

Title of Meeting:	Primary Care Commissioning Committee	Agenda Item: 7.1	
Date of Meeting:	26 November 2020		
Paper Title:	Finance Report	Session (Tick)	
		Public	X
		Private	
		Workshop	
Responsible Executive Lead Jane Hawcard Chief Finance Officer		Report Author and Job Title Alec Cowell, Deputy Director of Financial Services & Reporting Jane Hawcard, Chief Finance Officer	
Purpose (this paper if for)	Decision	Discussion	Assurance
			Information X

Has the report (or variation of it) been presented to another Committee / Meeting?

If yes, state the Committee / Meeting:

Yes. A version of this has been to the Finance, Performance, Contracting & Commissioning Committee

Finance Position Summary to September 2020

The following table highlights that the primary care co-commissioning budget is overspent by £1.3m for the first 6 months of this financial year against its initial funding allocation.

Under the covid19 financial regime (months 1-6) the CCG has received additional true-up funding allocations of £1.3m, allowing the CCG to post an overall break-even position.

For the remaining 6 months of the financial year the CCG will operate under a different covid19 financial regime. The CCG has received its total funding allocation which it is expected to operate within. This allocation includes funding to cover such costs as Covid19 expenditure, shortfalls in QIPP delivery, and other pressures. True-up funding will only continue for the CCG for the revised Hospital Discharge Programme.

Delegated Primary Care	Months 1-6		
	Budget £000s	Actual £000s	Variance £000s
General Practice - GMS	16,208	16,301	93
General Practice - PMS	4,163	4,411	249
General Practice - APMS	296	295	(1)
Enhanced Services	408	385	(23)
PCN's	926	2,171	1,245
Dispensing/Prescribing Drs	2,199	2,129	(70)
Other GP Services	828	657	(171)
Premises Cost Reimbursement	3,356	3,343	(13)
Other Premises Costs	5	7	3
QOF	3,191	3,166	(25)
Local Enhanced Services	-	2	2
Other Services	57	20	(37)
Total	31,634	32,887	1,253

It should be noted that at this stage in the financial year, and with the on-going pressures/work arising from covid19 conditions within primary care, many of the actual spend lines shown above continue to report planned expenditure figures, adjusted for known savings/pressures only.

The cost pressure arising from PCNs is based on the assumption that they will be requesting the maximum funding available to them for the additional roles element. It is however likely that there will be slippage later on in the year. The following table highlights the current position for PCNs.

PCN's	Months 1-6		
	Budget £000s	Actual £000s	Variance £000s
Network Participation	411	401	(10)
Clinical Director	110	155	46
Extended Hours	339	312	(27)
Impact & Investment Fund		-	0
PCN Support		124	124
Care Home Premium		72	72
Additional Roles	66	1,106	1,040
Total	926	2,171	1,245

Covid19 Costs

Since the start of the pandemic in March the CCG has been refunding practices for additional covid19-related costs incurred. During the early months practices submitted claims fortnightly, and in the latter months on a monthly basis. Each practice was initially given a £5,000 float. Once the float was used the CCG reimbursed practices on a regular basis for their additional costs. In August 2020 guidance was issued from NHS England in terms of the end of the primary care funding for Covid reimbursable costs. The CCG ended the reimbursement method in September. In total, practices have been reimbursed for £1.5m of costs.

Going forward (Oct-Mar), under the new fixed envelopes financial regime, the CCG has a maximum budget allocation for practice funding of £300k. Of this £150k has been agreed to support phlebotomy services in primary care and the remaining £150k is available for exceptional costs. Guidance has been issued to practices outlining the new procedure for seeking funding.

Audit of Covid19 Costs

The Deloitte's report highlights 7 categories resulting in adjustments to covid19 funding received;

- Over-estimates
- Costs not incurred
- Lacking supportive evidence
- Invalid claims against guidance
- Lack of evidence of receipt of goods
- Not appropriately approved
- Miscategorised claims

Specific areas to note from the report:

'CCGs were not always obtaining sufficient backing documentation to

support the claims particularly where claim items were submitted on behalf of suppliers, GP practices or partner organisations e.g. local authorities and community interest groups.'

'CCGs were not obtaining or retaining evidence in all cases to confirm delivery or receipt of goods. For example, four out of five sampled revenue claims at one CCG lacked invoices and evidence of delivery and receipt for expenditure relating to GP surgery claims, a community equipment service provider and the hospital discharge programme.'

'CCGs and Trusts had not retained emails or other documentary evidence in all cases to confirm the required approvals for the claim returns [to NHSE] had been obtained from their respective Chief Financial Officer and Accountable Officer / Chief Executive prior to submission.'

