

**PRIMARY CARE CO-COMMISSIONING  
COMMITTEE MEETING***Scarborough and Ryedale  
Clinical Commissioning Group***Meeting Date: 25th October 2017****Report's Sponsoring Governing Body  
Member: Richard Mellor****Report Author: Vanessa Burns****1. Title of Paper Finance and Contracting Report – September 2017****2. Strategic Objectives supported by this paper:**

(check those which apply)

- To create a viable & sustainable organisation, whilst facilitating the development of a different, more innovative culture
- To commission high quality services which will improve the health & wellbeing of the people in Scarborough & Ryedale
- To build strong effective relationships with all stakeholders and deliver through effectively engaging with our partners
- To support people within the local community by enabling a system of choice & integrated care
- To deliver against all national & local priorities incl QIPP and work within our financial resources

**3. Executive Summary:**

NHS Scarborough and Ryedale CCG is now in its third financial year of co-commissioning Primary Care with responsibility for a delegated budget of £16.547m which is made up as follows:

- Recurrent allocation of £16.997m
- QIPP target (£0.450m)

The table below shows the summarised year to date expenditure position together with a forecast for 2017/18.

Co-Commissioning Category	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Forecast Outturn at M06	Forecast Variance at M06
APMS Contract	621,320	310,656	265,063	45,593	549,463	71,857
Dispensing/Prescribing Fees	842,640	414,529	414,231	298	842,640	0
Enhanced Services	476,100	237,948	233,159	4,789	477,477	(1,377)
GMS Contract	8,334,200	4,167,042	4,151,878	15,165	8,334,200	0
Other	286,860	143,388	34,268	109,120	68,910	217,950
PCO Admin	318,420	159,132	123,237	35,895	296,228	22,192
PMS Contract	2,556,250	1,278,114	1,272,546	5,568	2,556,250	0
Premises	1,763,270	881,484	902,764	(21,280)	1,766,920	(3,650)
QIPP	(450,000)	(48,000)	0	(48,000)	0	(450,000)
QOF	1,797,940	898,902	909,837	(10,935)	1,819,912	(21,972)
<b>Grand Total</b>	<b>16,547,000</b>	<b>8,443,195</b>	<b>8,306,984</b>	<b>136,211</b>	<b>16,712,000</b>	<b>(165,000)</b>

The year to date position shows an underspend of £136,211 and a forecast overspend of £165,000. The forecast position has moved adversely from the balanced position previously reported.

Delivery of QIPP is reliant on in year underspends for the element of QIPP remaining after the transactional review at budget setting. The QIPP challenge facing this budget is £230,000 and as other areas of expenditure are becoming more challenged the delivery of a balanced position is looking less likely.

The assumptions that have been made in calculating this position are described below:

### APMS

The year to date position is based on the actual quarter one list size which was below plan and this position is forecast for the remainder of the year.

### Dispensing and Prescribing Fees

Due to the time delay in receiving this information the August and September costs are estimated based on 16/17 costs inflated to 17/18 prices including volume growth. These principles have been adopted in assessing the forecast.

### Enhanced Services

Assumptions are as follows:

- Minor Surgery – based on April to August actual claims paid with an average for September which is broadly in line with budget
- Learning Disabilities - Accrued based on interim 16/17 spend at 17/18 tariff
- Extended Hours - Accrued based on current sign up, two practices are not participating and one practice is still to advise if they are signing up
- Unplanned Admissions – This scheme ceased on 31 March 2017, however finalisation of 16/17 payments is ongoing.
- DSQS – Accrual based on expected 17/18 sign up pending confirmation.

### **GMS Contract**

The global sum is based on current list size to date with MPIG payments based on actual contract values.

### **Other**

Expenditure in this category relates to occupational health services, clinical waste services and supply of syringes and needles which are contracted for centrally. The remainder of this budget is committed against QIPP as described above and is supporting the delivery of the £450k target.

### **PCO Admin**

- Seniority – actual Q1 payment made and calculated by Capita with a pro rata accrual for July. 1 practice received a late Q1 payment in July. Budget assumes a 25% reduction on 16/17 per national phasing out of this scheme, however this is dependent on individual practices structure.
- Maternity/Sickness – No claims have been received to date
- CQC Fees – Accrued based on current costs for 17/18 pro rata resulting in a £20k underspend to date.
- Retainer Scheme – This is based on current GPs on this scheme – funding for the additional costs of the revised payment tariff such as the annual bursary have been accrued out as these are funded by HEE

### **PMS Contract**

The PMS contract expenditure reflects the contract values in 17/18.

