704k, to ensure the total Improved Access funding (£5,672k) is accounted for in one place.

There has been no overall change to the total Primary Care budget, as outlined in the following table:



		Delegated Primary Care	Other Primary Care	TOTAL Allocation
Opening Budget	As at Month 2	£122,813	£18,404	£141,217
Month 3 Allocation Changes	Improving Access Transfer	(£704)	£704	£0
Current Budget (month 3)		£122,109	£19,108	£141,217

In line with National planning guidance, 0.5% of the total delegated commissioning budget must be held as a non-recurrent contingency (£614k).

In addition to this, £209K of the funding allocation was uncommitted at planning stage, and a further £318k has been subsequently identified where Improved Access funding was budgeted for at a level higher than the national requirement. There is a total of £527k held in reserves.

3. Current Financial Performance as at 30th June 2018 (month 3)

At the 30th of June 2018, the CCG is reporting a year to date underspend of £28k against a year to date budget of £35.6m. The forecast out-turn remains at break-even, in line with planned expenditure levels of £141.2m

A detailed year to date position is included as Appendix 1 to this report.

- GP Contracts are underspent by £141k year to date, reflecting the fact that population growth has been factored into budgets – it is not expected that this position will be maintained as quarterly list size changes are reflected in future month contract payments linked to updated list sizes.
- Premises costs are overspent by £183k year to date, reflecting a cost pressure associated with the national rebasing exercise which changed the reimbursement basis to market rents rather than historical costs.

Whilst it is anticipated that there will be funding from NHSE to support this additional cost, the CCG hasn't had confirmation of the level of this resource allocation, and the year to date position is currently being partially mitigated by the release of uncommitted reserves (£52k year to date).

- Total primary care budgets were set at a level £118k higher than required in order to meet the total GPFV planning assumption of £6 per head for Improved Access. This is currently uncommitted, and showing a net year to date underspend of £18k (reflected in Appendix 1 as £79k underspend in delegated reserves, and a £61k overspend in Other Primary Care).
- In total, uncommitted reserves mitigating the two points noted above are showing a year to date underspend of £131k.

Savings Target

The primary care budgets include an in year savings target of £500k (due to be achieved in the final six months of the financial year). A review of existing enhanced services is underway to ensure value for money is being achieved, as well as aiming to standardise the provision and payment of enhanced services across the localities.

It is assumed that the savings target will be achieved in full in 2018/19.

4. Transition Plan

The CCG is responsible for making all payments in relation to delegated commissioning, and is being assisted with this by the NHS England (NHSE) payments team. A transition plan has been produced in coordination with NHSE with the aim of the CCG assuming all payment responsibilities by October 2018.

5. Legal implications

None

6. Risk implications

The primary care budgets include an income budget of £732k in relation to market rent funding for GP premises. It is assumed that the increase in costs due to the move to market rent policy will be funded by NHSE as in previous years.

NHSE have highlighted an increase in the level of locum expenditure being incurred by GP practices across the South West region. At this stage of the financial year, there is limited information as to the impact this is having on planned locum spend in BNSSG CCG, but a more detailed forecast will be available and reported on in future months.

7. Implications for health inequalities

None

8. Implications for equalities (Black and Other Minority Ethnic/Disability/Age Issues)

None

9. Consultation and Communication including Public Involvement

Not applicable

10. Recommendations

The Primary Care Commissioning Committee is asked to note the current financial performance against primary care budgets and note the key risks outlined above to delivery of the planned forecast break-even position.

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

Report Sponsor: Mike Vaughton (Deputy Chief Finance Officer)

Appendices

Appendix 1 – Detailed Primary Care Financial Position as at 30th June 2018 (Month 3)

Glossary of terms and abbreviations

QOF	Quality and Outcomes Framework. Practices can earn additional funding by meeting key clinical targets
DES	Directed Enhanced Service. Nationally negotiated services, over and above those provided under usual contracts, which the CCG is obliged to commission.
BPCAg	Bristol Primary Care Agreement. Contract offered to Bristol practices with payment being made upon achieving certain criteria set by the CCG.

