

Agenda item: 11

Paper no : PCCCiC 35-18

Title of Report:	North West Surrey Finance Report Month 6 (September 2018)	
Status:	TO APPROVE	
Committee:	PCCCs in Common	Date: 09/11/18
Venue:	NWS CCG, 58 Church Street, Weybridge, Surrey. KT13 8DP	

Presented by:	Claire Fuller, Deputy CFO North West Surrey CCG	
Executive Lead sign off:	Karen McDowell, Chief Financial Officer	Date: 09/10/18
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Governance:

Conflict of Interest: The Author considers:	None identified	✓
Previous Reporting: (relevant committees/ forums this paper has previously been presented to)	None	
Freedom of Information: The Author considers:	Open – no exemption applies	✓

Executive Summary:

The financial position as reported to NHS England at Month 6 for delegated co-commissioning budgets is a breakeven position for year to date and forecast outturn.

Implications:

What is the health impact/ outcome and is this in line with the CCG's strategic objectives ?	Primary Care development
What is the financial/ resource required?	As set out in this report
What legislation, policy or other guidance is relevant?	n/a
Is an Equality Analysis required?	n/a

Any Patient and Public Engagement/ consultation required?	n/a
Potential risk(s) ? (including reputational)	Risks identified in the report are included within the CCG risk register. Achievement of financial performance against plan/target is a statutory requirement

Recommendation(s):

The Primary Care Commissioning Committee is asked to:

- (1) Note the risks and assumptions described within the report
- (2) Approve the forecast position as reported to NHSE at Month 6
- (3) Note the progress on the priorities for investment

Next Steps:

Further work to be undertaken on the priorities for investment

**North West Surrey CCG
Primary Care Finance Report September 18 (Month 6 2018/19)**

1. Overview of Month 6 Financial Position

1.1. The purpose of this paper is to update the Primary Care Co-Commissioning Committee on the Month 6 (end of September) financial position for delegated co-commissioning allocations and other primary care budgets.

2. Co-Commissioning Budgets

2.1. The CCG is currently reporting a break even position for delegated co-commissioning budgets in both the year to date and year end positions. Appendix A shows a detailed breakdown of Co-Commissioning budgets.

2.2. A detailed analysis of the financial position is provided below;

	Annual Budget	YTD Budget	YTD Spend	YTD Variance	YE Forecast	YE Variance
	£000s	£000s	£000s	£000s	£000s	£000s
GMS/PMS and APMS Contract Payments	30,733	15,174	15,148	(26)	30,705	(28)
Enhanced Services	678	339	323	(16)	708	30
Quality Outcomes Framework	4,090	1,431	1,446	14	4,119	29
Premises Reimbursements	3,697	1,635	1,792	156	3,916	219
PCO Administered	1,397	699	685	(13)	1,410	13
NHSE Managed Contracts	44	22	22	0	44	0
Locally Commissioned Services	767	384	149	(235)	767	0
Primary Care Team	305	152	81	(72)	225	(80)
Primary Care Non Pay	35	18	4	(14)	35	0
Contingency	446	223	0	(223)	446	0
Surplus / Risk Reserve	2,051	1,025	1,453	428	1,867	(184)
	44,243	21,103	21,103	0	44,243	(0)

i. GMS, PMS and APMS Contract Payments

2.3. The financial position as at Month 6 shows a year to date underspend of £26k, which is forecast to underspend by £28k at year end. This was due to the list size adjustment for quarter one being underspent against reserve.

ii. Enhanced Services

2.4. The enhanced services budget fund services that the CCG is required to offer to contractors and is linked to national priorities (extended hours, learning disabilities and violent patients). This distinguishes these services from any locally commissioned enhanced services that may also be offered. This is currently forecast to overspend by £30k based on a revised list of practices carrying out the Extended Hours Service and learning and disabilities payments.

