

Primary Care Commissioning Committee							
Date of Meeting	14/11/2018	Paper Number	8				
Title	Financial Report for month 6						
Sponsoring Director (name and job title)	Debbie Fraser, Deputy Director of Finance						
Author(s)	Aysha Hussain, Finance Analyst, NHS England South (South Central) Richard Buckley, Head of Financial Control and CSU Support						
Purpose	To update the committee on the financial position for month 6 of 2018/19 for the primary care commissioning budgets of NHS East Berkshire CCG.						
The Primary Care Commissioning Committee is required to (please tick)							
Approve	<input type="checkbox"/>	Receive	<input type="checkbox"/>	Discuss	<input type="checkbox"/>	Note	X
Risk and Assurance <i>(outline the key risks / where to find mitigation plan in the attached paper and any assurances obtained)</i>				Financial Plans have been prepared in accordance with NHS England planning guidance and assured by the South of England Regional Office			
Legal implications/regulatory requirements				None			
Public Sector Equality Duty				Not Applicable			
Links to the NHS Constitution (relevant patient/staff rights)				None			
Strategic Fit				Not Applicable			
Commercial and Financial Implications <i>(Identify how the proposal impacts on existing contract arrangements and have these been incorporated?)</i> <i>Include date Deputy CFO has signed off the affordability and has this been incorporated within the financial plan. Include details of funding source(s)</i>				As outlined in the report			

<p>Quality Focus <i>(Identify how this proposal impacts on the quality of services received by patients and/or the achievement of key performance targets)</i></p> <p><i>Include date the Director of Nursing has signed off the quality implications)</i></p>	<p>Not Applicable</p>
<p>Clinical Engagement <i>Outline the clinical engagement that has been undertaken</i></p>	<p>Not Applicable</p>
<p>Consultation, public engagement & partnership working implications/impact</p>	<p>Not Applicable</p>
<p>NHS Outcomes <i>Please indicate (highlight) which Domain this paper sits within by highlighting or ticking below: Please note there may be more than one Domain.</i></p>	<p>Domain 1 Preventing people from dying prematurely;</p> <p>Domain 2 Enhancing quality of life for people with long-term conditions;</p> <p>Domain 3 Helping people to recover from episodes of ill health or following injury;</p> <p>Domain 4 Ensuring that people have a positive experience of care; and</p> <p>Domain 5 Treating and caring for people in a safe environment; and protecting them from avoidable harm.</p>
<p>Executive Summary This report sets out the details up to the end of month 6 (September 2018) for the Primary Care Services Commissioning budgets.</p>	
<p><u>Recommendation(s)</u></p> <p>The Primary Care Commissioning Committee is asked to note the contents of the report.</p>	

Primary Care Commissioning Committee



Report to the Primary Care Commissioning Committee – East Berkshire CCGs

Prepared by: Aysha Hussain, NHS England South (South Central), Finance Analyst and Richard Buckley, East Berkshire CCG, Head of Financial Control and CSU support.

Classification: OFFICIAL

The National Health Service Commissioning Board was established on 1 October 2012 as an executive non-departmental public body. Since 1 April 2013, the National Health Service Commissioning Board has used the name NHS England for operational purposes.

1. Introduction

- 1.1. This paper sets out financial position for month 6 of 2018/19 for the primary care services delegated commissioning budget of East Berkshire CCG.

