

Primary Care Commissioning Committee (PCCC) – Finance Paper – December 2018

1.1 CCG Finance Update

Shown below is a summary of the financial position to **31st December 2018** of the areas of Primary Care spend under the Primary Care Commissioning Committee (PCCC)'s remit:

Table 1 – Financial Summary:

	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast Outturn	Forecast Variance
Additional Primary Care funding allocations (see table 3)	£422,648	£207,337	-£215,311	£739,864	£739,864	£0
Early Home Visiting Service	£375,096	£380,585	£5,489	£500,156	£507,434	£7,278
Locally Commissioned Services (see table 4)	£1,592,437	£1,422,342	-£170,095	£2,123,168	£2,023,168	-£100,000
Primary Care Delegated Commissioning (see tables 5 & 6)	£18,429,959	£18,297,155	-£132,804	£25,187,000	£25,351,472	£164,472
Transformation fund - £3 / head (see table 3)	£396,000	£275,510	-£120,490	£528,000	£528,000	£0
Grand Total	£21,216,140	£20,582,929	-£633,211	£29,078,188	£29,149,938	£71,750

A summary is provided of other Primary Care expenditure to 31st December 2018 in Appendix 2 to follow for information only.

2.1 Commentary by Exception

2.1.1 Summary:

The CCG's primary care budgets within PCCC's remit were underspent YTD by £633k as at 31st December 2018. The forecast is to overspend by £72k.

A year-to-date underspend of £133k on the Delegated Commissioning budget which is associated with general underspend for most budgets detailed in table 5.

A year-to-date underspend is also shown on the £3 per head transformation fund and GP Forward View of £336k, which is associated with schemes that are scheduled to start later in the financial year detailed in table 3.

Locally Commissioned Services budget was underspent year-to-date by £170k as detailed in table 4.

2.1.2 Project funding including additional allocations:

A summary is shown below of spend on the additional funding allocations received by the CCG from NHS England as well as an analysis of spend on projects including those funded from the Primary Care Transformation Fund:

Table 3: Additional allocation & Transformation Fund spend to 31st December 2018:

Summary of spend on the £3 per head schemes and GP Forward View schemes to 31st December 2018.

	YTD Budget	YTD Actuals	Variance	Annual Budget	Forecast	Forecast Variance
£3 per head schemes - transformation fund						
Prescription Ordering Direct	£30,240	£40,320	£10,080	£40,320	£40,320	£0
First Contact Physio	£60,567	£0	£-60,567	£80,756	£80,756	£0
Direct discretionary practice support	£75,000	£116,529	£41,529	£100,000	£100,000	£0
Communications and engagement support	£30,000	£32,645	£2,645	£40,000	£40,000	£0
Development of clinical leadership/integration/training	£52,500	£49,839	£-2,661	£70,000	£70,000	£0
GPs/WI development	£18,750	£0	£-18,750	£25,000	£25,000	£0
Primary Care Transformation Project	£56,250	£21,743	£-34,507	£75,000	£75,000	£0
Support for Practice Nurse/HCA/ other local networks	£15,000	£2,000	£-13,000	£20,000	£20,000	£0
Support for update and development of eSCR and TEP recording	£45,000	£2,684	£-42,316	£60,000	£60,000	£0
Health Optimisation - agreed at June 2018 PCOG	£6,750	£6,750	£0	£9,000	£9,000	£0
Surplus To Be Re-invested	£5,943	£3,000	£-2,943	£7,924	£7,924	£0
Total £3 per head schemes	£396,000	£275,510	£-120,490	£528,000	£528,000	£0
GP Forward View						
Contribution to Early Home Visiting Service	£82,500	£82,500	£0	£110,000	£110,000	£0
GP Access Initiatives (BEMS)	£260,585	£282,921	£22,336	£524,315	£524,315	£0
Last Year balance	£1,599	£0	£-1,599	£1,599	£1,599	£0
Subtotal	£344,684	£365,421	£20,737	£635,914	£635,914	£0
Reception and Clerical Training	£26,358	£17,608	£-8,750	£35,144	£35,144	£0
Online Consultation Software Systems	£51,605	£0	£-51,605	£68,806	£68,806	£0
Funding Received as below:	-£195,750	-£195,750	£0	-£261,000	-£261,000	£0
GP Resilience	£21,000	£20,058	£-942	£28,000	£28,000	£0
GP Retention	£18,750	£0	£-18,750	£25,000	£25,000	£0
Primary Care Networks (PCN) Development	£156,000	£0	£-156,000	£208,000	£208,000	£0
Subtotal	£77,964	-£158,084	£-236,048	£103,950	£103,950	£0
Total GP Forward View	£422,648	£207,337	£-215,311	£739,864	£739,864	£0

Prescription Ordering Direct scheme started in October 2018 in Heart of Bath and Three Valleys. Currently, there are no other practices in the scheme. The underutilised £81k of this budget will be used to support the First Contact Physiotherapy scheme.

