


<b>Date:</b>	21 <sup>st</sup> December 2017
<b>Meeting:</b>	Primary Care Commissioning Committee
<b>Item Number:</b>	Item 5
<b>Public/Private:</b>	Public <input type="checkbox"/> Private <input type="checkbox"/>

<b>Author:</b> <i>(Name, Title)</i>	Bill Lovell Deputy-CFO
<b>GB Lead:</b> <i>(Name, Title)</i>	Ian Holborn- CFO
<b>Director approval/signature</b> <b>(MUST BE SIGNED)</b> <b>Date:</b>	

<b>Report Title:</b>	PC Finance Monitoring Report – Month 8 2017/18
<b>Decisions to be made:</b>	<p>The committee are requested to:</p> <ul style="list-style-type: none"> <li>• Note and receive the attached report.</li> <li>• Use the attached information to prompt any further investigations of unwarranted variation in performance.</li> <li>• Note that a separate report on this agenda is dealing with the first specific Budget area where unwarranted variation in performance is being investigated (i.e. Prescribing).</li> <li>• Note that any further breakdown in Practice level figures (e.g. to provide a comprehensive view of Practice Performance in Primary Care in particular - with or without Practice usage of secondary care resources), will need to go to a subsequent Private meeting of this Committee, because of the commercial sensitivity of the information.</li> </ul>

Continue to improve the quality of services	<input type="checkbox"/>	Improve patient experience	<input type="checkbox"/>
Reduced unwarranted variations in services	<input checked="" type="checkbox"/>	Reduce the inequalities gap in North Lincolnshire	<input type="checkbox"/>
Deliver the best outcomes for every patient	<input type="checkbox"/>	Statutory/Regulatory	<input checked="" type="checkbox"/>

<p><b>Executive Summary (Question, Options, Recommendations):</b></p> <p>The report details the Year To Date (YTD) financial performance of all the Primary Care Budgets from April to November 2017 (i.e. Month 8 of 2017/18), along with details of a Forecast Out-turn.</p> <p>It also provides the main assumptions which underpin the disclosed figures, and provides a high level summary of the main Financial variations at network level.</p>
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<b>Equality Impact</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>Sustainability</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>Risk</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Unwarranted variation which is not addressed, restricts the use of available resources for other more productive services.
<b>Legal</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	CCG under legal Direction to balance finance plans, with Prescribing a key area of targeted savings.
<b>Finance</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	QIPP delivery is a key element of the CCG's Financial Recovery Plan

<i>Patient, Public, Clinical and Stakeholder Engagement to date</i>									
	<i>N/A</i>	<i>Y</i>	<i>N</i>	<i>Date</i>		<i>N/A</i>	<i>Y</i>	<i>N</i>	<i>Date</i>
<b>Patient:</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<b>Clinical:</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Public:</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<b>Other:</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

# **FINANCE MONITORING REPORT – FOR THE YEAR TO DATE TO MONTH 8 2017/18**

## **1) INTRODUCTION**

Attached at **Appendix 1** is a report which details the Year To Date (YTD) financial performance of all the Primary Care Budgets from April to November 2017 (i.e. Month 8 of 2017/18), along with details of a Forecast Out-turn.

The main assumptions which underpin these figures shown in Appendix 1, are summarised in the remainder of this report.

## **2) NHS ENGLAND AREAS OF EXPENDITURE**

### **A) Dispensing Doctors**

- This data is 2 months in arrears and as such the accrual estimates for October & November are based on 2016/17 costs at current 2017/18 prices with a volume increase assumption based on national increases, but this spend is volatile by nature.
- Though the budget in the ledger is phased in 12ths, it is important to note that this expenditure is seasonal in nature. Therefore, from October there is a tariff reduction of 4.5% which has been factored into the position.

### **B) Enhanced Services & DSQS:**

Accruals (i.e. for amounts of expenditure incurred but not physically paid) are made as follows:

- For: Minor Surgery / Violent Patients / Learning Disabilities - the accruals are based on current expected sign up / spend expectation based on 2016/17 accounts plus a tariff increase for LD. The finalisation of 2016/17 actual costs still ongoing. There is a £ 6.8k YTD overspend.
- For Extended Hours – the accruals are based on Practice sign up. The practices that were expecting to sign up have done so.
- Unplanned Admissions – This scheme ceased on 31 March 2017, however finalisation of 2016/17 payments is still ongoing.
- For the Dispensary Services Quality Scheme (DSQS) – the accruals are based on expected 2017/18 Practice sign up, with precise numbers pending confirmation.

### **C) APMS:**

- The £14k YTD overspend for Market Hill relates to a List size adjustment.

