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**PCIP EXECUTIVE MEETING 15 JULY 2021**

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| **PRIMARY CARE IMPROVEMENT PLAN – FINANCE REPORT AS AT 31 MAY 2021** |

The aim of this report is to update the Primary Care Improvement Plan (PCIP) Executive Group on the financial position at 31st May 2021 with regard to the priority areas it has agreed will be funded from the PCIP to support delivery of Primary Care reform.

This report provides an update on expenditure to date pertaining to the PCIP workstreams and highlights the forecast funding required from Scottish Government to support the overall financial plan. It also outlines the costs of enabling resources and agreed funding sources.

**Background**

As previously reported, the allocation to support the delivery of PCIP by the Scottish Government (Primary Care Improvement Fund (PCIF) allocation) is calculated applying the NHS Scotland Resource Allocation Committee (NRAC) formula. PCIF allocations are made via health boards to integration authorities to facilitate planning. At the current time, NHS Borders’ NRAC proportion is 2.13% of the national quantum. As advised by the Scottish Government, in order the integration authorites can plan effectively, this funding is to be treated as recurring, primarily to support permanent recruitment necessary to deliver the workstreams.

The financial framework and financial plan is one of the overarching enablers to assist in the oversight and implementation of the PCIP. The funding is ringfenced and the Scottish Government re-emphasise that it must not be subject to general savings requirements and cannot be used to address any wider funding pressures of the health board or integration joint board (IJB). Any allocated PCIF resource therefore, uncommitted at the end of each financial year, is carried forward by the IJB for targeted use in future financial years as part of PCIP planning and delivery.

As the PCIP Executive is aware, the national PCIP funding quantum has grown from £55million in 2019/20 to £155 million in 2021-22. Scottish Borders Integration Authority’s share of this funding has increased as a result from **£1.167m** in 2019/20 to **£3.296m** in 2021/22, representing 2.13% share of the national allocation. This has been confirmed in the Annual Funding Letter 2021/22 issued by the Scottish Government on 29 June 2021. £155m nationally relates to the Primary Care Improvement Fund component of the wider £250m Primary Care Fund investment planned by the Scottish Government in 2021/22.

Whilst earmarked recurring currently, the Scottish Government has confirmed that they expect PCIP funding to continue beyond this financial year and will write to health boards and health and social care partnership IJBs in due course confirming this. They have also reaffirmed that the funds should continue to be used to deliver the priority services set out in the Memorandum of Understanding (MoU).

**PCIP Recurring Funding Expenditure Position at 31 May 2021**

Whilst the PCIP funding allocation is currently earmarked recurring it is to be treated as recurring and as outlined above, the 2021/22 allocation to Borders is **£3.296m**. This may be further supplemented by non-recurring resource either via uncommitted allocations from previous years brought forward or additional non-recurring allocations from the the Scottish Government in-year.

A summary of the how the PCIP Executive has planned to deliver its PCIP through the direction of resource to each component workstream, together with the actual and forecast expenditure position at 31st May 2021, is detailed in the table below:

**FINANCE TABLE - PCIP SPENDING PLAN – FINANCIAL POSITION AS AT 31MAY 2021**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|   | **PCIP 3-Year** |   | **Actual** | **Forecast** |  | **Surplus / Slippage** |
|   | **Recurring** |   | **Expenditure** | **Expenditure** |  | **/ (Deficit)** |
|   | **Investment** |   | **to 31 May 2020** | **to 31 March 2022** |  | **at 31 March 2022** |
| **Workstream** | **£** |   | **£** | **£** |  | **£** |
| VTP | 0 |   | 0 | 0 |   | 0 |
| Pharmacotherapy | 896,284 |   | 172,938 | 1,037,628 |   | (141,344) |
| CTCS | 105,227 |   | 0 | 0 |   | 105,227 |
| Urgent Care | 882,481 |   | 127,481 | 764,886 |   | 117,595 |
| FCP | 510,437 |   | 44,903 | 271,026 |   | 239,411 |
| Mental Health | 669,354 |   | 100,514 | 603,084 |   | 66,270 |
| Community Link Workers | 150,439 |   | 25,073 | 150,439 |   | 0 |
| Central Costs | 12,000 |   | 2,000 | 12,000 |   | 0 |
|   |   |   |   |   |   |   |
| **Total Expenditure** | **3,226,223** |   | **472,909** | **2,839,063** |   | **387,160** |
|   |   |   |   |   |   |   |
| **Funded by:** |   |   |   |   |   |   |
| 2.13% of £155m | 3,295,558 |   |   | 2,839,063 |   | 456,495 |
| Slippage on Drawdown |   |   |   | 456,495 |   | (456,495) |
| **Total Funding** | **3,295,558** |  |  | **3,295,558** |  | **0** |
|   |   |   |   |   |   |   |
| **Surplus / (Deficit)** | **69,336** |  |  | **456,495** |  | **(387,160)** |
|   |   |   |   |   |   |   |

The table above provides an update to the financial plan for 2021/22 as to how the total PCIF funding allocation is being used to deliver the requirements of the MoU contained in the new GMS Contract (2018).

