

# NHS Rotherham Clinical Commissioning Group

Primary Care Sub Group – 28 April 2021

Primary Care Committee – 12 May 2021

## Draft Financial Plan for Primary Care Services 2022/23

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### Purpose:

To provide information on the primary care financial plan for 1 April 2022 to 31 March 2023

### Background:

During 2020/21 and 2021/22, systems were established as the key unit for financial allocations, this approach will continue in 2022/23. The NHS's financial arrangements for 2022/23 will continue to support a system-based approach to planning and delivery and will align to the new ICS boundaries agreed during 2021/22. One-year revenue allocations have been issued for 2022/23 and systems are required to plan on a consistent basis.

Rotherham CCG's draft plan was submitted to the ICS on 14 March 2022 (at £5.9m deficit.) with a later submission being made 21 April (at £0.1m deficit.) in preparation for the required SY system plan national submission 28 April. At 28 April the SY system does not have a balanced financial plan and we await further instruction as to the consequences and whether any further financial challenge will be placed on the CCG's own plan.

The primary care financial plan is a sub-set of Rotherham's overall financial plan and the figures in this report are an extract of the financial plan as it currently stands. The plan is presented at Primary Care Committee for information.

Guidance used to construct this plan has been published but is subject to change.

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

These are dealt with in turn below:

### **A. Primary Care Medical Services 2022/23**

There have been no changes in policy to the calculation of the target formula for delegated primary medical care allocations. A recurrent allocation of £45,240k has been provided to fund the updated GP contract for 2022/23 incorporating an increase of 3.0% on GP practice contracts (See Appendix A)

The allocation also covers primary care network funding comprising of the following elements:

- Additional Roles Reimbursement Scheme (ARRS) at £2,966k.
- Clinical Director roles at £0.736 per registered patient
- Care Home Premium funding at £120 per bed.
- PCN Extended Access at £0.72 per registered patient for the first 6 months of the year and then with a further £0.72 to be combined with core funding for enhanced access from 1<sup>st</sup> October 2022.

- £1.50 per head PCN core support (previously funded in core allocation.)

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.**

<b>TABLE 1 : Primary Care Medical Services - Allocations vs Cost of Growth</b>	<b>Recurrent Allocation 2021/22 £'000</b>	<b>Growth &amp; Convergence £'000</b>	<b>Revised recurrent allocation (excludes SDF) 2022/23 £'000</b>
21/22 recurrent allocation	42,701		
Growth		2,721	
Convergence adjustment		(182)	
<b>Revised allocation</b>	<b>42,701</b>	<b>2,539</b>	<b>45,240</b>
<b>Growth Funding application;</b>			
Increase in GP contract		823	
Demographic growth		135	
Additional IIF funding ( not SDF)		285	
Other inflation		126	
£1.50 per head		400	
Additional Roles Reimbursement Scheme (ARRS) 2022/23		1,013	
<b>Growth funding required</b>		<b>2,783</b>	
<b>Shortfall in growth</b>		<b>244</b>	

Table 2 provides an assessment of the impact of these changes at summary budgetary line level and demonstrates how the £2,539k growth monies are applied into relevant areas at columns (a) to (e).

TABLE 2:	Opening Recurrent 2022/23	Key planning assumptions and requirements						Total Allocation 2022/23
		Reprovided allocation	Global sum / IIF & ARRS increase	Demo' growth & inflation	Adjust shortfall in growth	Total recurrent 2022/23 Allocation	Non recurrent Funding e.g SDF	
Primary Care Medical Services - Proposed Delegated Budget								
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
GP Contract Payments & QOF	30,712		823	129		31,664	0	31,664
Network DES Payments	4,007	400	1,298	31		5,736	363	6,099
Enhanced services & reinvestment	2,564	(150)		4		2,418	68	2,486
Other GP services	1,122			30		1,152		1,152
Premises reimbursements	3,923	150		68		4,141		4,141
Central budget / Contingency	373				(244)	129	94	223
TOTAL	42,702	400	2,121	261	(244)	45,240	525	45,765

**Key planning assumptions, underpinning assumptions and requirements at columns (a) to (f):**

(a) Growth has been adjusted to provide £1.50 per head PCN core funding. This was previously sat in the CCG's core allocation in 2021/22.

Following discussions with LMC, £150k has been transferred from the quality contract into premises for practices / PCNs to create additional space within their premises and improve estate.

(b) GMS/ PMS and APMS contracts have been uplifted by £2.92 per weighted patient as per the latest GP contract guidance in order to maintain equitable payments to all practices. The value of a QOF point has increased from £201.16 to £207.56. It is assumed the QOF increase can be funded from the current budget allocated to QOF therefore no further inflation has been added.

Additional roles reimbursement scheme (ARRS) funding is available at £16.696 per head of weighted population. Approximately 62% of this funding is included in the PCMS delegated allocation with the other 38% being held centrally by NHSE for drawdown during the year.

£287k for the full year effect of the additional recurrent investment and impact fund (IIF) provided in 2020/21 is included.

(c) Demographic growth is provided at 0.41% based on growth in 2021/22.

