

Title of Meeting:	Primary Care Commissioning Committee	Agenda Item: 7.2									
Date of Meeting:	27th May 2021										
Paper Title:	Finance Report	<table border="1"> <tr> <th colspan="2">Session (Tick)</th> </tr> <tr> <td>Public</td> <td>X</td> </tr> <tr> <td>Private</td> <td></td> </tr> <tr> <td>Workshop</td> <td></td> </tr> </table>		Session (Tick)		Public	X	Private		Workshop	
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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)	<table border="1"> <tr> <th>Decision</th> <th>Discussion</th> <th>Assurance</th> <th>Information</th> </tr> <tr> <td></td> <td></td> <td></td> <td>X</td> </tr> </table>			Decision	Discussion	Assurance	Information				X
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			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

Finance Position Summary to March 2021

The following table highlights that the primary care co-commissioning budget actually underspent by £320k for the financial year 2020/21 (for the 10 months to January it was forecast to overspend by £20k). As the table below shows, PCNs costs have been lower than budgeted and forecast helping to offset additional dispensing costs and other GP services costs.

<u>Delegated Primary Care</u>	Month 12 Position		
	Budget	Actual	Variance
General Practice - GMS	32,702	32,708	6
General Practice - PMS	8,157	8,128	(30)
General Practice - APMS	616	601	(15)
Enhanced Services	770	746	(24)
PCN's	5,082	4,061	(1,021)
Dispensing/Prescribing Drs	4,427	4,797	371
Other GP Services	2,588	3,191	603
Premises Cost Reimbursement	6,680	6,658	(22)
Other Premises Costs	11	19	8
QOF	6,332	6,328	(4)
Local Enhanced Services	2	3	2
Other Services	230	36	(194)
Sub Total	67,596	67,276	(320)

The following table provides a breakdown of the 'Other GP Services', highlighting that locum cover for maternity/paternity leave cost £755k, creating a cost pressure of £372k. Locum cover for sick leave (non covid19 related) cost an additional £427k, a further cost pressure of £148k.

Other GP Services	Month 12 Position		
	Budget	Actual	Variance
PCO Administered:			
Locum Maternity/ Paternity	383	755	372
Locum Sickness	279	427	148
Seniority	-	-	-
CQC Fee Reimbursement	271	271	(0)
GP Retainer Scheme	361	371	11
COVID - GP Returner Pilot	-	73	73
COVID Additional Capacity Fund	1,162	1,162	(0)
GMS Other Delivery	131	131	-
Sub Total	2,588	3,191	603

In early 2020/21 reports to this committee the main overspend was arising within PCN costs, linked mainly to the un-resourced Additional Roles. Funding allocations were finally made to the CCG based on the assumption of fulfilment of all posts. Due to delays in recruiting the final cost of these posts was £1.7m against a budget of £2.7m, the arising £1m underspend contributing significantly to offset the overspends noted above.

PCN's	Month 12 Year To Date Position		
	Budget	Actual	Variance
Network Participation	803	804	1
Clinical Director	311	311	(0)
Extended Hours	624	625	0
Impact & Investment Fund	186	186	(0)
PCN Support	124	124	(0)
Care Home Premium	296	289	(7)
Additional Roles	2,738	1,724	(1,014)
Sub Total	5,082	4,061	(1,021)

Prescribing

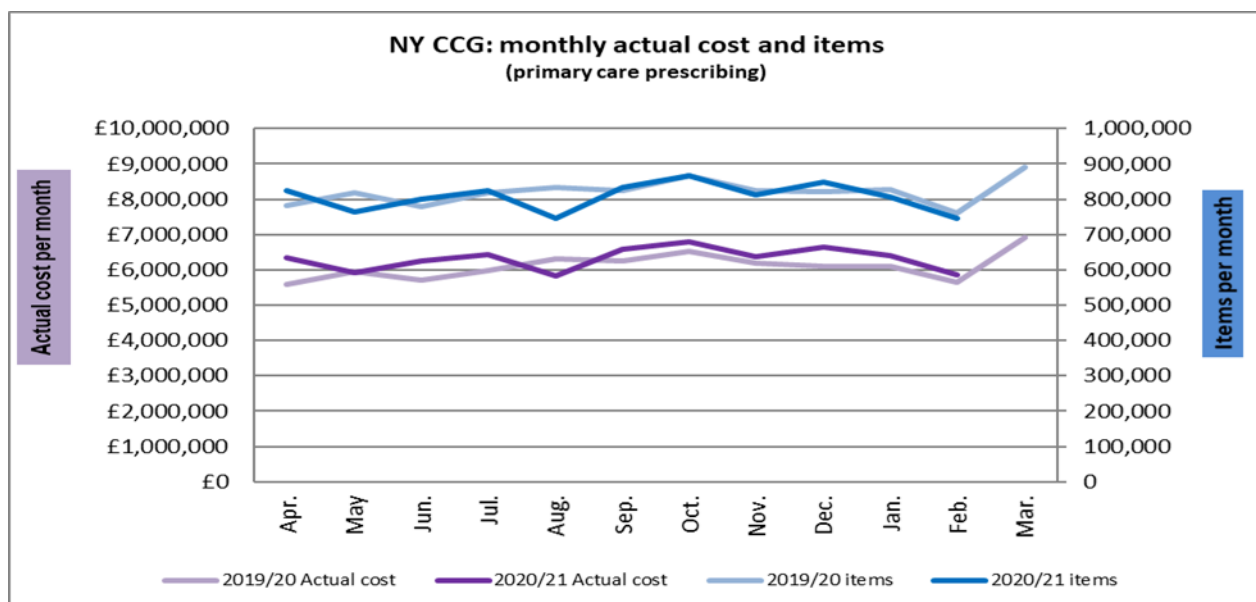
When completing the month 12 position, the CCG was forecast to spend £75.7m on drugs prescribed through GP practices in 2020/21. This is against a budget of £73.7m, giving an overspend, after covid19 financial regime top-up funding of £1.6m, of £0.4m. Please note that without the additional covid19 top-up funding for months 1 to 7, the true overspend would have been £2m.

