

PCSE Seniority Payment Reconciliation Process

Colleagues will recall that last Autumn many practices were contacted by PCSE, which was undertaking a reconciliation exercise for seniority payments made in financial years 2017/18, 2018/19 and 2019/20. Not all practices will be affected by this exercise.

This process was then delayed because of the need for further validation exercise. This has now been undertaken for all but a very small number of practices. As a result of the validation, the figure your practice (if affected) will now receive (which may be either positive or negative) may be different to the figure sent in October 2023.

The intention is to balance practice payments in the June contract payment run. Across England approximately 1,500 practices are due a deduction, and just under 1000 practices will receive a positive adjustment. PCSE are making special arrangements for practices who believe a one-off financial deduction in June would place their practice at risk of financial hardship. If this is the case, you should complete the request for a payment plan via the email you have received from PCSE.

There is a short window to complete this, as it should be sent to PCSE by 23 April 2024. PCSE will set up a payment plan for the remaining ten months of the financial year (June 2024 to March 2025) in which the total deduction will be subdivided into ten equal monthly deductions. GPC England (GPCE) understand from PCSE that this payment plan will be forwarded to the practice's ICB and practices contacted if the ICB considers such a repayment plan is unnecessary. However, it is difficult to understand any ICB drawing this conclusion. LMCs are recommended to advise ICBs that if they have any queries about an individual practice's repayment plan, they should urgently contact the practice and their LMC.

PCSE have also confirmed they will not make a June deduction if a dispute has been raised.

There is further information regarding seniority payments in my previous update letter of 23 October 2023 and also via the PCSE website at [Seniority payments | PCSE \(england.nhs.uk\)](https://www.pcse.org.uk/seniority-payments)

PCSE and NHSE both recognise that, having initiated this exercise and then withdrawn it for further validation, there may be some scepticism about the revised figures. This is a complicated exercise as the total figure sent to practices is an aggregate one, covering all partners at the practice entitled to receive seniority payments during the three years involved, and this may include both positive and negative adjustments. Practices can request further information from PCSE via the link above.

Due to the time that has elapsed, these adjustments may relate to GP partners who have now retired, resigned from the practice, or who are even deceased. They may also relate to practices which have now merged or closed. GPCE does not believe current practices should be contacted about practices that have closed, and patients dispensed to re-register elsewhere, as opposed to mergers, which have brought together previous existing practices. Practices may find that, because seniority payment reconciliations were always made some years in arrears, there is reference to such arrangements on retirement or resignation within a Partnership Agreement. There may also be similar arrangements detailed in Merger Agreement when this has occurred.

However, this exercise is undoubtedly going to create some work for practices: GPCE recommends that in the first instance, practice accountants are informed of the information received from PCSE. Obviously, past partners can be contacted, but this needs to be a value-for-money exercise as some adjustments (whether positive or negative) are small, in absolute terms, and may not justify a complicated accountancy exercise. Current partners can certainly inform previous partners (including partners of a then different practice if a merger has occurred) of the information they

have received from PCSE. If a partner has died, then this may be a more sensitive exercise in terms of contracting the beneficiaries of their estate. If this isn't possible, PCSE should be informed.

GPCE also understands that PCSE will eventually be in touch with practices affected by the 2013/14, 2014/15 and 2015/16 and 2016/17 financial years, although any adjustments related to these years are likely to be smaller in absolute terms, but we do not have a date for this exercise.