

Meeting: Primary Care Commissioning Committee			
Meeting Date	22 July 2020	Action	Receive
Item No.	8	Confidential	No
Title	Primary Care Finance Report		
Presented By	Mike Woodhead, Chief Finance Officer		
Author	Sarah Jewitt - Head of Finance - Non-acute services and Primary Care		
Clinical Lead	-		

Executive Summary

In response to the COVID-19 pandemic a national top down command and control framework has been put in place by NHS England. As part of this there is a financial regime for the first four months of 2020/21 covering the period from 1st April to 31st of July in which the CCG has received a baseline allocation based on a month 11 2019/20 forecast outturn uplifted for inflation.

In addition to this the CCG will receive retrospective allocations to cover COVID related and business as usual (BAU) expenditure to allow the CCG to achieve a balanced position for the four month period. Additional allocations for month 2 have been received to ensure break even to that point.

At month 3 the CCG has reported to NHS England a month 3 year to date overspend of Primary Care Services of £1.7m and Primary Care Co-Commissioning of £0.5m. In addition to business as usual spend, the CCG has incurred YTD £1.2m of Primary Care expenditure relating to the COVID-19 pandemic, with £0.2m specifically relating to claims from General Practice. As laid out in the national guidance, it is expected that a retrospective month 3 allocation will be received by the CCG to ensure a breakeven position.

NHSE/I have not yet published funding details or guidance about the financial and contracting framework for months 5-12 and beyond. That guidance is expected out in the next week or so, given that we have been told that CCGs will be asked to submit revised 2020/21 financial plans by 31 July.

Recommendations

It is recommended that the Primary Care Committee:

- Receive the report for information.
- Note the budget arrangement in place for the period 1st April to 31st July.
- Note the Financial Position at month 3 for Primary Care Services and Primary Care Co-Commissioning.
- Note the COVID related expenditure of £1.2m relating to primary care at month 3 of which £0.2m is directly related to GP practice claims.

Links to CCG Strategic Objectives	
SO1 People and Place To enable the people of Bury to live in a place where they can co-create their own good health and well-being and to provide good quality care when it is needed to help people return to the best possible quality of life	<input type="checkbox"/>
SO2 Inclusive Growth To increase the productivity of Bury's economy by enabling all Bury people to contribute to and benefit from growth by accessing good jobs with good career prospects and through commissioning for social value	<input type="checkbox"/>
SO3 Budget To deliver a balanced budget for 2019/20	<input checked="" type="checkbox"/>
SO4 Staff Wellbeing To increase the involvement and wellbeing of all staff in scope of the OCO.	<input type="checkbox"/>
Does this report seek to address any of the risks included on the Governing Body Assurance Framework? If yes, state which risk below:	
GBAF <i>[Insert Risk Number and Detail Here]</i>	

Implications						
Are there any quality, safeguarding or patient experience implications?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
<i>If you have ticked yes provide details here. Delete this text if you have ticked No or N/A</i>						
Has any engagement (clinical, stakeholder or public/patient) been undertaken in relation to this report?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
<i>If you have ticked yes provide details here. Delete this text if you have ticked No or N/A</i>						
Have any departments/organisations who will be affected been consulted ?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
< If you have ticked yes, Insert details of the people you have worked with or consulted during the process : Finance (insert job title) Commissioning (insert job title) Contracting (insert job title) Medicines Optimisation (insert job title) Clinical leads (insert job title) Quality (insert job title) Safeguarding (insert job title) Other (insert job title)>						
Are there any conflicts of interest arising from the proposal or decision being requested?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
<i>If you have ticked yes provide details here. <Include details of any conflicts of interest declared></i> <Where declarations are to be made, include details of conflicted individual(s) name, position; the conflict(s) details, and how these will be managed in the meeting>						

<Confirm whether the interest is recorded on the register of interests- if not agreed course of action>

Delete this text if you have ticked No or N/A

Are there any financial Implications?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
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If you have ticked yes provide details here. Delete this text if you have ticked No or N/A

Has a Equality, Privacy or Quality Impact Assessment been completed?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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Is a Equality, Privacy or Quality Impact Assessment required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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Are there any associated risks including Conflicts of Interest?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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Are the risks on the CCG's risk register?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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If you have ticked yes provide details here. If you are unsure seek advice from Lisa Featherstone, Email - lisafeatherstone@nhs.net about the risk register.

Governance and Reporting		
Meeting	Date	Outcome
Name of meeting		These boxes are for recording where the report has also been considered and what the outcome was. This will include internal meetings like SMT.
		If the report has not been discussed at any other meeting, these boxes can remain empty.

Primary Care Finance Report

June 2020

1. Introduction

1.1. This report provides an overview of the financial regime put in place for months 1 to 4 for the CCG, an analysis of the financial position at month 3 for Primary Care and an analysis of GP COVID claims.

