

Title of Meeting:	Primary Care Commissioning Committee	Agenda Item: 7.1	
Date of Meeting:	24 September 2020		
Paper Title:	Finance Report	Session (Tick)	
		Public	X
		Private	
		Workshop	
Responsible Executive Lead Jane Hawcard Chief Finance Officer		Report Author and Job Title Alec Cowell, Deputy Director of Financial Services & Reporting Jane Hawcard, Chief Finance Officer	
Purpose (this paper if for)	Decision	Discussion	Assurance
			Information
			X

Has the report (or variation of it) been presented to another Committee / Meeting?

If yes, state the Committee / Meeting:

Yes. A version of this has been to the Finance, Performance, Contracting & Commissioning Committee

Summary of the Scheme

The following table highlights that the primary care co-commissioning budget is overspent by £651k for the first 4 months of this financial year.

As noted previously, the NHS is operating under a covid19 financial regime, initially for the first 4 months of this financial year, now extended a further 2 months to cover the first half of the financial year. Under this covid19 financial regime the CCG is allocated an initial funding allocation. It is this initial funding allocation that this report highlights the overspend position. Following detailed reporting to NHSE at the end of each month, the CCG then receives two additional 'true-up' funding allocations – one to cover the covid19 costs and another to cover the shortfall between its actual spend and its initial funding allocation.

Therefore, overall, the CCG is reporting a break-even position at the end of month 4.

Delegated Primary Care	Months 1-4		
	Budget £000s	Actual £000s	Variance £000s
General Practice - GMS	10,805	10,866	61
General Practice - PMS	2,775	2,941	166
General Practice - APMS	197	200	3
Enhanced Services	272	257	(15)
PCN's	617	1,312	695
Dispensing/Prescribing Drs	1,466	1,369	(97)
Other GP Services	552	441	(111)
Premises Cost Reimbursement	2,237	2,227	(10)
Other Premises Costs	3	4	1
QOF	2,127	2,111	(16)
Other Services	38	13	(25)
Total	21,089	21,740	651

At present, the CCG has only reported the actual position to M4, the end of the initial covid19 financial regime period, to its finance committee and onwards to its Governing Body. This report therefore covers the same period.

It should also be noted that at this early stage in the financial year, and with the on-going pressures/work arising from covid19 conditions within primary care, most of the actual spend lines shown above continue to report planned expenditure figures, adjusted for known savings/pressures only.

The cost pressure arising from PCNs is based on the assumption that they will be requesting the maximum funding available to them for the additional roles element. It is however likely that there will be slippage later on in the year. The following table highlights the position for PCNs.

PCN's	Months 1-4		
	Budget £000s	Actual £000s	Variance £000s
Network Participation	274	268	(6)
Clinical Director	73	104	31
Extended Hours	226	208	(18)
Impact & Investment Fund		-	0
PCN Support		82	82
Care Home Premium		-	0
Additional Roles	44	650	606
Total	617	1,312	695

Please note that separately to the PCN budget above the CCG has commenced the Care Home scheme early as the scheme wasn't due to commence until October 2020. This is being funded from the CCG's non co-commissioning budget and covered in the additional covid19 true-up resource allocations. Starting this scheme early is in line with NHSE guidance.

Prescribing

Within the financial information noted above there is a budget line for 'dispensing/prescribing Drs'. This covers the costs incurred to those practices that actually dispense drugs but does not cover the cost of the drugs themselves. The drugs budget has been the responsibility of CCGs since their inception and is included below to provide the committee with a more rounded picture of primary care costs.

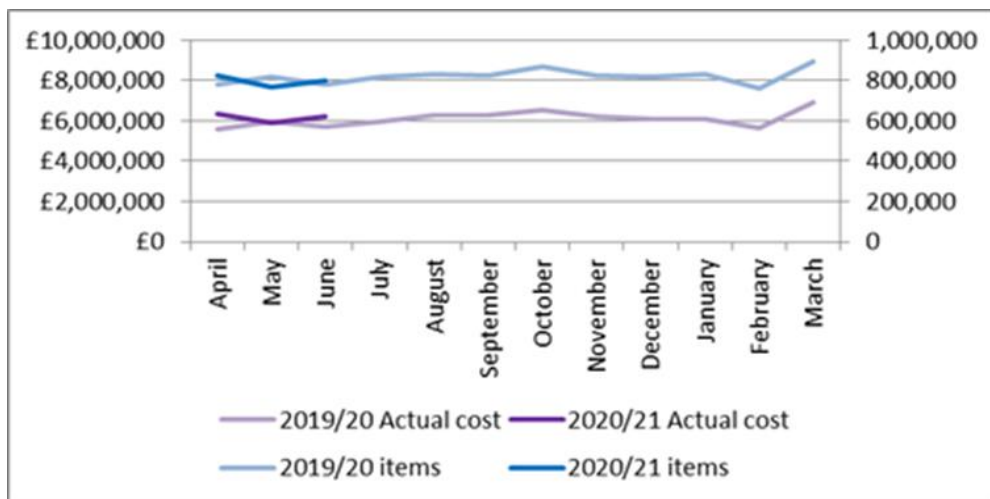
Month	Budget £000s	Actual data £000s	Estimated* £000s	Variance £000s
April	6,049	6,348		299
May	6,049	5,906		- 142
June	6,049	6,236		187
July	6,049		6,584	535
YTD Total	24,194	18,490	6,584	879
Covid19 'true up' funding				- 879
Month 4 reported variance				0

