

Financial Reimbursement Arrangements for GP practices 2025/26

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This webinar will cover...

- Original 2025/26 Contract financial changes
- Doctors and Dentists Pay Review Body (DDRB)
- Car-Hill Formula
- Effects of DDRB Award 2025/26
- Global Sum changes
- Statement of Financial Entitlements (SFE) reimbursements
- Salaried GPs
- Other GP Practice salaried staff
- Additional Roles Reimbursement Scheme (ARRS)
- GP Earnings and Expenses Report 2023/24
- Pension Payments

Original 2025/26 Contract financial changes

- QOF: transfer £100 million [71 points] to Contract Funding
- SFE reimbursements uplift
- Vaccination and Immunisation IoS uplifts
- Advice and Guidance Enhanced Service

Total 2025/26 GP contract changes

Including DDRB uplift



This table includes £100mn moved from QoF into Global Sum. All other funding is new money.



Doctors and Dentists Pay Review Body (DDRB)

- Annually recommends salary awards for all NHS doctors and dentists.
- Government then decides on final award.
- Formerly reported before April so annual arrangements are in place for financial year; not so in recent years but SoS has requested this for 2026/27.
- Between 2019/20 and 2023/24 no recommendation for GP partners (contractors) was made, as part of 'multiyear' deal.
- For Contractors: award is translated into an uplift of elements of the GP contract, primarily Global Sum, but may also include QOF, PCN DES and SFE reimbursements
- For salaried GPs: award uplifts the BMA sessional GP pay scales.

Carr-Hill Formula I

- Capitated payments to practices via the Global Sum are weighted by the Carr-Hill Formula.
- Weighting elements depend on both demography of practice list [age: gender: morbidity] but also factors such as rurality.
- Does not, currently, include factors such as postcode deprivation and English not as a first language.
- Flat rate London weighting applies to patients living within metropolitan postcodes.
- Renegotiating the Carr-Hill Formula in a way that is fair, realistic, and affordable will be a key process in terms of a GMS Contract renegotiation.

Carr-Hill Formula II

- Capitated payment per patient weighted by Carr-Hill Formula
- Comprises three income streams
 - GP Contractor income [31%]
 - Other staff expenses including salaried GPs [53%]
 - Other expenses [16%]
- The relative proportions of these three elements are based on HMRC data used in the GP Earnings and Expenses Report.
- The 2025/26 used figures from the 2022/23 E&E Report; the 2026/27 Contract calculations will use the 2023/24 Earnings and Expenses Report figures, which have just been published.

Effect of DDRB Award 2025/26 I

- Following the Government acceptance of the DDRB Award of 4%, the following elements of the Contract were further uplifted, but by 1.2%.
- There was a common public sector pay assumption of 2.8% built into the 2025/26 Contract.
- Uplifted elements of the Contract:
 - GP Contractor income
 - Other staff expenses including salaried GPs
 - Locum reimbursement via the SFE claims
 - ARRS (including 'GPs in ARRS) [4% 'GP'] [0.8% AFC roles] and other cost pressures
 - Enhanced Access: pay and other cost pressures

