

North Yorkshire County Council**Scrutiny of Health Committee****17 January 2014****Update on Clinical Commissioning Groups' Funding Allocations and on
Withdrawal of the Minimum Practice Income Guarantee****Purpose of Report**

1. This report provides an opportunity for the Committee:
 - a) receive, for information, the budget allocations over the next two years for the Clinical Commissioning Groups (CCGs) covering North Yorkshire;
 - b) to be updated on developments with regard to the withdrawal of the Minimum Practice Income Guarantee (MPIG).

CCG Allocations

2. On 18 December 2013 NHS England published the funding allocations that Clinical Commissioning Groups will receive over the next two years (2014/15 and 2015/16). The position for CCGs covering North Yorkshire is shown in APPENDIX 1.
3. A new funding formula for the NHS has been calculated and CCG's have been notified of their target allocation per head of population. According to the new formula, North Yorkshire CCG's are currently funded above the target allocation and therefore a rapid move to the new formula would have seen CCGs' allocations reduced. However a decision was made to move at a slow pace of change which has resulted in all CCG's receiving a minimum uplift of 2.14% in 2014/15 and 1.7% in 2015/16.

MPIG

4. Members will recall that MPIG was introduced to top up GP practices' core funding to match their basic income levels when the New General Medical Services (nGMS) contract was introduced in 2003/04. The Department of Health announced it is phasing out MPIG over the next years 7 starting from April 2014.
5. Withdrawal of the MPIG is part of wider proposals by NHS England to change the way that general practice services are commissioned and provided. The aim of NHS England is to enable general practice to play an even stronger role at the heart of more integrated out-of-hospital services that deliver better

outcomes, more personalised care, excellent patient experience and the most efficient possible use of NHS resources.

6. At the Committee meeting in November 2013 Dr Geoff Day (Head of Primary Care, NHS North Yorkshire and Humber) when he summarised how the specific problems of GPs and communities in rural areas will be taken into account in the planned changes. Arising out of the discussions your Chairman, County Councillor Jim Clark wrote to Mr Day seeking clarification on certain matters of detail. The relevant correspondence is attached as APPENDICES 2 and 3.
7. In recent days NHS England has announced that it recognises that certain practices (numbering 98 out of some 8,000 GP practices in England) are heavily-reliant on the MPIG and are considered 'outlier' practices. For these practices it is understood that provision will be made so that the withdrawal of MPIG does not undermine their viability, but individual Local Area Teams (LATs) of NHS England are free to interpret this differently according to their patch. The North Yorkshire and Humber LAT has confirmed only Egton Surgery and Danby Surgery qualify as outliers. As yet the LAT has not indicated how it will support these surgeries, although it has indicated that there is no additional funding available.
8. As a way forward practices, certainly the "non-outliers", are being encouraged by NHS England to:
 - make efficiency savings;
 - merge;
 - federate.

Recommendations

9. That Members:
 - a) note the CCG budget allocations for the next two years;
 - b) consider what further work the Committee could do to ensure withdrawal of MPIG is managed smoothly and does not lead to a reduction in access to primary care services across the County.

Bryon Hunter
Scrutiny Team Leader
County Hall, NORTHALLERTON

Wednesday, 08 January 2014

Background Documents: None

NHS England

Total CCG Programme Budget Allocations 2014/15 & 2015/16

	2013/14	2014/15		2015/16		2015/16		
CCG	CCG Programme Budget Baseline Allocation	CCG Programme Budget Allocation	Total growth on prior year	CCG Programme Budget Allocation	Total growth on prior year	Better Care Fund Additional Allocation	Total Allocation	Total Transfer to Better Care Fund
	£000	£000	%	£000	%	£000	£000	£000
NHS Cumbria CCG (Bentham)	663,133	677,324	2.14%	688,839	1.70%	11,581	700,420	36,332
NHS Hambleton, Richmondshire and Whitby CCG	169,403	173,028	2.14%	175,969	1.70%	2,829	178,798	9,152
NHS Harrogate and Rural District CCG	173,082	176,786	2.14%	179,791	1.70%	3,097	182,888	9,557
NHS Scarborough and Ryedale CCG	146,901	150,045	2.14%	152,596	1.70%	2,055	154,651	7,538
Vale of York CCG	359,741	367,439	2.14%	373,685	1.70%	5,938	379,623	19,366
NHS Airedale, Wharfedale and Craven CCG	183,773	187,706	2.14%	190,897	1.70%	3,173	194,070	10,032

For 2015/16 CCGs will also receive an additional allocation to provide part of their contribution to the Better Care Fund. This reflects monies that in 2014/15 will be passed directly from NHS England to Local Authorities to support integration of health and social care.

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21 November 2013

Mr Geoff Day
Head of Primary Care
NHS England (North Yorkshire and Humber area team)
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Dear Mr Day

Minimum Practice Income Guarantee (MPIG)

Thank you for attending the meeting of the Scrutiny of Health Committee on Friday, 8 November 2013.

