

**NHS England - London Region**  
**Financial Reports – 9 Months to 31<sup>st</sup> December 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 £1,286k against issued budgets for year to 9 months ending 31st December. This includes the release of £968k non-recurrent 2014/15 accruals, slightly less than the month 8 reported figure following a further review.

Overspend is largely due to under-achieved planned QIPP savings. The year to date position comprises overspends (before QIPP and prior year accruals) on APMS **£95k**, GMS **£87k** and **£137k** on other services offset by a slight underspend on PMS. The forecast outturn remains in line with previous reports at an overspend of £1.5m, driven by the QIPP shortfall but including further non-recurrent mitigations. Work is continuing across Primary Care within NHS England to mitigate the overall position.

**Primary Medical Services Expenditure Summary**

The expenditure summary for South West London for 9 months to 31<sup>st</sup> December 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	Forecast Variance	Forecast % Variance	2014/15 Outturn
	£000's	£000's	£000's	£000's	£000's	£000's	%	£000's
PMS	141,363	106,019	105,966	(53)	141,249	(114)	-0.1%	139,643
GMS	40,673	30,495	30,582	87	40,649	(24)	-0.1%	39,782
APMS	7,571	5,679	5,774	95	7,666	95	1.3%	(10,160)
Other Medical Services	90	68	205	137	275	185	205.6%	49
Prior Year Accruals	0	0	(968)	(968)	(1,250)	(1,250)		0
QIPP	(2,654)	(1,988)	0	1,988	0	2,654	100.0%	0
<b>Total Primary Care Medical Services</b>	<b>187,043</b>	<b>140,273</b>	<b>141,559</b>	<b>1,286</b>	<b>188,589</b>	<b>1,546</b>	<b>0.8%</b>	<b>169,314</b>

**Croydon CCG**

PMS	39,022	29,263	29,223	(40)	38,949	(73)	-0.2%	39,467
GMS	3,822	2,865	2,868	3	3,786	(36)	-0.9%	3,457
APMS	3,149	2,362	2,432	70	3,208	59	1.9%	2,506
Other Medical Services	23	17	22	5	30	7	30.4%	1
Prior Year Accruals	0	0	(257)	(257)	(243)	(243)		
QIPP	(640)	(480)	0	480	0	640	100.0%	
<b>Total Primary Care Medical Services</b>	<b>45,376</b>	<b>34,027</b>	<b>34,288</b>	<b>261</b>	<b>45,730</b>	<b>354</b>	<b>0.8%</b>	<b>45,431</b>

Kingston CCG								
PMS	11,981	8,987	8,938	(49)	11,929	(52)	-0.4%	12,350
GMS	10,269	7,701	7,763	62	10,299	30	0.3%	10,219
APMS	1,571	1,179	1,179	0	1,574	3	0.2%	(15,512)
Other Medical Services	11	9	20	11	26	15	136.4%	(2)
Prior Year Accruals	0	0	(115)	(115)	(156)	(156)		
QIPP	(337)	(252)	0	252	0	337	100.0%	
<b>Total Primary Care Medical Services</b>	<b>23,495</b>	<b>17,624</b>	<b>17,785</b>	<b>161</b>	<b>23,672</b>	<b>177</b>	<b>0.8%</b>	<b>7,055</b>

Richmond CCG								
PMS	2,124	1,593	1,595	2	2,127	3	0.1%	2,179
GMS	20,687	15,512	15,548	36	20,685	(2)	0.0%	20,357
APMS	0	0	0	0	0	0	0.0%	0
Other Medical Services	11	9	13	4	17	6	54.5%	12
Prior Year Accruals	0	0	(110)	(110)	(144)	(144)		
QIPP	(320)	(239)	0	239	0	320	100.0%	
<b>Total Primary Care Medical Services</b>	<b>22,502</b>	<b>16,875</b>	<b>17,046</b>	<b>171</b>	<b>22,685</b>	<b>183</b>	<b>0.8%</b>	<b>22,548</b>


