

## Oxfordshire Primary Care Commissioning Committee

<b>Date of Meeting:</b> 6 November 2018	<b>Paper No:</b> 6
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<b>Title of Paper:</b> Primary Care Finance Report - Month 6 (September 2018)
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<b>Paper is for:</b> <small>(please delete tick as appropriate)</small>	<b>Discussion</b>		<b>Decision</b>		<b>Information</b> ✓
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<p><b>Purpose and Executive Summary:</b> To brief OPCCC on the financial performance of the CCG Primary Care budgets to Month 6 (September) 2018-19 financial year.</p>
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<p><b>Financial Implications of Paper:</b> There are no direct financial implications as a result of this paper.</p>
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<p><b>Action Required:</b> OPCCC is asked to review the position for Oxfordshire CCG Primary Care budgets and to consider whether risks are being managed effectively.</p>
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<b>OCCG Priorities Supported</b> <small>(please delete tick as appropriate)</small>	
✓	Operational Delivery
✓	Transforming Health and Care
	Devolution and Integration
	Empowering Patients
	Engaging Communities
	System Leadership

<b>Equality Analysis Outcome:</b> N/A
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<p><b>Link to Risk:</b> 789 – Primary Care estates AF26 – Primary care capacity AF25 – Achievement of statutory financial duties</p>
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<b>Date of Paper:</b> 23rd October 2018
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# CCG Finance Report for OPCCC At 30th September 2018

## 1. Overview of CCG financial position:

At 30<sup>th</sup> September 2018 NHS Oxfordshire Clinical Commissioning Group (OCCG) reported year to date and forecast outturn on plan i.e. a forecast breakeven position.

The allocation for the CCG for 2018-19 is £891.7m (£892.3m last month). Non-recurrent allocations were received in Month 6 of £0.3m including £58k for the GP OOH service and £28k for the Retained Doctor's scheme. There was a budget transfer made to NHS England of £0.9m for flu and pneumococcal vaccine. NHS E will bear the cost of the flu vaccine this year including the increased cost expected due to a more expensive vaccine.

£1.6m remains ring fenced within the Delegated Co-commissioning and Running cost budgets and will not be committed unless the CCG position allows later in the year.

The residual risk is £5.4m (£7.1m at Month 5) and is offset by the CCG Risk reserve held of £1.4m (£3.1m at Month 5) giving a net risk position of £4.0m (£4.0m at Month 5). The aim is to further mitigate the net risk by continuing Financial Recovery Plan actions including the Activity Management Plan work stream being undertaken with Oxford University Hospitals Foundation Trust (OUH).

The Month 6 forecast outturn for OUH has been held as per last month and includes assumptions about AMP delivery/ Elective work.

Phase 1 of the independent review into Mental Health spending has reported that the CCG benchmarks lower than its peers but it is not yet clear whether there is an impact on access or outcomes. A risk therefore remains around the Oxford Health contract.

Forecasts for the Better Care Fund, Non Contracted Activity and Children's CHC have all deteriorated in month (£0.8m, £0.5m and £0.2m respectively) and the forecast for the Health share contract now reflects additional activity of £0.3m.

The CCG has committed £5.3m (£3.6m at Month 5) of the risk reserve and the entire 0.5% contingency (£4.4m) into the forecast position to offset activity pressure. £1.4m of the risk reserve remains (£3.1m at Month 5) to meet pressures emerging during the remainder of the financial year.

Dashboard Month 6 (September 2018):

Indicator	Target	Actual	RAG
Actual Year to date	Breakeven	Breakeven	✓
Forecast Outturn	Breakeven	Breakeven	✓
Running Cost Forecast Outturn	< Plan	£0.5m underspent	✓
Savings Forecast Outturn	£11.4m	£11.4m	✓
Net Risk position	£0m	£4m net risk	✗
Better payment Practice code NHS by value	95%	99%	✓
Better payment Practice code Non NHS by value	99%	97%	✓
Note:			
Cash drawn down to date as % of Maximum Cash Drawdown	50%	49.20%	✓

## 2 Financial Performance – Primary Care Delegated Co-Commissioning

Table 2

	Annual	Budget	Actual	Variance	Forecast	Forecast
	Budget £'000	Month 6 £'000	Month 6 £'000	Month 6 £'000	Outturn £'000	Outturn Variance £'000
GP Contract payment	62,902	31,450	31,314	(136)	62,902	0
QOF payments	7,888	3,944	3,944	0	7,888	0
GP Seniority and Locums	1,992	995	1,113	119	1,992	0
GP Drug payments	4,192	2,096	2,094	(1)	4,192	0
GP Premises	11,378	5,689	5,689	0	11,378	0
GP Enhanced Services	2,954	1,476	1,363	(114)	2,954	0
GP Other Items	115	57	57	(0)	115	0
Collaborative Fees	67	33	33	0	67	0
GP Premises other	84	42	42	0	84	0
0.5% Contingency	471	(0)	0	0	471	0
1% NR reserve	1,142	0	0	0	1,142	0
Co-Commissioning reserve	526	0	0	0	526	0
<b>Total Delegated Co-Commissioning</b>	<b>93,709</b>	<b>45,783</b>	<b>45,649</b>	<b>(133)</b>	<b>93,709</b>	<b>0</b>

### Key Points:

Table 2 summarises the financial performance of Primary Care Delegated Co-Commissioning. The amounts equivalent to the 1% Non recurrent reserve of £1,142k (no longer a specific requirement to hold 1%) and the 0.5% Contingency of £471k are ring-fenced as part of the Financial Recovery Plan. The reserve of £526k is available to meet pressures in the year and is currently partially committed/ear marked.

