

CCG REPORT COVER SHEET

<b>Meeting Title:</b>	Primary Care Commissioning Committee Meeting in Public	<b>Date:</b> 11 June 2019								
<b>Report Title:</b>	Primary Care Budget 2019/20	<b>Agenda Item:</b> 3.1								
<b>Chief Officer:</b>	Louis Kamfer, Chief Finance Officer									
<b>Clinical Lead:</b>										
<b>Report Author:</b>	Louise Jinks, Finance Lead (Primary Care), C&P CCG									
<b>Document Status:</b>	Final									
<b>Report Summary:</b>	This paper updates the Committee on the Primary Care Budget for 2019/20.									
<b>Report Purpose:</b>	<table border="1"> <tr> <td><b>For Assurance</b></td> <td></td> <td><b>For Decision</b></td> <td></td> <td><b>For Approval</b></td> <td></td> <td><b>For Noting</b></td> <td>X</td> </tr> </table>	<b>For Assurance</b>		<b>For Decision</b>		<b>For Approval</b>		<b>For Noting</b>	X	
<b>For Assurance</b>		<b>For Decision</b>		<b>For Approval</b>		<b>For Noting</b>	X			
<b>Recommendation:</b>	The Committee is asked to agree the Primary Care Budget for 2019/20.									
<b>Link to Corporate Objective:</b>	<b>Objective 1 – Ensure clear patient voice in everything we do</b>	x								
	<b>Objective 2 – Deliver improvements that make best use of the public pound and save system ‘cost’</b>	x								
	<b>Objective 3 – Use data and information to prove everything</b>	x								
	<b>Objective 4 – Deliver the prioritised performance standards</b>	x								
	<b>Objective 5 – Deliver the 6 transformation programmes</b>	x								
	<b>Objective 6 – Deliver the CCG Financial Plan</b>	x								
<b>CAF (Strategic Risk) Reference</b>	<b>Description of Risk</b>	<b>Current Risk Score</b>								
CAF01	Failure to engage with Member Practices and wider stakeholders	16 (R)								
CAF12	Failure to achieve the Financial Control total agreed with NHS England	20 (R)								
CAF22	Risk to maintaining robust CCG Governance Arrangements	12 (A)								
<b>NHSE CCG IAF Links</b>	<b>IAF 1 Domain 1 - Better Health</b>	X								
	<b>IAF 2 Domain 2 - Better Care</b>	X								
	<b>IAF 3 Domain 3 - Sustainability:</b>	X								
	<b>IAF 4 Domain 4 - Leadership</b>	X								
<b>Resource implications:</b>	Refer to main report.									
<b>Chief Officer/ SRO Sign Off:</b>										
<b>Chief Finance Officer Sign Off: (if required)</b>										
<b>Legal implications including equality and diversity assessment:</b>	EDS Goal 1 – Better health outcomes for all.									
<b>Conflicts of Interest</b>										
<b>Report history:</b>	Regular report to Committee.									
<b>Next steps:</b>	To continue monthly reporting to the Committee.									

**MEETING:** PRIMARY CARE COMMISSIONING COMMITTEE MEETING IN PUBLIC

**AGENDA ITEM:** 3.1

**DATE:** 11 JUNE 2019

**TITLE:** PRIMARY CARE BUDGET 2019/20 & REVIEW OF 2018/19 DELEGATED COMMISSIONING EXPENDITURE

**FROM:** CHIEF FINANCE OFFICER

**FOR:** DISCUSSION/INFORMATION

## 1. EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide the Committee with detail of the primary care budgets for 2019/20 and an overview of 2018/19 delegated commissioning expenditure to highlight the cost pressures in this budget.

1.2 Table 1 below shows the Primary Care budget allocations for 2019/20.

TABLE 1	CCG	Delegated Commissioning	Total
	£'000	£'000	£'000
Initial Budget Allocation	11,866	129,232	141,098
Improving Access - additional allocation	4,379		4,379
PMS/GMS rebasing	6,183	(6,183)	0
Allocation for GPFV - to be given to STP in June 19	755		755
GPFV Practice Transformation 18/19 slippage	603		603
<b>Budget pre QIPP</b>	<b>23,787</b>	<b>123,049</b>	<b>146,835</b>
QIPP	(1,500)		(1,500)
<b>Budget After QIPP</b>	<b>22,287</b>	<b>123,049</b>	<b>145,335</b>

1.3 The Improving Access additional allocation is due to be received in Month 3 and is an estimate based on the CCG list size as at 1 January 2019. This amount has not yet been confirmed.

1.4 The PMS/GMS rebasing £6.2m is the protected amount to be reinvested back into Primary Care for 2019/20.

1.5 The GPFV Practice Transformation £0.6m relates to unspent funding in 2018/19 which will be funded from CCG reserves.

- 1.6 QIPP of £1.5m will need to be found from CCG investments in 2019/20 through a review of Local Enhanced Services and the Quality & Efficiency Fund.