The following points are highlighted to the PCIP Executive Group:

* The PCIP workstreams are underpinned by a full year recurring investment plan of **£3.296m** to support delivery of the PCIP three year plan. Funding of **£3.296m** has been confirmed by the Scottish Government via the Annual Funding Letter received by NHS Boards and Health and Social Care Partnership IJBs on 29 June 2021.
* Of the total 2021/22 Scottish Government earmarked recurring PCIP allocation of **£3.296m**, **£0.069m** remains uncommitted by PCIP Executive;
* Actual Expenditure at 31 May 2021 is **£0.473m;**
* Forecast Expenditure at 31 May 2021 is **£2.839m**. Forecast drawdown of funding allocation required to meet this therefore is also **£2.839m**;
* Against the total 2021/22 PCIF funding allocation therefore, total slippage on the PCIP is **£0.456m** of which **£0.387m** has already been directedby PCIP Executive and **£0.069m** which remains undirected;
* It should be noted that funding allocations include Pharmacy baseline recurring funding received which has been uplifted for inflation to **£0.164m**. This is the only workstream for which is the case;
* Recurring investment agreed for the priority work streams set out in the MoU is detailed as planned spend against the total funding profile which reflects NHS Borders NRAC share (now 2.13%) of £155m. The Annual Funding Letter provides for an initial funding allocation for 2021/22 of **£1.486m** representing Borders’ share of a total initial funding allocation of **£69.700m**. The Scottish Government has indicated its intention to allocate further funding later in the financial year subject to reporting by boards and integration authorities in November 2021 detailing how the initial allocation and any brought forward balances have been used. Pivotally therefore, the Executive should consider that if we cannot demonstrate that we have committed or are intending to commit our full allocation in 2021/22, including non-recurring funding brought forward, there is a potential risk that the Scottish Government may not fulfil full allocations this financial year.
* The financial forecast at this early stage in the financial year is a total spend of **£2.839m**.
* The March 2021 Finance paper identified a year end underspend of **£0.172m** non-recurring. This amount has been carried forward via IJB reserves to this financial year (2021-22). As agreed at the recent PCIP finance session held to discuss the additional nonrecurring allocation, this funding will be used to support requests received from the workstreams for one off supplies items and also to extend the PCIP project manager post until the 31st of March 2022;
* PCIP Executive has yet to approve any proposals pertaining to the Vaccine Transformation Programme (VTP) workstream. No expenditure has therefore been incurred with regard to this workstream in 2021/22 to date. Current indications are that VTP requires in the region of **£0.735m** per annum which has increased the gap on forecast required PCIF funding reported to the Scottish Government in May;
* PCIP Executive has directed **£0.105m** of planned resource to Community Treatment and Care Services (CTCS). No expenditure has been incurred in relation to this workstream in 2021/22 to date and a scoping exercise is currently about to commence in order to better inform the extent of this workstream, component elements and likely resource requirements. This will in turn inform the further planning, direction and management of this workstream going forward, together with the likely resource requirements which will be reported to the Scottish Government.

**Additonal Non Recurring Allocation 2020-21**

As reported in June, Scottish Government Health Directorate Finance wrote to all NHS Boards in February to notify them of an allocation of funding being made to Intergration Authorities in respect of outstanding balances on the Primary Care Improvement Fund. The allocation respresents unused funding accumulated over the three years of the MoU 2018-2021. For NHS Borders this supplementary allocation of **£1.097m** and is non-recurring.

As a result of its non recurring nature, this supplementary allocation therefore cannot be used to fund permanent staff or any other recurring expenditure. The funding is ringfenced to support enabling works to deliver PCIP priorites in full and as such cannot be used by health boards to offset slippage on the delivery of Financial Plan savings or meet pressures on expenditure across any other non-PCIP services or workstreams.

The confirmed PCIP carry forward included within the Health and Social Care Partnership Earmarked Reserve at 31 March 2021 as reported within the (currently unaudited) IJB Annual Accounts totals **£1.269m** of which **£1.097m** relates to the non-recurring supplementary allocation uncommitted at 31 March 2021 and **£0.172m** slippage on PCIP workstreams during 2020/21.

Expenditure against the non-recurring supplementary PCIP allocation will be accounted for separately from that relating to workstreams funded by the main recurring allocation and reported to the PCIP Executive Group, Scottish Government and Health and Social Care Partnership discretely also going forward.

A summary of commitments made by the PCIP Executive Group against the non-recurring allocation is summarised below:

|  |  |  |  |
| --- | --- | --- | --- |
|   |  |   |   |
|   | **Resource** |   |   |
|   | **Directed** |   |   |
| **Commitments** | **£** |   |   |
| ANP Training | 81,750 |   |   |
| CTCS Programme Manager | 53,894 |   | 1.0 WTE / Band 7 |
| CTCS Admin Support | 15,000 |   | 0.5 WTE / Band 3 |
| PCIP Project Manager | 72,000 |   |   |
| PCIP Comms / Engagement | 25,000 |   |   |
| **Total Commitments** | **247,644** |   |   |
|   |   |   |   |
| **Funded by:** |   |   |   |
| Additional NR Allocation | 1,096,943 |   |   |
| Non-Recurring Carry Fwd | 172,089 |   |   |
| **Total Funding** | **1,269,032** |   |   |
|  |   |   |   |
| **Remaining for Direction** | **1,021,388** |   |   |
|   |   |   |   |

The funding does not have to be fully utilised in 2021-22 and can be spread over more than one financial year (such as is the case with the ANP Training agreed proposal) if required, to support any enabling scheme on a non recurring basis. An agreed programmed spending plan that recognises the requirement for fixed term agreements and if necessary exit strategies for any proposals requiring recurring support is now necessary to confirm the appropriate usage of this one off PCIP funding.