The next phase of the national audit work is now in progress, and Deloitte's will contact us as and when our organisation is selected'

In advance of the national audit the CCG has commissioned our internal auditors to conduct a review of the CCGs financial governance regime in terms of the reimbursement programme to ensure that reimbursable expenses are in line with the guidance and can be substantiated.

Resource Allocations

There have been a number of new allocations notified to the CCG in the last month:

i. Funding for delivery of Flu vaccination programme

Circa £93k indicative budget allocated on a reimbursement basis.

Costs are restricted to contributions towards the costs of:

- additional venue hires and associated costs (signage, external temporary shelters)
- additional fridges/mobile cold storage.

Claims will not be authorised for costs that are already funded via other routes, such as other national funding streams, the vaccination Item of Service fee, existing GP contract or CCG funding or locally agreed contracts. The funding will therefore not cover:

- additional staff costs;
- routine vaccination consumables i.e. syringes, disposal of sharps;
- PPE;
- communications and advertising.

ii. GPFV and Primary Care Network Organisational Development Funding

A single pot of circa £2m which we will be allocating on a weighted capitation basis to PCN's across Humber Coast and Vale.

The money will be made available to the PCN once they have developed and agreed a plan for how the money will be spent that has been approved by the CCG. The purpose of this approach is to give PCNs the opportunity to develop the best local plan to support capacity and resilience for primary care throughout the winter, whilst providing the opportunity for learning and development of the PCN along the way.

iii. NHS England has establishing a new General Practice Covid Capacity Expansion Fund.

£150 million of revenue is being immediately allocated through ICS to CCGs for general practice, for the purpose of supporting the expanding general practice capacity up until the end of March 2021. NY CCGs share of this is circa £1.3m

Expectations

Subject to the requirement about returning activity to at least prior levels, the £150 million funding will be expected to support seven priority goals:

- a. Increasing GP numbers and capacity
- b. Supporting the establishment of the simple COVID oximetry@home model, arrangements for which will be set out in a parallel letter shortly
- c. First steps in identifying and supporting patients with Long COVID
- d. Continuing to support clinically extremely vulnerable patients and maintain the shielding list
- e. Continuing to make inroads into the backlog of appointments including for chronic disease management and routine vaccinations and immunisations
- f. On inequalities, making significant progress on learning disability health checks, with an expectation that all CCGs will without exception reach the target of 67% by March 2021 set out in the inequalities annex to the third system letter. This will require additional focus given current achievement is one fifth lower than the equivalent position last year; and actions to improve ethnicity data recording in GP records

Potentially offering backfill for staff absences where this is agreed by the CCG, required to meet demand, and the individual is not able to work remotely.

Appendix 1 below lists the major funding streams available to primary care in 2020/21.

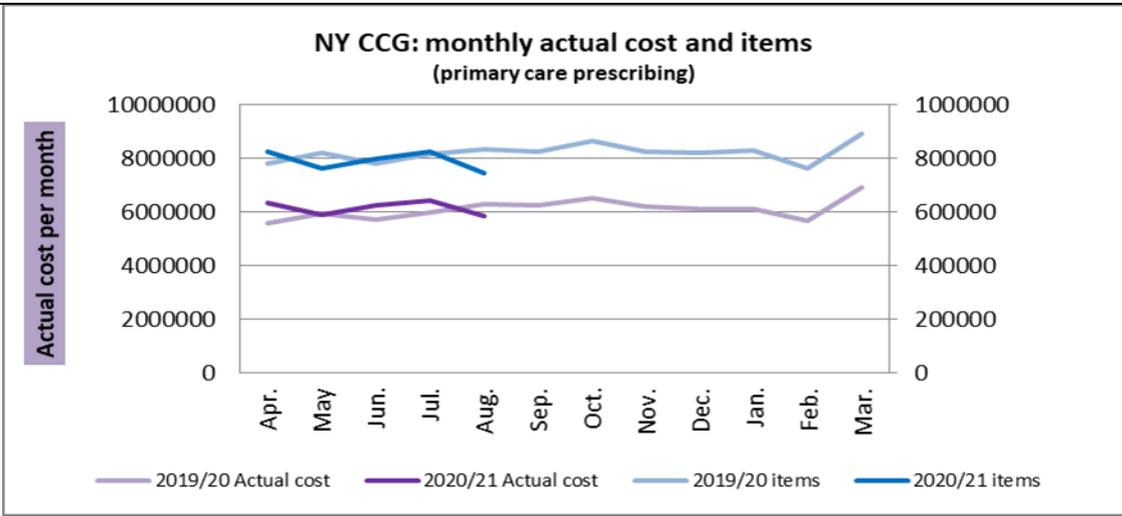
Prescribing

For the 6 months to September, the CCG is forecast to spend £37m on drugs prescribed through GP practices. This is against a budget of £36.3m, giving an overspend of £0.7m. This will be funded through the covid19 financial regime true-up exercise.