Sutton CCG								
PMS	23,436	17,577	17,583	6	23,452	16	0.1%	22,811
GMS	569	425	424	(1)	570	1	0.2%	542
APMS	239	178	188	10	251	12	5.0%	300
Other Medical Services	11	8	43	35	58	47	427.3%	7
Prior Year Accruals	0	0	(137)	(137)	(221)	(221)		
QIPP	(339)	(254)	0	254	0	339	100.0%	
<b>Total Primary Care Medical Services</b>	<b>23,916</b>	<b>17,934</b>	<b>18,101</b>	<b>167</b>	<b>24,110</b>	<b>194</b>	<b>0.8%</b>	<b>23,660</b>

Merton CCG								
PMS	26,556	19,916	19,882	(34)	26,476	(80)	-0.3%	25,450
GMS	0	0	0	0	0	0	0.0%	3
APMS	813	610	618	8	826	13	1.6%	875
Other Medical Services	12	9	48	39	64	52	433.3%	8
Prior Year Accruals	0	0	(100)	(100)	(129)	(129)		
QIPP	(383)	(287)	0	287	0	383	100.0%	
<b>Total Primary Care Medical Services</b>	<b>26,998</b>	<b>20,248</b>	<b>20,448</b>	<b>200</b>	<b>27,237</b>	<b>239</b>	<b>0.9%</b>	<b>26,336</b>

Wandsworth CCG								
PMS	38,244	28,683	28,745	62	38,316	72	0.2%	37,386
GMS	5,326	3,992	3,979	(13)	5,309	(17)	-0.3%	5,204
APMS	1,799	1,350	1,357	7	1,807	8	0.4%	1,671
Other Medical Services	22	16	59	43	80	58	263.6%	23
Prior Year Accruals	0	0	(249)	(249)	(357)	(357)		
QIPP	(635)	(476)	0	476	0	635	100.0%	
<b>Total Primary Care Medical Services</b>	<b>44,756</b>	<b>33,565</b>	<b>33,891</b>	<b>326</b>	<b>45,155</b>	<b>399</b>	<b>0.9%</b>	<b>44,284</b>

Brackets denote underspend

## 1.1 Medical Services

<b>Key Financial Indicator</b> : Medical: Over/(Under) spend against budget	£1,286k	
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Medical services are showing an overspend of £1,286k (0.8%) of which £1,988k is attributable to QIPP under-delivery offset by a non-recurrent release of 2014/15 accruals (£968k) across South West London. Other factors include cost pressures emanating from QOF (£450k) and unplanned non recurrent non-contractual costs such as patient transport costs offset by underspends on seniority cost and core contracts as analysed below by CCG. The underspend on seniority cost is due to contractual changes emanating from a phased reduction in seniority payments over 6 years which has been reinvested in core services effective from October 2015.

Annual budgets are allocated net of £2.7m QIPP savings across South West London, but including the contingency allowance (£899k) which has been allocated to budgets.

### Capitation Report

CCG	Normalised weighted list as at 01/04/2014	Normalised weighted list as at 01/04/2015	Year on Year % Movement	Normalised weighted list as at 01/07/2015	Normalised weighted list as at 01/10/2015	Movement YTD	% Movement YTD
Croydon	363,747	365,839	0.6%	366,903	367,681	1,841	0.5%
Kingston	174,085	175,703	0.9%	176,186	178,056	2,352	1.3%
Merton	191,811	191,797	0.0%	192,432	195,454	3,657	1.9%
Richmond	185,085	185,210	0.1%	186,062	187,424	2,214	1.2%
Sutton	176,602	177,219	0.3%	177,638	177,850	631	0.4%
Wandsworth	334,159	336,383	0.7%	337,748	337,270	887	0.3%
<b>Total SWL</b>	<b>1,425,489</b>	<b>1,432,152</b>	<b>0.5%</b>	<b>1,436,969</b>	<b>1,443,734</b>	<b>11,582</b>	<b>0.8%</b>

There has been a year on year growth of 0.5% in South West London's weighted population from April 2014 to April 2015. The capitation report shows a growth of **0.8%** year to 1<sup>st</sup> October 2015 (quarter 3). Demographic growth has been funded at 1.3% in 2015/16 financial plan, therefore demographic growth is adequately covered on an aggregate basis. Benefits from lower than budgeted growth have not been factored in to the YTD or forecast position, due to the unpredictable nature of population changes. Towards the end of the year, the potential benefit or pressure due to demographic growth will be incorporated, however there will be variations in for individual CCGs as indicated in the above table.

