

Title of Meeting:	Primary Care Commissioning Committee	Agenda Item: 7.1	
Date of Meeting:	21 October 2021		
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

Finance Position Summary to August 2021

As noted in previous financial updates to this committee, the primary care co-commissioning funding allocation has a recurrent shortfall of circa £2.3m. This has been a consistent issue since the CCG to responsibility for co-commissioning.

The following table highlights that the primary care co-commissioning budget is now overspent by £776k to the end of month 5. However, the true position is an overspend of £1.361m. This is however being offset to some degree by £585k of prior year benefits, now released into the CCG's reported position. These benefits arose from actual costs received this year, but relating to last year, being lower than expected/accrued for medical services (mainly locum provision, additional roles). No further benefits from prior year accruals are expected.

<u>Delegated Primary Care</u>	<u>Month 5 Year To Date Position</u>			<u>H1 Forecast Outturn</u>		
	<u>Plan</u>	<u>Actual</u>	<u>Variance</u>	<u>Plan</u>	<u>Forecast</u>	<u>Variance</u>
General Practice - GMS	14,294	14,281	(12)	17,152	17,145	(7)
General Practice - PMS	3,528	3,519	(9)	4,234	4,224	(10)
General Practice - APMS	287	282	(6)	344	338	(6)
Enhanced Services	377	377	(0)	467	467	(0)
PCN's	2,439	2,451	12	2,927	2,941	14
Dispensing/Prescribing Drs	1,862	1,862	0	2,302	2,302	(0)
Other GP Services	562	563	1	675	680	5
Premises Cost Reimbursement	2,815	2,741	(73)	3,378	3,290	(88)
Other Premises Costs	5	5	-	6	6	-
QOF	2,973	2,973	0	3,568	3,568	0
Local Enhanced Services	-	-	-	-	-	-
Other Services	(869)	(5)	864	(1,043)	(19)	1,024
Sub Total	28,274	29,051	776	34,011	34,942	931

The 'other services' budget line consists mainly of a negative reserve of £1.232m required to offset the recurrent funding shortfall and allowing the CCG to report primary care co-commissioning budgets in line with the ring-fenced allocation.

Other Services	Month 5 Year To Date Position			H1 Forecast Outturn		
	Plan	Actual	Variance	Plan	Forecast	Variance
Needle, Syringes & Occupational Health	15	15	-	18	18	-
Clinical & Medical-Independent Sector	-	-	-	-	-	-
Miscellaneous expenditure	-	-	-	-	-	-
Legacy	-	-	-	-	-	-
0.5% Contingency	143	-	(143)	171	-	(171)
Reserves	(1,027)	(20)	1,007	(1,232)	(37)	1,195
Sub Total	(869)	(5)	864	(1,043)	(19)	1,024

Mitigating Actions

The following non-recurrent mitigating actions were identified and reported to the committee at the July meeting:

- Year-end accruals benefits. These have now been released into the reported position.
- Council rate reviews. Rebates of circa £750k identified. £148k rebates confirmed to date, awaiting recovery.
- Slippage is also anticipated against the 'PCNs' additional roles budget. A forecast will be available at the next committee meeting.