Since closing the ledgers for 2020/21 the final figures for February and March have been made available to the CCG. Actual costs for the year ended at £76m, increasing the overspend to £0.7m.

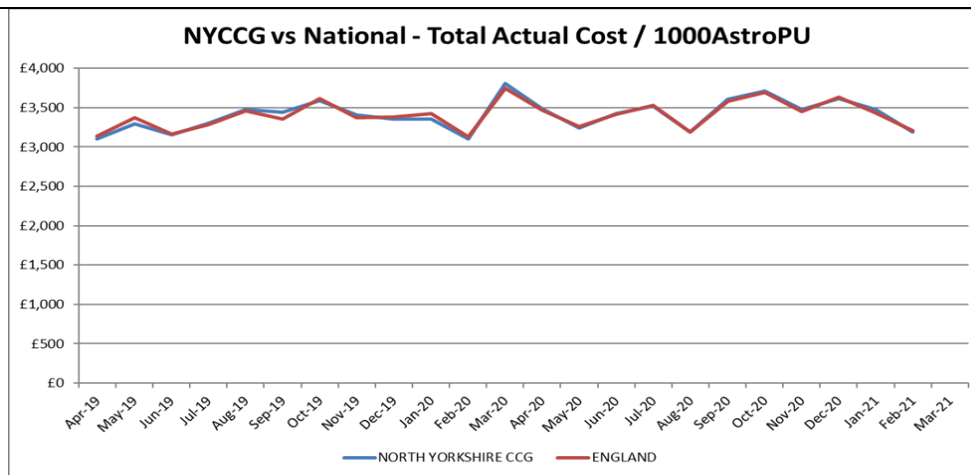
Month	Budget	Actual/Estimate	Variance
April	6,048,600	6,347,863	299,263
May	6,048,600	5,906,209	- 142,391
June	6,048,600	6,236,067	187,467
July	6,048,600	6,419,127	370,527
August	6,048,600	5,829,593	- 219,007
September	6,048,600	6,595,369	546,769
October	6,239,556	6,795,205	555,649
November	6,242,357	6,368,704	126,347
December	6,242,356	6,639,176	396,820
January	6,242,356	6,392,411	150,055
February (estimate)	6,242,356	5,862,238	- 380,118
March (estimate)	6,242,356	6,337,204	94,848
Total	73,742,937	75,729,165	1,986,228
covid19 top up *	1,568,000		- 1,568,000
TOTAL	75,310,937	75,729,165	418,228

* Months 1-7 the CCGs position has been moved to break even by the retrospective top up.

The following table continues to show the trend in both monthly spend and number of items dispensed, comparing the full year for 2019/20 with 2020/21 to date (awaiting March figures at the time of writing this report). It shows that the number of items dispensed (blue lines) is similar to last year but spend (purple lines) is higher. Whilst August shows a dip the trend can be seen to continue as the drop for items is more than the drop for spend.



When comparing the CCG's weighted prescribing costs to the national position, the CCG continues to match this national trend almost perfectly, as shown in the table below.



Current highlights from the BSA are;

- Nationally, overall costs have increased.
- Prescribing frequency in March and April 2020 were unusually high, and while this was partly offset by fewer items thereafter, the costs were not offset.
- There were approximately 1.0% fewer items dispensed in Apr'20-Feb'21 than in the same period last year.
- At the same time costs were 4.6% above last year's spend for the same period (+ £3,083K YTD).
- Drug Tariff prices remain high and price concessions are granted for some common products, which both result in a marked increase in average cost per item.
- Medicines typically used for some therapeutic areas saw an increase in prescribing, but drugs for other uses were prescribed less often.
- 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 continue to grow steadily at the end of January 2021.
- In NY CCG, 72% of prescription items are transmitted electronically (national is 90%). The rate of electronic repeat dispensing has grown to 4.2% (national is 13.4%).
- Marked and continued growth in both since March is helping reduce footfall at pharmacies and GP surgeries.

2021/22 Additional Resource Allocations

The allocations noted below are for the whole of the Humber, Coast & Vale ICS, so a proportion of the funding will be received by NY CCG (allocation methodologies are still to be agreed)

- £1,046k - workforce development
- £3,644k - covid expansion funding for recovery
- £ 364k - workforce hubs
- £ 887k - PCN development
- £ 257k - resilience funding
- £ 481k - online consultation software
- £ 134k - access funding

The Humber, Coast & Vale Primary Care Leadership Group are reviewing these allocations and will agree on distribution as plans are worked through.

Recommendations**The PCCC are being asked to note:**

- That the primary care co-commissioning budget underspent by £320k for the financial year 2020/21. That cost pressures arising from locum cover and dispensing were offset by underspends from PCN additional roles.
- That prescribing budget overspent by £819k for the financial year 2020/21, due mainly to increased drug costs rather than increased prescribing.
- Note the 2021/22 ICS level additional funding allocations, with specific NY CCG shares still to be agreed.

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