Support for update and development of eSCR and TEP recording is starting in January 2019 as staff recruitment has now been concluded.

GP Forward View budget is underspent year-to-date by £215k; we have received the following funding from NHS England for the following:

- £28k for GP Resilience fund, existing plans started to support independent facilitation for few practices.
- £25k for GP retention fund, the plans are in discussion.
- £208k for Primary Care Networks (PCN) Development to support BSW STP to further progress their PCN delivery in 2018/19, the plans are in discussion.

Online Consultation software support is planned to start late March 2019.

GP access initiative is overspent year to date by £22k due to the payment of BEMS+ set up costs while the budget is phased equally from the start date of BEM+ contract in October 2018, so is forecast to be fully spent.

2.1.3 Locally Commissioned Services (LCS):

Table 4: Locally Commissioned Services (LCS) spend to 31st December 2018:

LCS budget was underspent year to date by £170k; this is mainly due to the underspent of £45k for International Normalised Ratio Monitoring budget and £147k for Winter Pressure schemes which started in October 2018.

The second set of payments for 2018-19 was made to practices on 15th November 2018 for quarter 2, the costs are being accrued for based on quarter 1&2 actual payments.

Winter pressure budget is forecasted to underspend by £100k, we are expecting to run the same schemes as 2017-18. There are plans to use the total budget in 2019-20.

	YTD Budget	YTD Actuals	Variance	Annual Budget	Forecast	Forecast Variance
PMS Review						
ECG Service	£109,808	£111,784	£1,976	£146,410	£146,410	£0
Ambulatory Blood Pressure Monitoring (ABPM) and Home Blood Pressure Monitoring (HBPM)	£116,992	£125,126	£8,134	£156,127	£156,127	£0
Care/Residential Homes (Non Nursing)	£74,250	£74,250	£0	£99,000	£99,000	£0
Doppler Service	£9,031	£10,217	£1,186	£12,041	£12,041	£0
Spirometry	£47,574	£47,574	£0	£63,432	£63,432	£0
Basket LES 2 of low volume procedures	£45,000	£45,036	£36	£60,000	£60,000	£0
Health Inequalities / Promotion / Population	£106,472	£106,547	£75	£141,963	£141,963	£0
Health Inequalities -St Michaels	£41,081	£41,081	£-1	£54,774	£54,774	£0
EMI Nursing Home	£6,674	£6,674	£0	£8,899	£8,899	£0
Rolling small equipment fund	£22,500	£22,500	£0	£30,000	£30,000	£0
Other / transformational / schemes dependent on wider reviews	£6,464	£6,464	£0	£8,619	£8,619	£0
Old Year Balance	£0	£12,707	£12,707			£0
Total PMS Review	£585,846	£609,960	£24,113	£781,265	£781,265	£0
Winter Pressures	£226,654	£80,000	£-146,654	£302,087	£202,087	£-100,000
LCS Schemes:						
Low risk Basal Cell Carcinoma (BCC) service	£5,820	£4,653	£-1,167	£7,760	£7,760	£0
Care/Residential Homes (Nursing)	£140,199	£142,151	£1,952	£186,932	£186,932	£0
Drug Monitoring Community Enhanced Service	£83,591	£81,024	£-2,567	£111,455	£111,455	£0
Primary Care: Enhanced Diabetes Service	£13,446	£19,995	£6,549	£17,928	£17,928	£0
International Normalised Ratio (INR) Monitoring	£260,259	£215,583	£-44,676	£346,856	£346,856	£0
Hormone Injections	£7,257	£5,936	£-1,321	£9,676	£9,676	£0
Leg Ulcer Management Service	£69,411	£67,123	£-2,288	£92,548	£92,548	£0
Secondary Care Initiated Pre & Post-Operative Procedures	£111,948	£109,118	£-2,830	£149,264	£149,264	£0
Supporting Primary Care engagement in CCG Clusters	£73,852	£76,390	£2,538	£98,470	£98,470	£0
Primary Care Commissioning Registration fee	£9,522	£9,522	£0	£12,700	£12,700	£0
Total LCS Schemes	£775,305	£731,495	£-43,810	£1,033,589	£1,033,589	£0
Ophthom - Glaucoma & Cataracts	£3,478	£530	£-2,948	£4,669	£4,669	£0
Clinical Leads	£1,154	£358	£-796	£1,558	£1,558	£0
Grand Total	£1,592,437	£1,422,343	£-170,095	£2,123,168	£2,023,168	£-100,000