* Estimated based on YTD actuals pro rata to no of working days based on PPA profiles

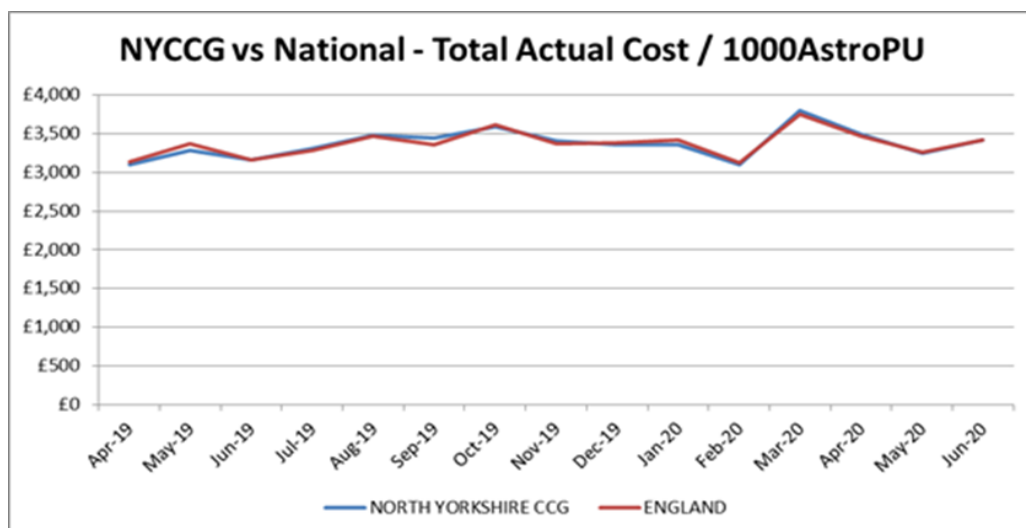
As explained above, the CCG reports a break-even position despite drug expenditure being £879k overspent for the first 4 months of the financial year.

The table below shows the trend in both monthly spend and number of items dispensed,

comparing the full year for 2019/20 with 2020/21 to date. It shows that the number of items dispensed (blue lines) is similar to last year but spend (purple lines) is higher.



When comparing the CCG’s weighted prescribing costs to the national position, the CCG is very much matching this national trend, as shown in the table below.



AstroPU is a weighting adjustment for age/sex etc. to normalise and compare nationally

Each month, when the BSA provide CCGs with the latest data they provide a brief national summary. The summary highlights;

- Nationally, items and costs have changed.
- Prescribing in March and April was unusually high and this hasn't been offset by the lower levels seen in May.
- There were 6 million or 2.2% more items dispensed in April-May than in the same period in a typical year.
- At the same time costs were around £170m or 7.6% above a typical year.
- The increases were starker in March alone, and costs have remained high with few price concessions being granted for some common products.
- Medicines typically used for some therapeutic areas (the treatment & prevention of diseases) saw an increase in prescribing, but for other uses were prescribed less than usual.
- There was notably more prescribing for Cardiovascular, Central Nervous System and Endocrine and Respiratory system medicines in March and April.
- There was less prescribing of medicines used to treat Skin and Infection, Musculo-Skeletal and Joint Diseases and the eye from March through to May than in a typical year.
- Use of the Electronic Prescribing Service and Electronic Repeat Dispensing has reached

record levels.

- In particular, the proportion of prescriptions issued by pharmacists and nurses using the electronic service has more than doubled in recent months.
- Around 60% of GPs are now able to prescribe electronically, even if the patient hasn't got a nominated pharmacy, reducing footfall at pharmacies and GP surgeries.

Recommendations

The PCCC are being asked to note:

- that the primary care co-commissioning budget is overspent for the first 4 months by £651k
- that in addition to the co-commissioning budget the CCG holds the primary care prescribing budget and for the first 4 months it is overspent by £879k.
- that, under the covid19 financial regime rules, the CCG has received an additional resource allocation to offset these cost pressures so that it can report a breakeven position overall.

Monitoring

Through FPCCC, PCCC and budget holder financial review meetings.

Any statutory / regulatory / legal / NHS Constitution implications

The CCG normally has a statutory requirement to operate within its overall resource allocation. At present the CCG is operating under a covid19 financial regime which, after regulatory body scrutiny and review, allows the CCG to break-even through additional true-up resource allocations.

Management of Conflicts of Interest

Conflicts of interest will be managed in accordance with the CCG's conflicts of interest policy.

Communication / Public & Patient Engagement

None

Financial / resource implications

As noted in the main body of this paper

Outcome of Impact Assessments completed

Not applicable