

Agenda item 6
Attachment: Paper

COVER SHEET : Primary Care Commissioning Committee

Title of paper	Primary Care Finance and Contracting Report- Inc. Budget Performance
Date	15/03/2019
Exec Lead	Robert Morgan, CFO
Prepared & presented by	Carol Bewley, Head of Finance and Emily Timms, Assistant Contract Manager

Purpose	To agree	X
	To advise	
	To note	X

Summary of purpose and scope of report
<p>This report has been prepared to inform PCCC members of;</p> <ul style="list-style-type: none"> Progress on issues including rent reviews and interpreting services Month 11 financial summary

RECOMMENDATION (S)	PCCC members asked to NOTE the content of the report
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Outcome Focus (please x where relevant)			
Reduces Inequalities & promotes diversity		New Project (reflects innovation)	
Reduces Risk		Improves patient choice and experience	
Includes Patient & Public Engagement		Improves patient safety	
Improves Governance	X	Develops workforce	
Helps towards meeting Statutory Duties		Resources within financial plan and budget	

If significant implications please state below:

The abatement of rents in respect of private providers is governed by the Premises Cost Directions 2013.
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Governance and reporting		
Committee name	Date discussed	Outcome
PCCC – Team meeting	28 th February 2019	Updates reported to PCCC, as required.
Operational Leadership Team	15 th March 2019	Approved Rent Review abatement paper concerning private provider occupancy



Primary Care Commissioning – Progress to date.

The purpose of this paper is to update Primary Care Commissioning Committee members on the progress of commissioning functions now the responsibility of the CCG, since the delegation of functions from NHS England to the CCG on 1st April 2018.

1.0 Introduction and background

1.1 At the PCCC meeting in July the CCG updated members on issue and actions underway with regard to the delegated functions. The main areas where further work was required are summarised below:-

- Rent Review Process
- Clinical Waste
- Interpreting Service

This report provides a brief update on these areas and provides an overview of the following:

- An update on the progress of Rent Reviews
- Month 11 Financial Summary

2.0 NHSE Handover and Outstanding Issues

2.1 Outstanding issues advised to the CCG as live issue at the NHSE hand over and where ongoing actions were identified included:-

2.1.1 *Interpreting Service contract*

The Interpreting Services Progress Report was presented and approved by the Committee in September 2018. The two providers, Sight for Surrey and Language Line have both signed contracts for a period of 12 months. Activity with both providers remains steady and no issues have been reported by practices.

At contract end, on the 31st September 2019, the CCG will either become an associate to the contract with NWS CCG, providing this is approved by their Board or extend the existing contract with current providers for a period of 12 months, as allowed for in the original contract.

Currently, the NWS CCG procurement is inviting public feedback on interpreting services and therefore is still ongoing.

2.1.2 *Clinical Waste Contract*

As reported at the 5th February 2019 Committee, the CCG has been served notice by the current provider of clinical waste management services, Kent and Medway. NHS England has undertaken a procurement process and awarded a Framework agreement to Anenta for the management of clinical waste, the CCG has agreed to sign a contract from the 1st April 2019 for this service. Anenta will be providing training and communications directly to practices in terms of implementation and ongoing support.

There is a different clinical waste management contract in place for the management of sites under NHS Property Services; therefore Old Dean Surgery will be moving to being managed by NHSPS from 1st April 2019 along with Ash Vale and Camberley Health Centre.



2.2 Rent reviews

The CCG reported at previous meetings of the PCCC that of the 10 practice sites, 6 required an updated DV valuation some of which go back to 2013, the remaining 3 sites are NHS Prop Co buildings. The CCG has actively progressed rent reviews and is pleased to report that the DV has undertaken rent reviews on 4 of the 6 outstanding notional rents. 2 rent reviews remain outstanding, the CCG understands the surveyor for our area has been on long term leave and has escalated the two outstanding reviews to the Senior Surveyor, at the time of writing the CCG awaits a response to confirm when the surveyors will undertake the reviews.

Private Provider Occupancy

A paper was taken to OLT for approval on the 15th March 2019, which recommended the way forward for handling rents which have been abated as a result of private provider occupancy. This relates to community provider contracts where the CCG was able to confirm that provision for occupancy of former GMS space was not allowed for in the contract envelopes. To regularise the position it was recommended to OLT that the rent for GMS contractors be agreed in line with the 2013 Premises Cost Directions, but that any rent abated will be reimbursed by the CCG as an overhead to our community contracts. Inclusion into the new community contract currently going through procurement will be agreed. This approach was supported at OLT and comes to this Committee for agreement.

4.0 TIAA Internal Audit Summary

4.1 TIAA undertook two audits of the CCG focusing on Finance and Governance. The outcome of the audit of Key Finance Systems which incorporated delegated functions for the first time this year was reported at the last meeting.

4.2 Audit of Governance Systems for delegated functions was completed and the CCG received a rating of Reasonable Assurance. The full report will be circulated and discussed as a separate agenda item.

5.0 Financial Summary

Attached as Appendix A is the budget summary for delegated primary care budgets for the period to the end of February 2019.

Against the year to date budget of £9.97m the position shows an under-spend of £291k year to date. This mainly reflects the release year to date against the delegated reserve held by the CCG. In the forecast position the CCG has now reflected a forecast under-spend of £320k.

There are small underspend seen previously year to date for dispensing fees, and personally administer drugs payments have now either reduced significantly in the case of the former and into an overspend in the case of the latter reflecting the seasonal nature of these payments.

The CCG has shown underspends based on actual charges for clinical waste, interpreting and syringes where expenditure is being recharged from NHSE. Funding for rent reviews and moves to market rent has been released in the overall position.

The CCG has its most significant overspend on locum costs standing at £82K year to date. This reflects a significant number of maternity claims and some long term sickness.



6.0 Summary and Next Steps

In summary, the CCG has resolved most of the outstanding issues that arose at handover or subsequently. It is useful to conclude these issues this financial year given the impending significant changes arising from the newly negotiated changes to the GMS contract that come into play in 2019-20.

Next steps:-

- Implement and work through finding of the PCCC Governance Audit in 2019-20
- Ensure successful year end closedown for 2018-19
- Work on project plan for changes required to ensure successful implementation of the new GP contract changes.



Appendix A

Budget Summary 2018/19 Month 11 February 2018/19

Description		YTD Budget	YTD Actual	YTD Variance Over/(Under)
GMS	Global Sum / MPIG	7,275,181	7,265,764	(9,417)
	GMS Other	313,229	40,564	(272,665)
ENHANCED SERVICES	Enhanced Services	148,008	136,009	(11,999)
QOF	Aspiration	691,026	691,038	12
	Achievement	0	0	0
PREMISES	Rent	709,365	637,334	(72,031)
	Rates	122,850	136,851	14,001
	Water	7,585	9,426	1,841
	Clinical Waste	50,888	41,681	(9,207)
	Premises Other	21,926	7,482	(14,444)
ADDITIONAL PRACTICE PYMTS	GP Fees Dispensing	143,869	142,099	(1,770)
	GP Prescriptions Income	(28,646)	(23,808)	4,838
	Seniority	82,498	67,360	(15,138)
	Locum	158,710	241,115	82,405
	PADM	45,920	60,956	15,036
	GP Retainers	29,074	25,499	(3,575)
OTHER COSTS	Interpreting Services	10,681	10,867	186
	Syringes	4,928	4,928	0
	CQC Fees	54,224	55,034	810
	Other	125,412	125,422	10
TOTAL		9,966,728	9,675,621	(291,107)