All figures in £'000s

	Month			Year to Date			Forecast		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
GP Services 2017-18									
GP Contract Payment	3,348	3,301	47	20,089	20,042	47	40,178	40,178	-
QOF Payments	370	370	-	2,220	2,220	-	4,441	4,441	-
GP Seniority and Locums	80	82	(2)	480	500	(20)	962	962	-
GP Drug Payments	25	25	-	150	150	-	301	301	-
GP Premises	453	357	96	2,718	2,592	126	5,437	5,437	-
GP Enhanced Services	125	86	39	750	696	54	1,502	1,502	-
GP Other Items	6	6	-	36	36	-	71	71	-
Prior Year Balance	-	-	-	-	-	-	-	-	-
CCG Prescribing	-	-	-	-	(2)	2	-	-	-
Collaborative Fees	9	9	-	52	52	-	104	104	-
GP Premises other	4	4	-	22	22	-	44	44	-
GP General Reserves	-	-	-	-	-	-	2,999	2,772	227
Sub-Total	4,420	4,240	180	26,517	26,308	209	56,039	55,812	227
Other Primary Care Budgets									
Locally Commissioned Schemes	599	599	-	1,661	1,661	-	3,324	3,370	(46)
GPIT	17	317	(300)	881	1,061	(180)	2,074	1,954	120
Out of Hours	392	392	-	2,349	2,351	(2)	4,699	4,699	-
GP Extended Access	218	218	-	1,328	1,328	-	2,636	2,636	-
Vulnerable Practices Pilot Funding	-	-	-	2	2	-	4	4	-
Primary Care Investments	-	105	(105)	-	119	(119)	-	-	-
Sub-Total	1,226	1,631	(405)	6,221	6,522	(301)	12,737	12,663	74
Grand Total	5,646	5,871	(225)	32,738	32,830	(92)	68,776	68,475	301

2.0 Budget 2018/19

Allocation

The overall South Central allocation includes 2.3% growth for 2017/18 and 2018/19; however this varies at individual CCG level with East Berkshire CCG receiving 4.08% and 3.14% respectively.

Surplus Position

A 1% surplus requirement against Primary Care Co-Commissioning allocation is not required.

Planning Assumptions

- GP contract changes in 2018/19 are to be implemented through a 3.07% change in the global sum rate per weighted patient (see Table 1 and 2 below).
- Demographic growth of 0.72% on contract payments in 2018/19.
- MPIG and seniority phased reductions as per national guidance.
- Premises included at FOT level with 1.6% growth for 2018/19
- NHSP/CHP premises impact of the change to market rate charging is factored into the position.
- Benefit from reduction in rateable values is being factored into the position.
- QOF assumption (based 97% achievement)
- Detailed practice level budgets are based on prior year outturn.

Reserves

Reserves include 0.5% contingency as per national planning guidance and Other Reserves to balance planned expenditure to the CCG delegated budget allocation.

2.1 Commentary on the position

An overview of the month, year to date and 2018/19 forecast outturn position is below:

2.2 Month position

The month position at month 6 is £225k above plan.

2.3 Year to Date Position

Overall the YTD position is an adverse variance of £92k with main variances explained below:

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • GP Contract Payment | <ul style="list-style-type: none"> £47k underspend | <p>Global sum below plan by £23k due to demographic growth currently being below planning assumption. APMS Contract is below plan by £117k. PMS contracts overspent by £15k, timing differences for PMS premium payments £72k above plan and PMS baseline adjustment £4k.</p> |
| <ul style="list-style-type: none"> • GP Seniority and Locums (Inc. CQC Fees) | <ul style="list-style-type: none"> £20k overspend | <p>Seniority payments are currently above plan by £43k but is offset by underspends on Locum sickness, Locum Mat/Pat £14k, PCO other £2k and Doctors Ret Scheme £4k.</p> |
| <ul style="list-style-type: none"> • GP Premises | <ul style="list-style-type: none"> £126 underspend | <p>YTD rent actuals include the planning provision for 1.6% growth that is currently underutilised, however there are a number of rent reviews due during the year. Actual rent is underspent by £15k, Notional Rent £39k and cost rent £72k.</p> |
| <ul style="list-style-type: none"> • GP Enhanced Services | <ul style="list-style-type: none"> £54k underspend | <p>Extended Hours Access not all practices have signed up result resulting in a £66k underspend, this is partly offset by overspend on Minor Surgery £11k.</p> |
| <ul style="list-style-type: none"> • GPIT | <ul style="list-style-type: none"> £180k overspend | <p>Connected Care incorrectly accrued twice £300k offset by release of prior year accruals £120k.</p> |
| <ul style="list-style-type: none"> • Primary Care investments | <ul style="list-style-type: none"> £119k | <p>Spend on support for 2WW implantation. These investments are funded from GP General Reserves.</p> |

- GP General Reserves On plan Required to mitigate in year net risks and year end provisions for outstanding commitments.

