

<b>Title of Meeting:</b>	<b>Primary Care Commissioning Committee</b>	<b>Agenda Item: 7.1</b>	
<b>Date of Meeting:</b>	<b>28 April 2022</b>		
<b>Paper Title:</b>	<b>Finance Report</b>	<b>Session (Tick)</b>	
		<b>Public</b>	X
		<b>Private</b>	
		<b>Workshop</b>	
<b>Responsible Executive Lead</b> Jane Hawkard Chief Finance Officer		<b>Report Author and Job Title</b> Alec Cowell, Deputy Director of Financial Services & Reporting Jane Hawkard, Chief Finance Officer	
<b>Purpose (this paper if for)</b>	<b>Decision</b>	<b>Discussion</b>	<b>Assurance</b>
			<b>Information</b> X
<b>Has the report (or variation of it) been presented to another Committee / Meeting?</b> If yes, state the Committee / Meeting: No.			
<b><u>Financial Position to 31<sup>st</sup> March 2022</u></b>			
<p>Again, as highlighted 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 took responsibility for co-commissioning. In the plan for the second half of 2021/22 the shortfall was recognised at planning stage and funded through core allocation.</p> <p>The following table highlights that the primary care co-commissioning budget overspent by £1.2m for the financial year ending 31<sup>st</sup> March.</p> <p>In the December report the year-end position was forecast to be overspent by £497k after adjusting for expected Additional Roles Reimbursement Scheme (ARRS) funding of circa £661k. The final overspend was a deterioration on this forecast of £709k. The table below shows that this mainly arises from:</p> <ol style="list-style-type: none"> <li>1. PCN overspend of £327k arising mainly from the ARRS. Due to the favourable overall position of the CCG, the additional ARRS funding was not requested.</li> <li>2. The QOF costs for 2021/22, previously forecast as cost-neutral, is an overspend of £339k</li> <li>3. The underspend in other areas, mainly dispensing/prescribing costs, continued to offset overspends in other services.</li> </ol>			

<u>Delegated Primary Care</u>	Month 12 Position		
	Budget	Actual	Variance
General Practice - GMS	34,305	34,389	85
General Practice - PMS	8,468	8,462	(5)
General Practice - APMS	689	717	29
Enhanced Services	1,028	1,003	(25)
PCN's	6,943	7,270	327
Dispensing/Prescribing Drs	5,011	4,316	(694)
Other GP Services	3,381	3,404	23
Premises Cost Reimbursement	6,668	6,570	(98)
Other Premises Costs	12	19	7
QOF	7,136	7,475	339
Local Enhanced Services	-	-	-
Other Services	(1,186)	34	1,220
<b>Sub Total</b>	<b>72,455</b>	<b>73,661</b>	<b>1,206</b>

The 'PCNs' budget line is broken down further in the table below. As already noted, the budget overspend arises from the Additional Roles Reimbursement Scheme (ARRS) costs.

PCN's	Month 12 Position		
	Budget	Actual	Variance
Network Participation	814	811	(4)
Clinical Director	318	318	0
Extended Hours	622	622	0
Impact & Investment Fund	1,140	665	(475)
PCN Support	-	475	475
Care Home Premium	592	587	(5)
Leadership Payment	302	301	(1)
Additional Roles	3,155	3,492	337
<b>Sub Total</b>	<b>6,943</b>	<b>7,270</b>	<b>327</b>

The 'other services' budget, shown in the table below, consists mainly of a negative reserve of £1.222m (reserves less contingency) 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 12 Position		
	Budget	Actual	Variance
Needle, Syringes & Occupational Health	37	34	(2)
Clinical & Medical-Independent Sector	-	-	-
Miscellaneous expenditure	-	-	-
Legacy	-	-	-
0.5% Contingency	343	-	(343)
Reserves	(1,565)	-	1,565
<b>Sub Total</b>	<b>(1,186)</b>	<b>34</b>	<b>1,220</b>

## Financial Plan – 2022/23

The current financial plan for 2022/23, subject to final minor adjustments, is a spend of £75.8m against a budget allocation of £73.7m, giving rise to an expected overspend of £2.1m. Overall the CCG has submitted a balanced budget for 2022/23 meaning that resource allocations not ringfenced for primary care co-commissioning are being used to offset this expected overspend. This has been the position for the last three years.

