

20/10/18

Report : Primary Care Commissioning Committee : December 2018 Meeting

Summary Finance Report : Month 7

1 : Introduction

This report provides a total view of Primary Care spend within Hammersmith & Fulham CCG at end Month 07. In doing so this paper is intended to ensure that the totality of Primary Care spend in Hammersmith & Fulham CCG is understood, including how it compares against the 'Target Allocation'. At the same time the paper also conveys information in relation to detailed lines of spend and variations against budget.

The Primary Care Commissioning Committee is asked to note the financial position reported in this paper.

2 : Executive Summary : Forecast Excluding GP at Hand Costs

The forecast is for a total spend in Primary Care that will be £4.1m above the Target Allocation. This relates generally to historic investments in Primary Care, funded from Core Funding.

Because the CCG receives less than its Target Allocation for Primary Care, the total value of Primary Care services funded from Core Funding is forecast to be £5m, £1m worse than budget.

The overspend against budget of £1m relates to QIPP plans which now will not be delivered during 2018/19, but which remain to be actioned and taken forward in 2019/20.

Forecast Cost Position

Spend/Allocation					(Over) / Under Spend Versus :		
£'000	Forecast	Budget	Target Allocation	Actual Allocation	Budget	Target Allocation	Actual Allocation
Total	33,804	32,804	29,693	28,812	(1,000)	(4,111)	(4,992)
Funded by :							
Core Allocation	7,571	5,882			(1,689)		
Delegated Allocation	26,233	26,922			689		

Year to Date Position

Spend/Allocation					(Over) / Under Spend Versus :		
£'000	Actual	Budget	Target Allocation	Actual Allocation	Budget	Target Allocation	Actual Allocation
Total	19,347	19,469	17,320	16,807	122	(2,027)	(2,540)
Funded by:							
Core Allocation	3,967	3,967			0		
Delegated Allocation	15,379	15,502			123		

3 : GP at Hand Costs

The above analysis is the 'true' position of the CCG, ignoring GP at Hand driven cost pressures, in relation to which NHSE have advised that the CCG should expect and plan for full mitigation of those costs.

The costs which we are seeing in Primary Care and which are driven by GP at Hand (primarily Global Sum payments) amount to £1.3m YTD and £2.8m full year, against a full year plan of £4.2m. The main variable for GP at Hand costs is list size growth, which also explains the anticipated underspend.

Any net over- or under-estimate of GP at Hand costs will be of no financial consequence to the CCG given the position as advised by NHSE.

Detailed analysis follows on subsequent pages.

4 : Budgets Resourced From Core Funding

The year to date (YTD) position as at month 07, for Primary Care Core spend is a YTD actual of £3,967k against a budget of £3,967k, an overspend of £1k. The forecast of £7,571k represents an overspend of £1,689k, which relates mainly to QIPP schemes that are not expected to deliver in 2018/19, but includes further overspends of £116k as detailed below.

	YTD Budget	YTD Actual	YTD Variance	Annual Budget	FOT	FOT Variance
EPC						
EPC OOH	1,085,344	1,144,764	- 59,420	1,949,590	2,140,799	- 191,209
EPC Population Health Management	189,608	189,608	-	580,162	604,499	- 24,337
EPC Primary Care Development (GPFV)	184,492	184,492	-	316,280	316,280	-
EPC - Prescribing Incentive Scheme	-	-	-	267,000	267,000	-
EPC Total	1,459,444	1,518,864	- 59,420	3,113,033	3,328,578	- 215,545
Extended Hours						
Weekend Plus	403,949	390,527	13,422	692,488	669,509	22,979
LES - Extended Hours	638,407	500,861	137,546	1,094,432	918,155	176,277
QIPP Target	-	-	-	1,573,000	-	- 1,573,000
Extended Hours Total	1,042,356	891,388	150,968	213,920	1,587,664	- 1,373,744
Other Areas						
GPFV	88,470	88,470	-	152,639	152,639	-
GP IT	323,435	308,858	14,577	565,463	540,581	24,882
Out of Hours	592,081	592,081	-	1,015,000	1,015,000	-
Central Drugs	341,250	354,782	- 13,532	585,000	604,916	- 19,916
Oxygen	119,581	180,692	- 61,111	205,000	309,757	- 104,757
PC workforce recruitment and retention	-	32,335	- 32,335	32,000	32,335	- 335
Total	3,966,617	3,967,469	- 852	5,882,055	7,571,470	- 1,689,415

