

Primary Care Commissioning Committee 2018/19

Date of Meeting:	25 May 2018
Agenda Item:	3.1
Subject:	Finance Update
Reporting Officer:	Damian Mercer
Aim of Paper:	To update the Committee on the 2017/18 Finance Position as at Month 12 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 contents 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 31st March 2018.

At the end of month 12, the Primary Care budgets were £601k underspent.

The key areas of underspend were £259k in relation to Premises costs reimbursement, £376k for void and subsidy costs both detailed later in the report as well as £228k for reserves held to mitigate any in year pressures that weren't utilised. Quality Standards underspent by £61k and Locally Commissioned Schemes underspent by £77k. Medicines Management, Home Oxygen and Central Drugs underspent by £130k combined.

Prescribing pressures relating to No Cheaper Stock Obtainable led to an overspend of £203k in 2017/18, which was much lower than anticipated earlier in the year. QOF achievement being higher than anticipated resulting in an overspend of £323k.

Budgets will be reviewed in light of the 2017/18 to ensure any ongoing over and under spends are realigned

Members are asked to note the content of this report.

Table 1: Month 12 Primary Care and Delegated Co-Commissioning Financial Position for 2017/18 (£000's)

	Annual Budget	YTD Actual	YTD Variance
Co-Commissioning			
GENERAL PRACTICE - GMS	14,661	14,689	28
GENERAL PRACTICE - PMS	4,501	4,530	29
GENERAL PRACTICE - APMS	1,193	1,225	33
PREMISES COST REIMBURSEMENT	2,318	2,058	-259
DISPENSING/PRESCRIBING DRS	190	186	-4
OTHER GP SERVICES	539	531	-8
VOID & SUBSIDY	1,084	708	-376
CQC FEES	155	158	3
RESERVES	228	0	-228
Co-Commissioning Total	24,868	24,085	-784
Primary Care			
OUT OF HOURS	3,468	3,462	-6
PRIMARY CARE IT	1,516	1,430	-86
TRANSFORMATION PLAN	171	171	-0
Primary Care Total	5,155	5,063	-91
Enhanced Funding			
CORE PLUS	2,500	2,500	0
QOF	3,002	3,325	323
DIRECT ENHANCED SERVICES	711	728	17
LOCALLY COMMISSIONED SERVICES	2,258	2,181	-77
QUALITY STANDARDS	1,345	1,283	-61
Enhanced Funding Total	9,817	10,018	201
Prescribing & Medicines Management			
PRESCRIBING	40,755	40,958	203
MEDICINES MANAGEMENT - CLINICAL	456	419	-38
CENTRAL DRUGS	1,208	1,161	-47
OXYGEN	349	303	-46
Prescribing & Medicines Management Total	42,768	42,841	73
GRAND TOTAL	82,608	82,007	-601

GMS, PMS and APMS Contracts

Budgets were set in line with current contract values and uplifts applied as per national guidance. For the GMS, PMS and APMS contracts, they overspent by £28k, £29k and £33k respectively at year end. There is a combined pressure of £90k due to quarterly list size changes being over and above budget.

Premises Cost Reimbursement

Premises costs reimbursed to GP's underspent at year end by £259k. The underspend is due to 3 main areas:

1. **Business Rates.** These are considerably lower due to the work GL Hearn has been undertaking nationally with regards to a national recalculation of GP Premises rateable values. £40k has been returned to CCG's in month 12 in relation to 2016/17 business rates and further reductions in the 2017/18 rateable values gave an outturn of £242k underspent.
2. **Clinical Waste.** This is underspent due to 2016/17 costs being lower than anticipated with a 2016/17 benefit of £54k and the new Clinical Waste Contract which started in May 2017 delivering further in year savings of £41k, a total of £95k underspend for the year.
3. **GP rent reimbursement.** This is due to a number of outstanding rent reviews which are due to take place. The CCG have built in a 5% increase to cover rent increases based on a District Valuer completing a rent review every 3 years for each practice. Greater Manchester Health and Social Care Partnership (GMH&SCP) have concluded a review of outstanding rent reviews which has resulted in an £133k underspend in 2017/18.

There is a cost pressure of £249k within Premises Cost Reimbursement due to a movement between costs reimbursed directly to NHS Property Services (NHSPS) and Community Health Partnerships (CHP) for Void and Subsidy costs, and those reimbursed to GP practices within these buildings. The corresponding underspend due to this reallocation can be seen within the Void and Subsidy heading which underspent by £376k.

QOF

QOF overspent by £323k at the end of the year, £65k of which relates to 16/17 achievement being higher than anticipated. The remaining £258k relates to movements in 3 areas, these being GP list size changes, QOF points achieved in year and Prevalence.

Prescribing

There had been a pressure all year regarding No Cheaper Stock Obtainable (NCSO's) within Prescribing. However, this pressure reduced considerably towards the end of the year. The £415k National Risk Reserve being held as a result of Category M savings was also returned to the CCG which had to be held as a surplus. Therefore, at month 12, Prescribing was £203k overspent compared to the forecast reported at the last Primary Care Commissioning Committee in February of £1m overspent.

Medicine's Management, Central Drugs and Oxygen

Medicine's management currently have a vacancy of 0.80 Band 6 Pharmacist contributing to the underspend of £38k. Central drugs underspent by £47k based upon April to February's data. These are costs that cannot be directly allocated to a CCG so are split between CCGs on a weighted capitation basis. Oxygen underspent by £46k due to a reduction in the usage of Air Liquide (Homecare Oxygen).



Recommendation

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