### **D) GMS:**

- Global Sum payments relate to the current YTD actual list sizes. Therefore, the £46k underspend variance on GMS expenditure relates to the Global Sum List size adjustment.
- The Minimum Practice Income Guarantee (MPIG) is per the actual costs for current contracts.

### **E) PMS:**

- The variance on PMS relates to List Size adjustment slippage, with an overspend value of value of circa £1k.

**F) Other GP Services:**

- This includes the Contingency budget of £114,315 less a QIPP target of (£114,809).

**G) PCO Administered Expenditure includes:**

- Seniority payments (PMS & GMS) – based on Q1 & Q2 actual payments made and calculated by Capita. The Budget assumes a 25% reduction on 2016/17 levels per the national phasing out of this scheme, however this is dependent on Practice structure. The YTD position shows a (£10.9k) underspend.
- Maternity, Sickness and Retainers costs – are based on the actual claims submitted for the YTD, which has led to a £15k YTD overspend.

**H) Indemnity Fees**

- These lines have been accrued to budget based on expected costs. Additional Funding may be available for these fees from the NHS England Central Team, but this is still to be confirmed at this stage.

**I) Premises:**

- Based on current expected costs, with rate accruals are based on the actual rate bills received in 2017/18 which have been verified.
- For Information: a budget virement to cover Clinical Waste costs has been transferred in Month 3 for £53,842 out of Contingency.

**j) QOF:**

- The accrual for QOF achievement is based on the 2016/17 points and prevalence profile, restated at 2017/18 prices with a 0.7% demographic growth assumption. This has resulted in a YTD underspend of (£94k).

**3) NL CCG AREAS OF EXPENDITURE**

**A) Prescribing:**

- Both the YTD Expenditure and Forecast Out-turn (FOT) figures are based on information received from the Prescribing Prescriptions Service (PPS) but augmented by accruals because the information received is at least 2 months in arrears.
- The YTD Expenditure and FOT is based on the following:
  - (i) The YTD value of prescriptions for the stated reporting period is taken, (i.e. The YTD spend at Period 6 for the Month 8 reporting period is used) and an accrual is added derived from the PPS Forecast Out-turn, for the 2 periods for which no data exists yet.
  - (ii) The accrual for Months 7 and 8 is derived from the PPS FOT, by dividing the FOT by the annual number of prescribing days to obtain the average daily Prescribing Cost PA, which is then multiplied by the number of prescribing days in Periods 7 & 8, with this value then added to the supplied YTD figure for Month 6.

- (iii) The Forecast Out-turn currently being used is the PPS supplied value. Though other alternative methods (e.g. rolling averages etc) are also used to validate the PPS FOT, so that adjustments can be made if required if any anomalies are detected.
- (iv) Last year the CCG's Reported Prescribing Out-turn using this methodology was only £4k different from the "Actual" Out-turn when it was eventually reported, and only £17k different from the equivalent figures the year before, which on Annual Budgets in excess of £30m equates to a fraction of a 1% "forecasting error".
- (v) Going forward, the FOT may need to be adjusted for the impact of any Quarter 4 savings received as a result of new initiatives (for example, as a result of a Prescribing Gain Share Scheme, which is currently being developed to work with the recent investment into the Optimise Rx system).
- (vi) It is also important to note that the YTD expenditure includes £256k and the FOT £1.145k in respect of a Prescribing cost pressure in respect of "No Cheaper Stock Obtainable" (NCSO) price concessions, which are not available to the CCG to utilise as planned.

**B) Enhanced Services:**

- The Enhanced Service YTD and FOT underspends result from the existing Enhanced Services contracts which are in place, and lower than expected use of the list size reserve which is currently shown as one combined figure on the Care of Older People LES budget line.

**4) CONCLUSION & RECOMMENDATIONS**

The committee are requested to:

- Note and receive the attached information
- Use the attached information to prompt any further investigations of unwarranted variation in performance.
- Note that a separate report on this agenda is dealing with the first specific Budget area where unwarranted variation in performance is being investigated (i.e. Prescribing).
- Note that any further breakdown in Practice level figures (e.g. to provide a comprehensive view of Practice Performance in Primary Care in particular - with or without Practice usage of secondary care resources), will need to go to a subsequent Private meeting of this Committee, because of the commercial sensitivity of the information.

