

AGENDA ITEM 17.83

<b>Subject:</b>	Primary Care Finance Report as at Month 4 2017/18
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<b>Submitted To:</b>	NHS West Norfolk CCG Primary Care Commissioning Committee 18 <sup>th</sup> August 2017
<b>Purpose of Paper:</b>	Discussion and Information
<p><b>Summary:</b></p> <p>This report provides an overview of the CCG's year to date financial position in respect of delegated budgets for Primary Care (GP) services.</p> <p>The year to date position at Month 4 is a breakeven position however there are financial risks to address within 2017/18 such as premises cost increases and activity risks within contracts i.e. list size growth.</p> <p>A full review of the budgets needs to be undertaken between the CCG and NHS England finance colleagues to correctly align the practice budgets and to fully understand the reserves. This will allow timing differences to be distinguished from real risks.</p> <p>The CCG's forecast outturn position at Month 4 remains at plan.</p>	
<p><b>Recommendation:</b></p> <p>The Primary Care Commissioning Committee is asked to note the Month 4 Financial Position and risks to delivery of balance against the delegated budget for primary care services.</p>	

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**1. Introduction**

The CCG's delegated allocation from NHS England for Primary Care GP services totals £28,131k for 2017/18.

This report outlines the financial position against delegated budgets as at Month 4 and highlights key risks to delivery of balance against these budgets in 2017/18.

**2. Summary Financial Position to Month 4**

The overall position as at Month 4 is a breakeven position as summarised in the table below.

Row Labels	In month budget (£)	In month actual (£)	In month variance (£)	YTD budget (£)	YTD Actual (£)	Sum of YTD Variance (£)	Narrative
Contractual	1,479,028	1,602,622	123,594	5,916,112	6,044,162	128,050	Baseline \ CV \ Global Sum, adj required for 1718 LSA
Enhanced services	67,141	67,680	539	268,564	269,104	540	
Other - GP Services	284,726	243,525	(41,201)	1,138,904	1,227,329	88,425	CQC
Premises cost reimbursements	213,450	219,191	5,741	853,800	854,390	590	Rates budget needs to be realigned
QOF	218,424	221,117	2,693	873,696	886,250	12,554	1718 Aspiration adj required
TPS and Pension	0	0	0	0	0	0	
Reserves	153,048	0	(153,048)	230,158	0	(230,158)	CCG entries in M02 & M04
<b>Grand Total</b>	<b>2,415,817</b>	<b>2,354,136</b>	<b>(61,681)</b>	<b>9,281,234</b>	<b>9,281,234</b>	<b>0</b>	

At this point in the year it would not be expected to see any material contractual variances, as activity-related pressures relating to areas such as list size adjustments, enhanced services, and QOF outcomes will materialise later during the year.

The Month 4 position prior to funding by reserves, presented by a £153k adverse variance as a result of CQC Costs, GP retention costs, Locum costs, Rent increases, Rate rebates and QoF & Global Sum Variances. These costs were noted as being a timing issue with budgets held at the end of the year. The CCG is looking for assurance from NHS England as to the full year risk against available reserves.

Going forward a full review of the budgets needs to be undertaken between the CCG and NHS England finance colleagues to correctly align the practice budgets and to fully understand the reserves. This will allow timing differences to be distinguished from real risks.

An analysis by Practice is reported in Appendix A, which currently shows overspends at Practice level and the smoothing variance in reserves.

In light of the above the CCG's forecast outturn position remains as plan.

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Brief descriptions of each category of spend are as follows:

- Contractual payments contains General Practice GMS, PMS and other list based services relating to contract and list size driven budgets allocated to practice level. They include global sum, MPIG, contract values, transitional payments, PMS premium/growth and seniority budgets. These budgets, with the exception of the PMS premium treatments are driven by contractual obligations.
- Enhanced Services are budgeted on the basis of historic achievement for the ad-hoc smaller payments or recognising the potential full achievement for those which are list size/patient driven for the practices that have signed up to the particular services, e.g. extended hours. Payment is based upon achievement so variances against budget can occur.
- Other – GP Services include budgets and payments for dispensing & prescribing professional fees and locum allowances such as for maternity & paternity cover. Budgets for the locum allowances are not allocated at practice level at the start of the year as claims can be difficult to forecast.
- Premises cost reimbursements include budgets for rent, rates and water charges. Premises budgets are also allocated on a contractual basis and have very little scope for local influence other than through commissioner decisions around future investments in buildings or estate rationalisation.
- Quality Outcomes Framework (QOF) aspiration payments are based upon 70% of the previous year’s achievement adjusted for year on year points and price changes. Budgets are set in line with this and pro rata to reflect final forecast achievement. As payment is based upon actual achievement this means that the CCG may have a financial risk or benefit depending on future practice achievement.
- Reserves includes budgets for anticipated list size changes, premises costs to include rent increases etc as well as some central budgets such as Clinical Waste, Occupational Health Contracts, Translation Services and CQC Fees.

