

# **PRIMARY CARE FINAL OUTTURN 2014/15 & ANNUAL BUDGETS 2015/16**

## **1. INTRODUCTION**

This report details:

- The Out-turn for Primary Care in 2014/15.
- The Base Budgets for Primary Care in 2015/16
- Key points relating to Primary care budgets in 2015/16

All figure presented here are on a consolidated basis for Primary Care in North Lincolnshire (i.e. Expenditure on GP Practice related Primary care which has been supplied by the NHS England – Sub Region, and GP Provider expenditure on Local Enhanced Services (LES) which has been supplied by North Lincolnshire CCG).

## **2. INFORMATION FOR CONSIDERATION**

Attached at **Appendix 1** are details of all Primary Care actual expenditure in 2014/15 and budgeted expenditure for 2015/16, which has been summarised into the main funding source categories, by funding organisation. This information is the same information which has been made available to those CCG's which are operating under delegated co-commissioning powers.

The definition and key feature of each funding category are briefly set out in **Appendix 2**, which may assist with the Committee's understanding of the potential for funding flexibilities and cost pressures which may be available during 2015/16, and future financial years.

## **3. GENERAL CONTEXT**

When considering the information presented in **Appendices 1** and **2**, it is important to note:

- The main Practice related Primary Care Budgets held by NHS England – Sub Region have been based on 2014/15 Out-turn, uplifted plus adjustments for known contract changes.

- The main contract changes, from the previous financial year, with an immediate and direct financial significance are as follows:
  - For GMS practices - a £2.21 or 3% increase (from £73.56 to £75.77) in the unit value applied to the contractor's weighted population. This is to provide core Essential and Additional services (including staffing) through their main Global Sum payment.
  - For PMS & APM practices a £1.66 increase in the unit value applied to their weighted population, to provide Essential & Additional services (including staffing) for their patients.
  - The Patient Participation and Alcohol Enhanced Services have ended though the funding has been "reinvested" into the Global Sum payments from 1/04/2015, This means practices are still obligated to have a Patient Participation Group (PPG) and to identify newly registered patients aged 16 or over who are drinking alcohol at increased or higher risk levels.
  - Those practices who still have "Correction Factor Payments" (CFP) under the "Minimum Practice Income Guarantee" (MPIG) which was introduced in 2004 but which is being phased out over a 7 year period starting in 2014/15, will see their CFP reduce by circa 14.29% in 2015/16.
  - A reduction of 15% in Seniority Payments for any practice which is still receiving them, pending their total abolition on 31 March 2020.

## **CURRENT RISKS / OPPORTUNITIES**

- The financial budgets (as held by both the NHS England Sub Region and CCG) are currently forecast to break-even in 2015/16.
- The 2014/15 Quality & Outcomes Framework (QOF) achievement payments for practices in 2014/15 are currently being signed off to be paid in June 2015, and will be charged back against the accruals for estimated 2014/15 achievement payments made by NHS England Sub Region at the end of 2014/15. Therefore, any under or over shoot against these estimates payments will be an opportunity or cost pressure against the 2015/16 budgets. However, please note that any financial implications which arise will remain the responsibility of the current funding organisation.
- The Elderly Care Fund LES is currently being held in Earmarked Reserves by the CCG but will be transferred to GP practices once the final scheme based allocation of these funds has been agreed.

- Funding for any “Golden Hellos” agreed as part of the GP recruitment exercise being undertaken in the Netherlands this year, the costs to cover the costs associated with the introduction of the Primary Care Diabetes Model, and any uplift in the Elderly Care Fund LES will be the first call on any “spare” CCG budgets which are returned to Reserves during the financial year.
- Work is on-going by NHS England to identify QIPP schemes, and the main areas of focus are currently the following:
  - Clinical waste charges.
  - A review of business rates
  - Small business rates relief
  - List size reviews
  - APMS procurements
- Though no specific areas have yet been highlighted as specific opportunities for joint working between NHS England and the CCG, this subject needs to be considered by this committee and form part of its work programme during 2014/15.
- Monitoring information for Financial Budgets in 2015/16 will be supplied by NHS England at a summarised level on a quarterly basis, and will cover the year to date position and forecast outturn.
- In addition, a group for Joint Committee CCGs in Yorkshire and the Humber and NHS England has been established and is attended by deputy CFOs. This group meets quarterly and is similar to the group which has been established for the CCGs with delegated powers. It is designed discuss common issues, share best practice and discuss any new developments.

#### **4. CONCLUSION & RECOMMENDATION**

Members of the Committee are requested to review and note this report.