## 2. PRIMARY CARE BUDGETS 2019/20

2.1 Table 2 below shows the Primary Care budgets for 2019/20.

TABLE 2	CCG	Delegated Commissioning	Total
	£'000	£'000	£'000
PMS/GMS rebasing protected	6,183		6,183
CCG investment	3,495		3,495
Collabs	390		390
Other Primary Care	724		724
Primary Care IT	1,790		1,790
GPFV Practice Transformation £1.50ph	1,460		1,460
Primary Care Improved Access £6ph	5,882		5,882
GPFV GP Dev Reception & Clerical Train	163		163
GPFV Online Consult Software Systems	266		266
GPFV GP Retention	200		200
GPFV Practice Resilience	126		126
GPFV Practice Transformation 18/19 slippage to be spent 19/20	603		603
LUCHs - E/D/W	81		81
Delegated Commissioning		120,387	120,387
Primary Care rebasing increase 19/20		(774)	(774)
<b>Primary Care Networks</b>			
Primary Care Networks DES (£1.761 per weighted patient)		1,658	1,658
Primary Care Networks Clinical Lead (£0.514 per raw patient x 9/12 months)		378	378
Clinical pharmacist & Social prescribing link worker reimbursements		705	705
£1.099 per raw patient (funded from Extended Hours DES)		1,077	1,077
Cessation of Extended Hours DES (£1.90 per raw patient x 3 quarters)		(1,397)	(1,397)
<b>Net Primary Care Network cost excluding £1.50 from CCG core allocations</b>		<b>2,421</b>	<b>2,421</b>
19/20 GP contract changes (all at GMS increase of £0.92)		866	866
QOF £ per point increase - based on total 17/18 achievement		469	469
Delegated commissioning contingency 0.5%		602	602
<b>Total Planned spend 2019/20</b>	<b>21,365</b>	<b>123,971</b>	<b>145,335</b>
<b>Budget (shortfall)/excess</b>	<b>922</b>	<b>(922)</b>	<b>0</b>

2.2 Due to the CCG financial deficit position a review is taking place of Local Enhanced Services and the Quality & Efficiency Fund. The funding available is included within the 'PMS/GMS rebasing protected' and 'CCG investment' lines with a total of £9.7m. QIPP of £1.5m has already been applied to this line.

2.3 The Delegated Commissioning budget is based on 2018/19 expenditure. A further breakdown of this budget will be shown in the Month 2 Finance Report.

2.4 All new estimated payments for Primary Care Networks have been included.

2.5 A 0.5% Delegated Commissioning contingency fund of £0.6m has been included to cover list size adjustments, rent increases and any further cost pressures, such as

atypical population claims. This is shown as a mitigation in the risk table in Table 3 below.

### 3. RISK TABLE

3.1 Table 3 below shows the key risks to delivery of financial balance within primary care budgets in 2019/20, with the mitigations available.

3.2 In order to ensure the primary care budget achieves financial balance, further mitigations will need to be found. As the majority of the expenditure is contractual, a review will be completed of Local Enhanced Services (LES) and the Quality and Efficiency Fund (QEF). The Committee has previously agreed the QEF payments for April – June 2019.

TABLE 3	Total Risk £'000	Risk Assessment %	Assessed Risk £'000	Exec Lead	Mitigations
<b>Total Current Risks Identified</b>					
Increase in locum costs/ unclaimed	(800)	50%	(400)	MS	
Clinical Pharmacists	(1,100)	70%	(770)	MS	
Continue to pay LES & QEF full year	(2,182)	30%	(655)	MS	Review of LES and QEF payments.
Atypical population claims	(500)	50%	(250)	MS	
List size increase above 1.5%	(500)	75%	(375)	MS	
<b>Current assessment of Risk</b>	<b>(5,082)</b>		<b>(2,450)</b>		
<b>Total Current Mitigations</b>					
Contingency 0.5%	601	100%	601	MS	
Potential slippage on investments	2,730	50%	1,365	MS	
<b>Current Mitigations</b>	<b>3,331</b>		<b>1,966</b>		
<b>Current shortfall in mitigations</b>	<b>(1,751)</b>		<b>(484)</b>		

