

Agenda item 5
Attachment: Paper

COVER SHEET : Primary Care Commissioning Committee

Title of paper	Primary Care Finance and Contracting Report- Inc. Budget Performance
Date	10/05/2019
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
This report has been prepared to inform PCCC members of; <ul style="list-style-type: none"> • Overview of delegation: 2018-19 progress and 2019-20 next steps • QOF 2018/19 • Month 12 year end position 2018-19 • Budget Plan 2019-20

RECOMMENDATION (S)	PCCC members asked to APPROVE the Budget 2019/20 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 Primary Care Committee is to note the publication of the new Primary Care Guidance Manual 2019-20.
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Governance and reporting		
Committee name	Date discussed	Outcome



Primary Care Commissioning – Finance and Contracting Report

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

1. Introduction and background

1.1 The CCG has been delegated for primary care commissioning, at the PCCC meeting in July 2018 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:

- Overview of delegation: 2018-19 progress and 2019-20 next steps
- QOF process and results 2018-19
- Month 12 year end position 2018-19

2. Overview of delegation: 2018-19 progress and 2019-20 next steps

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

Description	Type	2018-19	2019-20 and beyond
Governance	Reporting and guidance	Governance structures in place, including Primary Care Commissioning Committee. TIAA governance audit conducted with 'Reasonable assurance' achieved.	Update local policies in line with the new Policy and Guidance Manual 2019/20 edition. Implement recommendations of the PCCC Governance Audit.
Contract Management	Interpreting Services	Interpreting Service contract agreed for 12 months with option to extend for a further year.	An extension to the current contract will either be agreed, or we will look to become an associate to the NWS CCG contract.
	Clinical Waste Management Services	A one year contract with KMPT was agreed and delivered. A termination notice was received by the CCG for contract end 31/03/2019.	Following NHS England's procurement, the CCG agreed a contract with Anenta from 1 st April 2019- 31 st December 2021.
	Special Allocation Scheme	The CCG agreed as associate to the NEHF CCG contract for the delivery of this Direct Enhanced Service. No patients were referred to this service during 2018-19.	One patient has been referred via this scheme in 2019-20, so far.



Description	Type	2018-19	2019-20 and beyond
	Core GMS Contracts	The CCG is responsible for the management of the GMS contracts for all practices. The contracts were reviewed at handover from NHS England.	The Long Term Plan has set out some of the biggest changes to GMS contracts and these will be continually worked towards in 2019 and beyond.
Premises	Rent Reviews	Notional rent (partner owned premises) became the responsibility of the CCG. Rent reviews are conducted on a three yearly cycle and for some practices were incomplete as far back as 2013. The CCG initiated rent reviews for all 6 practices on notional rent, with all 6 now in progress or complete. Note: One practice is landlord owned and the three remaining premises are the responsibility of NHSPS.	One practice is in dispute for their 2018 rent review outcome, the District Valuer has been instructed to negotiate directly with the practice agents. Further communication will be required to advise the outcome of rent reviews to practices who are awaiting reports from the District Valuer. Implement a robust three-yearly cycle of rent reviews.
Quality	Governance and reporting	The Primary Care Quality Group was established and meets monthly, reporting to the PCCC.	Continue to develop the Quality Dashboard, which will provide the main data and narrative for the PCCC, once established across the ICS.
	QOF	Validation of QOF achievement in 2018-19 for the first time, outcomes reported in para 3 of this report and as part of the quality report.	QOF 19-20 offered to and accepted by all practices on CQRS.
Finance	Governance and reporting	Communication to practices on the monthly payment deadlines, Standard Financial Entitlements (SFE) requirements and changes. Monitoring and reporting of the PCCC budget to the Committee. TIAA audit of Key Financial Controls achieved 'substantial assurance', the highest assurance possible.	Successful year end closedown for 2018-19 has taken place. Implication of funding changes as result of new contract settlement being reviewed.

3. QOF 18/19

- 3.1 Throughout the year, practices receive a aspiration payment for the Quality and Outcomes Framework (QOF) with a final achievement payment calculated at year end.
- 3.2 As the first year of delegation, 2018-19 was the first time the CCG had full responsibility to validate the QOF 18-19 results and approve for payment. Support from NHS England was sought and our neighbouring CCG's to ensure the most robust method of validation was in place.
- 3.3 Achievement from 2018-19 was compared to 2017-18, where any significant outliers were identified the CCG drilled down into particular indicators and the Quality team reviewed to report against local and national trends.