I think there is now an acceptance that the circumstances under which MPIG was first introduced no longer apply and new arrangements are required. As MPIG is phased out any new arrangements must reflect more accurately the closer alignment of primary and secondary care and support the innovative work that many General Practitioners (GPs) are already doing to prevent hospital admissions and to support people to live independently in their own homes. If GPs are going to effectively deliver integrated care we must ensure that they are properly funded particularly in rural areas where the cost of providing local access is so much higher.

You informed the Committee that preliminary discussions with a small number of GPs in rural areas of North Yorkshire suggest there are options for the way forward. In particular you referred to the fact that these discussions had revealed that GPs are carrying out work over and above their contract with NHS England – work for which they should be funded by their local Clinical Commissioning Group (CCG).

You also mentioned there is scope for GP practices to federate together in order to increase efficiency and financial viability. It is important to emphasise this must not be at the expense of patient care.

Cont/d ...

At the meeting we also heard from a GP in a rural practice who stated that as a result of the loss of MPIG his practice could lose approximately £78,000 pa. He added that over the 7 year period there would be a gradual erosion of services unless the practice and NHS England agree acceptable alternative arrangements.

Against this background I would be grateful if you provide a transition plan on how withdrawal of MPIG will be offset by other funding and/or efficiency savings so that access to GP services across the County will be maintained and hopefully enhanced. If funding is to be moved from secondary care into primary care I would expect this will be covered in the plan, including an indication of the type of secondary services that will no longer be commissioned by the CCGs from the hospital trusts. It would be useful to have this information on a practice by practice basis but if this is not possible then a summary at CCG level would be acceptable.

I look forward to receiving an early response to this request.

The withdrawal of MPIG and the prospect of CCGs being required to fund certain additional services in primary care come at a time when NHS England's "Fair Shares" allocation formula is under review with a decision on the future funding of CCGs expected to be made next month. The present proposals show that CCGs in North Yorkshire would face a reduction in excess of £20m pa and this would be in addition to the circa £9m deficit they inherited from the former North Yorkshire and York Primary Care Trust from 1 April 2013.

Against this background we have great concern over the long term funding of GP services in North Yorkshire and I ask you to bring these concerns to the attention of your colleagues at NHS England so they might influence decisions on the CCG funding allocations at the very highest level in the NHS.

Yours sincerely

County Councillor Jim Clark
Chairman – North Yorkshire County Council Scrutiny of Health Committee

Copy to all CCGs:

Airedale, Wharfedale & Craven CCG
Hambleton, Richmondshire & Whitby CCG
Harrogate & Rural District CCG
Scarborough & Ryedale CCG
Vale of York CCG

All Members and Substitute Members of the North Yorkshire Scrutiny of Health Committee

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10th December 2013

Dear Councillor Clark,

Minimum Practice Guarantee (MPIG)

I am writing following the scrutiny committee meeting held on the 8th November 2013.

At the meeting I agreed to provide the committee with the details of the MPIG payments made to North Yorkshire practices. Having taken advice I have been informed that to provide this at practice level could be considered commercially sensitive so I have provided a total at CCG level.

Practices themselves may be willing to share their values with the committee if you contact them directly. I have also shown the number of practices who operate under GMS contract arrangements in each CCG and included other CCGs within the North Yorkshire & Humber area to act as a comparator.

Where there is only a single practice covered by North Yorkshire & Humber Area Team I have included them within a neighbouring CCG. This is reflected in the combined Airedale, Wharfedale and Craven figures which includes the Bentham practice and the North Lincolnshire CCG figures which includes a single North East Lincolnshire practice. For your information the remaining North East Lincolnshire practices all operate under PMS arrangements.

CCG	No of GMS Practices	Total MPIG Value £s	Average MPIG value per practice £s
Airedale, Wharfedale & Craven (Incl Bentham)	6	342,366	57,061
Harrogate and Rural district	16	945,887	59,117
Hambleton, Richmondshire and Whitby	19	529,275	27,856
Scarborough and Ryedale	14	372,759	26,625
Vale Of York	30	1,671,056	55,701
East Riding of Yorkshire	27	999,024	37,000
Hull	35	904,129	25,832
North Lincolnshire (incl 1 North East Lincolnshire practice)	17	128,625	7,566

I note your request for a transition plan for the North Yorkshire practices. At this time I am not in a position to map the flow of monies through the system until we are advised of our allocations later this year. I will in due course provide you with an update of progress.

I would like to re-iterate the statement I made at the committee meeting. We are committed to improving outcomes and choice for patients within primary care. To deliver this will require a change to the way in which primary care services are configured and provided. We will be working closely with providers and the CCGs to develop a long term commissioning strategy that achieves these aims.

Yours sincerely

Geoff Day
Head of Primary Care
North Yorkshire and Humber Area Team
NHS ENGLAND

cc.Bryon Hunter, Chief Executive's Office, Northallerton