

Primary Care Commissioning Committee

Date of meeting		27 August 2020	
Agenda item	10	Paper No	PCCC20/055

Primary Care Finance Report

Key issues	<p>Across all funding streams Primary Care is, at 31/05/2020, overspent by £748k. The budgets shown are for months 1-4 only, and the forecast for this period is an overspend of £192k.</p> <p>The CCG has made the claim for COVID funding to NHSE and received the funding.</p> <p>Template forms for 2019/20 and 2020/21 have been sent to all practices to enable them to claim for reimbursement of COVID related costs.</p>
Strategic objectives / perspectives	<p>Alignment with strategic objective 1.9:</p> <p>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 note the Month 4 financial update.
Principal risk(s) relating to this paper	None
Other committees / groups where evidence supporting this paper has been considered	None
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	No

assessment required?	
Public / stakeholder involvement – activity taken or planned	Not applicable.
Equality and diversity – implications / impact	Not applicable.
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Sponsoring director	Mike Fulford, Chief Operating Officer and Chief Finance Officer
Date of paper	27 August 2020

West Hampshire CCG

Primary Care Financial Performance
Month 4 20/21



2 Primary Care Financial Performance Month 4 20/21

Across all funding streams Primary Care is, at 31/05/2020, overspent by £192k. The budgets shown are for months 1-4 only, and the forecast for this period is an overspend of £192k.

Primary Care Area	M1-4 Budget £,000's	YTD Budget £,000's	YTD BAU Expenditure £,000's	YTD COVID Expenditure £,000's	YTD Variance £,000's	Forecast Out Turn BAU £,000's	Forecast Out Turn COVID £,000's	Forecast Out Turn Variance £,000's
Recurrent Business								
Delegated Primary Care	25,269	25,269	25,269	0	0	25,269	0	0
Locally Commissioned Services	975	975	1,033	0	(59)	1,033	0	(59)
Out of Hours	1,170	1,170	1,055	0	115	1,055	0	115
Transformation Fund	627	627	632	0	(5)	632	0	(5)
Primary Care IT	188	188	193	33	(38)	193	33	(38)
Recurrent Business - Total	28,228	28,228	28,181	33	14	28,181	33	14
GP Forward View								
Improving Access to Primary Care - Extended Hours	1,687	1,687	1,691	0	(5)	1,691	0	(5)
GP Transformation - Core PCN (£1.50/hd) + Clinical Director Top ups	292	292	293	0	(1)	293	0	(1)
GPFV Reception and Clerical Training	0	0	0	0	0	0	0	0
GP Forward View Total	1,978	1,978	1,984	0	(6)	1,984	0	(6)
Non Recurrent Funding								
GP Projects	1,458	1,458	131	1,527	(200)	131	1,527	(200)
Non Recurrent Funding - Total	1,458	1,458	131	1,527	(200)	131	1,527	(200)
Primary Care Total	31,663	31,663	30,296	1,559	(192)	30,296	1,559	(192)
Medicines Management	33,329	33,329	32,459	0	870	32,459	0	870

Quality services, better health



3 Finance Position at Month 4

Primary Care Performance

In response to COVID-19, a temporary financial regime has been put in place by NHS England to cover the period 1 April 2020 to 31 July 2020. As a result NHS England have given CCGs non-recurrent allocations for the first four months of the financial year to reflect expected monthly expenditure. Under the terms of the new regime the CCG can expect to receive a retrospective non-recurrent allocation for reasonable variances between actual expenditure and the expected monthly expenditure. It should be noted that there is no funding in CCG baselines for any additional costs related to COVID-19.

GP Projects & Primary Care IT - Month 4 is showing an overspend of £0.2m. Primary Care Coronavirus costs make up most of the spend here, and the costs up to month 3 have been funded by NHSE. The overspend relates to July primary care coronavirus costs.

