

Local Government North Yorkshire and York

4 October 2013

Matter Arising from the Minutes – Health Funding - Minimum Practice Income Guarantee

Report of the Honorary Secretary

1.0 Purpose of the Report

- 1.1 To advise of MPs' responses to LGNY's letter concerning the intention of NHS England to withdraw the Minimum Practice Income Guarantee (MPIG).

2.0 Background

- 2.1 Members will recall that LGNY, at its last meeting, considered the oral report of Councillor John Blackie in which he expressed concern about resourcing of rural health services and, in particular, the intention of NHS England to withdraw the MPIG from the funding which GP Practices receive to deliver services. Following discussion, LGNY resolved:-

“That it be agreed, in principle, to lobby local MPs and the wider NHS network and that Councillor Tom Fox be asked to draft the letter in consultation with Councillor John Blackie and that the draft subsequently be circulated to other LGNY Members for comments before being finalised and posted.”

3.0 Letter Sent and Responses Received

- 3.1 Following the last meeting and consultation with LGNY Members, I wrote, in my capacity as Honorary Secretary to LGNY, to the Members of Parliament listed below. A copy of my letter is at Appendix 1 to this report.

- William Hague MP
- Robert Goodwill MP
- Julian Smith MP
- Julian Sturdy MP
- Anne McIntosh MP
- Nigel Adams MP
- Andrew Jones MP

- 3.2 The Assistant to Julian Smith MP emailed me on 3 September 2013 advising as follows:- “Dear Mr Flinton, Julian Smith has asked me to thank you for your email and the attached letter and to confirm that he has made representations to both the Secretary of State for Health and Chris Long, the Chief Executive of the Local Area Team of NHS England. He will be in touch as soon as he receives a response. Yours, Ann Morris, Assistant to Julian Smith MP”.

- 3.3 A response has been received from William Hague MP, a copy of which is at Appendix 2 to this report.
- 3.4 Jim Bailey (Chairman of the North York Moors National Park Authority) has also provided me with a copy of a letter he sent, in his capacity as Chair of National Parks England, to Defra's Deputy Director and Head of Rural Communities Policy Unit. A copy is at Appendix 3 to this report.

4.0 Recommendation

- 4.1 That the report be noted.

Richard Flinton

Honorary Secretary to Local Government North Yorkshire and York



Richard Flinton

Chief Executive
County Hall
Northallerton
North Yorkshire
DL7 8AD

Tel: 01609 532444

Fax: 01609 778199

Email: Richard.flinton@northyorks.gov.uk

Our Ref: RF/CJS

22nd August 2013

Dear Member of Parliament,

I am writing to you on behalf of the Leaders of North Yorkshire County Council, the City of York Council, the seven District / Borough Councils in North Yorkshire, and the Chairman of both the Yorkshire Dales National Park Authority and the North York Moors National Park Authority which meet under the auspices of a partnership organisation known as Local Government North Yorkshire and York (LGNY+Y).

At its most recent meeting held in Skipton the LGNY+Y heard of the strong concerns being expressed in rural communities about the impact that the phased withdrawal of the NHS Minimum Practice Income Guarantee (MPIG) might have on their GP practices.

Examples of rural communities that would be affected are Hawes, Aysgarth and Reeth in the Upper Dales and Egton and Danby in the North Yorkshire Moors. GPs from these Surgeries have already stated in the public domain that the surgeries may have to close as a result of the withdrawal of MPIG.

If this were to happen, patients served by them would have to travel extended distances to see a GP, and in some cases the next nearest GP practice would be a 40 mile round trip away. As you will be aware this type of community has a high proportion of older residents.

These are examples of communities at risk and there are likely to be others within North Yorkshire.

It is understood that the saving made by the withdrawal of MPIG would generate a fund of some £110 million which it is intended to be re-cycled into GP primary care services across England on the basis of a new funding formula.

A report by Deloitte funded by NHS Employers indicated that a sum of £6 million might be all that is required to provide a compensatory payment for those 100 or so most rural GP Practices across England where their continued operation might be uncertain when MPIG is withdrawn. The Deloitte Report also made clear that the savings made by the NHS as a result of the closure of these remote GP Practices would be outweighed by the additional travel and other consequential costs for their patients. There are greater costs in running services in rural areas and this fact needs to be recognised.

Leaders of all Councils in North Yorkshire and York are not against a review of MPIG but are requesting your support to ensure that any review protect GP Surgeries within rural communities

A responsive County Council providing excellent and efficient local services

and would be grateful for any representations you could make to Ministers within the Department of Health. In addition it would be appreciated if you could make your views known to Chris Long, the Chief Executive of the Local Area Team of NHS England who are currently considering this issue.

Any feedback that you could provide in relation to actions that you have taken would be very helpful.

Yours sincerely,

Richard Flinton;
Chief Executive of NYCC and
Honorary Secretary to Local Government North Yorkshire and York.

The Rt Hon William Hague MP



HOUSE OF COMMONS
LONDON SW1A 0AA

15 SEP 2013

12 September 2013

Dear Richard,

Thank you for your recent letter regarding the abolition of the Minimum Practice Income Guarantee (MPIG) and the effect of this on GP practices in rural areas in North Yorkshire. I am deeply concerned about the pressures that rural healthcare services are under and I am taking this matter very seriously.

I have written to the Health Secretary emphasising the importance of this issue and I have requested a meeting with the appropriate officials to discuss it further.

