

# NHS Rotherham Clinical Commissioning Group

## Primary Care Committee 14<sup>th</sup> September 2016

### Finance Report

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

#### Purpose:

To brief members on the financial position.

#### Background:

This report follows on from the August report which set out

- the 2016-17 allocation in detail
- the areas from which 2016-17 QIPP had been fully achieved for the year
- the application of growth monies to date and
- The establishment of a reserve.

#### 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. Previous month's figures are provided for information and significant variances described below.

**TABLE 1**

Area of Spend	Annual Budget £m	Year to Date (Month 4)		Prior month	
		Variance to Date	Forecast Outturn Variance	Variance to Date	Forecast Outturn Variance
		£m	£m	£m	£m
Premises Cost Reimbursement	3.0	(0.1)	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	0.0	0.6	0.1	1.0
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	(0.3)	(1.0)	(0.3)	(1.0)
Other GP Services	1.0	(0.1)	0.0	(0.0)	0.0
Other Misc - Reserves	0.5	(0.3)	(0.8)	(0.1)	(0.5)
QOF	3.5	(0.1)	0.0	(0.0)	(0.2)
<b>TOTAL</b>	<b>37.4</b>	<b>(0.9)</b>	<b>(1.2)</b>	<b>(0.3)</b>	<b>(0.7)</b>

#### 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of the Rotherham Quality Contract. 2016-17 is year 2 of the 4 year exercise and as such 50% of the £1.9m funds will be withdrawn from PMS contracts during 2016-17, resulting in a forecast underspend of £1.0m against the PMS line.

### **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. A detailed piece of work carried out at month 4 and following Quarter 1 actual performance data becoming available, has led to a revised assessment of forecast outturn. As actual practice performance varies, forecast outturn will be constantly re-assessed.

### **Other Misc. – Reserves**

The derivation of this £0.5m allocation was described in detail in last month's report. The forecast outturn has been revised to £0.8m in-month due to a one-off benefit from £0.3m of under-utilised year end accruals being recognised in month.

## **2. QIPP Savings**

As reported at August, 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. To date the process is only partially complete for Rotherham. We have requested sight from NHSE colleagues of working papers tracking the originally anticipated revaluation figures (GL Hearn on behalf of NHSE) against actual revaluations figures coming through 'on the ground'. This will allow us to better assess in future months, the one off in-year savings which should arise out of this change. For now, we are assuming a breakeven 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 the expenditure in Table 1**
- (ii) Note the areas still under review nationally which may have an impact on future forecasting.**