

NHS Rotherham Clinical Commissioning Group

Primary Care Committee Xth March 2017

Finance Report

Lead Executive:	Keely Firth
Lead Officer:	Wendy Allott
Lead GP:	Richard Cullen

Purpose:

To brief members on the financial position at month 10.

Background:

The primary care allocation remains at £37.4m.

POSITION TO DATE AND FORECAST OUTTURN

1. In Year Financial Position

Table 1 sets out the £37.4m allocation falling under the responsibility of the Primary Care Committee, the year to date financial position and the current assessment of forecast outturn. Prior month's figures are provided for information and significant variances described below.

TABLE 1

Area of Spend	Annual Budget £m	Month 10		Prior Month	
		Variance to Date	Forecast Outturn Variance	Variance to Date	Forecast Outturn Variance
		£m	£m	£m	£m
Premises Cost Reimbursement	3.0	(0.0)	(0.1)	0.1	0.0
Other Premises costs	0.4	(0.0)	(0.0)	(0.0)	0.0
Enhanced Services (DES + LES)	4.4	0.5	0.8	0.4	0.6
General Practice - APMS	0.8	0.0	0.0	0.0	(0.0)
General Practice - GMS	3.9	(0.0)	(0.0)	(0.0)	0.0
General Practice - PMS	19.9	(0.8)	(1.0)	(0.7)	(1.0)
Other GP Services	1.0	0.0	0.1	(0.0)	0.1
Other Misc - Reserves	0.5	(0.6)	(0.6)	(0.6)	(0.7)
QOF	3.5	(0.2)	(0.1)	(0.1)	(0.1)
TOTAL	37.4	(1.1)	(0.9)	(1.0)	(1.1)

Enhanced Services (DES & LES)

Expenditure against this line includes the PMS reinvestment schemes (described below under the General Practice-PMS line), the CCG's longer standing LES schemes and national DES schemes. At month 10 this line now also includes £0.2m year-to-date and £0.4m forecast outturn spend relating to a number of primary care developments. The additional investments, which manifest as overspends within this particular budget line are offset by the under-spend on the primary care reserve line below, effectively utilising that reserve to fund these developments.

As in previous months further detail on the financial performance of the PMS reinvestment schemes and the CCG's longer standing LES schemes is provided below. This analysis shows PMS reinvestment schemes continuing to performing close to plan in terms of both year-to-date and

forecast outturn positions, with more significant underspends on the longer standing LES schemes. (Please note that for the purpose of this sub-analysis notional budgets have been allocated against the PMS reinvestment schemes, whereas these budgets are permanently allocated to PMS Contract lines)

	Annual Budget	YTD Budget	YTD Actual (AP10)	YTD Variance	FCOT Spend	FCOT Variance
	£	£	£	£	£	£
PMS Reinvestment LES's	511,390	426,158	368,438	(57,720)	449,945	(61,445)
Quality Contract	460,689	383,908	383,908	0	460,689	0
TOTAL PMS reinvestment monies	972,079	810,066	752,346	(57,720)	910,634	(61,445)
BCF LES's (Over 75's , LTC Case Mgt, Care Homes)	2,145,002	1,787,470	1,322,330	(465,140)	1,696,051	(448,951)
All other LES's	1,046,799	872,240	854,129	(18,111)	1,026,902	(19,897)
TOTAL Other LES	3,191,801	2,659,710	2,176,459	(483,251)	2,722,953	(468,848)
TOTAL ALL LES's	4,163,880	3,469,776	2,928,804	(540,971)	3,633,587	(530,293)

General Practice – PMS

This line includes allocations totalling £1.9m affected by NHSE's national equitable funding exercise. As funds are removed from PMS contracts via the equitable funding exercise, they are being made capable of being reinvested back with Rotherham GP Practices via a series of Local Enhanced Service (LES) schemes under the overall umbrella of the Rotherham Quality Contract. 2016-17 is year 2 of the 4 year exercise and as such 50% of the £1.9m funds will be withdrawn from PMS contracts during 2016-17, resulting in a forecast under-spend of £1.0m against the PMS line.

Other Misc. – Reserves

The derivation of this £0.5m allocation has been described in detail in previous reports. Whilst the reserve line is showing as under-spending it is being utilised along with funding contributions from NHSE, to offset expenditure being incurred elsewhere (see Enhanced Services section) in connection with a number of primary care developments including

Telephony
 Saturday Hubs
 Telehealth
 Federation Manager
 Federation Development Nurse
 Care Navigation
 Ardens Templates
 Productive General Practice
 Physio First pilot

2. QIPP Savings

As previously reported these have been fully achieved for 2016-17

The following items remain under review:

3. NHS Property Services rent reviews

- (i) NHS Property Services charges moved to a market rent valuations basis in 2016-17, the results of which alter both rental charges but also the related void and subsidy charges. Any

change should ultimately result in a neutral circular flow of funds and NHSE have for asked CCG's to currently show a neutral financial position in relation to this item whilst it can be worked through nationally.

- (ii) There is a risk that the circular flow of funds may not mitigate all cost pressures and in the meantime it is difficult to fully understand the in-year financial position. The matter is a national issue and is being escalated on behalf of delegated commissioners by our local NHSE team.
- (iii) For these reasons there is an assumption that charges will be on the basis of prior year budgets which essentially means balanced in-year and forecast outturn positions.

Equality Impact:

No new issues

Financial Implications:

None

Human Resource Implications:

No impact

Procurement:

No impact

Recommendations:

Members of the Primary Care Committee are asked to:

- I. Note the latest analysis of expenditure in Table 1**
- II. Note that primary care developments are being progressed and the reserve being utilised**
- III. Note the area still under review nationally which may impact on future forecasting**