2. Background

2.1. In March 2020 the CCG submitted a draft budget plan to NHS England based on a month 9 forecast recurrent outturn position adjusted for pressures including inflation and growth, investments and savings plans. The draft plan showed a deficit of £11m after expected delivery of a £9m QIPP plan. Subsequent to this the planning round was suspended and a national top down command and control framework was put in place in response to the COVID 19 pandemic. In light of this on the 24th April 2020 the Governing Body approved the draft plan as an interim budget for 2020/21.

2.2. In May CCG allocations were issued for the first four months of the year from the 1st April to the 31st July and new financial framework described. The framework for the period from August to March is not yet known.

3. 20/21 Financial Framework 1st April to 31st July

3.1. The financial framework for the first four months of the year consists of a notified baseline allocation that will be retrospectively adjusted to allow delivery of a breakeven position for the CCG.

3.2. The methodology used centrally to calculate CCG allocations for the Months 1-4 were based on:

- Expenditure run rate as at Month 11 2019/20 extrapolated for the full year;
- Plus inflation and growth;

3.3. In addition to the initial allocation, CCG's will have two retrospective allocations:

- Firstly, to balance (up or down) for business as usual expenditure; and
- Secondly, to reimburse CCG's for COVID expenditure.

3.4. Whilst the CCG has identified a number of potential issues in the calculation of the allocation due to the inclusion of non-recurrent items, phasing of expenditure and differing assumptions on inflation, growth and pressures the assurance that the CCG will receive allocation adjustments to allow delivery of a breakeven position for the period April to July reduces the immediate risk of this approach.

3.5. The 4 month allocation received for Primary Care is as follows:

	M1-M4 2020/21
Primary Care Services (excl. Prescribing)	2,542
Prescribing	10,789
Primary Care Co-Commissioning	8,928

4. Financial Position at month 3

4.1. The table below shows the reported financial position against allocation at month 3 and forecast for month 4.

Month 3 Year to Date	Allocation £'000	BAU Actual £'000	COVID £'000	Total Actual £'000	Total Variance £'000
Primary Care Services	9,998	10,613	1,114	11,726	1,728
<i>within which Prescribing</i>	8,092	8,806	0	8,806	714
Primary Care Co-Commissioning	6,696	7,162	111	7,162	466
Forecast to Month 4	Allocation £'000	BAU Actual £'000	COVID £'000	Total Actual £'000	Total Variance £'000
Primary Care Services	13,331	14,107	1,139	15,246	1,915
<i>within which Prescribing</i>	10,789	11,669	0	11,669	880
Primary Care Co-Commissioning	8,928	5,344	0	9,572	644

4.2. The key over and underspends in business as usual (BAU) areas are:

- Primary Care is £0.7m overspent as a result of prescribing. The final 19/20 prescribing outturn was £0.34m in excess of forecast (which due to 2 months time lag impacts on the 2020/21 position), and in 2020/21 £0.35m of pressures have been incurred relating to non-cheaper stock options (NCSO) and the number of items prescribed. In months 1 and 2, the pressure associated with NCSO were included as costs of the COVID pandemic. However, national guidance has changed at Month 3 and CCGs have been advised that prescribing costs must not be included within COVID costs and therefore this pressure is now reflected as BAU.
- Delegated co-commissioning is £0.5m overspent due to the allocation received from NHSE under the new temporary regime, being less than that required to meet the 2020/21 expected budget, and which would need to reflect the agreed 4% increase for example to the new Global Sum rates from April. It is expected that retrospective payments should address this.

5. GP COVID claims at month 3

5.1. At month 3 the CCG reported £0.2m of expenditure on COVID related costs specifically claimed by GPs - the range of expenditure is summarised in the table below. The CCG has been subjected to an external audit of all the claims made in March, with claims due to be paid following a verification and reconciliation process.

5.2. In addition to this the CCG has claimed other COVID related primary care costs (c£1m) that have enabled it to manage and treat patients remotely e.g. AskMyGP, COVID management and swabbing services at locations across the CCG.

Spend type	Month 3 £000	Comments
Pay costs		
Bank holiday	89	All Practice staff including GPs
Cover self isolation costs/COVID	36	All Practice staff including GP locum cover
Other	16	Locum costs to cover CCG work, overtime to set up COVID sites
Total pay costs	141	
Non pay		
Non Pay - cleaning	3	Deep cleaning costs
Non Pay - consumables	24	PPE, Gel, Wipes
Non Pay - equipment	10	Desks, Chairs, Thermometers, Screens, Wifi dongles
Non Pay - facilities	8	Text bundles, postage costs, intercom system, increased phone costs, TV trolley, additional monitors and other IT equipment
Non Pay - other	5	out of date vaccines, training, letters
Total non pay costs	50	

6. Recommendations

6.1. Primary Care Commissioning Committee is asked to:

- Note the budget arrangement in place for the period 1st April to 31st July.
- Note the Financial Position at month 3 for Primary Care Services and Primary Care Co-Commissioning.
- Note the COVID related expenditure of £0.2m relating to GP claims at month 3, out of a total of £1.2m made in respect of primary care services.

Sarah Jewitt

Head of Finance - Primary Care and Non-acute services

sarahjewitt@nhs.net

July 2020