Overall, in absolute terms the South West London population has seen an increase of 6,662 year on year and 11,582 year to date in its normalised weighted population.

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

## 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 likely to be significant under-delivery on the savings required on Medical services as a considerable proportion of the savings remains unsupported by schemes.

Following the national direction that all 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 can no longer rely on some of the national schemes to support QIPP delivery though there will be some recurrent benefit from, for example, the rate re-bates being claimed. At present at regional level, c£3m of the target £12.7m Medical services QIPP is supported

by schemes. The region is now seeking further mitigations and non-recurrent measures (such as release of accruals) to address the 2015/16 shortfall. As a result:

- A) A QIPP delivery group is being proposed to support with identifying further opportunities and enable sharing of QIPP schemes across areas of London.
- B) An external QIPP review led by North East London Commissioning Support Unit (CSU) commissioned by NHS England has now been completed and the final report is being finalised. No further material opportunities for savings have been identified for 2015/16, areas to review for 2016/17 have been identified.

### 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		-968	
Un- identified QIPP	-9,700	-1,206	
<b>Total</b>	<b>-12,700</b>	<b>-2,654</b>	

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.

Following a review of the 2014/15 actual outturn to date, £1m of accruals have been identified for release to support the QIPP shortfall. Settlement of all of the prior year liabilities remains outstanding, in particular premises reimbursement for CHP & NHSPS landlords. Work is continuing to finalise all these areas as the validated information becomes available.

Key Risk Areas	Mitigation Action	Impact YTD
QIPP under achievement.	Alternative savings / mitigation opportunities to be identified in order to make up for shortfall in savings.	Year to date deficit.

3. Appendix A details each CCG's financial performance for the 9 months to the end of December.

### 3.1 Croydon

Nine months results to 31<sup>st</sup> December are showing an overspend of £261k (0.8%) of which £480k is attributable to under-delivered QIPP offset by underspends on core services, seniority cost and a non-recurrent benefit from 2014/15 accruals. The underspend on seniority cost is due to contractual changes emanating from a phased reduction in seniority payments over six years which has been reinvested in core services effective from October 2015.

The forecast year end outturn variance based on month 9 is an overspend of £354k (0.8%) comprising £640k QIPP under-achievement, £185k overspend on QOF offset by underspend on core services (£166k), seniority cost (£36k) and a non-recurrent benefit on prior year accruals (£243k).

Croydon's weighted population has increased by 0.6% year on year from April 2014 to April 2015. There has been a growth of 0.5% (1,841 weighted population) year to 1<sup>st</sup> October 2015 (quarter 3).

### **3.2 Kingston**

Nine months results to 31<sup>st</sup> December are showing an overspend of £161k (0.9%) of which £252k is attributable to under-delivered QIPP offset by underspends on premises cost and a non-recurrent benefit from 2014/15 accruals. Other causes of the overspend are cost pressures emanating from QOF and discretionary payments such as locum GP cost for maternity cover.

The forecast year end outturn variance based on month 9 is an overspend of £177k (0.8%) comprising £337k QIPP under-achievement and underspend on premises costs (£116k), seniority costs and a non-recurrent benefit on prior year accruals (£156k).

The underspend on seniority cost is due to contractual changes emanating from a phased reduction in seniority payments over six years which has been reinvested in core services effective from October 2015.

Kingston's weighted population has increased by 0.9% year on year from April 2014 to April 2015. There has been a growth of 1.3% (2,352 weighted population) year to 1<sup>st</sup> October 2015 (quarter 3).

### **3.3 Richmond**

Nine months results to 31<sup>st</sup> December are showing an overspend of £171k (1%) of which £239k is attributable to under-delivered QIPP offset by an underspend on seniority cost and a non-recurrent benefit from 2014/15 accruals. The underspend on seniority cost is due to contractual changes emanating from a phased reduction in seniority payments over six years which has been reinvested in core services effective from October 2015. Other causes of the overspend are cost pressures emanating from QOF.

The forecast year end outturn variance based on month 9 is an overspend of £183k (0.8%) comprising £320k QIPP under-achievement and a slight overspend on QOF offset by underspends on seniority (£41k), Enhanced services (£45k) and a non-recurrent benefit on prior year accruals (£144k).

Richmond's weighted population has increased by 0.1% year on year from April 2014 to April 2015. There has been a growth of 1.2% (2,214 weighted population) year to 1<sup>st</sup> October 2015 (quarter 3).

