

NHS Rotherham Clinical Commissioning Group

Primary Care Committee 9th November 2016

Finance Report

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Purpose:

To brief members on the financial position at month 6. Due to cancellation of the October meeting, this finance report covers items in both month 5 and month 6.

Background:

The Primary Care Allocation increased by £25k during AP5, in respect of GP Five Year Forward View GP Development Programme monies for Reception and Clerical Training. The allocation overall is £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 are described below.

TABLE 1

Area of Spend	Annual Budget £m	Year to Date (Month 6)		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	0.0	0.0	0.0
Other Premises costs	0.4	(0.0)	0.0	(0.0)	0.0
Enhanced Services (DES + LES)	4.4	0.2	0.5	0.3	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	(0.5)	(1.0)	(0.4)	(1.0)
Other GP Services	1.0	(0.0)	0.0	(0.0)	0.0
Other Misc - Reserves	0.5	(0.5)	(0.6)	(0.4)	(0.7)
QOF	3.5	(0.1)	(0.1)	(0.1)	(0.1)
TOTAL	37.4	(0.9)	(1.2)	(0.8)	(1.3)

Enhanced Services (DES & LES)

Expenditure against this line includes the 'PMS reinvestment schemes' described above. It also includes the CCG's longer standing LES schemes as well as national DES schemes.

As requested at September's meeting 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 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 and in order to assist the reader with interpreting the net financial position, notional budgets have been allocated against the PMS reinvestment schemes. These budgets are ordinarily contained within the PMS Contract lines)

	Annual Budget	YTD Budget	YTD Actual (AP6)	YTD Variance	FCOT Spend	FCOT Variance
	£'000	£'000	£'000	£'000	£'000	£'000
PMS Reinvestment LES's	511.4	255.7	218.2	(37.5)	439.8	(71.6)
Quality Contract	460.7	230.3	230.3	(0.0)	460.7	0.0
TOTAL PMS reinvestment monies	972.1	486.0	448.5	(37.5)	900.4	(71.6)
BCF LES's (Over 75's , LTC Case Mgt, Care Homes)	2,145.0	1,072.5	880.9	(191.6)	1,803.9	(341.1)
All other LES's	1,046.8	523.4	494.9	(28.5)	1,003.4	(43.4)
TOTAL Other LES	3,191.8	1,595.9	1,375.8	(220.1)	2,807.4	(384.4)
TOTAL ALL LES's	4,163.9	2,081.9	1,824.4	(257.6)	3,707.8	(456.1)

General Practice – PMS

This line includes allocations totalling £1.9m affected by the 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 underspend of £1.0m against the PMS line.

Other Misc. – Reserves

The derivation of this £0.5m allocation was described in detail in a previous report, but increased in month 5 by a further £25k for the GP Five Year Forward View allocation mentioned earlier in this report. Forecast outturn underspend was revised downwards in AP5 following a recalculation by NHSE colleagues of the benefit from under-utilised year end accruals, and then again in month 6 to allow for 3 potential commitments being; £30k pump-priming of GP Federation post, and £60k revenue consequences of Cohort 1 Estates and Technology Transformation Fund (ETTF) bids.

2. QIPP Savings

As reported at September, these have been fully achieved for 2016-17

The following areas currently remain under review:

3. Business rate reviews

The process of enacting any business rate reductions arising from the amended valuation methodology is being managed by NHSE in partnership with individual GP Practices and remains ongoing. We are currently forecasting breakeven against these budgets. In recent weeks we have had sight of letters from NHSE to a small number of GP Practices confirming revised rates. Given this, from month 7 onwards we hope to increasingly reflect actual rates into forecast outturn, which we expect to lead to an improvement in the overall position.

4. NHS Property Services rent reviews

- (i) NHS Property Services charges are moving to a market rent valuations basis, 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 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, and the £25k increase in allocation
- (ii) Note the areas still under review nationally which may have an impact on future forecasting.