

PART 1 Primary Care Commissioning Committee 2018/19

Date of Meeting:	09 November 2018
Agenda Item:	3.1
Subject:	Finance Update
Reporting Officer:	Damian Mercer
Aim of Paper:	To update the Committee on the 2018/19 Finance Position as at Month 06 in respect of the Primary Care Budgets

Governance route prior to Primary Care Commissioning Committee	Meeting Date	Objective/Outcome
Primary Care Commissioning Committee	Select date of meeting.	Click to Select
Primary Care Contracts, Estates and Finance Sub-Committee	Select date of meeting.	Click to Select
Primary Care Innovation and Transformation Sub-Committee	Select date of meeting.	Click to Select
Primary Care Quality and Performance Sub-Committee	Select date of meeting.	Click to Select
Other	Click here to enter text.	

Primary Care Commissioning Committee Resolution Required:	For Information Only
Recommendation	To note the content of this report

Link to Strategic Objectives	Contributes to: (Select Yes or No)
SO1: To be a high performing CCG, deliver our statutory duties and use our available resources innovatively to deliver the best outcomes for our population.	Yes
SO2: To deliver on the outcomes of the Locality Plan in respect of Prevention and Access (Prevention and Self Care)	No
SO3: To deliver on the outcomes of the Locality Plan in respect of Neighbourhoods & Primary Care (Getting help in the Community)	No
SO4: To deliver on the outcomes of the Locality Plan in respect of In Hospital - Planned (Getting more help)	No
SO5: To deliver on the outcomes of the Locality Plan in respect of In Hospital - Urgent Care (Getting more help)	No
SO6: To deliver on the outcomes of the Locality Plan in respect of Children, young people and families	No
SO7: To deliver on the outcomes of the Locality Plan in respect of Mental Health	No

Risk Level: (To be reviewed in line with Risk Policy)	Not Applicable
Comments (Document should detail how the risk will be mitigated)	The Committee are asked to note the contents of this report.

Content Approval/Sign Off:	
The contents of this paper have been reviewed and approved by:	Chief Finance Officer, Sam Evans
Clinical Content signed off by:	Not applicable
Financial content signed off by:	Not Applicable

	Completed:
Clinical Engagement taken place	Not Applicable
Patient and Public Involvement	Not Applicable
Patient Data Impact Assessment	Not Applicable
Equality Analysis / Human Rights Assessment completed	Not Applicable

Executive Summary

This report updates the Primary Care Commissioning Committee on the financial position of Primary Care and Delegated Co-Commissioning for the period ending 30th September 2018.

At the end of month 06, the Primary Care budgets were £191k underspent and were forecast to be £186k underspent by year end.

The key areas of underspend were £149k in relation to Premises costs reimbursement, £46k for dispensing and Prescribing Drs both and £29k on the APMS Contracts line. These areas of underspend are offsetting the overspends of £52k and £31k on the GMS and PMS contract lines respectively as well as £21k on the Other GP Services line. These are discussed further in the report.

Members are asked to note the content of this report.

Table 1: Month 06 Primary Care and Delegated Co-Commissioning Financial Position for 2018/19 (£000's)

	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast	Forecast Variance
Co-Commissioning						
GENERAL PRACTICE - GMS	7,625	7,677	52	15,250	15,353	103
GENERAL PRACTICE - PMS	2,284	2,316	31	4,569	4,632	63
GENERAL PRACTICE - APMS	469	441	-29	939	917	-22
PREMISES COST REIMBURSEMENT	1,211	1,062	-149	2,432	2,246	-186
DISPENSING/PRESCRIBING DRS	76	31	-46	208	168	-39
OTHER GP SERVICES	283	304	21	566	596	30
VOID & SUBSIDY	384	384	0	769	769	0
RESERVES	0	0	0	1,253	1,253	0
Co-Commissioning Total	12,334	12,214	-120	25,986	25,935	-51
Primary Care						
OUT OF HOURS	1,513	1,513	-0	3,025	3,025	0
PRIMARY CARE IT	594	594	-0	1,173	1,173	-0
TRANSFORMATION PLAN	718	718	-0	939	939	0
Primary Care Total	2,825	2,825	-0	5,137	5,137	-0
Enhanced Funding						
CORE PLUS 2	2,459	2,459	-3	7,138	7,138	0
QOF	1,294	1,294	0	2,834	2,834	0
ENHANCED SERVICES	315	305	-11	761	740	-22
Enhanced Funding Total	4,068	4,058	-13	10,733	10,711	-22
Prescribing & Medicines Management						
PRESCRIBING	18,717	18,717	-0	37,855	37,855	-0
MEDICINES MANAGEMENT - CLINICAL	233	220	-13	466	441	-25
CENTRAL DRUGS	608	584	-23	1,215	1,171	-44
OXYGEN	178	156	-21	356	312	-44
Prescribing & Medicines Management	19,735	19,677	-58	39,892	39,778	-113
GRAND TOTAL	38,963	38,774	-191	81,748	81,561	-186