Effect of DDRB Award 2025/26 II

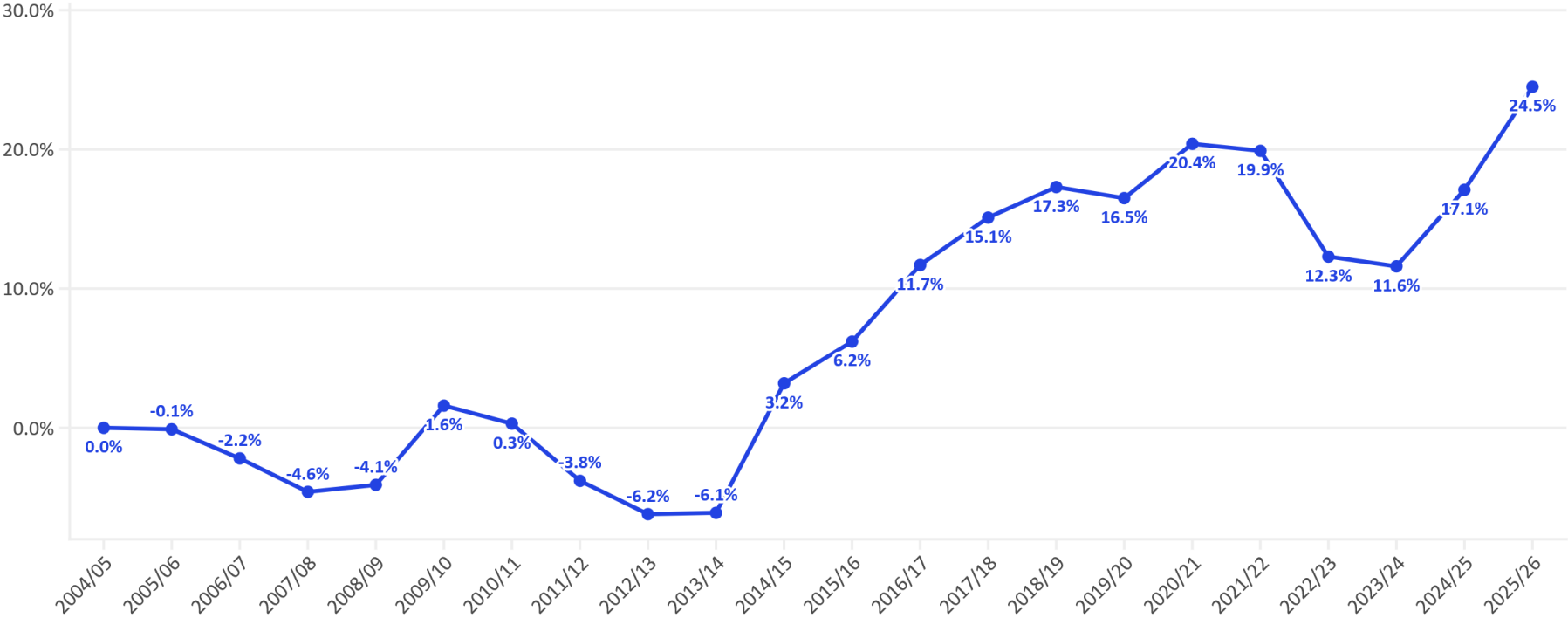
- Core Leadership and PCN service specifications were increased by inflation [2.4%]
- QOF, IIF, CAIP and vaccination IoS were not further uplifted as these are either IoS payments or not directly related to staff costs.

Global Sum Changes

- Further £1.55 added to Global Sum
- Total uplift for 2025/26 is £10.84 (from £112.50 to £123.34) representing 9.64%
- OOHs deduction remains at 4.75%, so this will be £5.86 for 2025/26

Global Sum payments: real-terms trend

Adjusted for CPI inflation*



Statement of Financial Entitlements (SFE) reimbursements

- Practices should ensure they are claiming all entitlements from the SFE
- This includes parental and sickness leave for both partners and salaried GPs
- Parental leave includes: maternity, paternity, adoptive, shared parental leave and neonatal leave, and shortly, leave relating to miscarriage
- The salaried GP Contract has been adjusted, but aligns with leave time periods in the SFE
- Partners should consider amending their Partnership Agreements to reflect SFE claims, and arrangements [such as the ability of part-time partners to cover SFE reimbursed leave]
- Some leave, such as Jury service, cannot be claimed via the SFE
- SFE reimbursements only cover “performers”, that is, GPs

SFE II

- In 2024/25 SFE uplifts mirrored the cumulative application of DDRB Awards for previous years and 2025/26 the SFE uplifts mirrored the DDRB Award
- This remains GPC England negotiating policy going forward
- Uplifts include:
 - Parental leave: £1475.17 initial two weeks and £2238.03 thereafter
 - Sickness leave: £2238.03 per eligible week

Salaried GPs

- Salaried GPs employed by GMS and PMS Contractors should be offered the BMA Model Contract or if the terms and conditions are varied these should be 'no less favourable' [not defined further]
- [BMA publishes salaried GPs sessional salary range](#), which is now between £76,038 to £114,743
- Actual salary depends on a negotiation between the partnership and GP relating to role, responsibilities and experience
- BMA Model Contract specifies an annual salary uplift linked to each years DDRB Award

Other GP Practice Salaried Staff

- Most staff will not have national contracts, but LMC advice is to follow contractual position, if stated, in relation to salary uplifts
- Recognise that DDRB Award is seen as a benchmark, particularly for NHS unionised staff such as the RCN
- Government keen to ensure uplifted contract value is distributed to all practice employed staff, but hasn't set this as a contractual requirement
- Ultimately partnership decides on employment arrangements, but GPC England wish to negotiate a move to a 'Red Book' staff reimbursement arrangement

