

Primary Care Committee 21 March 2018

Financial Plan for 2018/19

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Lead Officer	Keely Firth
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Purpose:

To inform members of the action taken to date regarding the setting of a realistic practice level financial plan for 2018/19 and to seek approval of the plan subject to any minor changes.

Background:

The Primary Care (PC) Co-commissioning budget is made up of a number of components and set out below. The figures include estimates pending final updates from NHS England therefore the final allocation may change.

	£m	
2017/18 Delegated Budget	36.41	
Additional Investment for Access (estimate)	0.85	
National Growth	0.70	
2018/19 Budget Delegated to PCC	37.96	→ Co-Commissioned with NHSE
Additional CCG Investment for pre-existing LESSs	2.14	
£1.50 (year 2 of £3 per head)	0.39	
Less: Non Recurrent QIPP	(0.25)	
GP IT funded from CCG allocation	0.61	
2018/19 budget for Primary Care in plan	40.85	→ Total plan for Primary Care 2018/19

Table 1 at **Appendix A** sets out the proposed budget for 2018/19 for the whole of the £40.85m.

PRINCIPLES FOR 2018/19 BUDGET

- (i) Budgets have been calculated using 2017/18 forecast activity increased for growth in existing or new initiatives.
- (ii) Case Management and Over 75s' LES budgets have been held at the original aspirational level for a number of years however the historic activity levels suggests that **£0.52m** of this allocation will not be utilised in the future.
- (iii) A non-recurrent QIPP has been proposed of £0.25m to drive review work around the use of the Primary Care Estate particularly around void space. This has no impact on practice income and a quality impact assessment (QIA) has been completed.
- (iv) **Table 2** at **Appendix A** shows the movements on the PC Central Budget to arrive at a starting balance of £1.79m and **Table 3** at **Appendix A** sets out the likely priorities for the use of the Central Budget in 2018/19.
- (v) The main risk is that the national settlement exceeds the estimated 2.5% on Practice income streams and further cost reductions are required.

Equality Impact:

Quality Impact Assessment completed for the QIPP plan.

Financial Implications:

As reported

Human Resource Implications:

No impact

Procurement:

No impact

Recommendation

Members of the Primary Care Committee are asked to:

- (i) **Acknowledge** the action taken to understand the expenditure trends to inform the 2018/19 plan proposed at Appendix A Table 1;
- (ii) **Agree** to the realignment of budgets for 2018/19 with the balance being added to the PC Central Budget;
- (iii) **Approve** the financial plan at Appendix A Table 1 and agree to delegate any amendments to PC members for approval if updated information results in changes to the figures;
- (iv) **Acknowledge** the information at Appendix A Tables 2 and 3 regarding the PC Central Budget which is preserved for primary care use only.

Table 1 below is a summary of the proposed plan for 2018/19

TABLE 1	2018/19 PROPOSED FINANCIAL PLAN	£m
PRACTICES	PMS/ GMS/ APMS Contract & QOF	27.22
PRACTICES	Primary Care DES, Quality Contract, LES	4.78
PRACTICES	Seniority Payments, Professional Fees	0.76
PRACTICES	Direct reimbursement to Practices for Premises/Rent	3.02
SUB TOTAL		35.78
All PC	Assumed growth from 17/18 <u>outturn</u>	0.40
All PC	Additional funding for Access - estimated at this stage as the allocation is not yet confirmed	0.85
OTHER	Includes Clinical Waste, Occ Health, CQC, Indemnity, Interpreter Fees, Cryotherapy service	1.03
NHSPS	Direct payments to NHS Property Services for void space and central charges includes £0.25m QIPP deduction	0.41
TRFT	GP IT services	0.61
Central	Central Budget which was £0.18m in 17/18 rising by £0.52m vired from LES	0.70
Central	£3 per head over 2 years - £1.50 in 2018/19	0.39
Central	National Growth funding	0.70
TOTAL		40.85

Table 2 below sets out the Central Budget in 2018/19 – the opening budget is £0.18m and will increase by national growth of £0.7m, £0.5m as in (ii) above and £0.4m being the £1.50 per head allocation which is non recurrent. Consequently the PC Central Budget will start the year at £1.79m.

Table 2: CENTRAL BUDGET	£m
Opening Balance	0.18
National Growth	0.70
Sub Total	0.88
Re-alignment of base budget	0.52
£1.50 per head (year 2 of £3 per head) * non recurrent *	0.39
TOTAL PRIMARY CARE BUDGET 2018/19	1.79

Table 3 below sets out the potential commitments against the Central Budget in 2018/19

Table 3: PROPOSED USE OF CENTRAL BUDGET 2018/19	£000s	£000s
OPENING BALANCE as per Table 2		1,787
Primary Care contract increase (estimate @ 2.5%)	(900)	} (1,465)
Development of Primary care APP (balance of funding required from central budget)	(40)	
Interpreter Fees	(19)	
Remote consultation	(25)	
SystemOne	(50)	
Telehealth	(40)	
£1.50 (year 2 of £3 per head)	(392)	
(Over)/ Undercommitment for 2018/19		322