iii. Quality Outcomes

- 2.5. Payments relating to the Quality Outcomes Framework are automatically calculated by the Calculating Quality Reporting Service (CQRS). The Month 6 position assumes a year end forecast over spend of £29k.
- 2.6. In May 2018, the CCG had paid the achievement payment for 2017/18.

iv. Premises Costs

- 2.7. The position for reimbursable practice costs (rent, rates and water) has been forecast with the information available. At month 6 there is an over spend of £156k which has been driven predominantly by rent and rates revaluations and is forecast to be £219k overspent by year end. However, it should be noted that NHS Property Services are yet to confirm their “true up” position for 2017/18 and charges for 2018/19. NHS Property Services have advised that the completion of the “true up” process had slipped from September to October 2018. Once received this will enable the forecast to be updated accordingly.
- 2.8. Work continues with those practices in NHS Property Services premises to reconcile the 2016/17 and 2017/18 non-reimbursable costs. Progress has made with some multi occupancy sites in agreeing the percentage occupancies and the CCG is awaiting final confirmation.

v. PCO Administered Costs

- 2.9. As at month 6, there is a forecast year end overspend of £13k based on current locum reimbursements. The year to date position of £13k underspend is driven by seniority payments being made by Capita, which given the payment issues they are currently experiencing we are forecasting this to meet the year end budget.

vi. NHSE Managed Budgets

- 2.10. Under delegated co-commissioning arrangements, a small number of services continue to be managed by NHSE on a Surrey / Sussex wide basis, namely, interpreting, occupational health, all forecast on budget.
- 2.11. Clinical waste management transferred to the CCG from the 1st April, and the interpreting services were transferred to the CCG at 1st October 2018.

vii. Locally Commissioned Services

- 2.12. The locally commissioned services budget includes the £213k that has been released following the PMS review and reflects savings generated from practices converting to GMS from 1st July 2016, net of the transitional funding provided. The forecast outturn assumes breakeven, as a number of new LCS's were introduced at the commencement of the year.

viii. Primary Care Team

2.13. The costs of the Primary Care team have been charged against the co-commissioning budget. At month 6 these costs were reconciled and allocated to budgets within Guildford and Waverley and North West Surrey respectively. This leaves an underspend of £72k at month 6. This is expected to increase to an £80k underspend at year end.

ix. DDRB Award

2.14. The financial outcome of the 2018/19 Contract Agreement was not finalised when allocations were published, as the DDRB (Doctors' and Dentists' Review Body) Award was delayed.

2.15. The recent announcement means a further 1% will be added to the contract, backdated to April 1st 2018. This will mean the Global Sum will increase from £87.92 to £88.96 and the Out of Hours deduction will remain at 4.87%.

2.16. The financial impact of this uplift has been calculated to be £352k for 2018/19. We are yet to receive confirmation from NHSE as to how this will be funded.

x. Reserves

2.17. The CCG has an indicative budget surplus of £2,051k for primary care co-commissioning, being the difference between the 'top-down' allocation it received and the 'bottom-up' budgets set based on the 2018/19 GMS contract and informed by historic spend.

2.18. In addition the 1% contingency reserve of £446k, 0.5% in accordance with NHSE business rules, and £378k for GPFV allocations which was transferred to the CCG programme allocation.

xi. Additional Investment

2.19. In approving the financial framework, it was agreed that proposals would be presented to the PCCC meeting on how the indicative budget surplus of £2,052k would be committed in 2018/19.

2.20. A review is under way to determine the priorities for investment. To date the following has been identified:

- A Locally Commissioned Service for Mental Health (SMI) checks has been agreed which is due to start in 2018/19.
- A locally commissioned service review is currently underway across Surrey Heartlands CCG's to review what services each of these CCG's is offering to their practices, the specification requirements and the price. Following an initial review of the specifications, there has been a need to split the review into three phases, to determine those locally commissioned services with clinical differences, different funding routes and those with a price differential. An initial analysis of those for which there was just a price differential between the CCG's, would require additional

investment of c£122k for North West Surrey CCG, as we currently do not offer a COPD annual review and Spirometry diagnosis, under current locally commissioned service arrangements. Further investment may be required once phase 2 and 3 have concluded; therefore it is proposed that funding be retained at this stage to fund the review.

