

Paper 6
 NHS England - London Region
 Financial Reports – 4 Months to 31st July 2015
 South West London Primary Medical Services

1. Overview:

The overall financial position for South West London Primary Medical services is showing an overspend of £1,050k against issued budgets for the 4 months ending 31 July 2015, of which £884k relates to unachieved planned QIPP savings. The year to date position comprises net overspends after QIPP on PMS £655k, GMS £261k offset by a net underspend of £185k on APMS.

Primary Medical Services Expenditure Summary

The expenditure summary for South West London for 4 months to 31st July 2015 is set out in Table 1 below with a break down at CCG level in Appendix A.

Table 1

South West London Total							
Service	Annual Budget	YTD Budget	YTD Actual Expenditure	YTD Variance	Forecast Variance	Forecast % Variance	2014/15 Outturn
	£000's	£000's	£000's	£000's	£000's	%	£000's
PMS	141,382	47,126	47,121	(5)	0	0%	136,340
GMS	40,594	13,528	13,599	71	0	0%	38,580
APMS	7,533	2,509	2,498	(11)	(185)	-2%	6,630
Other Medical Services	90	30	141	111	107	119%	49
QIPP	(2,654)	(884)	0	884	1,539	58%	0
Total Primary Care Medical Services	186,945	62,309	63,359	1,050	1,461	0.8%	181,599

Croydon CCG							
Service	Annual Budget	YTD Budget	YTD Actual Expenditure	YTD Variance	Forecast Variance	Forecast % Variance	2014/15 Outturn
	£000's	£000's	£000's	£000's	£000's	%	£000's
PMS	39,070	13,022	13,067	45	0	0%	39,467
GMS	3,652	1,217	1,143	(74)	0	0%	3,457
APMS	3,031	1,010	991	(19)	(140)	-5%	2,506
Other Medical Services	23	8	20	12	36	157%	1
QIPP	(640)	(213)	0	213	384	60%	0
Total Primary Care Medical Services	45,136	15,044	15,221	177	280	0.6%	45,431

Kingston CCG							
Service	Annual Budget	YTD Budget	YTD Actual Expenditure	YTD Variance	Forecast Variance	Forecast % Variance	2014/15 Outturn
	£000's	£000's	£000's	£000's	£000's	%	£000's
PMS	12,119	4,040	3,995	(45)	0	0%	12,405
GMS	10,360	3,451	3,506	55	0	0%	10,219
APMS	1,571	524	525	1	(20)	-1%	1,810
Other Medical Services	11	4	11	7	0	0%	(2)
QIPP	(337)	(112)	0	112	201	60%	0
Total Primary Care Medical Services	23,724	7,907	8,037	130	181	0.8%	24,432

Richmond CCG							
PMS	2,124	709	711	2	0	0%	2,179
GMS	20,687	6,895	6,949	54	0	0%	20,357
APMS	0	0	0	0	0		0
Other Medical Services	11	3	7	4	0	0%	12
QIPP	(320)	(107)	0	107	185	58%	0
Total Primary Care Medical Services	22,502	7,500	7,667	167	185	0.8%	22,548


Sutton CCG							
PMS	23,373	7,791	7,805	14	0	0%	22,811
GMS	569	190	194	4	0	0%	542
APMS	279	92	92	0	(25)	-9%	300
Other Medical Services	11	4	19	15	0	0%	7
QIPP	(339)	(113)	0	113	190	56%	0
Total Primary Care Medical Services	23,893	7,964	8,110	146	165	0.7%	23,660

Merton CCG							
PMS	26,490	8,829	8,868	39	0	0%	22,092
GMS	0	0	0	0	0		(1,199)
APMS	853	284	288	4	0	0%	343
Other Medical Services	12	4	62	58	71	592%	8
QIPP	(383)	(128)	0	128	221	58%	0
Total Primary Care Medical Services	26,972	8,989	9,218	229	292	1.1%	21,244