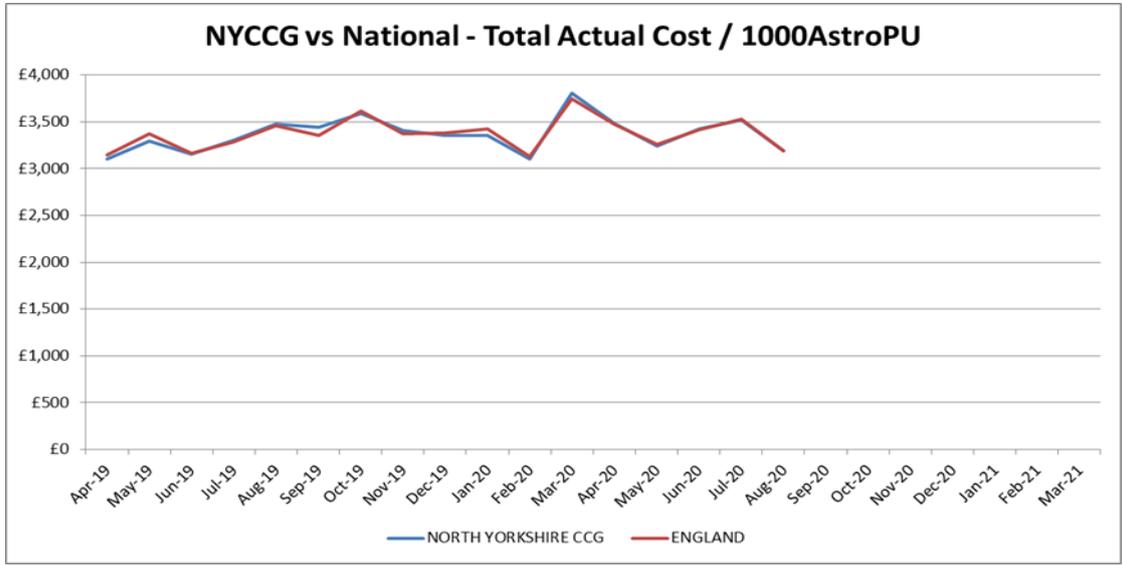
Month	Budget £000s	Actual £000s	Estimated* £000s	Variance £000s
April	6,049	6,348		299
May	6,049	5,906	-	142
June	6,049	6,236		187
July	6,049	6,419		371
August	6,049	5,830	-	219
September	6,049		6,315	266
YTD Total	36,292	30,739	6,315	762
Funded through retro top up			-	762
Month 6 variance			-	0

* Estimated based on YTD actuals pro rata to no of working days based on PPA profiles

The table below shows the trend in both monthly spend and number of items dispensed, comparing the full year for 2019/20 with 2020/21 to date. It shows that the number of items dispensed (blue lines) is similar to last year but spend (purple lines) is higher. Whilst August shows a dip this trend continues as the drop for items is more than the drop for spend.



When comparing the CCG's weighted prescribing costs to the national position, the CCG continues to match this national trend, as shown in the table below.



AstroPU is a weighting adjustment for age/sex etc. to normalise and compare nationally

Current highlights from the BSA are;

- Nationally, overall costs have increased.
- Prescribing frequency in March and April was unusually high, and while this was partly offset by fewer items thereafter, the costs were not offset.
- There were approximately 1.8% fewer items dispensed in April-August than in the same period last year.
- At the same time costs were 4.2% above last year's spend for the same period. Costs have remained high, with price concessions being granted for some common products, presenting as a marked increase in average cost per item.
- Medicines typically used for some therapeutic areas saw an increase in prescribing, but drugs for other uses were prescribed less often.
- There was notably more prescribing for Cardiovascular, Central Nervous System and Endocrine and Respiratory system medicines in March and April
- There was less prescribing of medicines used to treat Skin and Infection, Musculo-Skeletal and Joint Diseases and the eye from March through to May than in a typical year
- Use of the Electronic Prescribing Service and Electronic Repeat Dispensing has reached record levels

In NY CCG, 72% of prescription items are transmitted electronically (national is

89%). The rate of electronic repeat dispensing has grown to 6.2% (national is 15%).

Marked and continued growth in both since March is helping reduce footfall at Pharmacies and GP surgeries.