- A new locally commissioned service for care homes, to enable practices to support patients in care homes, with a view that this will lead to a reduction in care home admissions. Previously these arrangements had been funded by way of a retainer between the care home and the practices; these have now been withdrawn in the majority of cases. The LMC advised that a scheme was operating in Sussex and they would share the specification. This is being discussed with the Primary Care Operational Group.
- Equipment for practices to support delivery of locally commissioned services which would be a non-recurrent investment for specific items of equipment. The requirement has been refined to ECGs, Spirometry and Blood Pressure monitors.
- Investment in service transformation to address issues of demand and capacity, new models of working and different modes of contact within primary care. A number of proposals have been presented to the CCG which are currently being reviewed and shortlisted.

3. Other Primary Care Budgets

3.1. The financial position for other Primary Care budgets at Month 6 is as follows;

	Annual Budget	YTD Budget	YTD Spend	YTD Variance	YE Forecast	YE Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Local Enhanced Services	2,639	1,320	1,243	(76)	2,563	(76)
Primary Care IT	1,062	531	531	0	1,062	0
Clinical Leads	525	262	141	(121)	525	0
Practice Engagement	236	118	114	(4)	236	(0)
Sub-Total	4,462	2,231	2,030	(201)	4,386	(76)
Practice Prescribing	43,591	21,764	21,344	(420)	42,951	(640)
Medicines Management	777	296	276	(20)	777	0
Primary Care Prescribing	2,008	913	841	(72)	1,935	(73)
Home Oxygen	607	303	336	33	673	65
Drugs Costs Met Centrally	1,303	651	651	(0)	1,311	8
Out of Hours	2,097	1,048	1,007	(41)	2,093	(4)
Sub-Total	50,383	24,976	24,455	(520)	49,739	(644)
Total	54,844	27,206	26,485	(721)	54,124	(720)

i. Locally Commissioned Services

- 3.2. Costs for locally commissioned services show a £76k under spend which relates to the release of a 2017/18 accrual due quarter 4 claims being lower than estimated. The claims for the first quarter of 2018/19 were paid in July 18 in line with plan.

ii. Primary Care IT

- 3.3. The Primary Care IT budget of £1,062k consists of the CSU contract (£643k), staff costs relating to the Programme Director (£44k), the GP text messaging service (£57k), repairs and maintenance (£62k) and COIN telephony (£69k). As at Month 6, all of these costs are forecast in line with plan.

iii. Clinical Leads and Practice Engagement

- 3.4. The year to date position shows under spend of £125k combined. However, it is assumed that costs will be in line with the budget by year end.

iv. Practice Prescribing

- 3.5. The Practice Prescribing Authority (PPA) data is received two months in arrears. At month 6 there is a £420k underspend and based upon current data, this is forecast to underspend by £640k by year end. The benefit from an over accrual in 2017/18 has been released into the year to date position.

v. Medicines Management Team

- 3.6. A small year to date underspend of £20k at month 6 due to vacancies within the team. An additional allocation has been received in month 6 for Medicines Optimisation in Care Homes.

vi. Primary Care Prescribing

- 3.7. The year to date under spend of £72k relates to community ordering of wound dressings and enteral feed costs at Ashford & St Peters.

4. GP Forward View

- 4.1. NHS England's General Practice Forward View (GPFV) sets out the plans and investment to support sustainable transformation of primary care for the future. In support of this the CCG is expecting to receive a number of allocations in 2018/19 as detailed in the table below:

	Included within Delegated Allocation	CCG Baseline Funding	In Year Allocation Received	Anticipated Funding	Total
	£000	£000		£000	£000
Improving Access to General Practice	192		991		1,183
Locality Transformation Scheme		552			552
Online Consultations	123				123
Reception and Clerical Training	63				63
GPFV Implementation Capacity				41	41
ETTF Walton and Sunbury				787	787
Total GP Forward View Funding	378	552	991	828	2,749

i. Improving Access to General Practice

The allocation of £1.2m is to enable the CCG to commission and fund extra capacity to ensure everyone has access to GP services, including sufficient routine, same day, evening and weekend appointments to meet local demand.

