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To: Directors of Commissioning  
Regional Heads of Primary Care  
Heads of Primary Care  
CCG Clinical Leads and Accountable Officers

Gateway no 00359

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NHS England  
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7 March 2019

Dear colleagues

**RE: GMS CONTRACT CHANGES 2019/20**

I am writing with details of further changes that have now been confirmed as we approach the start of the 2019/20 financial year.

Previous guidance

To recap, I have written twice before. My first letter of 31<sup>st</sup> January announced the publication of **Investment and evolution: A five-year framework for GP contract reform to implement The NHS Long Term Plan** jointly with the BMA's General Practitioners Committee England.

<https://www.england.nhs.uk/publication/gp-contract-reform-letter-from-ed-waller/>

My second letter of 19<sup>th</sup> February set out further details, including the 2019/20 values of the Global Sum price per weighted patient and Quality & Outcome Framework point.

<https://www.england.nhs.uk/wp-content/uploads/2019/02/EW-Letter--GMS-Contracts.pdf>

I am now writing to provide more information that has become available since I last wrote, across four areas:

- a. The payments to cover indemnity inflation up to and including 2018/19
- b. Changes to allocations required due to the GP contract agreement
- c. A change to the NHS Pensions Scheme employer superannuation contributions rate
- d. Further guidance documents on the 2019/20 GMS contract and PMS / APMS contracts.

Indemnity Inflation

Following further discussion with the General Practitioners' Committee (GPC) of the British Medical Association, we will make £60 million available to cover the effects of indemnity

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premium inflation and costs up to and including 2018/19. This will be paid at a rate of £1.005 for each registered patient at practices as at 1<sup>st</sup> February 2019.

As in previous years, the payment will be arranged, made automatically through regions cost centres and funded centrally. Local commissioners will therefore not need to do anything and regions will simply need to ensure they accrue for any payments due and not made during March. Details of the payments due will follow with the allocations to regions shortly.

This payment, agreed with GPC is in full and final settlement of all indemnity funding inflation and costs up to and including 2018/19, including the purchase of run off cover as necessary by all GPs with indemnity cover that is not on an occurrence basis.

The advice from NHS Resolution, who will be administering the Clinical Negligence Scheme for GPs, is if individuals are unsure of their current indemnity arrangements then they should contact their existing indemnity provider.

Further information on the CNSGP is available from the NHS Resolution website at the following link:

<https://resolution.nhs.uk/services/claims-management/clinical-claims/clinical-negligence-scheme-for-general-practice/>

### Changes to allocations

As the allocations paper<sup>1</sup> to the Board on 31<sup>st</sup> January and subsequent guidance<sup>2</sup> made clear, CCG allocations may require adjustments to take account of the GP contract agreement which was also announced on the same day, 31<sup>st</sup> January.

Having reviewed the position thoroughly, consequential adjustments will now be made to the following allocations:

- a. CCG allocations 2019/20 to 2023/24 (primary care medical)
- b. For some CCGs, their CCG allocations 2019/20 to 2023/24 (core services)
- c. NHS England 2019/20 to 2023/24 Central Allocations

In summary, these changes reflect the:

- i) Net effect of funding changes to the GP contract which will see a lower increase, 1.4% in 2019/20, than was assumed when the original allocations were published on 31<sup>st</sup> January, due to the introduction of the new centrally-funded Clinical Negligence Scheme for General Practice (CNSGP) which will start from April 2019. The scheme is funded through a one-off permanent adjustment to core practice funding. Future costs of CNSGP will be funded centrally, not met by individual practices. Allocations will be adjusted commensurately.
- ii) Transfers needed to move the Improving Access for General Practice funding into CCG allocations (primary care medical) from 2019/20 onwards. Some CCGs received a recurrent transfer of this funding into their CCG allocations (core services) in 2017/18, and this will now be transferred to their CCG allocations (primary care medical) from 2019/20 onwards. In addition, further funding of over £200 million a year will be transferred from NHS England central allocations to

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<sup>1</sup> Paragraph 16 of the [Allocations Board Paper](#)

<sup>2</sup> Annex B of the [CCG Allocations Guidance](#)

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CCG allocations (primary care medical). These transfers will ensure all Improving Access to General Practice funding is then within CCG allocations (primary care medical) from 2019/20 onwards, ahead of when Primary Care Networks take over the responsibility for this from April 2021, following the planned access review.

Further details and guidance will follow shortly.

### NHS Pensions Scheme employer superannuation contributions

The Government recently consulted on increasing the NHS Pensions Scheme employer superannuation contribution rate from 14.3% to 20.6% which is paid in addition to the 0.08% pensions administration levy.

The Government's response to the consultation was published on 4<sup>th</sup> March at the following link:

<https://www.gov.uk/government/consultations/nhs-pension-scheme-proposed-changes-to-scheme-regulations-2019>

A transitional approach for 2019/20 has been agreed with NHS England and the scheme administrator, the NHS Business Services Authority.

An employer rate of 20.6% (20.68% inclusive of the administration charge) will apply from 1 April 2019. However, the NHS Business Service Authority will only collect 14.38% from employers. Central payments will be made by NHS England and the Department of Health and Social Care for their respective proportions of the outstanding 6.3%.

Arrangements for 2020/21 will be confirmed in due course, with the expectation that the Scheme will return to 'business as usual' arrangements in 2020/21 both in terms of contribution collections and funding flows.

### Further guidance

As in previous years, we are continuing to work with GPC to develop more detailed documents, including:

- a. Detailed guidance on the GMS contract changes
- b. Guidance on the changes required to Personal Medical Services (PMS) and Alternative Provider Medical Services (APMS) contracts
- c. A GMS practice ready-reckoner, produced in partnership with the GPC, intended to provide an indication of the changes in income that may affect a GMS practice from 1<sup>st</sup> April 2019.

NHS England's dedicated GP contracts page will be updated with further details of these documents as soon as possible.

<https://www.england.nhs.uk/gp/gp/v/investment/gp-contract/>

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Next steps

As mentioned in my previous letters, we are beginning a series of roadshows to help colleagues understand the changes in full and on which further communications and guidance will follow.

In the meantime, if you have any queries they can be submitted to:

[England.GPcontracts@nhs.net](mailto:England.GPcontracts@nhs.net)

Thank you for the questions received so far. We will look to address as many of these as possible in future guidance, prioritising areas of common concern.

A handwritten signature in blue ink that reads "Ed Waller". The signature is written in a cursive style with a small circular mark at the beginning.

**Ed Waller**  
**Director**  
**New Business Models and Primary Care Contracts Groups**