

**Report to the Somerset Primary Care Commissioning Committee Meeting
17 September 2020**

Title: Primary Care Finance Report – September 2020	Enclosure G
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Version Number / Status:	1.0
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Summary and Purpose of Paper –

To inform the Somerset Primary Care Commissioning Committee of the financial position for Primary Care budgets for the period 1st April 2020 to 31st July 2020 of the 2020/21 financial year.

Recommendations and next steps

The Somerset Primary Care Commissioning Committee is asked to note the 2020/21 funding allocations for the period 1st April 2020 to 31st July 2020 and anticipated performance against Primary Care expenditure budgets to 31st July 2020.

Impact Assessments – key issues identified

Equality	Equality and diversity are at the heart of Somerset Clinical Commissioning Group’s work, giving due regard to eliminate discrimination, harassment and victimisation, to advance equality of opportunity, and to foster good relations between people who share a relevant protected characteristic (as cited in under the Equality Act 2010) and those who do not share it, in its functions including financial performance.			
Quality	N/A			
Privacy	N/A			
Engagement	N/A			
Financial / Resource	The Primary Care (Medical) allocation for months 1 to 4 2020/21 is £26.776m. There have been no specific allocations for GP Forward View developments, but the understanding is that these have been factored in to the methodology for calculating the revised allocations issued. Other Primary Care and Local Enhanced Services are funded from within the main CCG resource allocation.			
Governance or Legal	From 1 st April 2019 Somerset Clinical Commissioning Group took delegated responsibility for managing Primary Care (Medical) Services within its resource allocation.			
Risk Description	For 2020/21 the risk of any over-commitment against Primary Care (Medical) allocations lies with Somerset Clinical Commissioning Group. This risk rating reflects a commitment from NHSE/I that CCGs will achieve a financial break-even position for the financial period from 1 April 2020 to 31 July 2020.			
Risk Rating	Consequence	Likelihood	RAG Rating	GBAF Ref
	3	1	3	

Primary Care Budgets 2020/21

1. Primary Care (Medical) – delegated budgets

1.1. Allocation

- Indicative Primary Care (Medical) funding allocations for 2020/21 were issued in January 2020 and were later updated on 3rd March 2020 to reflect updates to the GP contract for 2020/21. These allocations demonstrated an increase in funding for Somerset of £4.831m, from a total allocation of £76.029m in 2019/20 to £80.860m for 2020/21.
- Due to the COVID19 pandemic alternative NHS funding arrangements have now been put in place. NHSE/I have reviewed and revised CCG funding allocations, including the funding for delegated Primary Care services, and have issued a revised allocation for the period from 1st April to 31st July 2020. The four month allocation to Somerset CCG for Primary Care (Medical) is currently £26.776m.
- Further guidance for financial arrangements leading up to the autumn period were outlined in the Phase 3 COVID19 response letter released on 31st July 2020. This guidance confirmed that, in order to support restoration and enable collaborative working, the current financial arrangements for CCGs would be extended to cover August and September 2020. The intention is then to move towards a revised financial framework for the latter part of 2020/21, once this has been finalised with Government.
- The initial four month allocation did not include funding for schemes newly introduced this financial year within the updated GP Contracts agreed in March 2020, and in total demonstrated a £0.711m reduction in the indicative budget over this period. There is a process in place for months 1 to 4 of the 2020/21 financial year whereby all CCGs are expected to break even for this period. To achieve this CCG resource allocations are non-recurrently adjusted via a top-up process, based on an assessment of reported commitments over and above the notified initial funding allocations, and therefore any shortfall in Primary Care Medical budgets will be addressed via this process. This funding gap has been identified within the financial position reported to NHSE/I and top-up funding has now been confirmed to meet this shortfall for the period April to June 2020 (£0.533m).

1.2. Expenditure (Table 1)

- As at 31st July 2020 there is a forecast pressure against the Primary Care (Medical) budget of £0.178m. This represents the shortfall in our resource allocation for month 4 (July 2020) and a funding top-up request has been submitted to NHS EI to request this additional funding.

- Anticipated expenditure for months 1 to 4 is currently in line with the initial indicative budgets for this financial year.

2. Other Primary Care Services.

2.1. Allocation

- Non delegated payments and Local Enhanced Services are funded from within the CCG's main resource allocation and budgets are set as part of the planning process each year.
- GP Forward View is a national initiative for investment in Primary Care and specific funding for this financial year is currently not confirmed, although the current understanding is that these initiatives will have been factored in to the methodology for calculating the revised resource allocations issued.

2.2. Expenditure (Table 2)

- There is a small overspend of £0.020m forecast against non-delegated Primary Care. This represents additional growth in respect of the Primary Care Improved Access scheme, which was not factored into original planning assumptions.
- Local Enhanced Services expenditure is anticipated to be in line with budget for the first four months of 2020/21.
- GP IT costs are anticipated to be consistent with revised budget allocations so far this financial year.
- Primary Care expenditure incurred specifically in response to the COVID19 pandemic is not included within this report.

3. Recommendation

3.1. The Committee is asked to:

Note the Primary Care funding allocations for the period 1st April 2020 to 31st July 2020 and reported expenditure as at 31st July 2020.