5.1 Detailed Components

a) **Enhanced Primary Care** : The EPC OOH is reporting a forecast overspend of £191k which reflects the agreement to set plan at 17-18 outturn, and to commission Mental Health SMI for practices who were achieving less than 50% of the national target at higher levels. Equipment costs are included in this overspend. Below is a table of the OOH services at M6 Flex.

Row Labels	M6 YTD Plan	M6 YTD Actual	M6 YTD Variance	M6 YTD Plan £	M6 YTD Actual £	M6 YTD Variance £
	Activity	Activity	Activity			
ABPM	1,146	1,141	5	16,428	16,359	69
CASE FINDING, CARE PLANNING & CASE MONITORING	-	696	696	-	61,913	61,913
COORDINATE MY CARE	-	35	35	-	1,103	1,103
COORDINATE MY CARE (CLOSE)	-	11	11	-	297	297
DIABETES - (HIGH RISK OF DIABETES)	2,777	-	2,777	70,792	83,388	12,596
DIABETES - LEVEL 1	3,827	-	3,827	130,921	145,480	14,559
DIABETES - LEVEL 2	85	72	13	15,636	13,270	2,365
ECG	2,866	2,817	49	104,138	102,375	1,763
HOME VISITS	1,467	1,451	16	26,403	26,118	285
HOMELESS	1,034	716	318	15,122	10,472	4,651
Mental Health - Follow up	-	260	260	-	9,954	9,954
Mental Health - Review	-	492	492	-	41,265	41,265
Mental Health (SMI & CCMI)	1,153	-	1,153	185,044	-	185,044
Near Patient Monitoring	661	760	99	7,245	8,335	1,089
Phlebotomy	34,992	36,437	1,445	98,258	102,315	4,057
Phlebotomy - Extended Hours	-	344	344	-	966	966
Ring Pessary	40	50	11	1,155	1,463	307
Spirometry Testing	1,668	1,575	93	62,407	58,940	3,468
WARFARIN ADVANCED MONITORING	85	121	37	3,067	4,392	1,325
WARFARIN MONITORING	1,693	1,393	300	96,281	79,228	17,053
Wound Care	5,789	3,281	2,508	71,535	40,543	30,991
Wound Care - Extended Hours	-	86	86	-	1,063	1,063
Grand Total	59,281	51,738	7,543	904,434	809,237	95,197

The position above reflects Q2 flex data; the Population Health Management, Primary Care Development and Prescribing Incentive Schemes are block contracts. The above overspend is offset by :

b) Extended Hours : There is a forecast underspend for the weekend plus and extended hours schemes of £199k. The QIPP schemes to move the extended hours scheme to a DES and reduce the number of hubs for weekend plus have been delayed and therefore will not be achieved in year. Below is a summary of the usage between M1-7 for the extended hours LES service which contributes to this underspend :

	Commissioned Hours	Activity to Date	Weekly Average	Utilisation
Hours Delivered	4,290	3,857	129	
Appts Offered		21,363	712	
Appts Booked		20,187	776	94%
Appts Attended		17,680	589	83%

The extended hours LES funds practices to open additional hours outside of core contracted hours (8am-6:30pm). The contract is flexible and does not set a minimum number of hours that must be provided. Practices are paid for the number of hours they provide up to their weekly contracted hours.

The total commissioned hours between M1 to 7 is 4,290 but only 3,857 hours have been delivered as some practices do not offer the same number of hours every week, whilst Parkview Practice does not offer extended hours at all.

