

Attachment 14

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| **Report to:** | NEL CCG Joint Co-Commissioning Committee  |
| **Presented by:** | Jo Horsfall |
| **Date of Meeting:** | 16.02.16 |
| **Subject:** | Q3 Co-commissioning finance update |
| **Status:** | [ ]  OPEN [x]  CLOSED |
|  | [x]  Complies with latest CCG Strategy for Primary Medical Services, if not, please give a brief reason why: |

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| **OBJECT OF REPORT:** To update on Q3 co-commissioning budgets |
| This report summarises the financial position with regards to the funds identified as within the scope of primary care joint commissioning for NHS England and NHS North East Lincolnshire CCG for the period ended 31/12/15. |

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| **STRATEGY:** |
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| **IMPLICATIONS:** |
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| **RECOMMENDATIONS (R) AND ACTIONS (A) FOR AGREEMENT:** Report is for information only |
|  |  |
|  | Members are asked to note the position |
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|  |  | **Yes/****No** | **Comments** |
| --- | --- | --- | --- |
|  | Does the document take account of and meet the requirements of the following: |  |  |
| i) | Mental Capacity Act |  |  |
| ii) | CCG Equality Impact Assessment |  |  |
| iii) | Human Rights Act 1998 |  |  |
| iv) | Health and Safety at Work Act 1974 |  |  |
| v) | Freedom of Information Act 2000 / Data Protection Act 1998 |  |  |
| iv) | Does the report have regard of the principles and values of the NHS Constitution?[www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\_113613](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_113613) |  |  |

**NHS ENGLAND & NHS NORTH EAST LINCOLNSHIRE CCG**

**PRIMARY CARE JOINT CO-COMMISSIONING BOARD FINANCIAL REPORT**

**Introduction**

This report summarises the financial position with regards to the funds identified as within the scope of primary care joint commissioning for NHS England and NHS North East Lincolnshire CCG for the period ended 31/12/15.

**Revenue Expenditure Position**

The supplementary information attached at Appendix 1 provides further analysis

It is important to note that, under the joint commissioning arrangements in place, the financial responsibility and risk remains with the appropriate commissioning organisation.

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| **Services commissioned by** | **FULL YEAR** | **YEAR TO DATE** |
| **Current Plan£'000s** | **Forecast Outturn£'000s** | **Forecast Variance£'000s** | **Current Plan£'000s** | **Actual£'000s** | **Variance£'000s** |
|   |   |   |   |   |   |   |
| NHS England | 26,983 | 26,983 | 0 | 20,235 | 18,691 | -1,544 |
|   |  |  |  |  |  |  |
| NHS North East Lincolnshire CCG | 3,264 | 3,330 | 66 | 2,399 | 2,420 | 21 |
|   |  |  |  |  |  |  |
| **Total** | **30,247** | **30,313** | **66** | **22,634** | **21,111** | **-1,523** |

The above table may require rounding adjustments.

**Commentary**

NHSE

PMS Contract - PMS spend reflects the year to date values due to those practices now signed up to the revised contract. Costs for practices not signed up are per the existing contract cost. Following the recent national Global Sum increase and Seniority reduction from 1 October 2015 the PMS practice on the revised contract has been awarded the £0.74 per weighted patient increase seen in Global Sum pro rata from 1 October 2015.

APMS Contract - Costs are based on current contract cost expectations, these will be amended to take account of the outcome of any contract activity reconciliation as it falls due / is agreed.

GMS Contract - The Global Sum price per weighted patient increased from 1 October from £71.69 to £72.42 (net of the revised Out of Hours Deduction). Therefore the costs to date are per the original G Sum price for Q1 & Q2 list size count and the revised G Sum price for Q3. The list size reserve is phased in the budget in 12th’s rather than Q2-Q4 as incurred. The actual list size for Q4 will be known for P10 accounts.

Premises Costs Reimbursement - NHS Property Services figures have been agreed for Q1 and Q2, however Q3 and Q4 reimbursements continue to be worked on to understand the 15.16 commitment and as such accruals are based on forecast costs where relevant. CHP costs have been agreed. Estimates for outstanding rent revaluations are included where changes in valuations are not yet known but are due this financial year. Other reimbursable costs are based on forecast where actuals costs are not known at this stage of the year. The rates rebates following the Land mark Test Case are not included in these figures. The Year to date underspend is mostly due to budget setting overstatement on the business rates.

Enhanced services - Unplanned Admissions, Extended Hours and Dementia Scheme costs are based on the current 15.16 sign up list. The component 2 Dementia accrual is based on 14.15 actual or an estimate based on this for any practices who did not take part in 14.15. Maximum achievement is assumed for practices signed up to the Unplanned Admissions scheme.