GMS and PMS Contracts

The current budget was set in line with the Doctors and Dentists Review Body (DDRB) recommendations of including a 1% uplift in relation to pay. This was subsequently reviewed over the first few months of the year and a further 1% pay increase was awarded, leading to a forecast financial pressure of £103k for the GMS contracts, and £63k for the PMS contracts.

APMS Contracts

Underachievement on the APMS in prior years has resulted in a £36k benefit this financial year. This has offset the pressure resulting from the additional 1% pay award to GP's of £7k year to date and forecast of £14k.

Premises Cost Reimbursement

Premises Cost Reimbursement is underspent by £149k year to date with a forecast underspend of £186k. This is primarily in relation to the work undertaken by GL Hearn in relation to Business Rates for GP practices. The CCG only receives the income for the return of previous rates rebates when the GP has in turn returned this to NHSE. £112k of the year to date underspend relates to the previous year's rates rebates, with a further £28k being attributable to the Clinical Waste Contract which commenced last financial year.

NHSE advised not to reduce the Clinical Waste budget for 2018/19 until Cannon (the current provider) had assessed all practices and their current number of bins as across GM, it was apparent that many practices did not have the required number and type of bin. However, the costs have not increased to the level of the prior years and has led to this underspend, which is forecast to be £55k underspent by year end.

Dispensing/Prescribing Drs

The forecast underspend of £39k is in relation to costs accrued in 2017/18 for Dispensing and Prescribing Fees that did not materialise. Therefore there is a benefit to the Primary Care Financial Position in 2018/19.

Other GP Services

Other GP Services are overspent by £21k year to date and forecast to be £30k over by year end. Other GP Services includes budget for Locums to cover sickness, parental leave and suspended GPs. The costs for this can be quite volatile year on year so it is difficult to set an accurate budget. Current budget is based on the average costs of the last few years. Locum usage to date is slightly higher than anticipated giving rise to this pressure.

Prescribing

Prescribing is currently forecast to break even as there are only 4 months of data available at this time. Prescribing data is received 2 months in arrears and due to the volatile nature of prescribing this will be reflected within the position and forecast over the next few months. A true year end position is difficult to forecast until the end of quarter 3. However it must be noted that there are a number of QIPP and transformation schemes associated with prescribing for 2018/19 that will need to be monitored closely to ensure they are delivered.

NHSE has recently announced that from 2018/19 providers should offer Adjuvanted Trivalent vaccines for all 65s and over and Quadrivalent vaccine for 18 to under 65s at risk. These vaccines are more expensive than the current vaccines offered and as such, an additional allocation has been made available to NHSE to cover the increased costs.

NHSE have requested that the budget and costs for Flu vaccines in the future are given to NHSE to manage, rather than at a CCG level. Therefore from September, £299k has been transferred from HMR CCG to NHSE, and all costs year to date will be recharged.

An article from The Pharmaceutical Services Negotiating Committee (PSNC) has been shared with the CCG's Medicine's Management Team which describes a negotiated tariff increase on Category M drugs in August of £15m nationally. The CCG have asked NHSE for guidance around what this pressure means for the CCG, which hasn't been forthcoming.

Recommendation

The Committee are asked to note the contents of this report.