### **Premises**

Rent, water rates and DV fees are based on current expected costs with an assumption on rent revaluations due.

Business rates are currently forecast to overspend by 54k full year assuming those practices still to submit claims will be the same % over budget as claims to date. The reason for the overspend is either less reduction in rateable value (RV) than forecast or a subsequent increase in RV for 2017/18.

### **QIPP**

Forecast delivery of the QIPP target of £450,000 is assumed and will be reviewed and updated on a monthly basis.

### **QOF**

The accrual for QOF achievement is based on 16/17 points and prevalence at 17/18 prices with a 0.7% demographic growth assumption.

### **Indemnity Fees**

These have been accrued to budget based on expected costs. Additional funding may be available for this from NHS England central team, but this is to be confirmed.

### **TPP Q Risk2**

This is a one off Enhanced Service – an allocation for this expenditure is expected, however the value is to be confirmed and as such costs to date have been accrued out pending confirmation of this.

For information, the remainder of the Primary Care planned expenditure for 2017/18 is shown

below:

Category	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Forecast Outturn at M06	Forecast Variance at M06
Central Drugs	548,000	274,002	247,248	26,754	500,000	48,000
Prescribing	20,154,100	10,123,046	10,378,426	-255,380	20,377,042	-222,942
Oxygen	149,000	74,496	83,089	-8,593	161,000	-12,000
Medicines Management Team	200,000	100,002	99,000	1,002	200,000	0
OOH / Urgent Care	2,894,200	1,447,098	1,447,112	-14	2,894,200	0
Local Enhanced Services	808,500	399,756	394,220	5,536	796,172	12,328
Homeless & Violent Patient	140,000	70,002	70,000	2	140,000	0
Primary Care Transformation Fund	172,000	85,998	86,010	-12	172,260	-260
Primary Care Development	34,100	9,998	7,633	2,365	35,513	-1,413
QUIPP	-49,000	-49,000	0	-49,000	0	-49,000
Frailty	381,000	190,500	190,362	138	380,724	276
Capped Exp	-240,000	-38,333	0	-38,333	0	-240,000
	<b>25,191,900</b>	<b>12,687,565</b>	<b>13,003,100</b>	<b>-315,535</b>	<b>25,656,910</b>	<b>-465,010</b>

#### Primary Care Transformation Fund (£3 her head)

The annual budget in respect of the Primary Care Transformation Fund is £172,000 in 2017/18. This has been provided non –recurrently over two years in line with the NHSE planning guidance.

This expenditure plan for this budget assumes that it is spent in full in 2017/18.

The detailed expenditure is as follows:

PTL- out of hours cover by Yorkshire Doctors 4 x 12.00- 18.30 hrs)	10,000.00
PTL speakers/room hire/catering	8,000.00
Physician Associates student training	40,000.00
GP education/recruitment lead ( 16 hours a month @ £85 per hour)	17,680.00
Primary Care at Scale ( merger)	52,000.00
Accrual to budget - assuming fully expended	44,320.00
<b>Forecast Expenditure</b>	<b>172,000.00</b>

#### 4. Risks relating to proposals in this paper:

The most significant risk to the financial position is the ability to deliver QIPP from a budget with minimal discretionary spend.

Increases in expenditure forecasting have impacted on this position and it should be noted that QIPP delivery is likely to be fortuitous and therefore non-recurrent in nature.

#### 5. Summary of any finance / resource implications:

N/A

#### 6. Any statutory / regulatory / legal / NHS Constitution implications:

N/A

**7. Equality Impact Assessment:**

N/A

**8. Any related work with stakeholders or communications plan:**

N/A


**9. Recommendations / Action Required**

The Primary Care Co-Commissioning Committee is asked to note the contents of this paper.

**10. Assurance**

Finance and Contracting Committee

For further information please contact:

<i>Name:</i> Vanessa Burns	<i>Title:</i> Deputy Chief Finance Officer	 : 01723 343653
----------------------------	--	--