QOF 18/19 Validation checks

Practice	List size 2017/18	QOF 17/18 Points	QOF 17/18 £	QOF 17-18 Exclusion rate	QOF 17-18 Exception rate	List size 2018/19	QOF 18/19 Points	QOF 18/19 £	QOF 18-19 Exclusion rate	QOF 18-19 Exception rate	Comments	Key	
												Not declared on CQRS	Better or same as 17- 18
Bartlett Group	27823	544.17	£301,563.26	29.56%	6.61%	27690	545.47	£300,684.32	29.62%	6.98%			
Park House	6852	558	£69,339.84	29.84%	6.07%	6816	558.57	£70,590.95	29.27%	5.11%	Exception rate slightly higher		
Station Road	7579	543.11	£88,653.97	28.81%	3.73%	7742	547.49	£93,379.88	29.06%	4.16%			
Park Road Group Practice	14310	555.64	£164,639.74	28.92%	6.01%	20865	549.29	£236,898.42	29.16%	5.41%		Changes in 18/19	
Upper Gordon Road	11941	550.67	£130,499.84	29.15%	5.49%	11756	531.76	£121,629.92	29.45%	4.14%			
Camberley Health Centre	9868	549.99	£99,651.34	28.11%	5.03%	9970	554.38	£100,878.23	28.03%	5.25%	Coded: Informed dissent	Heatherside merged with Park Road. Approx list size of 6,200	
Lightwater Surgery	12042	552.05	£109,747.52	28.81%	9.35%	12315	555.59	£112,676.23	28.80%	8.67%			
Heatherside Surgery	6,133	557.17	£80,879.20	29.52%	10.95%	01/04/18 merged with PROD			N/A	N/A	See PROD results		
Total	96548	4410.8	£1,044,974.71	29.09%	6.66%	97154	3842.55	£1,036,737.95	29.06%	5.67%			

Definition:

Exception: Pts on the disease register, who would ordinarily be included however they are excluded because they meet exception criteria set out in the SFE. Practice enters reason codes for Exceptions.

Exclusion: Pts on a clinical register but for definitional reasons are not included. I.e. where the indicator refers only to a specific age group. Automatic system extraction. Practice does not impact this reporting.

3.4 It can be summarised from the table above that achievement in Surrey Heath has been stable and high in recent years.

3.5 The QOF point value for 2018/19 is £179.26 in England with a maximum of 559 points across two domains, clinical and public health.

3.6 The value of a QOF point for 2018/19 has been adjusted to recognise any changes in population and practice list size from 1st January 2017 to 1st January 2018.

4. Financial Summary M12 2018-19

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

Against the year to date budget of £11.156m the position shows an under-spend of £276k. This mainly reflects the release year to date against the delegated reserve held by the CCG.

There are small underspend on enhanced service of £8k, seniority £17k and premises costs for rent and other premises charges such as DV charges are offset by higher than planned rates and water charges.

The CCG has seen overspends on locum fees where the CCG has had a significant number of maternity claims in year and some long term sickness. Personally administered drugs professional fees has also shown an overspend of just under £11k.

5. Budget Plan 2019/20

The CCG has an allocation for delegated functions in 2019-20 of £11.7m, an increase 3.95% of over the recurrent budget baseline. This compares to the national average growth of 3.5%. Much of this increased funding is earmarked against the changes around primary care networks that come into play in a phased way through 2019-20. Forecast spend against the new funding streams can be split as follows:-

• Practice participation payment	(£1.76 per weighted head popntn)	£164k
• Extended access	(£1.10 per raw popntn)	£107k*
		(-£87k)
• PCN Clinical Director leadership	(£0.51 per raw popntn)	£ 50K
• Pharmacist & social prescribing	(1 wte each)	£ 72k
• Global sum increase	(only £0.09 real increase)	£ 8k
• General inflationary movements	estimated	£ 25k
		Total £338k

To note: funded outside PCCC budgets and from CCG core programme allocations is the £1.50 per head of population within PCN. This amounts to £146k. Building into the budget plans the values identified above the initial budget for 2019-20 is shown below:-

	2019-20
Global Sum	8,411,739
QOF	1,041,096
Premises	961,273
Additional Practice payment	567,237
Enhanced Services (incl PCN costs)	479,525
Other payments	126,349
1% Contingency	113,779
Total Budget 2019-20	11,701,000



6. Summary and Next Steps

In summary, the CCG has resolved most of the outstanding issues that arose at handover or subsequently and has had a successful end of year closedown for 2018-19. The CCG continues to work towards the newly negotiated changes to the GMS contract that comes into play in 2019-20.

Next steps:-

- Continue to work towards the planned changes required to ensure successful implementation of the new GP contract changes in 2019-20 and beyond.



Appendix A

Budget Summary 2018/19

Month 12 March 2018/19

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Description		YTD Budget	YTD Actual	YTD Variance Over/(Under)
GMS	Global Sum / MPIG	7,936,615	7,928,517	(8,098)
	GMS Other	341,728	45,462	(296,266)
ENHANCED SERVICES	Enhanced Services	161,530	152,823	(8,707)
QOF	Aspiration	753,875	753,860	(15)
	Achievement	282,791	286,106	3,315
PREMISES	Rent	773,886	709,314	(64,572)
	Rates	134,043	140,553	6,510
	Water	8,307	11,672	3,365
	Clinical Waste	55,521	56,936	1,415
	Premises Other	23,933	9,482	(14,451)
ADDITIONAL PRACTICE PYMTS	GP Fees Dispensing	156,949	154,638	(2,311)
	GP Prescriptions Income	(31,259)	(26,459)	4,800
	Seniority	90,041	72,811	(17,230)
	Locum	173,144	272,935	99,791
	PADM	50,126	60,925	10,799
	GP Retainers	31,725	35,942	4,217
OTHER COSTS	Interpreting Services	11,656	12,829	1,173
	Syringes	5,379	5,379	0
	Occupational Health	0	0	0
	CQC Fees	59,185	59,164	(21)
	GP Indemnity	0	0	0
	Other	136,825	136,824	(1)
	TOTAL	11,156,000	10,879,714	(276,286)

