

To all practices in Surrey and Sussex LMCs

13th April 2021

Dear Colleagues

Rewarding Achievement in the Investment and Impact Fund [IIF]: considerations for GP practices as members of PCNs

The Investment and Impact fund [IIF] was introduced as part of the amended 2020/21 PCN Enhanced Service Specification and will run for the lifetime of the PCN DES, that is, until 2023/24. In the first half of 2020/21 this funding was diverted to support practices during the first stages of the Covid-19 pandemic (the PCN Support Fund). During the second six months of 2020/21 it represented a set of targeted achievements measured at an aggregated PCN level. Payments are made to PCNs, not to individual practices.

This represents significant potential additional funding, since although worth £24.25 million in Q3 and Q4 2021, the annual IIF funding is proposed to rise to £150 million in 2021/22, £225 million in 2022/23 and £300 million in 2023/24. Achievement targets will be set annually, as part of each year's GP Contract Agreement, but indicators in the first two years included targets for seasonal flu in >65-year-olds, social prescribing referrals, and LD health checks. Prescribing and Access targets are also likely, as NHS England can use the IIF to financially incentivise policy aims year on year. An example of this is the inclusion of the GP appointment standardisation programme, funded in 2021/22 via an IIF indicator.

As these targets are based on aggregate achievement by all PCN member practices, except in the rare case where one practice also forms a PCN, PCN member practices will need to mutually agree, and record, the method via which such funding will be discussed amongst practices within each PCN. This agreement should be included within the PCN Network Agreement. This is potentially controversial since the average achievement of the PCN is likely to conceal differential achievement amongst member practices. PCNs should have a clear decision-making process agreed not by the PCN CD alone, but by all member practices, and may find it helpful to consider their response to the following scenarios, bearing in mind such outcomes may differ for each of the individual incentivised 'indicators' within the IIF.

- Practices all achieve above the threshold targets maximum achievement payment is delivered by the PCN.
- Practices all achieve below the threshold target, no achievement payment is received by the PCN.
- Some practices achieve above the threshold targets, some achieve a partial target, and a proportion of the total potential achievement payment is received by the PCN.

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- Some practices achieve above the threshold target, some achieve a partial target, and some achieve below the threshold target, and a proportion of the total potential achievement payment is received by the PCN.
- Some practices achieve a partial target, and some achieve below the threshold target, and a proportion of the total potential achievement target is received by the PCN.

These scenarios exist because each IIF target is an aggregate of the individual practice achievements. However, although the IIF payment will be paid in total, PCNs will be able to see constituent practice achievement.

PCNs may also wish to consider:

- exceptional circumstances, such as the availability of practice staff that contribute to the target, such as, for example, the presence of Social Prescribers within the PCN.
- Personalised Care Adjustments (Exception Reporting) may not be applicable to all indicators, but have been applied to, for example, seasonal flu vaccination and annual LD Health Checks.

For most proposed indicators, a prevalence and a list size adjustment is applied to IIF payments, to try and make payment more proportional to the amount of activity undertaken.

Colleagues should also note that PCNs are required to commit that the IIF achievement payment will be reinvested into additional workforce and/or primary medical services. Colleagues should note this requirement may limit some PCN proposals, as, for example, the IIF is not recurrent and needs to be earned each year, whereas any additional staff or service delivery may represent a longer-term commitment. The LMC is uncertain how IIF payment usage will be monitored by NHS England or CCGs.

PCNs should carefully consider the workload required: likely benefit achievable ratio for each of the PCN indicators, since for some PCNs, depending on capacity and other factors, it may not be appropriate use of resources to undertake all indicators.

As PCNs are not themselves legal entities, income received by PCNs when disbursed to member practices represents potentially taxable profit, thus PCNs must keep careful accounting spreadsheets for the benefit of constituent practices and their accountants.

Other PCN income streams: -

£1.50 CCG payment: this is made to PCNs at a payment of £1.50 per registered patient and is thus capitation based.

PCN Clinical Director funding: this is based at 0.25% WTE per 5000 registered population, and is equivalent to £0.722 per registered patient per year. This funding has been temporarily increased from 0.25 to 1 WTE for Q4 2020/21 and Q1 2021/22 financial years:

NHS England have advised this funding is available to all PCNs where at least one practice is participating in the Covid19 Vaccination Programme (Phase 1 - cohorts 1 – 9) during these quarters and it is not a requirement to be undertaking Phase 2 (cohorts 10 – 12).

NHSE England have stated that recognising: "many Clinical Directors may have clinical and other commitments, this funding will be able to be flexibly deployed by PCNs to support the leadership and management of the Covid response."

The LMC therefore recommends PCNs

- separately consider the allocation of this additional PCN CD funding, recognising the proportionate contribution of individual PCN CDs and the delegated work other practice colleagues such as Practice Managers have undertaken in managing and delivering the Covid19 Vaccination Programme. This agreement should be in writing and agreed by all member practices.
- have an agreement with the PCN CD over the way in which the additional PCN CD funding, is used.

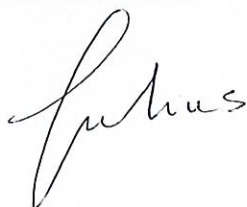
Care Home Premium ('Bed Fund'). This is being paid at £120 per bed per year from 1st April 2021, having been paid at £7.50 per bed per month August 2020 – March 2021.

Extended Hours payment: this is £1.45 per registered patient and the current specification will continue for 2021/22.

The LMC recommends PCNs have a clear agreement on the disbursement of Extended Hours funding and Care Home Premium Funding, written into the PCN Network Agreement. Practices should consider their individual responsibilities in relation to delivering these services, when agreeing the allocation of these funding streams.

I hope this background is helpful; the LMC has received a number of queries in relation to PCN financial disbursements which have emphasized the importance of member practices having written agreements which describe these arrangements, included in their Network Agreements, and reached after mutual discussion between all member practices.

With best wishes



Dr Julius Parker
Chief Executive