

Primary Care Commissioning Committee

Date of meeting		24 October 2019	
Agenda item	10	Paper No	PCCC19/081

Primary Care Finance Report

Key issues	This report covers Month 5, 2019-20. Across all funding streams Primary Care is, at 31 August 2019, underspent by £63k. The position, excluding the Primary Care Delegated 1% reserve, is an overspend of £49k. The forecast outturn is an underspend of £276k.
Strategic objectives / perspectives	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
Actions requested / recommendation	The Primary Care Commissioning Committee is asked to note the Month 5 financial update.
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	Not applicable.

Report author	Louise Marshall, Associate Director of Financial Planning
Sponsoring director	Mike Fulford, Managing Director and Chief Financial Officer
Date of paper	17 October 2019

NHS West Hampshire CCG

Primary Care Financial Performance
Month 5 19/20



2 Primary Care Financial Performance Month 5 19/20

Across all funding streams Primary Care is, at 31/08/2019, underspent by £63k. The position excluding the Primary Care Delegated 1% reserve is an overspend of £49k. The forecast outturn is an underspend of £276k.

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	29,970	29,985	(15)	72,250	10
Locally Commissioned Services	3,413	1,422	1,577	(155)	3,420	(8)
Out of Hours	3,345	1,394	1,463	(69)	3,348	(4)
Transformation Fund	1,777	740	770	(30)	1,777	0
Primary Care IT	406	169	166	3	406	0
Recurrent Business - Total	81,200	33,695	33,961	(266)	81,202	(2)
GP Forward View						
Improving Access to Primary Care - Extended Hours	3,025	1,289	1,279	10	3,025	0
GP Transformation - Q1 QPS/MMO, Q2-Q4 Core PCN (£1.50/hd)	1,138	651	478	173	1,147	(9)
GPFV Reception and Clerical Training	95	12	0	12	95	0
GP Forward View Total	4,258	1,952	1,756	195	4,267	(9)
Non Recurrent Funding						
GP Projects	272	100	79	22	272	0
Non Recurrent Funding - Total	272	100	79	22	272	0
Primary Care Total excluding 1% surplus	85,730	35,747	35,796	(49)	85,741	(11)
Planned Delegated Primary care 1% reserve	730	112	0	112	443	287
Primary Care Total	86,460	35,859	35,796	63	86,184	276

Medicines Management	91,271	37,825	37,776	49	91,230	42
----------------------	--------	--------	--------	----	--------	----

Quality services, better health



3 Finance Position at Month 5

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 delivery against plan. 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 which commenced in Q2 of 19/20.

Locally Commissioned Services - The budget is showing a significant year to date overspend against budget, but is forecasting delivery against plan. The year to date overspend relates to the MAPS service, for which spend is typically front loaded and therefore it is anticipated that this budget will break even by the end of the financial year.

Transformation Fund - The annual budget for the Care Navigators is £1,777k. The budget is showing an overspend at month 5, 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 new contracts commenced 1st July 2019 and are delivering against plan to date.

GP Transformation - The annual budget is £1,138k (Q1 QPS/MMO £288k plus Q2-4 Core PCN £1.50/hd £850k). The underspend to date relates to underperformance against the QPS/MMO budget in Q1. The Core PCN budget is delivering against plan year to date.



4 Delegated Primary Care Month 5 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	16,322	16,333	(11)	0
PMS Contract	10,086	4,202	4,190	13	0
Quality and Outcomes Framework	7,378	3,074	3,110	(36)	0
DES	1,791	783	673	110	108
Locum Reimbursement - Maternity/Sickness	463	193	272	(79)	0
Seniority	556	232	232	0	0
Retained GPs	208	87	130	(44)	0
Dispensing/Prescribing	2,327	970	998	(28)	0
PCO Other	755	314	318	(4)	0
Premises	5,854	2,439	2,433	6	(8)
Business Rates	896	373	437	(64)	(40)
GP IT	889	370	428	(58)	(50)
Primary Care Network DES	1,882	610	610	(0)	0
Total Excluding 1% Surplus	72,260	29,970	30,165	(196)	10
1% Reserve	730	112	(181)	293	287
Total West Hampshire CCG	72,990	30,082	29,984	98	297

Quality services, better health



5 Finance Position at Month 5

Delegated Primary Care Performance & Risks

DES - The 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 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. However, the GP IT contract with the CSU is forecast to cost in the region of £900k this year, which 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.

Business Rates - 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 to £297k this year.

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



6 Financial Risks 19/20

GP IT

There is no funding in the budget for 'small items' of hardware and related installation costs. These items cost approx. £50k in 18/19 and so it might be reasonable to assume a similar level of spend in 19/20.

Premises

It is recognised that the large number of outstanding rent reviews and the unknown outcome of these reviews presents a risk to the budget. There is a reserve set aside for the potential back dated costs and the recurrent costs resulting from outstanding rent reviews, but it is difficult to estimate the timing and outcome of these reviews. When the CCG takes on the management of rent reviews, we can start to forecast and plan with more accuracy, which should refine and mitigate this risk.

Maternity/sickness claims

The budget is forecast to breakeven despite the current overspend to date (£79k) as it is anticipated that a number of the existing claims will come to an end shortly. However, it is difficult to estimate the future volume/value of these claims because the spend is not within the CCG's control.

Step in provider premium

There is one known case in this financial year to date where a step in provider has been commissioned by the CCG, for which significant financial support has been agreed. Such expenditure was not planned and will need to be managed within the overall delegated budget.

Ad hoc resilience funding

So far in this financial year, there is only one practice in receipt of resilience funding as agreed with the CCG. Such expenditure was not planned and will need to be managed within the overall delegated budget.