Wandsworth CCG							
PMS	38,206	12,735	12,675	(60)	0	0%	37,386
GMS	5,326	1,775	1,807	32	0	0%	5,204
APMS	1,799	599	602	3	0	0%	1,671
Other Medical Services	22	7	22	15	0	0%	23
QIPP	(635)	(211)	0	211	358	56%	0
Total Primary Care Medical Services	44,718	14,905	15,106	201	358	0.8%	44,284

Brackets denote underspend

1.1 Medical Services

Key Financial Indicator : Medical: Over/(Under) spend against budget	£1,050k	
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Medical services are showing an overspend of £1,050k (1.7%) across South West London. This is largely due to non-achievement of planned QIPP savings to date. Other factors include cost pressures emanating from unplanned non recurrent non-contractual costs. Annual budgets are allocated net of £2.7m QIPP planned savings across South West London, but including the contingency allowance (£899k) which has been allocated to budgets.

There has been a year on year growth of 0.5% in South West London's weighted population from April 2014 to April 2015. At quarter 2, the July 2015 capitation report shows a growth of 0.3% over the previous quarter (April 2015). Demographic growth has been funded at 1.3% in 2015/16 financial plan, therefore demographic growth is adequately covered.

Overall, in absolute terms the South West London population has seen an increase of 6,662 year on year and 4,818 over the previous quarter in its normalised weighted population.

It is important to note that growth is net of list reduction emanating from the list maintenance QIPP project.






2. QIPP Initiatives

The total planned QIPP for Primary Care across London Region is £12.7m of which £2.7m relates to SW London. There is a recognition that there will be a shortfall in QIPP savings target after risk rating of all schemes.

Following the national direction that any PMS premium savings must be re-invested within Primary Care within the same CCG area, the plans for cash-releasing QIPP are being re-visited. A review of the schemes that other NHS England regions have developed across Primary Care has been carried out and this identified very limited opportunities.

The region will therefore be reliant on some of the national schemes to support QIPP delivery and this represents a significant risk to the financial position. At present at regional level, c£3m of the target £12.7m Medical services QIPP is supported by schemes. The region will be seeking further mitigations and non-recurrent measures to address the 2015/16 shortfall.

QIPP schemes

Schemes	Planned savings		Expected Delivery
	London Region	SWL	SWL
	£'000	£'000	
Routine List Maintenance	-1,000	-160	
Clinical waste	-1,500	-240	
APMS Procurements & Renegotiations	-500	-80	
Alternative savings opportunities		-622	
Un- identified QIPP	-9,700	-1,552	
Total	-12,700	-2,654	

Routine list maintenance: It is difficult to quantify savings generated to date from the on-going list maintenance exercise as this is masked by new population growth and an element of re-registration of patients removed from the list via FP69s. The net year-to-date population growth across SW London in quarter 2 (1st July) was 0.3% an annual equivalent of 0.9% compared to 1.3% in the plan.

In response to the identified risk on QIPP the following actions are proposed:

- A) A QIPP delivery group is established to identify further opportunities and enable sharing of QIPP schemes across areas of London and review opportunities in other regions.
- B) An external QIPP review is jointly commissioned by NHS England and CCGs in order to identify additional opportunities across London.

Key Risk Areas	Mitigation Action	Impact YTD
QIPP under achievement.	Alternative savings opportunities to be identified in order to make up for shortfall in savings.	Deficit.

3. CCG Specific Commentary

Appendix A details each CCG's financial performance for the 4 months to the end of July.

3.1 Croydon CCG

Four months results to 31st July are showing a slight overspend of £177k (1.2%) largely due to under achievement of planned QIPP savings to date. The forecast year end outturn variance based on month 4 is an overspend of £280k (0.6%) comprising £384k QIPP under-achievement offset by an underspend on APMS core contract.

Croydon's weighted population has increased by 0.6% year on year from April 2014 to April 2015. There has been a growth of 0.3% in the second quarter (July 2015) over the first quarter of the current year (April 2015).