## NORTH LINCOLNSHIRE CCG - JOINT COMMISSIONING FINANCE REPORT MONTH 8 2017/8

## A NHS ENGLAND FUNDED EXPENDITURE

DESCRIPTIONS	ANNUAL BUDGET (£)	YEAR TO DATE - MONTHS 1 to 8			FORECAST YEAR END	
		BUDGET (£)	ACTUAL (£)	VARIANCE (£)	OUTTURN (£)	VARIANCE (£)
Dispensing/Prescribing Drs	1,685,034	1,123,248	1,114,002	(9,246)	1,685,034	0
Enhanced Services	489,597	326,256	333,114	6,858	489,597	0
General Practice - APMS	637,800	425,200	439,220	14,020	637,800	0
General Practice - GMS	14,336,094	9,557,312	9,511,308	(46,004)	14,336,094	0
General Practice - PMS	1,100,203	733,456	734,440	984	1,100,203	0
Other GP Services						
(a) Contingency	-494	-329	0	329	-494	0
(b) Occupational Health	7,926	5,284	3,503	(1,781)	7,926	0
(c) Needles & Syringes	2,131	1,421	1,308	(113)	2,131	0
(d) PCO- Indemnity Costs	89,237	59,432	59,432		89,237	0
(e) GMS PCO Locum Sickness	6,790	4,520	12,249	7,729	6,790	0
(f) GMS PCO Locum Adop/Pat/Mat Leave Cover	7,963	5,304	14,377	9,073	7,963	0
(g) PMS PCO Locum Adop/Pat/Mat Leave Cover	0	0	0	0	0	0
(h) GMS PCO Seniority	171,448	114,248	109,209	(5,039)	171,448	0
(i) PMS PCO Seniority	18,998	12,664	6,775	(5,889)	18,998	0
(j) GMS - PCO Doctors Retention Scheme	0	0	13,333	13,333	0	0
(k) APMS - PCO Other Expenditure	3,845	2,560	2,563	3	3,845	0
(l) GMS - PCO Other Expenditure	123,479	82,263	67,208	(15,055)	123,479	0
(m) PMS - PCO Other Expenditure	12,216	8,136	8,144	8	12,216	0
	<b>443,539</b>	<b>295,503</b>	<b>298,101</b>	<b>2,598</b>	<b>443,539</b>	<b>0</b>
Other Premises Cost	2,450	1,624	1,633	9	2,450	0
Premises Cost Reimbursement	1,789,934	1,192,999	1,129,587	(63,412)	1,789,934	0
QOF	2,378,349	1,585,424	1,491,177	(94,247)	2,378,349	0
<b>TOTAL</b>	<b>22,863,000</b>	<b>15,241,022</b>	<b>15,052,582</b>	<b>(188,440)</b>	<b>22,863,000</b>	<b>0</b>

## B NHS NL CCG FUNDED EXPENDITURE

DESCRIPTIONS	ANNUAL BUDGET (£)	YEAR TO DATE - MONTHS 1 to 8			FORECAST YEAR END	
		BUDGET (£)	ACTUAL (£)	VARIANCE (£)	OUTTURN (£)	VARIANCE (£)
<b>PRESCRIBING</b>	<b>29,660,026</b>	<b>20,497,262</b>	<b>22,409,730</b>	<b>1,912,468</b>	<b>32,924,026</b>	<b>3,264,000</b>
<b>ENHANCED SERVICES</b>						
1 LES Care of Older People	551,096	367,335	355,853	(11,482)	501,096	(50,000)
2 LES Diabetes Insulin	21,530	14,312	11,008	(3,304)	21,530	0
3 LES Integrated Diabetes	41,958	27,920	28,411	491	41,958	0
4 LES Minor Injuries/Illness	53,327	35,530	20,526	(15,004)	53,327	0
5 GMS LES Minor Surgery	0	0	2,785	2,785	0	0
6 GMS LES Near Patient Testing	107,534	71,640	75,045	3,405	107,534	0
7 GMS LES Post Operative Care	64,555	42,971	42,977	6	64,555	0
<b>Sub Total : Enhanced Services</b>	<b>840,000</b>	<b>559,708</b>	<b>536,605</b>	<b>(23,103)</b>	<b>790,000</b>	<b>(50,000)</b>
<b>TOTAL</b>	<b>30,500,026</b>	<b>21,056,970</b>	<b>22,946,335</b>	<b>1,889,365</b>	<b>33,714,026</b>	<b>3,214,000</b>

## C TOTAL PRIMARY CARE

DESCRIPTIONS	ANNUAL BUDGET (£)	YEAR TO DATE - MONTHS 1 to 8			FORECAST YEAR END	
		BUDGET (£)	ACTUAL (£)	VARIANCE (£)	OUTTURN (£)	VARIANCE (£)
A) NHS ENGLAND FUNDED EXPENDITURE	22,863,000	15,241,022	15,052,582	(188,440)	22,863,000	0
B) NL CCG FUNDED EXPENDITURE	30,500,026	21,056,970	22,946,335	1,889,365	33,714,026	3,214,000
<b>C) TOTAL PRIMARY CARE EXPENDITURE</b>	<b>53,363,026</b>	<b>36,297,992</b>	<b>37,998,917</b>	<b>1,700,925</b>	<b>56,577,026</b>	<b>3,214,000</b>