Recommendations

The PCCC are being asked to note:

- That the primary care co-commissioning budget forecast to overspend for the first 6 months by £1.3m mainly relating to assumptions with regards to the additional roles. This overspend has been funded through the 'true up' financial regime.
- That GP practices have been reimbursed for covid19 related costs of £1.5m for March to September.
- That in addition to the co-commissioning budget the CCG holds the primary care prescribing budget and for the first 6 months it is overspent by £0.8m.
- That, under the covid19 financial regime rules, the CCG has received an additional resource allocation to offset these cost pressures so that it can report a breakeven position overall.
- Note the extent of increased funding available to primary care in 2020/21 as set out in Appendix 1.
- Note the internal audit to be conducted to review the reimbursement of covid costs in primary care and the results of the national audit work.

Monitoring

Through FPCCC, PCCC and budget holder financial review meetings.

Any statutory / regulatory / legal / NHS Constitution implications

The CCG normally has a statutory requirement to operate within its overall resource allocation. At present the CCG is operating under a covid19 financial regime which, after regulatory body scrutiny and review, allows the CCG to break-even through additional true-up resource allocations.

Management of Conflicts of Interest

Conflicts of interest will be managed in accordance with the CCG's conflicts of interest policy.

Communication / Public & Patient Engagement

None

Financial / resource implications	As noted in the main body of this paper
Outcome of Impact Assessments completed	Not applicable

Appendix 1 - Summary of Primary Care Funding for 2020-21

Initiative	Description of Initiative	Value of funding	Funded by	Average PCN Funding (based on 50,000 population) £000
Phlebotomy support M7-12	To support primary care increased capacity for Phlebotomy	Circa £150k - 35p per weighted population	CCG Funded	17.5k
Primary Care Hot Hubs	Hot Hubs for management of Covid patients – 6 months	£350k	CCG Funded	-
Reimbursement Covid costs (Mar to Sept 2020)	Reimbursed Covid costs in primary care	1.5million	CCG Funded	175k
Care Home Scheme	Early start up across NY of the enhanced care home scheme May to September 2020 Second half of the year	£264k	CCG Funded NHS England	31k 31k
Reimbursement Covid costs (Oct to Mar 2020)	Reimbursement guidance as issued by CCG for M7-12	£150k available as a maximum pot for reimbursements M7-12	CCG Funded	17.4k
GPFV and Primary Care Network Organisational Development Funding	PCNs to develop the best local plan to support capacity and resilience for primary care throughout the winter, whilst providing the opportunity for learning and development of the PCN along the way	£547k Allocating on a weighted capitation basis to PCN's	HCV ICS Funded	£64k

<p>NHS England - New General Practice Covid Capacity Expansion Fund</p>	<p>For the purpose of supporting expanding general practice capacity up until the end of March 2021.</p> <p>Subject to the requirement about returning activity to at least prior levels, the funding will be expected to support seven priority goals:</p> <ul style="list-style-type: none"> ii. Increasing GP numbers and capacity iii. Supporting the establishment of the simple COVID oximetry@home model, arrangements for which will be set out in a parallel letter shortly iv. First steps in identifying and supporting patients with Long COVID v. Continuing to support clinically extremely vulnerable patients and maintain the shielding list vi. Continuing to make inroads into the backlog of appointments including for chronic disease management and routine vaccinations and immunisations vii. On inequalities, making significant progress on learning disability health checks, with an expectation that all CCGs will without exception reach the target of 67% by March 2021 set out in the inequalities annex to the third system letter. This will require additional focus given current achievement is one fifth lower than the equivalent position last year; and actions to improve ethnicity data recording in GP records viii. Potentially offering backfill for staff absences where this is agreed by the CCG, required to meet demand, and the individual is not able to work remotely. 	<p>£1.3m</p>	<p>NHS England through ICS</p>	<p>£151k</p>
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Covid capital funding	Purchase of additional laptops rolled out to practices through our GPIT partner North of England Commissioning Support (NECS)	£330k	NHS England	-
Funding for delivery of Flu vaccination programme	Costs are restricted to contributions towards the costs of: <ul style="list-style-type: none"> • additional venue hires and associated costs (signage, external temporary shelters) • additional fridges/mobile cold storage. 	circa £93k indicative budget allocated on a reimbursement basis.	NHS England	£11k
Implementation of OPEL programme in primary care	To assist primary care in communicating escalation of issues in primary care in a consistent way with other healthcare providers	£21k to fund software and service from NECs	ICS	-
Flu vaccination expansion		10.06	NHS England	Dependent on numbers in cohort
Covid vaccination	Vaccination programme in early stages of development	£12.58 per vaccination (2 required per person)	NHS England	Dependent on numbers in cohort
Additional Roles Funding	Increasing capacity in primary care	£1.9million in year plus £1.3million available through reimbursement re further additional recruitment	CCG Funded	220k