	Forecast Outturn Plan 21.22	Plan 22.23	Mov't
<b>INCOME</b>			
Confirmed Allocation	70400	73,701	5%
<b>EXPENDITURE</b>			
<u>Delegated Primary Care</u>	Forecast Outturn Plan 21.22	Plan 22.23	
General Practice - GMS	34,305	35,674	6%
General Practice - PMS	8,468	9,474	
General Practice - APMS	689	780	
Enhanced Services	1,005	760	
PCN's	6,942	9,445	
Dispensing/Prescribing Drs	5,011	4,319	
Other GP Services	1,350	1,365	
Premises Cost Reimbursement	6,668	6,739	
Other Premises Costs	12	14	
QOF	7,136	7,169	
Other Services		38	
	71,586	75,778	
Core CCG allocation required to support primary care contracts	- 1,186	- 1,186	
<b>Total Expenditure</b>	70,400	74,592	

Below there is a further detailed breakdown in relation to the PCNs line. This includes a significant increase in the costs related to Additional Roles. Costs against additional roles are fully reimbursable.

Detailed Breakdown			
PCN's		Forecast Outturn Plan 21.22	Plan 22.23
Network Participation		814	824
Clinical Director		318	321
Extended Hours		622	628
Impact & Investment Fund		1140	1,614
PCN Support			-
PCN Core Support			654
Care Home Premium		592	596
Leadership Payment		301	-
Additional Roles		3155	4,807
<b>Sub Total</b>		<b>6942</b>	<b>9,445</b>

More information is still due in terms of what the specific asks of primary care are for some of the funding.

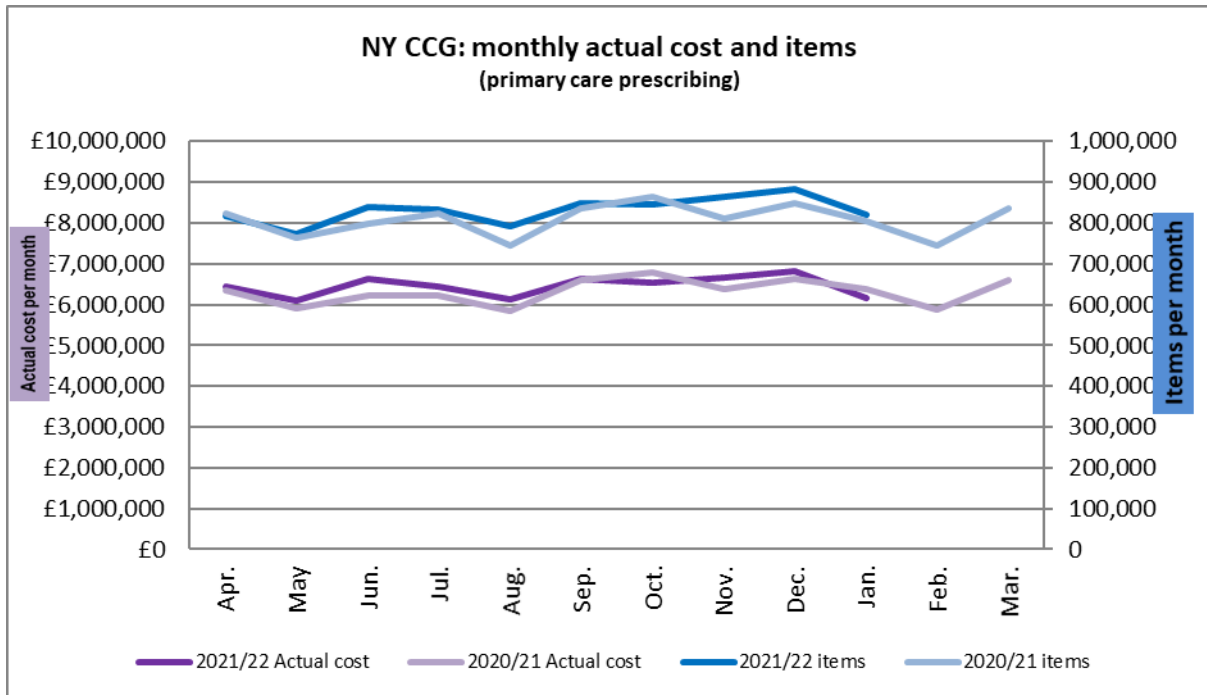
## Prescribing Update

The table below shows the forecast position for the year ended 31<sup>st</sup> March 2022 to be £77.75m against a budget allocation of £76.5m, giving rise to an overspend of £1.25m. This includes two months as a forecasted cost of £13.25m. In both August and December, the reported prescribing overspend was £0.7m, meaning significant deterioration to the position in the latter half of the year (December position included actual to October and two months forecast). This continues to highlight the volatility of prescribing costs at present.