**A NHS ENGLAND FUNDED EXPENDITURE**

FOT = FORECAST OUT-TURN

CLUSTER SPLIT OF FIGURES IN APPENDIX 1	ANNUAL BUDGET (£)	YTD BUDGET (£)	YTD ACTUAL (£)	YTD VARIANCE (£)	FOT ACTUAL (£)	FOT VARIANCE (£)
East	7,411,385	4,940,584	4,876,702	(63,882)	7,411,385	0
South	8,230,006	5,486,320	5,479,433	(6,887)	8,230,006	0
West	7,158,204	4,771,848	4,655,515	(116,333)	7,158,204	0
Central Expenditure	63,405	42,270	40,932	(1,338)	63,405	0
<b>TOTAL</b>	<b>22,863,000</b>	<b>15,241,022</b>	<b>15,052,582</b>	<b>(188,440)</b>	<b>22,863,000</b>	<b>0</b>

**B NHS NL CCG FUNDED EXPENDITURE**

1) PRESCRIBING EXPENDITURE	ANNUAL BUDGET (£)	YTD BUDGET (£)	YTD ACTUAL (£)	YTD VARIANCE (£)	FOT ACTUAL (£)	FOT VARIANCE (£)
East	8,755,211	6,100,691	6,605,353	504,662	9,874,102	1,118,891
South	10,322,823	7,131,103	8,193,349	1,062,246	12,292,229	1,969,406
West	8,368,653	5,799,005	6,126,905	327,900	9,201,177	832,524
Central Expenditure	2,213,339	1,466,463	1,484,123	17,660	1,556,518	(656,821)
<b>TOTAL</b>	<b>29,660,026</b>	<b>20,497,262</b>	<b>22,409,730</b>	<b>1,912,468</b>	<b>32,924,026</b>	<b>3,264,000</b>

2) LOCAL ENHANCED SERVICES (LESS)	ANNUAL BUDGET (£)	YTD BUDGET (£)	YTD ACTUAL (£)	YTD VARIANCE (£)	FOT ACTUAL (£)	FOT VARIANCE (£)
East	293,147	195,315	188,106	(7,209)	293,147	0
South	313,003	208,567	201,760	(6,807)	313,003	0
West	211,062	140,634	136,420	(4,214)	161,062	(50,000)
Central Expenditure	22,788	15,192	10,319	(4,873)	22,788	0
<b>TOTAL</b>	<b>840,000</b>	<b>559,708</b>	<b>536,605</b>	<b>(23,103)</b>	<b>790,000</b>	<b>(50,000)</b>

3) TOTAL NL CCG EXPENDITURE	ANNUAL BUDGET (£)	YTD BUDGET (£)	YTD ACTUAL (£)	YTD VARIANCE (£)	FOT ACTUAL (£)	FOT VARIANCE (£)
East	9,048,358	6,296,006	6,793,459	497,453	10,167,249	1,118,891
South	10,635,826	7,339,670	8,395,109	1,055,439	12,605,232	1,969,406
West	8,579,715	5,939,639	6,263,325	323,686	9,362,239	782,524
Central Expenditure	2,236,127	1,481,655	1,494,442	12,787	1,579,306	(656,821)
<b>TOTAL</b>	<b>30,500,026</b>	<b>21,056,970</b>	<b>22,946,335</b>	<b>1,889,365</b>	<b>33,714,026</b>	<b>3,214,000</b>

**c) TOTAL PRIMARY CARE EXPENDITURE**

TOTAL NHSE & CCG FUNDED EXPENDITURE	ANNUAL BUDGET (£)	YTD BUDGET (£)	YTD ACTUAL (£)	YTD VARIANCE (£)	FOT ACTUAL (£)	FOT VARIANCE (£)
East	16,459,743	11,236,590	11,670,161	433,571	17,578,634	1,118,891
South	18,865,832	12,825,990	13,874,542	1,048,552	20,835,238	1,969,406
West	15,737,919	10,711,487	10,918,840	207,353	16,520,443	782,524
Central Expenditure	2,299,532	1,523,925	1,535,374	11,449	1,642,711	(656,821)
<b>TOTAL</b>	<b>53,363,026</b>	<b>36,297,992</b>	<b>37,998,917</b>	<b>1,700,925</b>	<b>56,577,026</b>	<b>3,214,000</b>

<b>CHECK TOTAL : PAGE 1</b>	<b>53,363,026</b>	<b>36,297,992</b>	<b>37,998,917</b>	<b>1,700,925</b>	<b>56,577,026</b>	<b>3,214,000</b>
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<b>CHECK VARIANCE MUST = ZERO</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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