94% of appointments are booked but due to DNA's the utilisation of available appointments at all practices is 83%.

c) Other Areas

- i. The non-recurrent GPFV budgets are for specific projects such as improving access, online consultation and resilience; these will be fully spent.
- ii. GP IT is overspending due to unexpected cabling costs in the practice buildings
- iii. Out of Hours is a block contract with LCW

5 : Delegated Budgets : Including GP at Hand Costs

The YTD spend at month 07 is £16,693K against a budget of £17,428K, and the forecast is for an underspend to £2,115K. The reduced spend vs plan is driven by lower GP at Hand costs than anticipated, resulting from lower than anticipated growth of list size. There is no net benefit to the CCG of that underspend given that the mitigations to be received will reduce in line with lower GP at Hand costs, pound for pound.

Description	Annual Budget £	YTD Budget £	YTD Actual after accruals	YTD Variance £	FOT Actual £	FOT Variance £
GMS	18,997,425	10,540,641	9,905,928	634,713	17,523,493	1,473,932
PMS	1,980,891	1,155,518	1,205,146	(49,628)	2,058,540	(77,649)
APMS	2,174,334	1,268,353	1,302,288	(33,935)	2,306,558	(132,224)
Premises Costs	4,298,009	2,116,914	2,406,332	(289,418)	4,055,093	242,916
Administered Funds	358,099	208,804	271,348	(62,544)	384,167	(26,068)
CQC	148,300	86,506	87,257	(751)	149,583	(1,283)
Enhanced Services	121,034	70,521	112,359	(41,838)	173,637	(52,603)
Pad & Other	67,600	39,356	19,883	19,473	67,600	0
Quality & Outcomes Framework	1,868,506	1,089,836	1,089,837	(1)	1,868,506	0
Other Medical Services	154,682	48,125	8,075	40,050	79,682	75,000
Reserves & Contingency	982,627	803,832	284,424	519,408	369,254	613,373
Primary Care Delegated Commissioning Total	31,151,507	17,428,417	16,692,877	735,540	29,036,113	2,115,394

6.1 Details

The key variances at month 06 are :

a) Core Contract

- i. Global Sum : YTD variance of £634k favourable, of which £613k is directly in relation to lower GP at Hand pressures.
- ii. PMS & APMS contracts : YTD adverse variance of £49k due to uplifted contract payments in 18/19. Changes to the PMS contract are subject to local dispute resolution.

- b) **Enhanced services:** There is a YTD overspend of £41k, which is due to higher than expected take up of the Extended Hours DES. Given uncertainty over future activity levels the YTD position has been extrapolated in forecast to deliver a £52k overspend for the year.
- c) **QOF :** Year to date and forecast outturn are based on budget, which itself was based on the closing 2017/18 figure adjusted for population growth and changes to QOF rates and CPI (the national average practice size used to calculate final payments); the forecast outturn will be subject to the Q1 list size which will be revised once known.
- d) **Administered Funds :** includes payments to practices over and above clinical services/QOF and premises. Seniority, locum payments and reimbursement of CQC fees are the main items.

6.2 Rent and Rates

These continue to be an area of risk albeit the rates forecast outturn is considered fairly firm, despite the fact that not all practices have submitted claims.

The major risk is around rents, both as to the level of “business as usual” rent given delays in claims. however the practices which have not yet submitted claims are being contacted.

The latest work on rates has led to a reduction in the forecast outturn, but this is offset by increases in the “business as usual rents”.

The amount needed to be set aside for the post–Delegation back dated rents is being reviewed and may lead to an adverse movement on the current forecast outturn.

The major risk is around the reimbursable rents not being up to date. The premises team is working to bring the current market rent (CMR) valuations up to date. However there are a large number of practices to cover, not all of whom respond promptly to requests for information; and the District Valuer needs to carry out an assessment of each premises being reviewed

RENT	
Total number of practices	29
Number of practices claimed as at month 6	22
No of practices yet to claim	7
RATES	
Total number of practices	29
Number of practices claimed as at month 6	14
No of practices yet to claim	15

The total YTD spend of £2.4m includes a c£0.8m accrual to reflect latest information on costs, including updated figures from NHSPS.

The NHS Finance team is in the process of contacting the practices that are yet to claim to find out why and when they are likely to claim. The CCG Primary Care team can also work with practices to ensure claims are submitted.