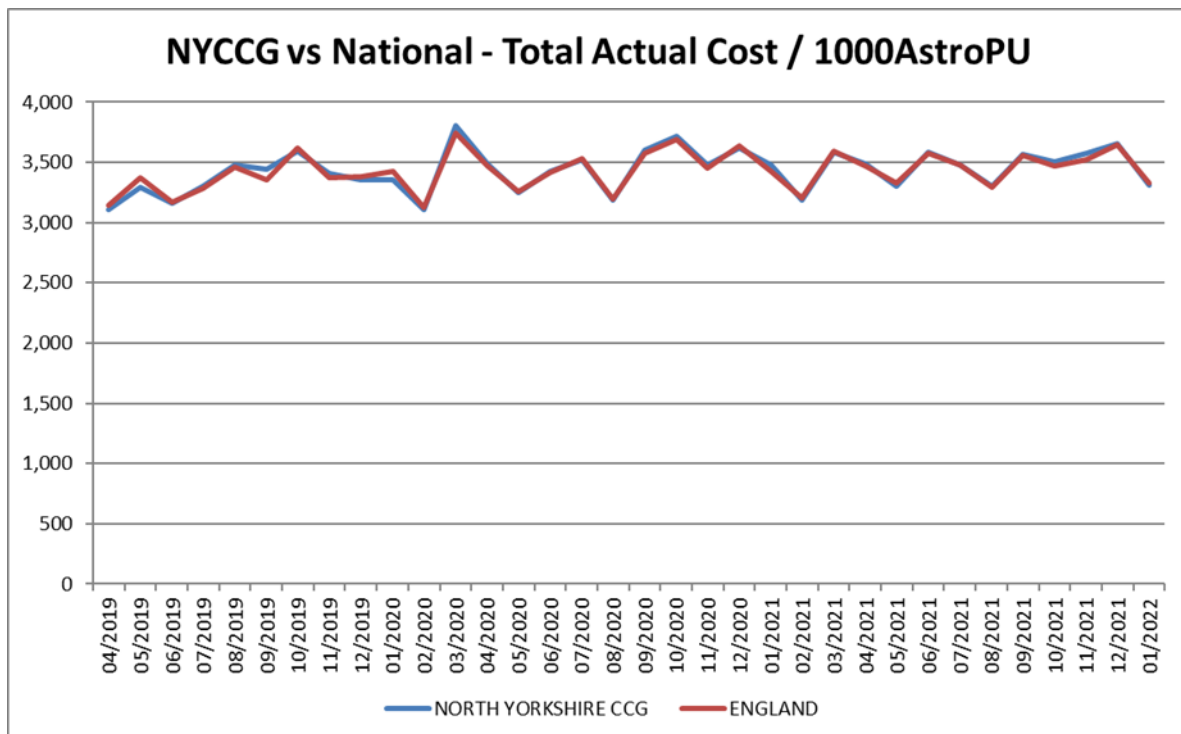
Month	Budget	Actual	Estimated*	Variance
April	6,375,849	6,435,212		59,363
May	6,375,849	6,095,258		- 280,591
June	6,375,849	6,624,521		248,672
July	6,375,849	6,442,138		66,289
August	6,375,849	6,123,831		- 252,017
September	6,375,849	6,630,949		255,100
October	6,375,849	6,520,241		144,392
November	6,375,849	6,651,977		276,128
December	6,375,849	6,804,369		428,521
January	6,375,849	6,170,253		- 205,595
February	6,375,849		6,625,433	249,584
March	6,375,849		6,625,433	249,584
<b>Total</b>	<b>76,510,184</b>	<b>64,498,749</b>	<b>13,250,866</b>	<b>1,239,431</b>

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

The following graph continues to show the trend in both monthly spend and number of items dispensed, comparing 2021/22 against 2020/21. This shows that both the number of items dispensed (blue lines) and the monthly spend (purple lines) is mainly higher this year, compared to last year. The only exceptions are April, October and January (January for cost only).



When comparing the CCG's weighted prescribing costs to the national position, the CCG continues to match this national trend almost perfectly, with the exception of October & November which was slightly higher, as shown in the table below.



## Recommendations

### The PCCC are being asked to:

- **Note** that the primary care co-commissioning budget was overspent by £1.2m for 2021/22 which is funded through the overall allocation to breakeven.
- **Approve** The financial plan for primary care co-commissioning for 2022/23 is an overspend of £2.1m which in the overall plan is negated through core allocations. The £2.1m is generated due to contractual obligations set by NHSE/I. The allocation in total for the CCG is enough to provide a breakeven position which is part of the revised funding allocation.
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### Monitoring

Through GB, PCCC and budget holder financial review meetings.

#### Any statutory / regulatory / legal / NHS Constitution implications

The CCG has a statutory requirement to operate within its overall resource allocation.

#### 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