

# Primary Care Commissioning Committee

Date of meeting		27 February 2020	
Agenda item	<b>10</b>	<b>Paper No</b>	<b>PCCC20/009</b>

## Primary Care Finance Report

<b>Key issues</b>	This report covers Month 9 2019-20. Across all funding streams Primary Care is, at 31/12/2019, underspent by £338k. The position excluding the Primary Care Delegated 1% reserve is also an underspend of £338k. The forecast outturn is an underspend of £267k.
<b>Strategic objectives / perspectives</b>	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
<b>Actions requested / recommendation</b>	<b>The Primary Care Commissioning Committee is asked to note the Month 9 financial update.</b>
<b>Principal risk(s) relating to this paper</b>	None
<b>Other committees / groups where evidence supporting this paper has been considered</b>	Primary Care Steering Group
<b>Financial and resource implications / impact</b>	The financial and resource implications arising from this paper are delegation of limited financial resource.
<b>Legal implications / impact</b>	There are no legal implications arising from this paper.
<b>Data protection impact assessment required?</b>	No
<b>Public / stakeholder involvement – activity taken or planned</b>	Not applicable.
<b>Equality and diversity – implications / impact</b>	Not applicable.

<b>Report author</b>	Louise Marshall, Associate Director of Financial Planning
<b>Sponsoring director</b>	Mike Fulford, Chief Operating Officer and Chief Finance Officer
<b>Date of paper</b>	20 February 2020

# West Hampshire CCG

Primary Care Financial Performance  
Month 9 19/20



## 2 Primary Care Financial Performance Month 9 19/20

Across all funding streams Primary Care is, at 31/12/2019, underspent by £338k. The position excluding the Primary Care Delegated 1% reserve is also an underspend of £338k. The forecast outturn is an underspend of £267k.

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
<b>Recurrent Business</b>						
Delegated Primary Care	72,076	53,995	53,826	169	72,079	(3)
Locally Commissioned Services	3,626	2,727	2,616	111	3,626	0
Out of Hours	3,345	2,509	2,533	(24)	3,348	(4)
Transformation Fund	1,850	1,388	1,421	(33)	1,879	(29)
Primary Care IT	561	424	426	(2)	568	(7)
<b>Recurrent Business - Total</b>	<b>81,458</b>	<b>61,042</b>	<b>60,822</b>	<b>220</b>	<b>81,500</b>	<b>(43)</b>
<b>GP Forward View</b>						
Improving Access to Primary Care - Extended Hours	4,599	3,331	3,242	89	4,293	306
GP Transformation - Q1 QPS/MMO, Q2-Q4 Core PCN (£1.50/hd)	1,108	895	896	(1)	1,108	0
GPFV Reception and Clerical Training	82	51	51	0	82	0
<b>GP Forward View Total</b>	<b>5,789</b>	<b>4,276</b>	<b>4,189</b>	<b>88</b>	<b>5,482</b>	<b>306</b>
<b>Non Recurrent Funding</b>						
GP Projects	842	586	556	30	842	0
<b>Non Recurrent Funding - Total</b>	<b>842</b>	<b>586</b>	<b>556</b>	<b>30</b>	<b>842</b>	<b>0</b>
<b>Primary Care Total excluding 1% surplus</b>	<b>88,089</b>	<b>65,905</b>	<b>65,567</b>	<b>338</b>	<b>87,825</b>	<b>264</b>
Planned Delegated Primary care 1% reserve	730	297	297	0	727	3
<b>Primary Care Total</b>	<b>88,818</b>	<b>66,202</b>	<b>65,864</b>	<b>338</b>	<b>88,552</b>	<b>267</b>
Medicines Management	91,271	68,098	69,064	(966)	92,032	(761)



## 3 Finance Position at Month 9

### 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 MAPS service, for which spend is typically front loaded meant that up until month 7 the budget showed a significant overspend. This has now changed to an underspend as predicted, 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 £1850k, increased from £1,777k in month 9 due to an uplift in contract values to reflect Agenda for Change pressures. The budget is showing an overspend at month 9, which is due to ESPN invoices relating to 18/19 for which no year end accrual was made, and the ESPN In Reach invoices (£2.5k per month) which are not included in the budget. The forecast is currently showing a £29k overspend against plan as it is likely that potential under performance on the contracts in year will offset some of this overspend.

**Extended Hours** - The new contracts commenced 1st July 2019 and are delivering against plan to date. However, these are forecast to underspend due to issues with availability of GP Appointments+

**GP Transformation** - The annual budget is £1,108k (Q1 QPS/MMO £258k plus Q2-4 Core PCN £1.50/hd £850k). The Core PCN budget is delivering against plan year to date.



## 4 Delegated Primary Care Month 9 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	29,380	29,283	97	120
PMS Contract	9,902	7,426	7,410	17	13
Quality and Outcomes Framework	7,378	5,533	5,652	(119)	0
DES	1,791	1,359	1,250	109	115
Locum Reimbursement - Maternity/Sickness	463	348	664	(317)	(363)
Seniority	556	417	417	0	0
Retained GPs	208	156	247	(91)	(93)
Dispensing/Prescribing	2,327	1,745	1,680	65	(154)
PCO Other	755	566	511	55	58
Premises	5,854	4,390	4,203	187	169
Business Rates	896	672	798	(126)	(170)
GP IT	889	667	711	(44)	(75)
Primary Care Network DES	1,882	1,337	1,001	336	379
<b>Total Excluding 1% Surplus</b>	<b>72,076</b>	<b>53,995</b>	<b>53,826</b>	<b>169</b>	<b>(3)</b>
1% Reserve	730	297	297	0	3
<b>Total West Hampshire CCG</b>	<b>72,806</b>	<b>54,293</b>	<b>54,124</b>	<b>169</b>	<b>(0)</b>

Quality services, better health



## 5 Finance Position at Month 9

### 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.

**Locum Reimbursement, Dispensing and Retainers** - These items continue to forecast overspends, although the position has improved slightly this month as the maternity forecast calculation did not include a large year end reversing accrual. There were five new maternity and sickness claims in month. Dispensing and Prescribing YTD positions have improved due to October actuals being much less than prior months calculation.

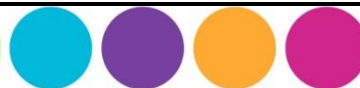
**Rent** - There were six notional rent reviews actioned in month which were backdated as far as 2015 .

**Business Rates** - Business rates are higher this year than was anticipated when setting the budget for 19/20.

**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 £889k this year, which means that there will be no funding available for these 'small items' forecast at £75k in 19/20 (an increase of £25k since month 8), which puts GP IT at risk this year.

**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. Also, the CCG will fund the step in provider premium and ad hoc resilience costs from this reserve, which will result in the overall forecast surplus reducing to zero this year.

**Primary Care Network Contract DES** - Network payments commenced in July 2019 and the budget has been phased to reflect this. YTD and forecast spend reflect the actual recruitment that has taken place, and therefore shows a significant underspend.



## 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. The overspend on the budget is forecast to be £75k despite taking into consideration an in year benefit arising from a reversing 18/19 over accrual.

### **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 overspend by £363k with a YTD overspend of £317k 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. The forecast will continue to be monitored each month.

### **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.

