**Agenda Item: 11a**

**Report to: Primary Care Co-Commissioning Committee**

**Date of meeting: 08/06/2021**

**Date paper distributed: 01/06/2021**

**Subject: Primary Care Commissioning Finance Report**

**Presented by: Jo Horsfall**

**Previously distributed to: N/A**

**STATUS OF THE REPORT**

**Decision required** [ ]

**For Discussion to give Assurance** [ ]

**For Information** [x]

**Report Exempt from Public Disclosure**  [x]  No [ ]  Yes

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| --- | --- |
| **PURPOSE OF REPORT:** | To provide an update of the 20-21 closing position of the budgets within the scope of Primary Care for both NEL CCG & NELC & also to provide a summary of the budgets for the 6-month period covering April 21 to September 21. |
| **Recommendations:** | To note both the closing 20-21 financial position & the budgets for the first 6 months of 21-22 (April 21 to September 21) |
| **Clinical Engagement**  | N/A |
| **Patient/Public Engagement** | N/A |
| **Committee Process and Assurance:** | N/A  |

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| **Link to CCG’s Priorities** | * Sustainable services
* Empowering people
 | [x] [ ]  | * Supporting communities
* Fit for purpose organisation
 | [ ] [x]  |
| **Are there any specific and/or overt risks relating to one or more of the following areas?** | * Legal
* Finance
* Quality
* Equality analysis (and Due Regard Duty)
 | [ ] [x] [ ] [ ]  | * Data protection
* Performance
* Other
 | [ ] [ ] [ ]  |

**Provide a summary of the identified risk**

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| Ability to recruit to staff where funding is available for new roles. If we do manage to recruit in full there is shortfall in the additional funding available to be drawdown from the center (further detail in executive summary). |

**Executive Summary 20-21 out-turn position**

The tables below summarise the closing position for 20-21 and show the movements from the previously reported forecast out-turn position. In total across both areas the underspend position increased by £103K

* Co-commissioning out-turn position of -£105K. The main movements to note are:
	+ ARRS FOT slightly lower than anticipated due to appointments not happening as planned – the impact of this feeds into other list-based services & general practice-PMS
	+ Premises costs – increase in out-turn relates to NHS PS charges, for prudence we have accrued for these at 100% but we will be continuing to challenge their validity.
* Core Primary Care out-turn position of -£451K. The movement against ‘Community based services’ is due to:
	+ HC&V digital schemes (NEL are the co-ordinating CCG for all of HC&V as such all allocation for the ICS is passported through NEL CCG). Due to the timing of funding being agreed, not all the allocation was spent in 20-21 (£156K), however £156k funding has been protected by the system to be available to use in 21-22.

**Co-commissioning**

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|  | **Annual budget (£'000)** | **M12 actual (£'000)** | **M12 variance (£'000)** |  | **M11 FOT variance (£'000)** | **Variance movement (£'000)** |
| Other - GP Services | 508 | 414 | -94 |   | -111 | 17 |
| Other List-Based Services (APMS incl.) | 1,853 | 1,905 | 52 |   | 83 | -31 |
| Premises cost reimbursements | 6,036 | 6,152 | 116 |   | 47 | 69 |
| Other premises costs | 57 | 54 | -3 |   | -4 | 1 |
| General Practice - PMS | 16,765 | 16,480 | -286 |   | -313 | 27 |
| Community Base Services | 0 | 0 | 0 |   | 0 | 0 |
| QOF | 2,339 | 2,399 | 60 |   | 60 | 0 |
| Enhanced services | 417 | 467 | 51 |   | 51 | 0 |
| **TOTAL** | **27,975** | **27,870** | **-105** |  | **-187** | **82** |

**Core Primary Care**

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| --- | --- | --- | --- | --- | --- | --- |
|  | **Annual budget (£'000)** | **M12 actual (£'000)** | **M12 variance (£'000)** |  | **M11 FOT variance (£'000)** | **Variance movement (£'000)** |
| £1.50 per head PCN Development Investment | 255 | 255 | 0 |   | 0 | 0 |
| Community Base Services | 7,760 | 7,363 | -397 |   | -206 | -191 |
| GP IT Costs | 913 | 859 | -54 |   | -60 | 6 |
| PC - Other | 0 | 0 | 0 |   | 0 | 0 |
| **TOTAL** | **8,928** | **8,478** | **-451** |  | **-266** | **-185** |