### **3.4 Sutton**

Nine months results to 31<sup>st</sup> December are showing an overspend of £167k (0.9%) of which £254k is attributable to under-delivered QIPP offset by an underspend on seniority cost and a non-recurrent benefit from 2014/15 accruals. The underspend on seniority cost is due to contractual changes emanating from a phased reduction in seniority payments over six years which has been reinvested in core services effective from October 2015.

Other causes of the overspend are cost pressures on QOF and other non-contractual costs such as patient transportation costs.

The forecast year end outturn variance based on month 9 is an overspend of £194k (0.8%) comprising £339k QIPP under-achievement, overspend on QOF (£96k), offset by underspends on seniority cost (£106k) and a non-recurrent benefit on prior year accruals (£221k).

Sutton's weighted population has increased by 0.3% year on year from April 2014 to April 2015.

There has been a growth of 0.4% (631 weighted population) year to 1<sup>st</sup> October 2015 (quarter 3).

### 3.5 Merton

Nine months results to 31<sup>st</sup> December are showing an overspend of £200k (1%) of which £287k is attributable to under-delivered QIPP offset by an underspend on seniority cost and a non-recurrent benefit from 2014/15 accruals. The underspend on seniority cost is due to contractual changes emanating from a phased reduction in seniority payments over six years which has been reinvested in core services effective from October 2015.

Other causes of the overspend are cost pressures emanating from QOF (£72k), premises cost and other non-contractual costs such as premises valuation.

The forecast year end outturn variance based on month 9 is an overspend of £239k (0.9%) comprising £383k QIPP under-achievement, overspends on QOF (£96k), premises costs (£64k), offset by underspends on seniority cost (£92k) and a non-recurrent benefit on prior year accruals (£129k).

Merton's weighted population plateaued year on year from April 2014 to April 2015.

There has been a considerable growth of 1.9% (3,657 weighted population) year to 1<sup>st</sup> October 2015 (quarter 3).

### 3.6 Wandsworth

Nine months results to 31<sup>st</sup> December are showing an overspend of £326k (1%) of which £476k is attributable to under-delivered QIPP offset by an underspend on seniority cost a non-recurrent benefit from 2014/15 accruals. The underspend on seniority cost is due to contractual changes emanating from a phased reduction in seniority payments over six years which has been reinvested in core services effective from October 2015.

Other causes of the overspend are cost pressures emanating from QOF, Enhanced services and non-contractual costs such as patient transportation cost.

The forecast year end outturn variance based on month 9 is an overspend of £399k (0.9%) comprising £635k QIPP under-achievement, overspends on QOF (£83k) and premises costs (£41k), offset by an underspend on seniority cost (£114k) and a non-recurrent benefit on prior year accruals (£357k).

Wandsworth's weighted population saw a 0.7% growth year on year from April 2014 to April 2015.

There has been a growth of 0.3% (887 weighted population) year to 1<sup>st</sup> October 2015 (quarter 3).

## 4. Forecast Year End Position

Based on month 9 results the Medical services budget is forecast to be **£1.5m (0.8%)** overspent due to the QIPP position. Given the fact that there are no further Medical Services risk reserves to offset any overspends, it would be cautious to note that there is a risk overspends may increase.

Overall based on month 9 results, the forecast outturn has remained the same as previously reported due to mitigation actions put in place by management such as the release of 2014/15 accruals and reservation of the uncommitted balance of the 1% non-recurrent headroom.

All CCGs in London were all written to by NHS England regarding the QIPP position for 2015/16 and the joint response from Andrew Bland has been noted. In line with the response, NHS England will do all it can working across Primary Care to mitigate the QIPP shortfall and meet any further pressures. Whilst this will largely involve non-recurrent actions, there will be some further recurrent benefits from 2015/16 schemes and the rate reviews.

A Primary Care Technical Group has been established with representatives of all London SPGs to work with NHS England to understand the co-commissioned / delegated pressures and recommend options for budget-setting for 2016/17. Subject to the Comprehensive Spending Review settlement and allocations, there is likely to be a QIPP requirement for 2016/17 of 1-1.5% (similar to 2015/16), including any brought-forward recurrent pressures.

## 5. Exclusions

This report excludes:

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