Appendix

Essential Reading including Definitions and Terminology

Target Allocation : this is the term used for the nationally set benchmark level for allocations made to CCGs. There are separate Target Allocations for both Primary Care spend and spend for all other ('Core') service areas.

The value of a Target Allocation is equal to the level of financial resource which NHSE believes should be sufficient to pay for the care needs of a CCGs population, be they Primary Care services or Core services.

The formula that sets the Target Allocation specifically takes account of the needs and size of a CCGs population, and does so on a consistent basis. In doing so it takes account of :-

- Age and sex demographics
- Relative needs for various care services (Primary Care; Mental Health etc)
- Relative deprivation levels
- Relative cost levels (as with 'Market Forces Factors' applied to tariff in Acute settings of care) including relative unavoidable costs and geographic issues

Precise guidance on the basis of the formula can be found at "<https://www.england.nhs.uk/wp-content/uploads/2016/04/1-allctins-16-17-tech-guid-formulae.pdf>" (Page 37 et seq).

Actual Allocation : is the value of Allocation, or financial resource, which a CCG receives. For historical reasons, allocations to CCGs tend to receive allocations which are above or below the level of Target Allocations. Over a period of 5 years, ending in 2020/21 the NHS plans to ensure that material variations above or below Target Allocation levels are eliminated.

Over-/Under-Capitated : A CCG is described as being over- or under-capitated when the Actual Allocation it receives is more or less than its Target Allocation.

In 2016/17 H&F CCG was over-capitated by £19.6m for its Core Allocation, and £3.2m under-capitated for Primary Care. In 2018/19 those figures are £15.8m over and £0.8m under respectively, a net real terms reduction of £1.4m for overall over-capitation. Despite this, over the same period of time, Primary Care spend has increased by £1.2m excluding the impact of GP at Hand.

Delegated Budget : (also known as co-commissioning). NHS England allowed CCGs to take on greater responsibility for General Practice commissioning, effectively taking on that responsibility from NHSE (ie NHSE delegated that area of commissioning to CCGs who opted to do so). Items within the Delegated Budget are payments for : Global Sum; QOF; Seniority; Practice Rent and Directed Enhanced Services.

Headroom : This term is used when the actual spend against the Delegated Budget is not the same as the Delegated Budget allocation. Headroom can be positive (when spend is below the Delegated Budget) or negative (when spend is above).

NHS England is clear that positive headroom can be either reinvested within primary care or allowed to flow to the bottom line of the CCG. Similarly if there is negative headroom no further resource will be made available and CCGs will have to manage this pressure by effectively using Core Funding to pay for Primary Care.

In 2017-18, and despite using £7.3m of Core Funding to pay for Primary Care Services, Hammersmith and Fulham CCG spent £1.4m from headroom on a number of non-recurrent Primary Care projects, with a further £0.6m planned to be spent from anticipated 2018-19 headroom.

Elsewhere in NWL:

- Central London CCG had circa £380k headroom which they allowed to flow down to the bottom line.
- West London CCG did not have any headroom.

Core Funding : We use this term where Primary Care services are being paid for from funds which the CCG received within its Core Allocation. In 2018/19 the amount of Primary Care spend planned to be funded from Core Funds is £5.9m, albeit the forecast is £1.7m higher at £7.6m.

Illustrations Using the latest 2018/19 Plan : The following is a summary and quantification of some of the terms referred to above, with values drawn from the 2018/19 plan :-

- Core Budget :
 - Allocation : is £263.7m
 - And is £15.8m over capitated
 - le the allocation of £263.7m is above the Target of £247.9m by £15.8m
- Delegated Budget :
 - Allocation : is £28.8m
 - And is £0.9m under capitated
 - le the allocation of £28.8m is below the Target of £29.7m by £0.9m
 - Headroom : is £2.6m
 - le the planned spend of £26.2m is £2.6m below the actual allocation of £28.8m
- Core Funding planned to fund Primary Care services
 - Is £5.9m

- le the Headroom noted above does not take into account the £5.9m of planned spend on Primary Care services funded from allocations diverted from the Core allocation of £263.7m
- le the Headroom adjusted to reflect this spend is negative by £3.3m (£5.9m - £2.6m)