PMS Review	A review into the amount PMS practices were being funded above other practices, called the PMS Premium. 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.
Supplementary Services	The PMS Premium received by NHSE is reinvested equally amongst all practices that agree to provide “supplementary services”, additional services provided by practices that are not covered within the core contract.
GPFV	General Practice Forward View. Additional funding support for practices over several years.

Appendix 1
Month 3 Primary Care Finance Report

Month 3 Primary Care Finance Report		Annual Budget	YTD Budget	YTD Actual	YTD Variance	Forecast	Forecast Variance
Delegated Commissioning	Contract	87,618	21,904	21,764	141	87,618	0
	Premises	13,779	3,445	3,634	(183)	13,779	0
	QOF	11,684	2,921	2,921	(0)	11,684	0
	DES	3,062	766	766	0	3,062	0
	Locum	715	179	179	0	715	0
	Prescribing Costs	1,209	302	302	0	1,209	0
	Seniority	1,021	255	255	(0)	1,021	0
	Section 96	553	138	138	0	553	0
	CQC Reimbursements	400	100	86	0	400	0
	Connecting Care & LMC Training	351	88	88	0	351	0
	Doctors Retainer Scheme	193	48	55	0	193	0
	Sterile Products	175	44	44	0	175	0
	IUCD	166	41	41	0	166	0
	Quality Scheme	43	11	11	0	43	0
	0.5% Contingency	614	154	154	0	614	0
	Reserve	527	288	157	131	527	0
Delegated Total	122,109	30,684	30,595	89	122,109	0	
Local Enhanced Services	Care Home/Nursing Home	804	201	201	0	804	0
	Anti-coagulation	749	187	187	0	749	0
	Near Patient Testing	656	164	164	0	656	0
	Minor Injuries Service	355	89	89	0	355	0
	Dementia	220	55	55	0	220	0
	Diabetes Insulin	91	23	23	0	91	0
	Care of Homeless	41	10	10	0	41	0
Local Enhanced Services Total	2,915	729	729	0	2,915	0	
BPCAg and Compact	Over 75's Primary Care	1,607	402	402	0	1,607	0
	South Glos Compact	400	100	100	0	400	0
	Practice Representation	172	43	43	0	172	0
	Practice Education Sessions	50	12	12	0	50	0
	Patient Involvement	33	8	8	0	33	0
	Nurse Forums	14	4	4	0	14	0
	Practice Manager Forums	9	2	2	0	9	0
BpCAG and Compact Total	2,285	571	571	0	2,285	0	
PMS Review	Supplementary Services	3,492	873	873	0	3,492	0
	Treatment Rooms	977	244	244	0	977	0
	Primary Care Offer	407	102	102	0	407	0
	BCH Admin Staff	91	23	23	0	91	0
	Additional Basket of Procedures	43	11	11	0	43	0
	Counselling	10	2	2	0	10	0
PMS Review Total	5,020	1,255	1,255	0	5,020	0	
GPFV	Improved Access	5,672	1,418	1,418	0	5,672	0
	Online Consultations	334	84	84	0	334	0
	Reception Training	170	43	43	0	170	0
	£3/head Primary Care	1,450	362	362	(0)	1,450	0
	GPFV Total	7,626	1,907	1,907	(0)	7,626	0
Other Primary Care Services	LEG Membership	506	126	126	0	506	0
	Referral Service	620	155	155	0	620	0
	Collaborative Payments	315	79	79	0	315	0
	Clinical Leads	268	67	67	0	268	0
	Other	53	13	75	(61)	53	0
GPFV Total	1,762	440	502	(61)	1,762	0	
Savings Target	Primary Care Savings target	(500)	0	0	0	(500)	0
	Savings Target Total	(500)	0	0	0	(500)	0
Primary Care Total	141,217	35,586	35,558	28	141,217	0	