Additional Roles Reimbursement Scheme (ARRS)

- Uplifted following DDRB Award, as above
- PCN ARRS Allocation can be used for any eligible staff, but ensure HR advice is followed if changes are made
- ARRS GPs now entitled to SFE reimbursement whether:
 - Employed by GP practice directly
 - Employed by a third-party organisation, such as incorporated PCNs, GP Federations, or Trusts for example
- Details within Annex E of the PCN DES specification but terms are a cutout of the SFE
- Contact LMC if any challenge
- Any claim made under Annex E are reimbursed separately to the PCN ARRS allocation

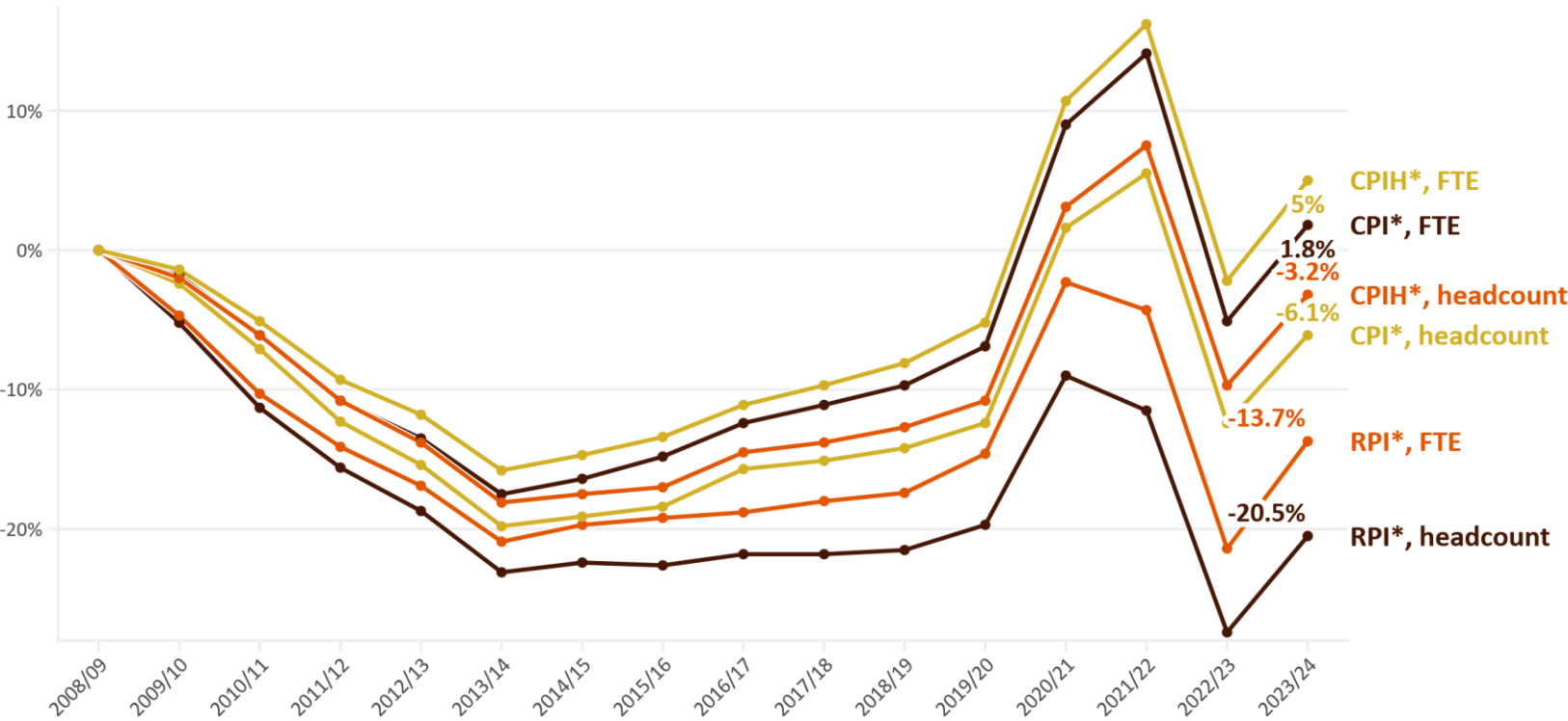
GP Earnings and Expenses Report 2023/24

- Available at: [GP Earnings and Expenses Estimates, 2023/24 - NHS England Digital](#)
- Shows various averages of contractor and salaried income in the four nations, in relation to contract type, age, gender, and ethnicity
- Based on anonymous HMRC returns
- Important as used by NHS England and DHSC in contract negotiations, and DDRB when considering annual recommendations