The year to date position at Month 6 is £133k underspent (£48k at Month 5). The main variances are explained below:

- GP Contract payments £136k underspend (£31k at Month 5) due to population growth included in the plan yet to materialise.
- GP Seniority and Locums £119k overspend (£71k at Month 5) – there has been a higher uptake of the GP retainer scheme than planned due to national incentives.
- GP Enhanced Services £114k underspend (£96k at Month 5) - Extended Hours underspend as not all practices have signed up to the extended hours scheme.

The forecast outturn for 18/19 is on plan.

### Issues not yet reflected in the forecast:

#### Risks

- There is a further uplift to GP Pay following the Government's response to recommendations by the Doctors' & Dentists' Review Body (DDRB). This further increase results in a total uplift of £729k above 2018/19 national planning assumptions. The current NHS England view across the South of England for Month 6 reporting was to include this as a risk mitigated by central funding until further details are available. However, NHS

England has subsequently informed CCGs that no additional funding will be received for this and CCGs will need to fund this from existing allocations.

- Indemnity Fees Inflation - A new CNST style scheme is being negotiated for 2018/19 which should reduce fees and negates fee inflation; uncertainty continues over the implementation date and if this slips whether national funding will be available. Following national guidance the funding set aside within the delegated budget for fee inflation has been non-recurrently re-badged as CCG Core resource for the GP Forward View initiatives.
- CQC have revised their fee scale formula which increases fees significantly .Currently in discussion with NHS England Central Team whether any central funding will be available.
- Population Growth – Impact on Contract Payments of growth in excess of the planning assumption. This risk has reduced and growth is currently less than planned.
- Section 96 support for practices in financial difficulty.
- Increased Premises reimbursements for premises developments/rent reviews.
- Locum cover for Parental/Sickness Leave.
- GP Retainer Scheme - nationally funded incentives are increasing the number of GP's in post.

#### Issues that may offset risks

- Enhanced Services slippage e.g. <100% sign up for Extended Hours DES included with reported position.
- Premises Rate Rebates following national appeal process.
- Unutilised Prior Year balances.

### 3 Financial Performance – Primary Care

Table 3

	Annual Budget £'000	Budget Month 6 £'000	Actual Month 6 £'000	Variance Month 6 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Locally Commissioned Schemes (LCS)	4,113	2,056	2,056	(0)	4,113	0
Local Investment Schemes (LIS)	1,156	578	515	(63)	1,156	0
Primary Care Investment (STP)	3,815	1,907	1,880	(27)	3,815	0
Primary Care Development	0	0	12	12	0	0
GP Forward View	4,456	2,242	2,241	(1)	4,456	0
Oxygen	644	322	379	57	644	0
Out of Hours	6,935	3,469	3,401	(69)	6,775	(160)
<b>Sub Total Primary Care</b>	<b>21,123</b>	<b>10,575</b>	<b>10,484</b>	<b>(91)</b>	<b>20,963</b>	<b>(160)</b>
Centrally Funded Drugs	2,500	1,250	1,250	(0)	2,500	0
Prescribing	82,148	41,074	41,074	0	82,148	0
<b>Sub Total Prescribing</b>	<b>84,648</b>	<b>42,324</b>	<b>42,324</b>	<b>0</b>	<b>84,648</b>	<b>0</b>
<b>Total</b>	<b>105,771</b>	<b>52,899</b>	<b>52,808</b>	<b>(91)</b>	<b>105,611</b>	<b>(160)</b>

#### Key Points:

Table 3 summarises the financial performance of those areas of expenditure that are incurred in primary care settings and are the commissioning responsibility of the CCG.

- Additional allocations of £58k 2018 GP OOH Services Funding and £28k for Retained Doctors scheme 2016 - 2018 Q1 payment were received at Month 6. A budget transfer has been made to NHS England of £907k for flu and pneumococcal vaccine.

- LCS and LIS are currently forecast to be on plan with the year to date under spending on LIS due to timing. Even though all Care Homes now have a GP practice signed up to support them, not all individuals within the Care Home will be registered with the relevant practice. The identified underspend of £200k for the Primary Care support to Care Homes Scheme has not yet been transferred back to the CCG Risk reserve.
- The Prescribing budget has been reduced by £907k reflecting an allocation transfer to NHSE. All CCGs that had retained the vaccine funding within their baseline were asked to transfer the adult flu and adult pneumococcal vaccine funding to their NHS England local team. The amount transferred is equivalent to the spend on flu vaccines by OCCG in 2017-18. For 2018-19, the CCG will recharge all flu vaccine costs to NHS E who will manage a national budget on behalf of all CCGs. The cost to NHS E is expected to be higher than the allocation transferred due to the use of a more expensive vaccine this year
- Actual data for prescribing has now been received for the first 4 months of the year. Due to the volatility of the data and the pressures identified against this budget that will not yet be reflected in the BSA figures, the CCG forecast at Month 6 has been held as a break even position. The national Category M price reduction will cease from August with an estimated impact on the CCG of up to £2.0m which it is currently expected can be managed within existing resources.
- Out of Hours Month 5 activity is 5% (2% above last month) below the profiled budget for the month and YTD the overall activity is 0.8% above seasonally adjusted plan, it is 5% (6% last month) below the same period last year. The first two months of the year were overspent followed by three months underspent. The forecast based on Month 5 activity data is £160k underspent whereas last month it was £42k underspent based on Month 4 activity data.
- Plans for the additional £1.2m invested by the CCG in the OOH contract for 2018-19 to reflect the recruitment issues in the service have not yet been fully agreed.