Medicines Management - Prescribing is showing an underspend of £0.9m. This is due to NHSE funding the large forecast overspend to June based on accruals 2 months in arrears, but actuals for May were back to normal BAU levels. At M2 this was forecast to overspend by £1m, and at M3 by £2.8m

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4 Delegated Primary Care Month 4 20/21

West Hampshire CCG Budgets	Annual Plan £,000's	YTD Budget £,000's	YTD Actual £,000's	Year to date Variance £000s	Year End Variance £,000's
GMS Contract	13,621	13,621	13,621	(0)	0
PMS Contract	3,397	3,397	3,399	(1)	(1)
Quality and Outcomes Framework	2,646	2,646	2,646	(0)	(0)
DES	322	322	322	(0)	0
Locum Reimbursement - Maternity/Sickness	280	280	280	(0)	0
Retained GPs	160	160	160	(0)	0
Dispensing/Prescribing	858	858	862	(4)	(4)
PCO Other	246	246	243	3	3
Premises	1,981	1,981	1,958	23	23
Business Rates	352	352	362	(10)	(10)
GP IT	367	367	380	(13)	(13)
Primary Care Network DES	1,038	1,038	1,035	3	3
Total Excluding Miscellaneous	25,269	25,269	25,269	0	0
Miscellaneous	0	0	0	(0)	0
Total West Hampshire CCG	25,269	25,269	25,269	0	0

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5 Finance Position at Month 4

Delegated Primary Care Performance

QOF - QOF Aspiration for the first two months of 20/21 was paid at 19/20 rates. The payment amounts were updated in June to reflect practice achievement in 19/20. QoF Achievement payments have been calculated and were paid in June. An exercise to review the achievement of practices in 19/20 compared to that in 18/19 in monetary terms has been completed, with eighteen practices receiving top up Achievement payments in June/July where their achievement was less than 18/19 largely due to the impact of COVID19 on their ability to earn QoF points. QoF Aspiration payments for these practices have also been uplifted to reflect their 18/19 achievement, scaled up for the 20/21 QoF point value.

Premises - Rents show an underspend due to an in year benefit from some rents not changing, and therefore the rent review accrual was reduced accordingly. Practices are receiving historical refunds on their business rates back to 2017 due to work carried out by GL Hearn. These refunds are being paid back to NHSE and, once verified by GL Hearn, the CCG will be able to claim them back.

GP IT - This is comprised of the GP IT contract held with the CSU, budgeted at £1,026k this year, and the cost of ad hoc GP IT 'small items' and practice bids not funded from the GP IT capital budget, budgeted at £75k this year. There is a slight forecast overspend due to the CSU SLA contract forecast to cost £1,065k in 20/21.

Primary Care Network Contract DES - There remains some risk in the budget relating to the Additional Roles Reimbursement Scheme for Primary Care Networks. The Networks' financial entitlement relating to these roles has increased significantly in 20/21, though funding is already in CCG baselines. This could cause a considerable cost pressure in 20/21. However, it is likely that there will be under-recruitment into these roles and so this pressure may not materialise in full, though NHS England has made clear that any underspend on the roles is not to be used to fund other areas within primary care. A payment has been made to the Networks in 20/21 for the Impact & Investment fund for which we are yet to receive an allocation. We are also yet to receive an allocation for Care Homes, with payments starting from August at £7.50 per bed per month.



6 COVID-19 Response

Financial constraints must not and will not stand in the way of taking immediate and necessary action to respond to the Covid-19 crisis.

The NHS has made sure that funding does not influence clinical decision making by ensuring that all GP practices in 2020/21 continue to be paid at rates that assume they would have continued to perform at the same levels from the beginning of the outbreak as they had done previously, including for the purposes of QoF, DES and LES payments. CCGs have made payments on this basis.

Costs associated with the primary care response to COVID-19 can be reclaimed from the CCG by practices. Where specific guidance does not cover a specific issue then the overriding principle is that REASONABLE costs associated with increasing the primary care response to COVID-19 will be funded, i.e. costs in addition to 'business as usual' activities. This is consistent with the approach across HIOW.

The maintenance of financial control and stewardship of public funds will remain critical during the NHS response to COVID-19. Decisions to commit resources in response to COVID-19 are robust. A log of financial claims submitted by and paid to practices is maintained alongside the relevant invoices in support of those financial claims.

Claims for 19/20 costs and April – June 20/21 costs have been submitted to the CCG and paid to practices. Costs up to month 3 have been funded by NHSE. Reimbursement is due to end after 31/7/2020, so only additional costs incurred prior to this date will be able to be claimed.