Minor Surgery accruals and Learning Disabilities accruals are based on 15.16 claims to date.

Choice of GP Practice / Out of Area – This was a new Enhanced Service from 5/1/15 however no costs have been seen to date and as such following discussions with contracting colleagues we have not accrued against this scheme.

QOF - QOF accrual is based on 14.15 actuals amended for the 15.16 change in £/point and average list size and an estimate of 15.16 list size increase based on 14.15. Actual list size will be known for P10 accounts

Dispensing/Prescribing Doctors - Fees and income are paid 2 months in arrears and as such only April to October actuals are known, however these are overspending to date. There has been a Dispensing Fees tariff reduction announced with effect from 1 October 2015 (-2.7%) which has been factored into the November and December accrual. As the budget is phased in 12ths but this spend is seasonal (higher during Flu Season eg October & November), this overspend is slightly distorted in the Year to date position (higher overspend than with a phased budget).

Other GP services

PCO Administered Costs - Seniority has been reduced nationally with effect from 1 October 2015. The average decrease was estimated nationally to be 22.8%. This month has seen the quarter 3 cost at the reduced rate for all practices and is broadly in line with CCG forecast at this stage.

Maternity/Paternity/Sickness/Retainer Scheme – This is per actuals on known claims to date

Contingency / Uncommitted Reserves at Budget Setting - These have been shown as slipping in the current YTD position.

GP Safeguarding – Following confirmation that this is funded from CCG baseline budgets this accrual has been released.

North East Lincolnshire CCG

CCG PMS re-investment - Payments are based on 2010/11 activity and adjusted accordingly where practices have notified the CCG of any material changes. All practices, albeit one, have signed their contract variations and have received payment.

Enhanced Services – Based on the current activity levels being maintained for the remainder of the financial year Minor Surgery is forecast to over spend by £58K. Over 75yrs enhanced service is forecasted to overspend by £15K. All other enhanced services expenditure is based on historical activity levels.

Service Improvement Plans – These are specific to individual practices and are paid 1/12th of an agreed contract value on a monthly basis.

**Risks and Opportunities**

There is a potential risk surrounding the shortfall on premises which is approximately £900K overall. This is being jointly reviewed by NEL CCG and NHSE, the calculation of a finalised figure has been delayed due to gathering data around primary care occupancies and validating premises costs.

As payments for CCG PMS re-investment schemes are based on practice activity there is a risk that activity could be higher than forecast, creating a financial pressure.

**Recommendation**

Members are asked to note the position.

**APPENDIX 1 – SUMMARY EXPENDITURE REPORT**

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| --- | --- | --- |
|  | FULL YEAR | YEAR TO DATE |
|  | **Annual Budget £000’S** | **Forecast Out-turn £000’s** | **Forecast Variance £000’s** | **Year to date budget £000’s** | **Actual £000’s** | **Variance £000’s** |
|  |
| **NHS ENGLAND COMMISSIONED** |  |
| General Practice - PMS | 14,727 | 14,727 | 0 | 11.046 | 10,980 | -66 |
| General Practice – APMS | 1,134 | 1,134 | 0 | 850 | 550 | -300 |
| General Practice - GMS | 29 | 29 | 0 | 21 | 21 | 0 |
| Premises Cost reimbursement | 5,997 | 5,997 | 0 | 4,497 | 4,291 | -206 |
| Other Premises Costs | 11 | 11 | 0 | 8 | 1 | -7 |
| Enhanced Services | 1,012 | 1,012 | 0 | 758 | 704 | -54 |
| QOF | 2,232 | 2,232 | 0 | 1,674 | 1,683 | 9 |
| Dispensing/Prescribing Drs | 211 | 211 | 0 | 159 | 254 | 95 |
| Other GP Services | 1,630 | 1,630 | 0 | 1,222 | 207 | -1,015 |
| **NHSE COMMISSIONED TOTAL** | **26,983** | **26,983** | **0** | **20,235** | **18,691** | **-1,544** |
|  |
| **NHS NORTH EAST LINCOLNSHIRE CCG COMMISSIONED** |  |
| CCG PMS Re-investment | 489 | 489 | 0 | 367 | 362 | -5 |
| Enhanced Services | 1,447 | 1,521 | 74 | 1,036 | 1,059 | 23 |
| Service Improvement Plans | 1,328 | 1,333 | 5 | 996 | 999 | 3 |
| **NEL CCG COMMISSIONED TOTAL** | **3,264** | **3,330** | **66** | **2,399** | **2,420** | **21** |