2.4 Forecast Outturn

The forecast outturn at month 6 is a favourable variance of £301k. GP General Reserves forecasting underspend of £227k for investments included in locally commissioned schemes overspend of £46k. GPIT release of prior year accruals £120k.

3 Assumptions on reporting

The figures have been prepared in accordance with the following national guidance:

- Pre delegation costs will remain with NHS England.
- Accruals will be as per accounting standards and will be to the expected year end outturn position.

4 Contracting and procurement activity

None

5 Reserves, Risks and Opportunities

Risks

- Indemnity Fees Inflation- A new CNST style scheme is being negotiated for 18/19 which should reduce fees and negates fee inflation; however, there is uncertainty over the implementation date and if this slips whether national funding will be available. Following national guidance the funding set aside within the delegated budget for fee inflation will non-recurrently be re-badged as CCG Core resource for GPFV initiatives.
- CQC have revised their fee scale formula which increases fees significantly. NHS England have raised this with the central team as it is not within the nationally negotiated pay award to enquire if any central funding will be available.
- Population Growth – Impact on Contract Payments of growth in excess of the planning assumption.
- Section 96 support for practices in financial difficulty.
- Increased Premises reimbursements for premises developments/rent reviews in excess of planning assumption.
- Locums Cover (Parental/Sickness Leave). This will be kept under review.
- GP Retainer Scheme - nationally funded incentives are increasing the no. of GP's in post.
- There is a further uplift to GP Pay following the Government's response to recommendations by the Doctors' & Dentists' Review Body (DDRB). This further increase results in a total uplift of £448k above 2018/19 national planning assumptions, however, NHS England have confirmed that no central funding is available and this risk should be moved into the CCGs reported forecast form month 7.

Opportunities

- Contract Payments – Slough Walk in Centre. The proposed contract payments are below the current year budget.
- Directed Enhanced Services slippage e.g. <100% sign up for Extended Hours Des included with reported position.
- Premises Rate Rebates following national appeal process.
- Unutilised Prior Year balances – these are still subject to further review with business cases planned for investment during November and December 2018.

Net Risks will be funded from reserves.

The table overleaf shows reserves as at the end of September 2018.

Reserves as at end of September 2018

Reserves	£'000's	
0.5% Contingency	284	
Other Reserves	2,715	
Total Reserves	2,999	
Approved Primary Care investments	£'000's	
Pre-Diabetes patient care for prevention of diabetes	40	Started in April 2018
LCS for Anticipatory Care Planning	227	Started in June 2018
Additional 10% on referral management - support 2WW implementation	132	
INR move to Level 4	80	Practices to request move to level 4
Lower Limb Wound care	258	Service to commence in September 2018
SAS / Violent Patient Service	20	
Physician Associate (PA) placement funding	10	
Homeless - improved access to Primary care.		
Continuing to point of evaluation and exit/commissioning plan		
Total	767	
Risks -Potential Commitments against Other Reserves	£'000's	
Indemnity Fees	0	
CQC Fees	56	
Contract Payments - Population Growth	42	
Contract Payments - GP Services contract uplift (potentially Centrally funded)	448	
Section 96 support	0	
Premises reimbursements	0	
Locum cover (Parental/Sickness Leave)	0	
GP Retainer Scheme	0	
Total	546	
Potential Slippage/Opportunities	£'000's	
APMS Contract Payments	174	
Enhanced Services	131	
Premises Rates Rebate	tbc	
Unutilised Prior Year Accruals - Under review.	0	
Total	305	
Net Gain/(Risks) to be mitigated by reserves	-241	
Reserves balance	1,991	