

Primary Care Commissioning Committee

26 October 2016

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|------------------|--|---|-----------------|--|-----------------|---|
| Details | Part 1 | ✓ | Part 2 | | Agenda Item No. | 7 |
| Title of Paper: | Primary Care Commissioning Finance Report | | | | | |
| Board Member: | Mike Woodhead, Interim Chief Finance Officer | | | | | |
| Author: | Rachel Coaker, Interim Associate Chief Finance Officer | | | | | |
| Presenter: | Mike Woodhead, Interim Chief Finance Officer | | | | | |
| Please indicate: | For Decision | | For Information | | For Discussion | ✓ |

Executive Summary

| | | | | | | |
|------------------------|--|--|--------|--|-----|---|
| Summary | <p>The year to date financial position shows a £17k under spend. The forecast position is an over spend of £79k after the confirmation of £510k non recurrent support.</p> <p>It has been recommended by the NHSE central team that the remaining shortfall on central funding be taken from the Primary Care 0.5% contingency reserve. Further work is required to assess the robustness of the forecast assumptions, in order to judge whether any transfer of funds is required.</p> <p>As the budget allocations for 2017/18 will include progression payments, it is unclear at this stage what any recurrent impact on primary care budgets will be.</p> | | | | | |
| Risk | High | | Medium | | Low | ✓ |
| | See section 1. | | | | | |
| Recommendations | Primary Care Commissioning Committee is asked to note the contents of the report and the risks identified to the delivery of the 2016/17 financial position. | | | | | |

Strategic themes

| | |
|---|---|
| To deliver improved outcomes and reduce health inequalities for patients through better preventative strategies | |
| To deliver service re-design in priority areas through innovation | |
| To develop primary care to become excellent and high performing commissioners | |
| To develop the CCG leadership to work with the Local Authority to be excellent integrated commissioners | |
| To develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning | |
| To deliver long term financial sustainability through effective commissioning and innovative investment across the wider system | |
| To develop and influence the provider landscape through development of a Locality Care Organisation (LCO) | |
| Equality Analysis Assessed? | Supports NHS Bury CCG Governance arrangements |

Primary Care Commissioning Finance Report

1. Overview and key issues/ risks

The year to date (YTD) financial position shows an under spend against plan of £17k. Appendix 1 includes a summary finance table.

Funding pressure on transfer of budgets

The forecast pressure on the primary care budgets is £79k. The initial NHSE budget analysis (on which the 2016-17 plan was based) indicated a shortfall in funding of 532k, however a more recent analysis incorporating firmer 2015-16 figures now indicates an underfunding on transfer of £558k – a further 26k pressure.

As reported last month, Bury will receive an allocation addition of £510k, and it has been confirmed that this will be received in November. It is recommended that the additional funding requirement of 48k is taken from the 0.5% contingency reserve (see Appendix 1 – source of funds).

Further work will be carried out to ensure that forecast outturn assumptions are accurate and that mitigations are identified where possible, before any movement of funding from contingency is actioned.

As the budget allocations for 2017/18 will include progression payments, it remains unclear what recurrent impact there may be on primary care budgets.

2. Recommendation

Primary Care Commissioning Committee is asked to note the contents of the report and the risks identified to the delivery of the financial position.

Appendix 1 – Finance Summary Table

Bury CCG Finance Report

For the six months April 2016 to September 2016

| Source of funds Available for Delegated Primary Medical Services | |
|--|---------------|
| | £'000 |
| Initial CCG Allocation before Business rules | 25,141 |
| 0.5% Contingency | 128 |
| 1.0% NR | 255 |
| Total Allocation 1st Apr 16 | 25,524 |
| IATs | |
| CCG Resource Transfers: | |
| 0.5% Contingency | -128 |
| 1.0% NR | -255 |
| Revised CCG Primary Medical Resource | 25,141 |

| Financial Summary Table | Annual | | | Prior Month | | YTD | | |
|---------------------------------------|---------------|---------------|-------------------|-------------------|--------------------|---------------|---------------|------------|
| | budget | Forecast | Forecast Variance | Forecast Variance | Change In Variance | Budget | Actual | Variance |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| GP Services | | | | | | | | |
| General Practice - GMS | 9,137 | 9,084 | -54 | -54 | 0 | 4,569 | 4,525 | -43 |
| General Practice - PMS | 6,108 | 6,108 | 0 | 0 | 0 | 3,054 | 3,054 | 0 |
| General Practice - APMS | 1,546 | 1,663 | 116 | 116 | 0 | 773 | 772 | -1 |
| QOF | 2,571 | 2,600 | 28 | 28 | 0 | 1,286 | 1,300 | 14 |
| Enhanced services | 1,129 | 1,205 | 75 | 75 | 0 | 564 | 621 | 57 |
| Premises Cost Reimbursement | 2,676 | 2,664 | -12 | -12 | 0 | 1,338 | 1,332 | -6 |
| Other Premises Cost | 160 | 160 | 0 | 0 | 0 | 80 | 80 | 0 |
| Dispensing/Prescribing Drs (PA Drugs) | 156 | 156 | 0 | 0 | 0 | 78 | 78 | 0 |
| Other GP Services | 455 | 434 | -21 | -27 | -6 | 228 | 228 | 0 |
| Void & Subsidy | 1,733 | 1,657 | -76 | -76 | 0 | 867 | 828 | -38 |
| Primary Care Investments | -532 | -510 | 22 | 532 | 510 | 0 | 0 | 0 |
| Total PRC Cost Centre | 25,141 | 25,220 | 79 | 583 | 504 | 12,835 | 12,818 | -17 |