3.2 Kingston CCG

Four months results to 31st July are showing a slight overspend of £130k (1.6%) largely due to under achievement of planned QIPP savings to date. Other causes of the overspend are cost pressures emanating from unplanned non-recurrent costs such as patient transportation cost.

The forecast year end outturn variance based on month 4 is an overspend of £181k (0.8%) comprising £201k QIPP under-achievement offset by an underspend on APMS.

Kingston's weighted population has increased by 0.9% year on year from April 2014 to April 2015. There has been a growth of 0.3% in the second quarter (July 2015) over the first quarter of the current year (April 2015).

3.3 Richmond CCG

Four months results to 31st July are showing a slight overspend of £167k (2.2%) largely due to under achievement of planned QIPP savings to date. Other causes of the overspend are cost pressures emanating from unplanned non-recurrent costs on GMS unplanned admissions Directed Enhanced service (DES) which will smooth over the course of the year.

The forecast year end outturn variance based on month 4 is an overspend of £185k (0.8%) which is largely due to QIPP under-achievement.

Richmond's weighted population has increased by 0.1% year on year from April 2014 to April 2015. There has been a growth of 0.5% in the second quarter (July 2015) over the first quarter of the current year (April 2015).

3.4 Sutton CCG

Four months results to 31st July are showing a slight overspend of £146k (1.8%) largely due to under achievement of planned QIPP savings to date. Other causes of the overspend are cost pressures emanating from unplanned non-recurrent costs on GMS unplanned admissions Directed Enhanced service (DES) which will smooth over the course of the year.

The forecast year end outturn variance based on month 4 is an overspend of £165k (0.7%) comprising £190k QIPP under-achievement offset by an underspend on APMS.

Sutton's weighted population has increased by 0.3% year on year from April 2014 to April 2015. There has been a growth of 0.2% in the second quarter (July 2015) over the first quarter of the current year (April 2015).

3.5 Merton CCG

Four months results to 31st July are showing a slight overspend of £229k (2.5%) largely due to under achievement of planned QIPP savings to date. Other causes of the overspend are cost pressures emanating from unplanned non-recurrent costs on non-contractual transactions.

The forecast year end outturn variance based on month 4 is an overspend of £292k (1.1%) comprising £221k QIPP under-achievement and £71k on non-contractual costs such as patient transportation costs.

Merton's weighted population plateaued year on year from April 2014 to April 2015. There has been a growth of 0.3% in the second quarter (July 2015) over the first quarter of the current year (April 2015).

3.6 Wandsworth CCG

Four months results to 31st July are showing a slight overspend of £201k (1.3%) largely due to under achievement of planned QIPP savings to date. Other causes of the overspend are cost pressures emanating from unplanned non-recurrent costs on non-contractual transactions offset by underspends on PMS.

The forecast year end outturn variance based on month 4 is an overspend of £358k (0.8%) which is largely due to QIPP under-achievement.

Wandsworth's weighted population saw a 0.7% growth year on year from April 2014 to April 2015. There has been a growth of 0.4% in the second quarter (July 2015) over the first quarter of the current year (April 2015).

4. Forecast Year End Position

Based on month 4 results the Medical services budget is forecast to be **£1.46m (0.8%)** overspent . Given the the fact that there are no risk reserves to augment any overspends, it would be cautious to note that there is a risk that the overspend on medical services may increase.

Overall based on month 4 results, it is envisaged that there will be an improvement on the year-to-date position as NHSE put in place mitigating actions, such as access to 1% non-recurrent headroom and release of Balance sheet items.

5. Exclusions

This report excludes budgeted and actual expenditure for the following areas:

- Surplus brought forward from 2014/15 across all services of the Primary care budgets.
- 1% headroom budget is also excluded from this report.

Prepared by

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6. SWL CFO Lead Comment:

Financial planning for 2016/17 will need to reflect the underlying recurrent pressure at borough level, which will have been managed non-recurrently in 2015/16. This will be captured in the due diligence work.