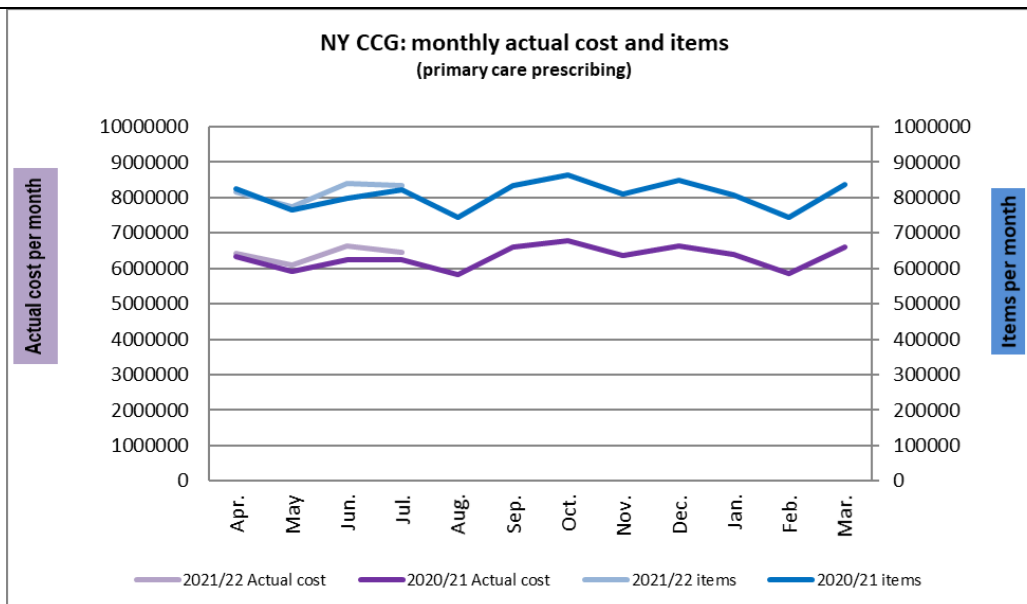
Prescribing Update

The table below shows costs to August 2021 are forecast to be £32.6m against a budget allocation of £31.9m, giving rise to an overspend of £0.7m. This includes one month as a forecasted cost.

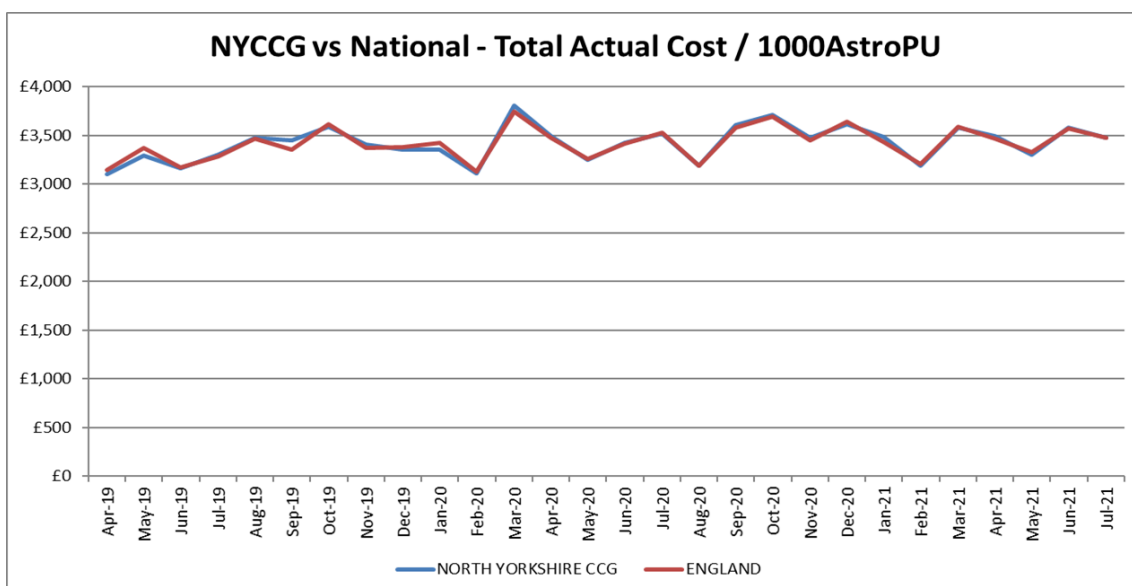
Month	Budget	Actual	Estimated*	Variance
April	6,375,849	6,435,212		59,363
May	6,375,849	6,095,258		- 280,591
June	6,375,849	6,624,521		248,672
July	6,375,849	6,442,138		66,289
August	6,375,849		6,996,438	620,589
YTD Total	31,879,243	25,597,129	6,996,438	714,324

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

The following graph shows the trend in both monthly spend and number of items dispensed, comparing 2021/22 against 2020/11. This shows that both the number of items dispensed (blue lines) and the monthly spend (purple lines) is higher this year, since May, compared to last year.



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.



Prescribing Savings Schemes

Prescribing rebates continue to be in place of circa £600k. While these generate true year on year savings because they have been continual over a number of years their benefit is built into the budget position (based on annual spend).

The Optum Accelerate programme has been approved and the contract agreed. The programme is beginning and net savings at circa £400k p.a. are expected to be generated.

The self-care and waste reduction prescribing schemes also continue.

Recommendations

The PCCC are being asked to note:

- That the primary care co-commissioning budget is overspent YTD by £1.361m, offset by other primary care benefits of £585k, giving an overall overspend of £776k.
- For H1 (April to September), the primary care co-commissioning budget is forecast to be overspent by £931k (after taking the £585k benefit into account)
- Slippage is anticipated on additional roles spending to offset the overspend.
- Prescribing budget is overspent by £714k YTD and is expected to continue to overspend.

Monitoring Through FPCC, 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