**NELC Commissioned Scheme**

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|  | **Annual budget (£'000)** | **M12 actual (£'000)** | **M12 variance (£'000)** |  | **M11 FOT variance (£'000)** | **Movement (£'000)** |
| LARC fits and removals | 74 | 65 | -9 |   | -19 | 10 |
| Health checks | 19 | 19 | 0 |   | -32 | 32 |
| Stop smoking service | 20 | 20 | 0 |   | -1 | 1 |
| Substance misuse | 125 | 125 | 0 |   | 0 | 0 |
| **TOTAL** | **238** | **229** | **-9** |  | **-52** | **43** |

**21-22 Budgets M1 – M6**

Revised finance arrangements have continued into 21-22 and as such we have only received confirmed funding for the first 6 months of the year (H1). A further planning process will take place later with regards to the second half of the year.

Co-commissioning allocation

The allocation was based on the 21-22 Primary Care allocations published in 2019 (covering 5 yrs. up to 23/24), adjusted for additional allocations received since publication (£740k). The main areas of additional funding were for Care Home Premium and new QOF indicators. This gave us an H1 allocation of £15,494k, an increase of £759k (5.1%) over H2 20-21.

As noted in previous years, NEL CCG receives a lower rate of growth due to our per capita distance from target, resulting in there being no flexibility in the budget this year. Budgets have been set within this overall funding envelope and takes account of demographic growth and inflation.

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|  | **6 months 20-21 out-turn for comparison (£'000)** | **21-22 H1 budget (£'000)** | **H1 allocation transfers still to be actioned (£'000)** | **Total H1 budget (£’000)** |
| Other - GP Services | 207 | 210 |   | 210 |
| Other List-Based Services (APMS incl.) | 952 | 1,011 |   | 1,011 |
| Premises cost reimbursements | 3,076 | 2,967 |   | 2,967 |
| Other premises costs | 27 | 42 |   | 42 |
| General Practice - PMS | 8,240 | 9,672 | -978\* | 8,694 |
| QOF | 1,199 | 1,332 |   | 1,332 |
| Enhanced services | 234 | 261 |   | 261 |
| **TOTAL** | **13,935** | **15,494** | **-978** | **14,516** |

\*PMS Premium transfer to Core Primary Care

Key risks

Additional Roles: as an expansion of the ARRS schemes in 21-22, 56% of the funding is reflected in our baseline allocation. Additional funding is available from a central pot for spend over 56% up to a max of 100%. However, due to an anomaly in the way that the threshold for accessing the additional central funding has been calculated, NEL will not be able to access this additional funding until we have spent more than our 56%, creating a financial risk for the CCG. Based on our assessment of the plans received from the PCN’s if recruitment goes as planned, we expect the risk in 21-22 would be £150k, with the possibility this could increase to a maximum of £214k. This anomaly has been raised with the center, but as overall it isn’t causing an issue nationally, we haven’t had much success.

Core Primary Care

CCG programme envelopes have been calculated based on H2 20-21 allocations adjusted for growth. Core primary care budgets have been built up from the 20-21 M11 FOT which has been adjusted for non-recurrent items, mainly being HC&V system wide IT schemes (£967k), GPFV initiatives (£234k) & PMS Premium transfer from co-commissioning (£978k). There are likely to be similar amounts for HC&V GP IT & GPFV schemes in H1, values are still to be confirmed.

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|  | **6 months 20-21 out-turn for comparison (£'000)** | **H1 allocation (£'000)** | **H1 allocation transfers still to be actioned (£'000)** | **Total H1 budget (£’000)** |
| £1.50 per head PCN Development Investment | 128 | 128 |   | 128 |
| Community Base Services | 3,682 | 2,094 | 978\* | 3,072 |
| GP IT Costs | 430 | 581 |   | 581 |
| PC - Other | 0 | 0 |   | 0 |
| **TOTAL** | **4,239** | **2,803** | **978** | **3,781** |