



**Wolverhampton CCG GP
Services Budget**

NHS England West Midlands

Wolverhampton CCG GP Services Budget

Month 10 2015/16

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The National Health Service Commissioning Board was established on 1 October 2012 as an executive non-departmental public body. Since 1 April 2013, the National Health Service Commissioning Board has used the name NHS England for operational purposes.

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1 GP Services

The budget to fund GP Services relating to Wolverhampton CCG for 2015/16 is £32.718m. The forecast outturn against this budget is £32.718m delivering a breakeven position.

The following principles have been applied in formulating the 15/16 GP Services budget:

- Detailed modelling of all known contractual changes including the outcome of the 2015/16 General Medical Services Contract Negotiations.
- Forecast outturn modelling demonstrating embedded 0.5% contingency and 1% non-recurrent transformation fund in line with the national key financial metrics for PC budgets.
- In addition, a further reserve of 0.6% has been included. CCGs are not expected to deliver a surplus on their Primary Care allocations in 15/16; this is held by NHSE West Midlands. 100% of the contingency has been used at Month 10.

The forecast outturn is broken down as follows;

	Budget (opening position) £'000s	Month 10 FOT £'000s	Variance £'000s
General Practice - APMS	2,820	2,819	2
General Practice - GMS	18,425	18,512	(87)
General Practice - PMS	1,713	1,728	(15)
QOF	3,414	3,539	(125)
Enhanced Services	1,701	1,685	16
Dispensing/Prescribing Fees	223	240	(17)
Premises Cost Reimbursements	2,677	2,733	(56)
Other Premises	31	31	0
Other GP Services	921	800	120
PMS Premium	128	128	0
1% Non Recurrent Transformation Fund	324	324	0
0.5% Contingency	162	0	162
0.6% Reserve	180	180	0
TOTAL	32,718	32,718	(0)

A full forecast review has been carried out in Month 10 in relation to GP Services Forecasts including;

- Final calculations of Global Sum payments now quarter 4 payments are confirmed
- Review of Seniority payments for December taking into consideration the national reduction
- Review of Directed Enhanced Services sign up and claims for all practices

- Premises Costs Review
- Review of Dispensing/Prescribing payments
- Review of Locum reimbursements based on the applications received to date

At month 10 the remaining £82k of contingency has been drawn down to deliver a breakeven position.

NHS Property Services costs in respect of 2015/16 are also a known risk across the West Midlands area as 2015/16 cost bases have not yet been confirmed.

2 Access to Primary Care Reserves

The forecast outturn includes an assumption that 100% of the Primary Care reserves will be utilised in 2015/16.

As at month 10 the drawdown by Wolverhampton CCG against available reserves is shown below;

	Reserve Total	Plan Submitted	Spend to M10	Balance remaining
	£'s	£'s	£'s	£'s
PMS Premium	128,074	128,074	0	128,074
1% Non Recurrent	324,493	324,400	7,000	317,493
0.6% Reserve	179,575	178,625	0	179,575
TOTAL	632,142	631,099	7,000	625,142

The CCG is asked to ensure that costs are incurred before 31st March 2016, as any year end accrual for reserves spend is not expected to be material.

3 Financial Planning

Five year allocations were issued on the 11th January for GP Services, three years of which are firm allocations with the remaining two years indicative subject to a due diligence exercise.

The Planning Guidance published identifies the following business rules;

- 1% Non-Recurrent Transformation Reserve
- 0.5% Contingency
- Minimum of 1% Surplus, based on the carried forward surplus from previous years.

A surplus will not need to be delivered against the GP Services allocations as this is held by NHS England and will be part of the carried forward surplus from 2015/16.

In 16/17 there has been an update to the national primary medical care formula to include new estimates of stratified workload per patient for GPs, however this is for

allocation purposes only and does not in itself imply any particular adjustments to GMS contracts. Work is underway to update the formula to influence such payments for subsequent years.

Wolverhampton CCG's five year allocations are summarised below;

Year	Allocation £'000s	Allocation Growth %
2016/17	34,073	4.14%
2017/18	35,706	4.79%
2018/19	36,745	2.91%
2019/20	37,849	3.00%
2020/21	39,301	3.84%

The 2016/17 finance Distance from Target for Wolverhampton CCG is -6.70%, allocation growth has been applied based on a three year transition period which will leave no CCG more than 5% under target for CCG commissioned services.

The Submission deadlines for planning are as follows;

- 08/02/2016 - Initial high level summary for 16/17 only
- 02/03/2016 – Full finance details for 2016/17 and multiyear capital plans.
- 11/04/16 – Full planning template completion for all 5 years

Initial high level plans have been submitted in line with the above deadline, with further modelling taking place for the next submission.

The outcome of national GP Contract Negotiations is currently unknown and plans will be updated to model in confirmed contract changes once these have been published. Currently the GP Services spend for 2016/17 for Herefordshire CCG is assumed to be in line with the notified allocations, delivering the set business rules detailed above and a breakeven position. This remains a financial risk pending the outcome of the GP Contract negotiations for 2016/17.

4 Conclusion

NHS England West Midlands will be monitoring the financial position of the GP Services budget allocated to Wolverhampton CCG and will report any adverse variance accordingly on a quarterly basis; including the use of reserves and contingency funding.

5 Recommendations

The Joint Primary Care Commissioning Committee is asked to:

- Note the content of this report
- Mobilise approved reserves plans and work with NHS E to ensure expenditure is incurred prior to 31st March 2016.

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