Jacqui Damant
Associate Director of Finance

26th August 2020

Table 1

NHS Somerset CCG

2020/21

Delegation Report Month 4

Area of Spend		Anticipated Annual Budget £000s	M1-4 Budget £000s	M1-4 Budget £000s	M1-4 Forecast Outturn £000s	M1-4 Forecast Variance £000s
GMS Contract Payment	Global Sum	36,352	12,117	12,117	12,117	0
PMS Contract Payments	PMS Contract Value	17,461	5,820	5,820	5,820	0
Premises Costs	Rent	7,092	2,364	2,364	2,357	(7)
	Rates	1,524	508	508	508	0
	Water Rates	102	34	34	24	(10)
	Clinical Waste	193	64	64	64	0
	Other Premises Costs	23	8	8	8	0
	Subtotal	8,933	2,978	2,978	2,961	(17)
Directed Enhanced Services	Learning Disability Health Check	236	79	79	79	0
	Minor Surgery	1,103	368	368	244	(124)
	Special Allocation Service	61	20	20	20	0
	Subtotal	1,400	467	467	343	(124)
Primary Care Networks	Network Contract Participation	1,051	350	350	350	0
	Network Clinical Directors	421	140	140	140	0
	Network Additional Reimbursable Roles	2,574	858	858	820	(38)
	Network Extended Hours	846	282	282	282	0
	Care Home Premium	392	131	131	131	0
	Subtotal	5,284	1,761	1,761	1,723	(38)
Investment & Impact Fund (IIF)	IIF Aspiration	0	0	0	0	0
	IIF Achievement	384	128	128	128	0
	Subtotal	384	128	128	128	0
QOF	QOF Aspiration	5,841	1,947	1,947	1,947	0
	QOF Achievement	2,874	958	958	760	(198)
	Subtotal	8,715	2,905	2,905	2,707	(198)
Other Services	Locum Cover	1,127	376	376	211	(165)
	CQC Fee Reimbursement	368	123	123	123	0
	GP Retainers	148	49	49	49	0
	Translation Fees	34	11	11	11	0
	Section 96 Payments	218	73	73	615	542
	Sterile Products	33	11	11	11	0
	Subtotal	1,927	642	642	1,019	377
Contingency	Contingency	404	135	135	135	0
Original 2020/21 Total		80,860	26,953	26,953	26,953	0
Initial Allocation Adjustment - Covid-19			(711)			711
Top Up Funding confirmed			534			(534)
2020/21 Covid Adjusted Total		80,860	26,776	26,953	26,953	178

Table 2

NHS Somerset CCG

2020/21

Primary Care Report Month 4

Area of Spend	YTD Budget	YTD Actual	YTD Variance	M1-4 Budget	M1-4 Forecast	M1-4 Forecast	
	£000s	£000s	£000s	£000s	Outturn £000s	Variance £000s	
Non Delegated	GP IT Costs	647	647	0	647	647	0
	PMS Premium *	404	404	0	404	404	0
	Primary Care Improved Access *	1,101	1,121	20	1,101	1,121	20
	Primary Care Improvement Scheme *	221	221	0	221	221	0
	Primary and Community Services development programme	378	378	0	378	378	0
	GP Practice Transformation Programme *	289	289	0	289	289	0
	IUCD (LARC) Cost Transfer	159	159	0	159	159	0
	Pre & Post Operative Care *	121	121	0	121	121	0
	Subtotal	3,320	3,340	20	3,320	3,340	20
Local Enhanced Services	Anti-Coagulation	337	337	0	337	337	0
	Dermatology	148	148	0	148	148	0
	Enhanced Drug Monitoring	191	191	0	191	191	0
	Leg Ulcer / Compression Bandaging	146	146	0	146	146	0
	Optometry	224	224	0	224	224	0
	Minor Injuries	48	48	0	48	48	0
	Other	280	280	0	280	280	0
	Subtotal	1,374	1,374	0	1,374	1,374	0
GP Forward View	GPFV - GP Retention	42	42	0	42	42	0
	GPFV - Practice Resilience	28	28	0	28	28	0
	GPFV - Reception and Clerical staff training	32	32	0	32	32	0
	GPFV - Online consultations	51	51	0	51	51	0
	GPFV - Primary Care Networks	144	144	0	144	144	0
	GPFV - STP Funding - Workforce Training Hubs	14	14	0	14	14	0
	GPFV - STP Funding - Fellowships Core Offer	0	0	0	0	0	0
	GPFV - STP Funding - Fellowships Aspiring Leaders	0	0	0	0	0	0
	Subtotal	311	311	0	311	311	0
	5,005	5,025	20	5,005	5,025	20	

* Used for PCIS - split into different areas for national budget reporting.

Appendix 2 – Glossary

NHSE	NHS England
GMS	General Medical Services – Practices working for the NHS under the national contract.
Global Sum	The amount each GMS practice is paid per weighted patient on its practice list. Also used to calculate PMS contract values on a similar basis.
Weighted patient/list	For funding purposes practice list sizes are weighted for a number of factors intended to reflect the additional work for different categories of patient.
PMS	Personal Medical Services – practices working for the NHS under local contracts, most of which were originally let by PCTs. Contracts are now held by NHSE and have converged with GMS.
Primary Care (medical)	The official title of the allocation used for GP services otherwise known as delegated budgets.
QOF	Quality and Outcomes Framework. Practices can earn additional funding by meeting key clinical targets