NHS Rotherham Clinical Commissioning Group

Primary Care Sub Group – 28 April 2021

Primary Care Committee – 12 May 2021

H1 Draft Financial Plan for Primary Care Services 2021/22

Lead Executive:	Wendy Allott, Chief Finance Officer
Lead Officer:	Louise Jones, Deputy Head of Financial Management
Lead GP:	Avanti Gunasekera, SCE Lead for Primary Care.

Purpose:

To provide information on the primary care financial plan for 1 April – 30 September 2021

Background:

The Government has agreed an overall financial settlement for the NHS for the first half of the year 1 April 2021 to 30 September 2021 (this period now being referenced nationally as Half 1 or H1). The financial settlement for months 7-12 2021/22 (the period now being referenced at Half 2 or H2) will be agreed once there is greater certainty around the circumstances facing the NHS going into the second half of the year.

Guidance has been issued on the financial arrangements to operate during H1 2021/22 which in summary, is a continuation of the framework followed in H2 2020/21 and largely involves the issuing of fixed funding envelopes within which ICS's must manage overall, with individual organisations submitting financial plans to support this.

The CCGs financial plan was submitted to the ICS on the 29 April 2021 for inclusion in the ICS system level financial plan submission deadline of 6 May 2021 and was presented at CCG Governing Body on the 5 May 2021 for final sign off.

The primary care financial plan is a sub- set of the CCG's overall financial plan and is presented at Primary Care Committee for information.

Please note that figures in this report are correct at the time of writing, based on the CCG's draft financial plan as at 14th April. The CCG's final financial plan will be presented to governing body 29th April. Material changes are not expected but could occur due to timing difference and NHSE allocation adjustments up to and including the submission date. Any material changes will be subsequently reported to Primary Care Committee.

Primary Care Delegation Responsibility:

Does this paper relate to Rotherham CCG or delegated business?

Rotherham CCG	
Delegated	
Both Rotherham CCG and delegated	✓

Please indicate which area of delegated responsibility this paper covers:

Commissioning, procurement and management of GMS,PMS and APMS contracts including taking contractual action	
Newly designed enhanced services (including DES)	
Local incentive schemes	
Discretionary payments	
Commissioning urgent care for out of area registered patients	
Planning Primary medical care services (PMCS)	
Managing practices with CQC / quality concerns	
Decisions on premise cost directions	
Planning the commissioning of PMCS	
Manage the delegated allocation for commissioning of PMCS	✓
Assurance to the governing body on the quality and safety of PMCS	

Please indicate which of the Delegated Duties Decisions this paper requires:-

Delegated Duties – iii – Decisions in relation to the establishment of new GP practices (including branch surgeries) and closures of GP practices.	N/A
Delegated Duties – iv – Decisions about 'discretionary payments'.	N/A
Delegated Duties – v – Decisions about commissioning urgent care (including home visits as required) for out of area registered patients.	N/A
Delegated Duties – b – The approval of practice mergers.	N/A

Analysis of key issues and of risks

Primary care services are funded from two different sources;

A) the allocation for delegated medical primary care services which is the responsibility of Primary Care Committee (PCC).
B) the allocation for locally commissioned primary care services which is part of CCG core allocations and is reported to PCC for information only.

These are dealt with in turn below;

A. <u>Primary Care Medical Services: Delegated 21/22</u>

An allocation of £21,117k for H1 (1 April – 30 September 2021) has been provided to fund

<u>(i) the updated GP contract for 2021/22 incorporating:</u>

- An increase of 3.5% for GP practice contracts.
- the new QOF indicator for mental health – severe mental illness (SMI)
- the new QOF indicators for vaccinations and immunisations, previously funded from public health budgets.
- the first tranche of the Impact and Investment Fund (IIF) indicators.

In addition to the above, it is expected that CCGs will be funded up to a further £99.3m nationally for IIF during 2021/22.

(ii) **Primary care network funding** comprising of the following elements

- Additional Roles Reimbursement Scheme (ARRS) at £12.31per weighted patient (60% of this funding is held by CCGs with the other 40% held centrally)
- Clinical Director roles @ £0.736 per registered patient
- Care Home Premium funding at £120 per bed
- PCN Extended Access at £1.44 per registered patient

Table 1 provides a summary of the financial impact of these changes. This table also demonstrates that nationally provided growth funding is insufficient to cover the cost of growth generated by the national agenda and the GP contract settlement.

TABLE 1 : Delegated Primary Care Medical Services - Allocations vs Cost of Growth	**H1 2021/22 £'000**
Allocation 2020/21	19,804
Allocation 2021/22	21,117
Growth funding available	1,313
Cost of growth:	
Increase in GP contract	456
Demographic growth	41
QOF increases	226
Care Homes DES premium	130
Investment and Impact Fund (IIF)	119
Other inflation	69
Additional Roles Reimbursement Scheme (ARRS) 2021/22	445
Growth funding required	1,484
Shortfall in growth funding	(171)

Table 2 provides a detailed assessment of the impact of these changes at budgetary line level and demonstrates how the £1.313m growth monies are applied into relevant areas at columns (a) to (e).