It has been agreed that the CCG will award an interim contract to provide extended access services to the Federation under a Single Tender Action for a period of up to two years during which the CCGs will undertake a formal procurement process in order to meet legal requirements.

A contract has been issued to North West Surrey Integrated Care Services (NICS) and the extended access service began in August 2018. There will be a phased approach to the delivery of appointments offered each month with the nationally prescribed target of a minimum of 30 minutes additional consultation capacity per 1,000 head of population being achieved by October 2018.

ii. Locality Transformation Scheme

The CCG is required to budget for £3 per head, non-recurrently across 2017-2019 for practice transformation. This was split equally between 2017/18 and 2018/19 at £1.50 per year. The Locality Transformation Scheme will utilise this funding to develop a locality vehicle to work at scale to provide an enhanced primary care offering including extended access and to secure primary care services.

iii. Online Consultations

An allocation of £123k has been received to contribute towards the cost of online consultation systems to improve access and make best use of clinician's time. A project team has been set up across Surrey Heartlands which will work with GP practices and other stakeholders to evaluate the current pilot (using e-consult) and to manage the future procurement and deployment of online consultation systems.

iv. Reception and Clerical Training

An allocation of £63k has been received to train reception and clerical staff in both clinical administration tasks and in signposting patients to the most appropriate source of help in order to free up GP time from administrative tasks. The CCG has commissioned workflow optimisation training which supports this shift (where appropriate).

In 2018/19 work will be undertaken with practices to develop the administrative staff's role in care navigation/active signposting.

v. Implementation Capacity

An allocation of £41k is anticipated for 2018/19 to support the implementation of the GPFV.

5. Estates and Technology Transformation Fund (ETTF)

- 5.1. A bid was made via the ETTF in 2017/18 for the relocation of Fort House Surgery to Walton Hospital and to support the redevelopment of the Sunbury site. The approval process was delayed and it is now expected that this funding will be received in 2018/19, with the bid having been approved in principle by NHS England. Public engagement events regarding the Fort House have been conducted in September.

Appendix A.

Primary Care Co-Commissioning Budget Tracker

	Annual Budget	Movement to	Annual Budget
	M5	M6	M6
	£000s	£000s	£000s
Global Sum / MPIG	29,825		29,825
GMS Transitional Relief	276		276
PMS Contracts	238		238
PMS Other	8		8
GP Indemnity (Now Reserve)	385		385
GMS/PMS and APMS Contract Payments	30,733	0	30,733
Learning Disabilities	120		120
Violent Patients	5		5
Extended Hrs	553		553
Enhanced Services	678	0	678
Aspiration	2,863		2,863
Achievement	1,227		1,227
Quality Outcomes Framework	4,090	0	4,090
Rent	2,532		2,532
Rent Reserve & Voids	426		426
Rates	515		515
Water	33		33
Clinical Waste	191		191
Premises Reimbursements	3,697	0	3,697
Locums	475		475
Seniority	347		347
Retainers	36		36
Prof Fees Dispensing	47		47
Prescription Income	(21)		(21)
PADM	230		230
GP Sessions - Safeguarding	50		50
GP Indemnity	0		0
CQC Fees	232		232
PCO Administered	1,397	0	1,397
Interpreting	32		32
Syringes	12		12
NHSE Managed Contracts	44	0	44
Primary Care Team	305		305
Primary Care Non Pay	35		35
Primary Care Team	340	0	340
Locally Commissioned Services	767	0	767
Indemnity/GPFV (Training, Imp Access, Online)	0	0	0
Contingency	446	0	446
Surplus / Risk Reserve	2,051	0	2,051
Total	44,243	0	44,243