I have also written to the Mr Geoff Day, the Head of Primary Care at NHS England, to make clear the pressures that rural health services face and urged him to find a solution that allows practices such as the Central Dales, to remain viable. A copy of his reply is enclosed.

It is important that we are prepared and ready to work with Mr Day's team and NHS England to ensure that the revisions to the formula fairly and accurately meet the needs of rural practices.

I hope these actions reassure you that I take this matter very seriously and I am committed to helping find a solution

Yours sincerely,

The Rt Hon William Hague MP

Mr Richard Flinton
Chief Executive
North Yorkshire County Council
County Hall
Northallerton, North Yorkshire DL7 8AD

Please address correspondence to:

1 Omega Business Village, Thurston Road, Northallerton, North Yorkshire DL6 2NJ Telephone 01609 779093

This page is intentionally blank

Geoff.day@nhs.net
Direct Tel: 0113 825 1898

GD/EAS

The Rt Hon William Hague MP
House of Commons
LONDON
SW1A 0AA

Unit 3
Alpha Court
Monks Cross
York
YO32 9WN

Tel: 0113 825 1898
Fax: 01904 633096
www.england.nhs.uk

3rd July 2013

Dear Mr. Hague

Minimum Practice Income Guarantee (MPIG)

Thank you for your letter dated 17 June 2013.

I have noted your comments and would wish to assure you that I am aware of the concerns emerging from local practices.

The future of MPIG has been subject to discussion between the British Medical Association (BMA) and NHS Employers for some time. The intention is to move to a common capitation price based on current average expenditure on "global sum" payments, correction factor payments paid under the Minimum Practice Income Guarantee (MPIG) and comparison to the basic elements of PMS funding. This common capitation price would be applied to both core contract types, General Medical Services (GMS) and Personal Medical Services (PMS) over a seven year period.

It is intended that the funding formula would take into account the number of patients served, weighted for a range of demographic factors that affect patient need and practice workload.

The guidance on how this will be undertaken across the respective Area Teams within NHS England is in the process of being developed. However what is important to emphasise in respect to your issue, is that the proposal will include a specific undertaking to include GMS contractors where MPIG forms a significant proportion of practice income. To this effect my team will be liaising closely with these practices over the coming months to ensure we have a full understanding of the financial position and likely impact for these practices and the services that they provide. This will be used to inform the disaggregation process to progress towards establishing equitable payments.

Whilst we recognise that over the 7 years the "MPIG" will no longer be a recognised element of funding for general practice the changes to the national capitation formula should ensure that the practice receives a level of funding that is equitable across the country for its patient numbers and demographics. I can assure you that my team and I will be taking a pro-active role in shaping the revisions to the formula and will be seeking to ensure that the specific issues faced by rural practices are accurately reflected in the formula.

Yours sincerely,

Geoff Day
Head of Primary Care
North Yorkshire & Humber Area Team
NS England



Sara Eppel
Deputy Director and Head of Rural Communities Policy Unit
Defra
By email

31 July 2013

Dear Sara

I am writing to you following a meeting of the Chairs of National Park England (NPE) to express our serious concern about the potential impacts in rural areas in general, and the National Parks in particular, of the Government's proposed changes to the funding of GP services – notably the withdrawal of the Minimum Price Income Guarantee (MPIG).

Although National Park Authorities (NPAs) have no direct role in the provision of health services we do contribute towards the health prevention agenda, and we retain a strong interest in this issue because of the wider implications of GP surgery closures on the *statutory purposes* of National Parks. Our statutory purposes are to conserve the natural beauty, wildlife and cultural heritage of the National Park, and to promote understanding and enjoyment of their special qualities. Responsibility for achieving this is a shared effort, and would be impossible without thriving local communities and a strong economy.

At this stage, we are worried that the Government's funding proposals would undermine its (and our) ambition for thriving rural communities. Closure of any of the few remaining GP surgeries in remote rural areas would have a significant detrimental impact on the viability of the communities affected. National Parks tend to have a population that is already significantly older than the national average – and is increasingly reliant on access to local health services. In addition, as communities lose local services, like GP surgeries or schools, it becomes increasingly unlikely that they can hold on to, or attract, families with young children – creating a vicious circle in which services and communities continue to decline.

The GP surgeries found in National Parks also serve many farming families in remote locations. Upland livestock farms play a pivotal role in maintaining and enhancing many of the National Parks' special qualities. Agriculture also remains important to the local economy and at the heart of our communities and their culture. Retention of viable upland livestock farming is, therefore, essential. The future for these farms – and their attraction to the next generation of farmers – would be even more difficult if the nearest GP surgery is a 40 mile round trip away.

Although we recognise the wider argument for the NHS to make efficiency savings we do not believe the Government ever intended this policy to lead to the demise of the few remaining GP surgeries that serve some of this country's most remote and sparsely populated rural areas. On behalf of NPE, I would ask you to consider ways to ensure that there is a rural/deeply rural component to the future funding of GP Practices. Recycling just a fraction of the £110 million from the MPIG in this way would ensure that areas like the National Parks are not inadvertently and disproportionately affected. I look forward to hearing from you.

Yours sincerely,

Jim Bailey
Chair, National Parks England

National Parks England

National Parks England is a not for profit company limited by guarantee. Company number 06521048.
Registered at: Fifth Floor, Local Government House, Smith Square, London SW1P 3HZ

Tel: 020 7072 7421 Fax: 020 7664 3030 Email: enquiries@nationalparksengland.org.uk
www.nationalparksengland.org.uk