TABLE 2: **Primary Care Medical Services - Proposed Delegated Budget**	**Opening Recurrent 21/22 Full year**	**Opening Recurrent 21/22 H1 (Month 1-6)**	**Key planning assumptions and requirements**					**Reserve adj to fund shortfall in growth**	**Total 21/22 Allocation (mth1-6)**
			Reprovided allocation 21/22 (Month1-6)	**Global sum / QOF increases**	**Demographic growth**	**ARRS**	**Other inflation**		
			(a)	**(b)**	**(c)**	**(d)**	**(e)**		
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
GP Contract Payments and & QOF	29,321	14,661		681	39				15,381
Network DES Payments	2,288	1,144	249		1	445			1,839
Primary Care ES and reinvestment funding	2,563	1,281							1,281
Premises reimbursements	3,239	1,620					46		1,666
Other GP services	1,008	504					13		518
Void space and subsidies charges (NHSPS)	591	296					9		304
Central Budget	399	199						-171	28
Contingency requirement 0.5%	198	99							99
TOTAL	**39,608**	**19,804**	**249**	**681**	**40**	**445**	**69**	**-171**	**21,117**

Key planning assumptions underpinning assumptions and requirements at columns (a) to (e):

(a) The care home premium (£130k) and Investment and Impact Funding (IIF) (£119k) has been re-provided at required 2021/22 levels as these were allocated non recurrently in 2020/21.

(b) GMS/ PMS and APMS contracts have been uplifted by £3.32 per weighted patient as per the latest GP contract guidance in order to maintain equitable payments to all practices. The cost of the new QOF indicators are included for SMI and vaccinations and immunisations. The value per point has increased from £194.83 to £201.16.

(c) Demographic growth is provided at 0.3%

(d) Additional roles reimbursement funding (ARRS) has been included at £7.39 per head weighted population, which is 60% of the total cost per head (£12.31) with the other 40% being held centrally by NHSE.

(e) Inflation on rent and rates has been included at 3% and at 2% in other areas.

All costs have been calculated using list sizes as at January 2021.

B. Locally Commissioned Primary Care Services

The planning assumptions for other primary care services are as follows:

- 0.2% uplift (net of efficiencies) on Local Enhanced Services in line with planning guidance
- PCN network administration included at £1.50 per head of population.
- Monies released from proposed changes to the Commissioning LIS have been reinvested back in primary care
- Additional funding of £175k for GP IT has been provided to replace equipment on a rolling programme.

The full impact of these assumptions are illustrated in Table 3 below:

TABLE 3: Locally Commissioned Primary Care Services	Opening Recurrent 21/22 Full year £'000	Opening Recurrent 21/22 H1 (Month 1-6) £'000	Re-provided SDF funding £'000	Efficiencies £'000	Inflation £'000	Growth / Cost Pressures £'000	Total 21/22 Allocation H1 (mth1-6) £'000
GP IT	417	208	29		1	175	413
CCG Local Enhanced Services	2,542	1,271		-14	17	137	1,411
Commissioning and Prescribing LIS	540	270		-119			151
PCN Administration fee £1.50 p/head	399	199				-1	198
Improving Access		0	816				816
Total: Other primary care	**3,897**	**1,949**	**845**	**-133**	**18**	**311**	**2,989**

The GPIT SLA with TRFT continues to be included within provider blocks for H1 and is therefore excluded from the GPIT figure in the table above.

Some funding streams are outside the financial settlement and will be issued separately therefore are excluded from the table above;

- ***General Practice COVID Capacity Expansion Fund***
  To provide further support to general practice the General Practice Covid Capacity Expansion Fund has been extended for the period from 1 April to 30 September 2021.
  £120 million of revenue funding will be allocated to systems, ringfenced exclusively for general practice, to support the expansion of capacity until the end of September. Allocations will be received monthly, weighted towards the beginning of the year. The funding is non-recurrent and should not be used to fund commitments running beyond this period.

C. Key financial risks

All assumptions and mitigations are subject to some degree of risk particularly in the context of the wider environment presently and for primary care include the following:

- Funding for ARRS and IIF is not forthcoming and expenditure cannot be stopped.
- Demographic or activity growth is significantly higher than allowed for in the planning assumptions and cannot be covered from contingency.
- 0.5% contingency is insufficient to deal with any net over-performance or unforeseen cost pressures arising in-year.
- A greater efficiency challenge has been signalled for the second half of the year than in the first half; efficiencies were only applied to quarter 2 in the first half. Table 1 already demonstrates that nationally provided growth monies were insufficient to fund the impact of inflationary pressures arising from the GP contract uplift and other national requirements locally. Primary Care Committee should note that it has only been possible to bridge this funding gap by utilising a pre-existing small legacy funding source. Based on these facts it is recommended Primary Care Committee prepare by identifying areas for potential future QIPP, to enact from months 7-12 onwards if required.

D. LOOKING AHEAD TO H2 2021/22 October – March 2022

The financial settlement for H2 2021/22 has yet to be agreed; however we have been advised to expect an increased efficiency requirement for H2 over that in H1. H1 financial arrangements include an efficiency requirement applied to the second quarter only.
It is not clear at when the NHS will revert back to previously notified Long Term Plan allocations; the working assumption is that this is more likely to be with effect from 1st April 2022 than it is to be from H2 2021/22.

Patient, Public and Stakeholder Involvement:
n/a
Equality Impact:
n/a
Financial Implications:
n/a

Human Resource Implications:
n/a
Procurement Advice:
n/a
Data Protection Impact Assessment:
n/a
Approval history:
The CCGs overall financial plan, for which primary care is a sub-set was approved at Governing Body on 5th May 2021.
Recommendations:
Members of the Primary Care Committee are asked to: • Note the H1 2021/22 primary care financial plan commentary. • Note the underlying planning assumptions and note the risks advised.
Paper is for noting