2.1.4 Primary Care Delegated Commissioning:

There is a year-to-date underspend of £133K for the Primary Care Delegated Commissioning budget, it is forecast to overspent by £164 mainly due to the cost pressure of the pay award payment of further 1% uplift to the contract value backdated from April 2018 to deliver a total of 2% uplift. This has been mitigated from reserves in the position.

There is a number of underspend items in the year-to-date position, which will be monitored over the coming months as the forecast position is reviewed.

Dispensing Quality Scheme budget £60,670 was transferred back to NHS England in December 2018, the service will be managed by NHSE Primary Care team and the payments will be made directly to practices by NHSE.

The uncommitted reserve currently stands at £13K as shown in table 6 (Page 7). Permission from PCOG was obtained to transfer the £18K budget held for refurbishment costs from Reserves to cover the claims associated with the refurbishment of No 45 Oldfield Park for the merger of No 18 surgery with Heart of Bath (HOB).

A breakdown of the Primary Care delegated commissioning year-to-date and forecast spend is shown in table 5 (page 6).

Primary Care Delegated Commissioning Commentary:

The main reasons for the favourable year-to-date variance at December (month 9) are:-

- The PMS list size adjustments is £47k under budget, this was based on October's weighted list size.
- Premises are £34k under budget, this is mainly for the notional rent and business rates budgets are underspending by £43k. There are other expected rent reviews in the final quarter of the year.
- Previous year's over accruals of QOF achievement and winter pressures additional capacity contributed to the combined underspend of £60k.
- Locum costs are currently £78k under budget year to date. We have reimbursed 5 maternity/paternity/adoption and 5 sickness leave cover claims since April 2018.

The above underspends at month 9 was set off by overspends in the following areas:

- PMS Contract value is overspent year to date by £145k due to the cost pressure for the additional 1% contract uplift backdated to April 2018.

- Doctors retainer schemes budget is overspent year to date by £35k, the management and payment of the claims were transferred to the CCG from NHS England from 1st of December 2018.
- Seniority is £34k overspent year-to-date. Seniority payments are in process of being phased out with the costs reducing each year. The budget was set based on 2017-18 costs less 22% based on the average national reduction expected. It appears the actual cost reduction in BaNES has been lower than the national average.

Table 5: Primary Care Delegated Commissioning Breakdown:

Description	Year-to-date budget	Year-to-date actual	Year-to-date variance	Annual budget	Forecast out-turn	Forecast variance
Core Contract						
PMS Contract Value	£12,278,028	£12,422,562	£144,534	£16,370,720	£16,563,536	£192,816
PMS Baseline Adjustment	£68,022	£68,025	£3	£90,700	£90,700	£0
PMS Funding Differential Review	£282,404	£282,421	£17	£376,563	£376,563	£0
PMS List Size Adjustments	£106,202	£59,040	£-47,162	£141,608	£81,018	£-60,590
Total Core Contract	£12,734,656	£12,832,048	£97,392	£16,979,591	£17,111,817	£132,226
DESS						£0
Extended Hours DES	£294,595	£294,610	£15	£392,815	£392,815	£0
LD Health Checks DES	£62,808	£41,720	£-21,088	£83,738	£60,627	£-23,111
Minor Surgery DES	£203,913	£214,020	£10,107	£271,889	£299,430	£27,541
Out of Area Registrations	£5,967	£5,804	£-163	£7,956	£7,956	£0
Total DESS	£567,283	£556,154	£-11,129	£756,398	£760,828	£4,430
Premises						£0
Actual rent	£146,250	£146,250	£0	£195,000	£195,000	£0
Cost rent	£31,879	£31,466	£-413	£42,507	£42,507	£0
Notional rent	£1,722,301	£1,681,320	£-40,981	£2,285,923	£2,285,923	£0
Business Rates	£329,740	£326,722	£-3,018	£436,972	£436,972	£0
Water Rates	£19,146	£29,504	£10,358	£25,392	£39,338	£13,946
Heart of Bath premises refurbishment	£32,453	£32,453	£0	£32,453	£32,453	£0
Total Premises	£2,281,769	£2,247,715	£-34,054	£3,018,247	£3,032,193	£13,946
Dispensing						£0
Prescription charges remitted by GPs	£-169,987	£-159,580	£10,407	£-226,651	£-226,651	£0
Professional fees - dispensing	£797,291	£800,903	£3,612	£1,063,051	£1,063,051	£0
Professional fees - prescribing	£97,462	£85,382	£-12,080	£129,952	£129,952	£0
Total Dispensing	£724,766	£726,705	£1,939	£966,352	£966,352	£0
QOF						£0
QOF Achievement	£0	£-23,328	£-23,328	£626,915	£603,587	£-23,328
QOF Aspiration	£1,290,443	£1,280,164	£-10,279	£1,720,641	£1,720,641	£0
Total QOF	£1,290,443	£1,256,836	£-33,607	£2,347,556	£2,324,228	£-23,328
Other payments						£0
Training Expenses	£19,079	£19,076	£-3	£25,434	£25,434	£0
Indemnity fees	£0	£-638	£-638	£0	£-638	£-638
Other professional fees (e.g. District Valuer)	£3,267	£4,527	£1,260	£4,358	£6,716	£2,358
Appraisal payments	£41,849	£41,866	£17	£55,822	£55,822	£0
Doctors Retainer Scheme	£51,426	£86,002	£34,576	£68,562	£133,502	£64,940
Locums - Adoption / Maternity / Paternity Leave	£110,643	£102,685	£-7,958	£147,509	£143,979	£-3,530
Locums - Sickness cover	£126,836	£48,931	£-77,905	£169,113	£134,717	£-34,396
CQC fees reimbursement	£103,278	£99,648	£-3,630	£137,688	£137,688	£0
Seniority	£145,239	£179,251	£34,012	£193,639	£239,069	£45,430
Winter Pressures additional capacity - March 2018	£0	£-37,098	£-37,098	£0	£-37,098	£-37,098
Training costs payment	£16,192	£16,167	£-25	£21,557	£21,557	£0
Medical Fees - Adoption / Fostering reports	£1,506	£3,404	£1,898	£2,016	£5,244	£3,228
Sterile Products	£2,412	£3,419	£1,007	£3,218	£4,637	£1,419
Translation Fees	£8,595	£8,595	£0	£11,457	£11,457	£0
MMR Search & Recall	£10,000	£5,484	£-4,516	£10,000	£5,485	£-4,516
IT costs associated with St Augustine's move	£3,860	£437	£-3,423	£5,144	£5,144	£0
Contract- Refuse & Clinical Waste	£28,196	£28,547	£351	£37,591	£37,591	£0
Other General Supplies & Services (needles & vacs)	£62,847	£66,108	£3,261	£83,798	£83,798	£0
Total Other Payments	£735,225	£676,411	£-58,814	£976,906	£1,014,104	£37,198
Reserves						£0
Reserves	£95,817	£0	£-95,817	£141,950	£141,950	£0
Total Reserves	£95,817	£0	£-95,817	£141,950	£141,950	£0
Grand Total	£18,429,959	£18,295,869	£-134,090	£25,187,000	£25,351,472	£164,472

2.1.5 Primary Care Reserves

There is an element of reserve within the Primary Care Delegated Commissioning budget. Shown below in Table 6 a summary of the transactions against Primary Care reserves during 2018-19:

Table 6: Primary Care Reserves transaction listing:

Narrative	Amount
0.5% contingency	£128,990
Primary Care general reserve	£31,295
Total opening reserve	£160,285
Additional Refurbishment costs for No 45	-£18,335
Reserves balance @ 31.12.18	£141,950
Contingency - to be held pending NHS England guidance	-£128,990
Total commitments	-£128,990
Total un-committed reserve	£12,960

The un-committed reserve stands at £13k at 31st of December 2018.

Key Risks:

The risk to the financial position for primary care at present is the potential receipt of old claims for previous financial years that can still be submitted for locums, water and rates bills that were not budgeted for. We received in November 2018 a locum cover claim for maternity leave from St Augustine for last financial year.

