PCCC22/004

Hampshire, Southampton and Isle of Wight
Clinical Commissioning Group

PRIMARY CARE COMMISSIONING COMMITTEE

Title of paper	**Primary Care Finance Report**		
Agenda item	Posted on website in lieu of meeting	**Date of meeting – stood down**	19 January 2022
Director lead	Roshan Patel, Chief Finance Officer		
Clinical lead (if applicable)	Not Applicable		
Author	David Bailey, Deputy Chief Finance Officer		

Purpose	For decision	☐
	To ratify	☐
	To discuss	☐
	To note/receive	☒

Link to strategic objective	**Strategic planning and engagement**: Develop a robust financial strategy and capital plan that underpins our system strategy and leads to financial stability in Hampshire and Isle of Wight

Executive Summary

NHS Hampshire, Southampton and Isle of Wight CCG has delegated responsibility for the local primary care delegated budgets alongside the GP locally commissioned services and prescribing covering all five local places. In order for the Committee to monitor this delegated function, a Primary Care Finance Report is produced by the CCG on a monthly basis.

The finance tables that follow show the financial position for the period April – November for all the CCG Primary Care budgets in totality.

- Table 1 shows a high level total CCG summary of all the Primary Care budgets and prescribing.
- Table 2 shows a breakdown of the CCG Primary Care Delegated budget.

The CCG now has allocation for both Half Year 1 (H1) and Half Year 2 (H2) so the annual budgets stated in the reports cover the full year, with the forecast also reflective of the full 12 month period.

As at month 8 and as shown in Table 1, the CCG reported a forecast outturn of almost £10m overspent across all Primary Care budgets, but this is essentially fully mitigated as it is due to two items of available allocation not yet received as follows:
- Winter Access Funding – NHS England have set aside £7.781m of allocation for the HIOW ICS and the CCG is forecasting to spend this in full. However, as at month 8 the CCG has only received £1.489m of the allocation, and the remainder is due to flow through in stages

between month 10 and month 12. Therefore, this currently means that there is a pressure in the forecast of £6.332m as a result of this but this will be fully covered by the year end once any additional required allocation is received.

- Additional Roles Reimbursement Scheme (ARRS) - The ARRS is showing a pressure as at month 8 but this is because the CCG only has approximately 55% of the available ARRS allocation in their baseline with the rest held centrally. Now the CCG is entering the second half of the year this budget is starting to be exceeded, and as at month 8 there is a reported forecast pressure of £3.660m but the CCG can draw down on additional funding if there is an overspend against this line from month 8 onwards. This is reported to NHS England and Improvement (NHSE&I) via the CCGs monthly Non-ISFE return and allocations can then be adjusted retrospectively. Therefore, like the Winter Access Funding the £3.660m pressure on ARRS is fully mitigated.

After taking into account the above the CCG is in fact not reporting any significant pressures or variances as at month 8, with the expectation that the CCG will land within their annual budget for all of their Primary Care services/functions (delegated and non-delegated).

All of the ARRS and Winter Access Funding is allocated to the Delegated Primary Care budget, which is why the Delegated budget (table 2) is showing these forecast variances, but excluding these two elements there are no pressures overall against this specific budget and the expectation is that Delegated Primary Care will breakeven.
However, as table 2 shows there are some overspends and underspends across some of the different categories within the delegated budget, but in totality these all net off and in some cases the budgets just need realigning across the categories.

The CCG currently has a value on the balance sheet to cover historic rent reviews, which on average is calculated at 3% growth on existing valuations, so are assured that any rent increases upon DV valuations are fully covered.

Prescribing: As shown on table 1 the budget for prescribing is forecast to be overspent by just over £2.7m by the year end. Costs in the first half of the year were significantly higher than was originally predicted, with the impact of coming out of lockdown being potentially a factor behind this. As at month 8 the CCG currently only had six months' worth of prescribing data, so the position includes an accrual for both October and November. Given the variability in this programme area much could still change as we enter the final quarter of the year, but early sight of the October data suggests that prescribing costs may actually reduce slightly between now and the end of the year due to some potential benefits in Category M drugs costs as well as the continued benefits that are being realised through the rebate schemes that are in place. The current reported overspend in prescribing is being managed by underspends elsewhere in the CCG, mainly through the release of CCG reserves.

Recommendations	**The Primary Care Commissioning Committee are asked to note the Primary Care Finance Report and its contents.**
Publication	**Include on public website** ✓

Please provide details on the impact of following aspects	
Equality and quality impact assessment	
Patient and stakeholder engagement	
Financial and resource implications / impact	
Legal implications	
Principal risk(s) relating to this paper	
Key committees / groups where evidence supporting this paper has been considered.	

Governance and Reporting – other meetings where <u>this paper</u> been discussed		
Committee Name	Date discussed	Outcome

Hampshire, Southampton and Isle of Wight CCG Finance Report 2021/22

November 2021

(Month 08)

Table 1: Primary Care and Prescribing - Month 8

PRIMARY CARE BUDGETS 2021/2022	Annual Budget £'000s	MONTH 8 - NOVEMBER 2021 YTD Budget £'000s	YTD Actual £'000s	YTD Variance £'000s	Forecast Outturn £'000s	Variance £'000s
Delegated Commissioning	245,215	161,169	162,115	946	254,856	9,641
Local Commissioning and Other Contracts	25,750	17,239	17,029	(210)	25,926	175
Primary Care Developments	0	0	0	0	0	0
Primary Care GP IT	4,556	3,107	3,072	(35)	4,328	(228)
Primary Care System Schemes	4,865	4,107	3,842	(265)	4,865	0
GP Forward View Investments	18,286	12,444	12,359	(85)	18,286	(0)
Out of Hours	9,136	6,446	6,506	60	9,528	392
Total Hampshire, Southampton and Isle of Wight CCG	**307,809**	**204,513**	**204,923**	**410**	**317,789**	**9,980**
Prescribing	281,802	187,494	189,467	1,973	284,523	2,722

Table 2: Delegated Primary Care - Month 8

PRIMARY CARE DELEGATED BUDGETS 2021/2022	Annual Budget £'000s	MONTH 8 - NOVEMBER 2021 YTD Budget £'000s	YTD Actual £'000s	YTD Variance £'000s	Forecast Outturn £'000s	Variance £'000s
General Practice - GMS	121,580	80,548	80,511	(37)	121,154	(427)
General Practice - PMS	32,687	21,763	21,743	(20)	32,528	(160)
Other List-Based Services (APMS incl.)	3,200	2,133	1,957	(177)	2,993	(207)
Rent	16,092	10,728	10,723	(5)	16,201	109
Other Premises costs	4,320	2,880	3,044	164	4,447	128
Enhanced Services	3,115	2,077	2,043	(34)	3,180	65
PCN Enhanced Services	13,602	8,143	8,037	(106)	13,248	(353)
Additional Roles Reimbursement Scheme	11,089	7,392	8,326	934	14,749	3,660
QOF	27,962	18,641	18,908	267	28,377	416
Other - GP Services	11,569	6,865	6,824	(41)	17,979	6,410
Total Hampshire, Southampton and Isle of Wight CCG	**245,215**	**161,169**	**162,115**	**946**	**254,856**	**9,641**