Inflation on rent and rates is included at 2%, Dispensing and prescribing fees 5.43% and 3% on prescription fee income.

(d) The shortfall in nationally provided growth funding has resulted in an additional £244k recurrent cost pressure requiring addressing. Due to the existence of an historic reserve this has again been capable of being addressed in year, and leaves a contingency of approx. 0.5%, without further efficiency action being required. This contingency is uncommitted at the start of the year, and should remain uncommitted until system financial plans have been agreed. To note, Primary Care is the only area within the CCG's portfolio which currently retains the ability to hold a contingency budget; the holding of CCG general contingencies having been mandated/ ruled out by the ICS in efforts to balance financial positions.

(f) non recurrent funding has been provided as follows;

- £68k for weight management (indicative allocation)
- An additional £162k Investment and Impact Fund (IIF) to cover three new indicators focused on Direct Oral Anticoagulants (DOAC) prescribing and FIT testing for cancer referrals which will be introduced in 2022/23
- £201k for Leadership and Management
- £94k for subject access requests, covered in the global sum payment.

Costs have been calculated using list sizes as at January 2022.

## **B. Locally Commissioned Primary Care Services**

Table 3 below highlights the impact of service changes, growth and inflation for locally commissioned services.

TABLE 3: Locally Commissioned Primary Care Services - Proposed Budget	2021/22 Outturn	Non recurrent adjustment	Opening Recurrent 2022/23	Key planning assumptions and requirements			Total 2022/23 Allocation
				Inflation	Efficiency	Growth/ Cost pressures	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1. GPIT	1,558	(198)	1,360	36	(12)	50	1,433
2. Local Enhanced Service (LES)	2,822	40	2,862	80	(31)		2,911
3. Local incentive scheme (LIS) Prescribing	305	0	305	0	0		305
4. PCN Support	397	(397)	0	0	0		0
5. SDF/ Transformation	1,805	(102)	1,703	0	0	576	2,279
6. Non Recurrent	1,169	(1,125)	44	0	0	(24)	20
<b>TOTAL</b>	<b>8,056</b>	<b>(1,782)</b>	<b>6,274</b>	<b>116</b>	<b>(44)</b>	<b>602</b>	<b>6,948</b>

The planning assumptions are as follows:

- 1.7% uplift (net of efficiencies) on local enhanced services and the GP IT service level agreement in line with national planning guidance.
- PCN support funding (£1.50 per head of population) has transferred into the PCMS delegated allocation as mentioned in section A above.
- Additional funding of £50k to fund servicing / maintenance of additional IT devices
- All non-recurrent funding has been removed from the budget. £20k remaining relates to Long Covid / pulse oximetry.
- SDF / transformation funding includes the following;

TABLE 4 Service Development Funding (SDF) / Primary care Transformation Funding	2021/22 Forecast	Non recurrent adjustment	Opening Recurrent 2022/23	additional in 2022/23	Total 2022/23 Allocation
	£'000	£'000	£'000	£'000	£'000
Extended Access /Enhanced Access	1,632		1,631	78	1,709
GP IT resilience	58	(58)	0	65	65
On line consultations	77	(5)	72		72
Practice resilience	38	(38)	0	38	37
Transformation funding	0	0	0	396	396
<b>Total</b>	<b>1,805</b>	<b>(102)</b>	<b>1,703</b>	<b>576</b>	<b>2,279</b>

Transformation funding of £396k, which is a combination of PCN development, Digital First and flexible staffing pools is expected during the year. (£99k confirmed, £297k indicative.)

**Extended Access / Enhanced Access:** Table 4 consists of £3 per head 1 April to 30 Sept 2022 and £3.764 per head 1<sup>st</sup> Oct 2022 to 31 March 2023. From the 1 Oct, £3.764 per head will transfer to PCMS delegated and together with the £0.72 per head for extended access will fund a single, combined, nationally consistent access offer to be delivered by Primary Care Networks.

### **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:

- The 0.5% contingency may be required to offset Rotherham's overall financial plan if other sources of funding are not available.
- If the 0.5% contingency is not required to offset Rotherham's wider deficit it may still be insufficient to deal with any over-performance or unforeseen cost pressures arising in-year in primary care medical services.
- Centrally held funding for ARRS 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.
- Allocations are based on the assumption that the impact of COVID remains at a low level throughout the year.

#### **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 presented at Governing Body 4 May 2022 for endorsement.

#### **Recommendations:**

Members of the Primary Care Committee are asked to:

- Note the draft 2022/23 primary care financial plan commentary.
- Note the underlying planning assumptions and note the risks advised.

#### **Paper is for noting**

## **Appendix A**

<b>Global Sum increase</b>	<b>2022/23</b>	<b>2021/22</b>	<b>Change</b>	<b>% Change</b>
Global Sum	99.70	96.78	2.92	3.0%
Out of Hours deduction (OOH)	(4.73)	(4.59)	(0.14)	3.1%
<b>Total</b>	<b>94.97</b>	<b>92.19</b>	<b>2.78</b>	<b>3.0%</b>