At the current time of reporting therefore **£1.021m** of the total non-recurring resource available remains undirected by PCIP Executive Group. A further updated positions will be reported going forward on a monthly basis as further non-recurring commitments are made.

The position reported above is based on the outcomes of a further piece of work undertaken in mid-June, where a number of submitted proposals were evaluated in terms of (1) patient safety and care, (2) supporting delivery of PCIP and (3) promotion of access to services, by a small sub-group of PCIP Executive.

Going forward, the PCIP Executive will require to determine the component elements of the remainder of a costed plan to fully utilise the balance of uncommitted resources. There are a number of potential options as to how this resource can and should be used, including:

* Directing **£0.735m** to the Vaccination Transformation Programme on a non-recurring basis to enable it to commence for 12 months from 01 October 2021;
* Holding in reserve to contribute non-recurrently towards the indicative high level estimated cost of **£1.856m** of CTCS, subject to the full scope and workstream programme being developed and agreed;
* Continuing to identify and evaluate additional non-recurring proposals as they arise directing funding to them non-recurrently if approved;
* Identifying a further non-recurring use of the resource to support the implementation of PCIP

**Delivery Performance of PCIP Workstream Priorities**

Revised timelines and amendments to regulations for the workstream priorities set out in the GMS contract were highlighted in the joint letter issued on the 2nd of December. The joint letter confirmed that SG are keen for NHS Boards, Health & Social Care Partnerships and Board funded GP sub-committees to accelerate service redesign in the next 18 months at local level and that transitionary services are not seen as a long term solution to the delivery of the PCIP required outcomes.

In order to ensure that PCIP Executive Group and Workstream Leads remain sighted and focussed on the required outcomes and in particular timescales, a summary in chronological order therefore is detailed below:

|  |  |  |
| --- | --- | --- |
| **Workstream** | **Requirement** | **Timescale 1** |
| Vaccination | Removal of existing services from GP Contract | 01/10/2021 |
| Transitional arrangements established | 01/10/2021 |
| Vaccination income transfers into Global Sum | 01/04/2022 |
| New payment mechanism for practices who continue to vaccinate | 01/04/2022 |
|   |   |   |
| Pharmacotherapy | NHS Boards responsible for Level 1 service to all GP Practices | 01/04/2022 |
| Where service unavailable, new transitional payment made to practices | 01/04/2022 |
|   |   |   |
| CTCS | Boards are responsible for providing a community treatment and care service | 01/04/2022 |
| Where service unavailable, new transitional payment made to practices | 01/04/2022 |
|   |   |   |
| Urgent Care | Boards are responsible for providing an Urgent Care service to practices | 01/04/2023 |
|   |   |   |
| Additional Professional Roles | Determination of the level of mental health worker, physiotherapist and community link worker service that practices should expect will be developed | No agreed date yet |

The 2018 GP Contract Offer was underpinned by a MoU which set out an agreement between Scottish Government, SGPC, integration authorities and Health Boards on how to implement and deliver the Contract.

The MoU covered the period from 1 April 2018 until 31 March 2021, three years being the negotiated period for implementation of the Contract. Scottish Government and SGPC have since recognised that it has not been possible for full implementation to be achieved within the original timeframe, in part as a result of the Covid pandemic and agreed that the timeframe for implementation required both revision and extension.

The Scottish Government wrote on in April to all NHS boards, IJB Chief Officers and GPs stating the intention to issue an updated MoU. No updated MoU has yet been issued, but when it is, will be reported back to PCIP Executive. The existing MoU remains in place meantime.

**Recommendations**

**PCIP Executive is asked to:**

* **Note the contents of this report;**
* **Note that £0.069m of recurring resource remains unallocated by PCIP Executive**
* **Note forecast slippage of £0.387m on across the PCIP workstreams against previously directed resource;**
* **Note £1.021m of non-recurring funding remains uncommitted and available for direction by the PCIP Executive;**
* **Note that the Scottish Government has issued the Annual Fund Letter 2021/22 confirming Borders’ PCIF allocation of £3.296m;**
* **Consider the proposed service models for VTP and CTCS together with other known funding requirements to support PCIP;**
* **Oversee the production of a fully costed programmed spending plan for the additional non-recurring available resource to support delivery of the MoU;**
* **Continue to plan the delivery of service with regard to the revised timescales set out in the Joint Letter received on the 2nd of December and ensure that these are passed on through the workstream leads to progress on delivery of the MoU priorities as set out in the PCIP.**

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**30th June 2021**