GP Contractor income before tax

Real-terms change since 2008/09

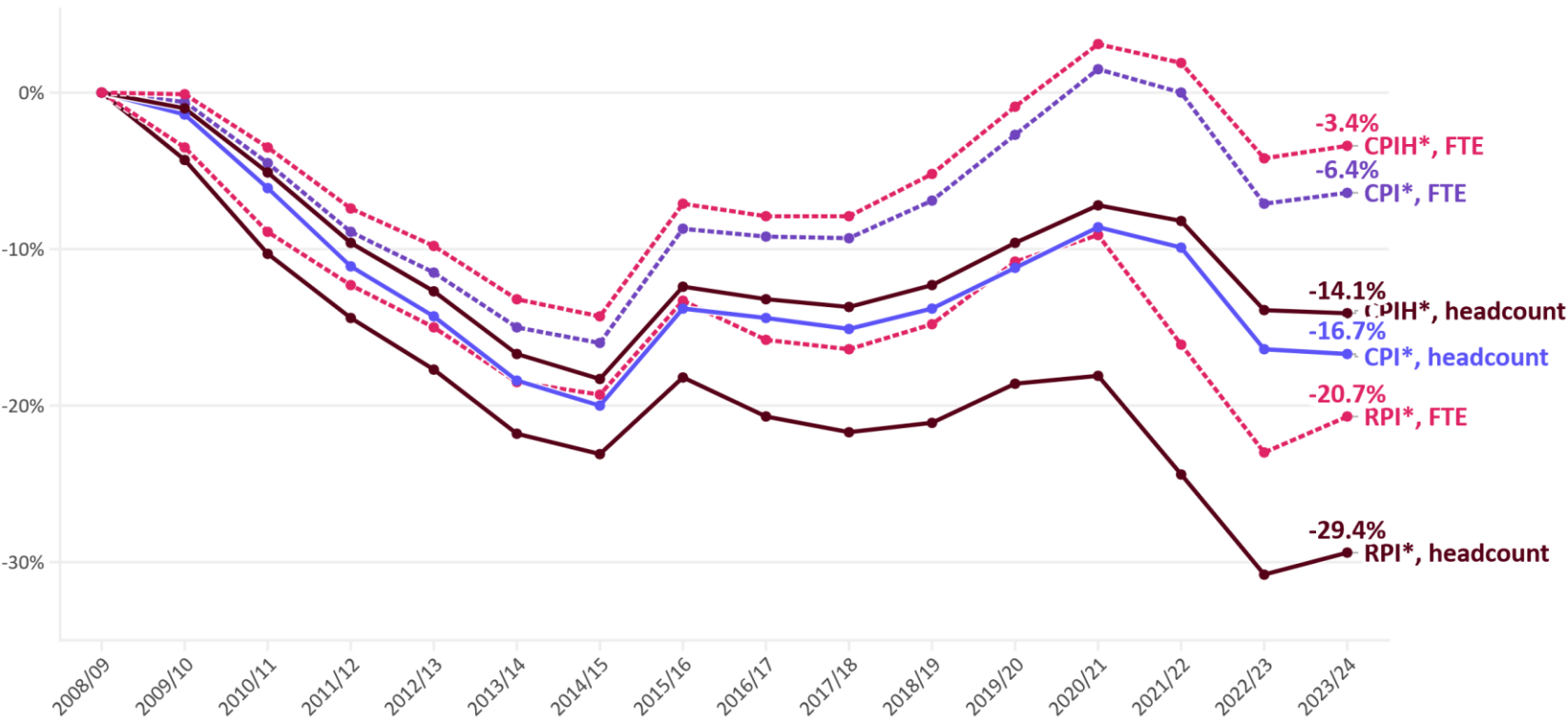
England



Salaried GP employed income before tax

Real-terms change since 2008/09, various measures

England



Pension Payments

- Currently 14.38 % paid by employer (0.08% representing an administrative supplemental charge)
- 6.3% is centrally funded, no anticipated change to these arrangements
- National Living Wage from April 2026; the Low Pay commission will recommend to HMG in October 2025 and is currently estimating a likely 4.1% rise (to £12.71 per hour for workers aged 21 and over)

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