

Primary Care Commissioning Committee

Date of meeting		29 August 2019	
Agenda item	11	Paper No	PCCC19/064

Primary Care Finance Report – Month 3

Key issues	<p>Across all funding streams Primary Care is, as at 30 June 2019, underspent by £156k.</p> <p>The position excluding the Primary Care Delegated 1% reserve is an overspend of £26k.</p> <p>The forecast outturn is an underspend of £289k.</p>
Strategic objectives / perspectives	<p>Alignment with strategic objective 1.9: We will promote a sustainable model for primary care with improved access and choice with an increased focus on people with complex and multiple conditions through the provision of integrated care</p>
Actions requested / recommendation	The Primary Care Commissioning Committee is asked to receive and note the Month 3 finance report 2019/20.
Principal risk(s) relating to this paper	None
Other committees / groups where evidence supporting this paper has been considered	Primary Care Steering Group
Financial and resource implications / impact	The financial and resource implications arising from this paper are delegation of limited financial resource.
Legal implications / impact	There are no legal implications arising from this paper.
Data protection impact assessment required?	No
Public / stakeholder involvement – activity taken or planned	Not applicable.

Equality and diversity – implications / impact	This paper does not request decisions which impact on equality and diversity.
Report author	Louise Marshall, Associate Director of Financial Planning
Sponsoring director	Mike Fulford, Chief Finance Officer
Date of paper	22 August 2019



West Hampshire
Clinical Commissioning Group

West Hampshire CCG

Primary Care Financial Performance
Month 3 2019/20

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2 Primary Care Financial Performance Month 3 19/20

Across all funding streams Primary Care is, as at 30 June 2019, underspent by £156k. The position excluding the Primary Care Delegated 1% reserve is an overspend of £26k. The forecast outturn is an underspend of £289k.

Primary Care Area	Annual Budget £,000's	YTD Budget £,000's	YTD Expenditure £,000's	YTD Variance £,000's	Forecast Out Turn £,000's	Forecast Out Turn Variance £,000's
Recurrent Business						
Delegated Primary Care	72,260	17,641	17,671	(29)	72,250	10
Locally Commissioned Services	2,563	641	607	33	2,571	(8)
Out of Hours	3,345	836	961	(124)	3,345	0
Transformation Fund	1,751	438	475	(38)	1,751	0
Primary Care IT	406	101	101	(0)	406	0
Recurrent Business - Total	80,325	19,658	19,815	(158)	80,322	2
GP Forward View						
Improving Access to Primary Care - Extended Hours	3,025	793	822	(29)	3,025	0
GP Transformation - Q1 QPS/MMO, Q2-Q4 Core PCN (£1.50/hd)	1,147	85	(76)	161	1,147	0
GP Forward View Total	4,172	878	746	132	4,172	0
Non Recurrent Funding						
GP Projects	1,748	52	53	(1)	1,748	0
Non Recurrent Funding - Total	1,748	52	53	(1)	1,748	0
Primary Care Total excluding 1% surplus	86,245	20,588	20,615	(26)	86,242	2
Planned Delegated Primary care 1% reserve	730	182	0	182	443	287
Primary Care Total	86,974	20,771	20,615	156	86,685	289

Medicines Management	91,271	22,586	22,545	41	91,230	42
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3 Finance Position at Month 3

Non Delegated Primary Care Performance & Risks

Out of Hours - The contract is continuing to show a year to date overspend against budget, but is forecasting a breakeven position. The year to date overspend is a result of a mismatch of the phasing of the budget across the year with the profile of expenditure forecast across the year, due to a change in service delivery model expected in Q2 of 19/20. The budget will be rephased to remove this mismatch.

Transformation Fund - The annual budget for the Care Navigators is £1,751k. The budget is showing an overspend at month 3, which is due to ESPN invoices relating to 18/19 for which no year end accrual was made. The forecast is currently showing a breakeven position against plan as it is likely that potential under performance on the contracts in year will offset this overspend.

Extended Hours - The current contracts come to an end at the end of June 2019 and the new contracts commence from this point. A slight overspend is showing at the end of Q1 relating to an overperformance on the Tri Locality Care contract (not block) against plan. Q2 to Q4 are forecasting break even against plan.



4 Delegated Primary Care Month 3 19/20

West Hampshire CCG Budgets	Annual Plan £,000's	Year to Date Budget £,000's	Year to Date Actual £,000's	Year to date Variance £,000's	Year End Variance £,000's
GMS Contract	39,174	9,793	9,791	2	0
PMS Contract	10,086	2,521	2,514	7	0
Quality and Outcomes Framework	7,378	1,844	1,872	(28)	0
DES	1,175	496	419	77	108
Locum Reimbursement - Maternity/Sickness	463	116	116	(0)	0
Seniority	556	139	139	0	0
Retained GPs	208	52	79	(27)	0
Dispensing/Prescribing	2,327	582	602	(20)	0
PCO Other	755	189	159	29	0
Premises	5,854	1,463	1,482	(18)	(8)
Business Rates	896	224	261	(37)	(40)
GP IT	889	222	234	(12)	(50)
Primary Care Network DES	2,499	(0)	3	(3)	0
Total Excluding 1% Surplus	72,260	17,641	17,671	(29)	10
1% Reserve	730	182	0	182	287
Total West Hampshire CCG	72,990	17,824	17,671	153	297

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5 Finance Position at Month 3

Delegated Primary Care Performance & Risks

DES - The forecast underspend is a result of the clawback of the underperformance of the 18/19 Minor Surgery DES in 19/20 (£88k) and a slight underperformance of the extended access DES which finished at the end of Q1 (£20k), which are both non-recurrent benefits in year.

GP IT - The GP IT contract with the CSU is forecast to cost £889k this year, in line with the overall GP IT budget set this year. The budget was set at £889k for 19/20, which is a combination of the outturn cost of the SLA in 18/19 (£814k) and an estimate of the cost of ad hoc GP IT 'small items' (£75k) not funded from the GP IT capital budget. The forecast means that there will be no funding available for these 'small items' forecast at £50k in 19/20, which puts GP IT at risk this year.

Premises & Business Rates - The premises budget is starting to overspend against plan at month 3, which is the result of a couple of rent reviews now completed and being backdated to 17/18. It is recognised that the large number of outstanding rent reviews and the unknown outcome of these reviews presents a risk to the budget of overspending against plan. Business rates are higher this year than was anticipated when setting the budget for 19/20.

Reserves - The CCG has committed to extend QPS for Q2 to Q4 in 19/20 (£443k) and to pay for it from the 1% reserve, which has resulted in the forecast surplus reducing from that at month 2.

Primary Care Network Contract DES - Network payments will commence in July 2019 and the budget has been phased to reflect this.