**3. Key Financial Risks in 2017/18**

The key risks to delivery of financial balance within delegated primary care budgets in 2017/18 are outlined below, alongside potential mitigations:

Risk	Mitigation
Over-performance on activity-related budgets such as enhanced services and QOF and list size adjustments.	Budgets are set based on historic delivery, which reduces the risk of material overspend.
Exceptional payments relating to individual practices (eg locum cover, support for practices in difficulty)	The 2017/18 budgets include a reserve for such costs. Local policies are to be developed to ensure consistency of approach to exceptional circumstances.

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**Appendix A – Practice analysis at 31 July 2017**

	YTD budget (£)	YTD Actual (£)	YTD Variance (£)	Annual budget (£)	Narrative
<b>PMS</b>					
D82044 - VIDA HEALTHCARE	1,526,808	1,528,640	1,832	4,580,400	
D82099 - SOUTHGATES	637,004	669,185	32,181	1,911,000	Baseline needs uplifting for 1718
D82035 - UPWELL HEALTH CENTRE	564,068	617,320	53,252	1,692,200	Baseline needs uplifting for 1718
D82051 - ST JAMES MEDICAL PRACTICE	687,732	709,456	21,724	2,063,200	Baseline needs uplifting for 1718
<b>PMS Total</b>	<b>3,415,612</b>	<b>3,524,602</b>	<b>108,990</b>	<b>10,246,800</b>	
<b>GMS</b>					
D82070 - GREAT MASSINGHAM SURGERY	407,100	418,221	11,121	1,221,300	
D82010 - GRIMSTON MEDICAL CENTRE	298,300	301,813	3,513	894,900	
D82043 - WATLINGTON MEDICAL CENTRE	351,804	361,251	9,447	1,055,400	
D82049 - LITCHAM HEALTH CENTRE	245,364	252,170	6,806	736,100	
D82057 - CAMPINGLAND SURGERY	395,440	399,200	3,760	1,186,300	
D82065 - MANOR FARM MEDICAL CENTRE	437,064	429,111	(7,953)	1,311,200	
D82072 - BURNHAM SURGERY PE31 8DH	284,968	286,971	2,003	854,900	
D82079 - FELTWELL SURGERY	295,132	302,510	7,378	885,400	
D82621 - PLOWRIGHT MEDICAL CENTRE	439,904	448,067	8,163	1,319,700	
D82015 - BRIDGE STREET SURGERY PE38 9DH	407,224	409,635	2,411	1,221,700	
D82027 - HEACHAM GROUP PRACTICE	410,136	416,592	6,456	1,230,400	
D82068 - HOWDALE SURGERY	359,832	362,619	2,787	1,079,500	
D82105 - ST CLEMENTS SURGERY PE34 4LZ	350,936	360,567	9,631	1,052,800	
D82604 - BOUGHTON SURGERY	178,368	180,986	2,618	535,100	
D82618 - WOOTTON SURGERY	203,068	210,017	6,949	609,200	
<b>GMS Total</b>	<b>5,064,640</b>	<b>5,139,728</b>	<b>75,088</b>	<b>15,193,900</b>	
<b>APMS</b>					
Y00297 - THE HOLLIES SURGERY PE38 9JE	193,764	203,714	9,950	581,300	Baseline needs uplifting for 1718
Y03222 - ST JOHNS SURGERY PE14 7RR	270,396	306,526	36,130	811,200	Baseline needs uplifting for 1718
<b>APMS Total</b>	<b>464,160</b>	<b>510,240</b>	<b>46,080</b>	<b>1,392,500</b>	
<b>Reserves &amp; Other allocated Budgets</b>					
Reserves	230,158	0	(230,158)	997,800	CQC, Rent & Rates and List Size Adjustment budgets need to be realigned from reserves to the Practices
Other Allocated Budgets	106,664	106,664	0	300,000	
<b>Reserves Total</b>	<b>336,822</b>	<b>106,664</b>	<b>(230,158)</b>	<b>1,297,800</b>	
<b>Grand Total</b>	<b>9,281,234</b>	<b>9,281,234</b>	<b>0</b>	<b>28,131,000</b>	

Please note: Other allocated budgets are budgets that have been given to the CCG that were previously held by NHSE. These costs will still be incurred by NHSE and then recharged to the CCG to be matched to these budgets. These are not surplus budgets available for general use.