### 4. DELEGATED COMMISSIONING EXPENDITURE REVIEW 2018/19

4.1 Table 4 below shows the difference in expenditure in 2017/18 and 2018/19 by contract area.

<b>TABLE 4</b>	<b>Actual 17/18</b>	<b>Actual 18/19</b>	<b>Diff Actual 17/18 &amp; 18/19</b>	<b>Movement</b>
	<b>£</b>	<b>£</b>	<b>£</b>	
<i>Contractual</i>				
Contract Value (incl. OOH Opt Out)	76,654,826	82,048,150	5,393,324	7.0%
MPIG/List Size/KPIs	2,375,901	1,847,234	(528,667)	(22.3%)
Funding Differential Review	3,570,417	1,759,080	(1,811,336)	(50.7%)
Seniority	1,213,504	886,126	(327,379)	(27.0%)
<b>Contractual Total</b>	<b>83,814,648</b>	<b>86,540,590</b>	<b>2,725,942</b>	<b>3.3%</b>
<i>Premises Reimbursements</i>				
Prem Notional Rent	10,020,044	10,499,753	479,709	4.8%
Prem Rates	1,596,710	1,856,211	259,500	16.3%
Prem Water Rates/Clinical Waste/Other	462,605	342,682	(119,922)	(25.9%)
<b>Premises Reimbursements Total</b>	<b>12,079,359</b>	<b>12,698,646</b>	<b>619,287</b>	<b>5.1%</b>
<i>Enhanced Services</i>				
DES Extended Hours Access	1,774,847	1,405,367	(369,479)	(20.8%)
DES Minor Surgery	880,491	943,031	62,540	7.1%
DES Learn Dsblty Hlth Chk	143,620	294,976	151,356	105.4%
DES Other	22,682	(20,662)	(43,344)	(191.1%)
<b>Enhanced Services Total</b>	<b>2,821,640</b>	<b>2,622,712</b>	<b>(198,927)</b>	<b>(7.1%)</b>
<i>QOF</i>				
QOF Aspiration	7,392,451	7,437,115	44,664	0.6%
QOF Achievement	2,910,181	3,044,500	134,319	4.6%
<b>QOF Total</b>	<b>10,302,633</b>	<b>10,481,616</b>	<b>178,983</b>	<b>1.7%</b>
<i>Other GP Services</i>				
Prof Fees Prescribing/Dispensing/Chrgs Rmt	5,054,229	5,345,883	291,654	5.8%
PCO Other - CQC Fees	475,720	620,849	145,129	30.5%
PCO Locum Sickness	268,988	401,410	132,421	49.2%
PCO Locum Adop/Pat/Mat	507,815	825,842	318,027	62.6%
PCO Locum Susp Drs	45,074	60,195	15,121	33.5%
Dispensing Quality Scheme	393,246	399,666	6,420	1.6%
Doctors Retainer Scheme	87,334	346,824	259,490	297.1%
Other	139,624	42,760	(96,865)	(69.4%)
<b>Other GP Services Total</b>	<b>6,972,031</b>	<b>8,043,429</b>	<b>1,071,398</b>	<b>15.4%</b>
<b>Total</b>	<b>115,990,310</b>	<b>120,386,992</b>	<b>4,396,682</b>	<b>3.8%</b>

- 4.2 The main area of increase has been seen in Other GP Services – Locum claims. This is due to changes in national guidance making it easier to calculate and submit claims and also due to a national increase in the maximum amount which can be claimed each week.
- 4.3 Doctors Retainer Scheme payments have also increased significantly due to an increase in the number of GPs which have applied and been authorised on to the scheme during 2018/19.
- 4.4 Table 5 below shows the increases in delegated commissioning expenditure from 2017/18 to 2018/19 and how we arrived at the final Month 12 position.

<b>TABLE 5</b>		
		<b>£'000</b>
Allocation 2017/18		123,901
Funding uplift	0.90%	1,155
Allocation 2018/19		125,056
PMS/GMS rebasing		(5,409)
<b>Total available budget 2018/19</b>		<b>119,647</b>
Total expenditure 2017/18		115,990
Global Sum Increase	3.00%	2,459
DDRB pay uplift	1.20%	920
List Size increase	1.90%	1,518
MPIG reduction		(529)
Seniority reduction		(327)
Funding Differential Review		(1,811)
Atypical Population award		497
		<b>118,717</b>
Enhanced Services		(199)
Rent & Rates		619
QOF		179
Locum claims		466
Drs Retainer payments		259
Prof Fees/Prescrib/Dispensing		292
Other		124
<b>Total expenditure 2018/19</b>		<b>120,457</b>
<b>Expenditure over performance</b>		<b>(810)</b>

- 4.5 The global sum increase is partly mitigated by the national exercise of reducing MPIG, Seniority and the Funding Differential Review. The cost pressure is shown in the DDRB 1.2% increase, the list size increase of 1.9% and the Atypical Population award of £497k.
- 4.6 The rent and rates increase is mainly due to expenditure to be reimbursed to NHSPS and outstanding claims.
- 4.7 The QOF increase is due to the national increase in the £ per point in 2018/19.
- 4.8 The Prescribing/Dispensing increase is also due to national increases in charges.

## **5. RECOMMENDATION**

- 5.1 The Committee is asked to note the Primary Care budget for 2019/20 and the associated risks and mitigations.

**Author**  
**Louise Jinks**  
**Finance Lead, Primary Care**  
**06/06/2019**