Inner North East London Joint Health Overview and Scrutiny Committee
c/o Hackney Council
Overview and Scrutiny Team
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26 Sept 2014

Mr Neil Roberts
Head of Primary Care
NHS England (London Region, North, Central & East)

(by email)

Dear Neil

Threats to viability of GP Practices in East London due of the withdrawal of the 'Minimum Practice Income Guarantee' (MPIG)

Thank you for your briefing note '*GMS funding changes – an updated position'* which we received on 9 Sept and which outlined the support available to GP Practices in East London facing a significant impact from the withdrawal of MPIG. This was a follow up to the briefing you kindly provided to Health in Hackney Scrutiny Commission on 17 July.

At the first meeting of the newly appointed INEL Committee on 11 Sept we discussed NHSE's latest offer on this with GP representatives from both Tower Hamlets LMC and City & Hackney LMC. While it was unfortunate that an NHSE representative could not be present, we are grateful to you for the updated briefing note.

The following key points were made by the senior GPs present:

a) MPIG was originally offered "in perpetuity" for as long as it was needed to prevent GP Practices falling below their 2004 levels of income, prior to the introduction of the new funding formula. Had GP incomes risen above 2004 levels then the MPIG would in effect have phased it self out. This hasn't happened and NHSE has now reneged on this promise. Furthermore by withdrawing MPIG the affected Practices will now fall back below their 2004 income levels.

b) The Carr-Hill formula gives an advantage to areas with significant numbers of older people (e.g. Eastbourne) and disadvantages areas, such as east London, where there are significant pockets of both younger people who are ill and populations who fall ill at a younger age, both linked to levels of deprivation.
c) While there are 22 Practices in Tower Hamlets, City & Hackney and Newham, which you say, are affected by the withdrawal of MPIG, there are many more just beneath this strict qualifying threshold (of losing more than £3 per weighted patient population) and their future must now also be called into question, certainly in the longer term.
d) The new stop-gap (non-recurrent funding for 2014/15 and 2015/16, which you are inviting the affected Practices to apply for this month) will have the effect of just postponing the problem and Practices currently in difficulty will be back in the same position in two years time unless and until the underlying inequity in the funding system is tackled.
e) NHSE admits that if Practices go under, and this is not unlikely, the cost of replacing them will be more than any savings accrued by these changes.
f) Of the 5 Practices in Tower Hamlets, which you indicated are affected, only 2 have been sent letters indicating that they might be eligible for this stopgap funding. Practices in City & Hackney disagree with your claim that they didn't respond to your offer of a meeting, so there are obviously communication problems.
g) The cuts are also affecting those on PMS and APMS contracts as we learned from Newham, where all Practices are on PMS contracts. The issue is broader than just GMS contracts.

We asked the LMC and BMA representatives if they could prepare a joint business case to put to NHSE to challenge your proposals and we suggested that it would be helpful if they could aggregate evidence from the Practices affected on the following issues:

a) how many have extenuating circumstances relating to workload and patient demographics (and list these)
b) how many are undergoing a crisis in recruitment involving both GPs approaching retirement age and challenges in filling vacant posts
c) How are the increases in population and population churn impacting on them at present
d) how many have an IMD score of 35 or higher thus indicating significant health inequalities and so an increased workload for their GPs

In point 4 of your briefing you say: "*There are some circumstances where the Carr-Hill formula may not sufficiently reflect the relative workload of London's GPs because of demographics, deprivation etc. amongst a local practice population*". This implies you are aware of the extent of the problem and as a Committee we would argue that you have a duty therefore to ensure that these Practices are properly funded.

We would also ask NHSE to explain how the revision of the Carr-Hill Formula is going to reconcile the ongoing tensions between 'age' vis-à-vis 'deprivation'

in how the formula is devised. Unless the funding formula takes proper account of what is known as “healthy-life expectancy” the formula will continue to weighted against GP Practices in areas where there are both significant health inequalities and where Practices are under increasing pressure because of the population pressures.

While we wish to support the LMCs in our boroughs on this campaign we continue to be hampered in our understanding by the lack of transparency on Primary Care funding from both sides. As I expressed in my letter of 17 July, we do not see why, even if confidentiality clauses prevent you from revealing some data, you cannot provide us with redacted data. This would give us a clear indication of the extent of the problem, including those that may just fall below the “£3 requirement” and also what proportion of Practices might have gained as well as lost. And finally we would be interested to know how many of the Practices are likely to be eligible for the interim funding.

We look forward to hearing from you.

Yours sincerely

Cllr Ann Munn
Chair
Inner North East London Joint Health Overview and Scrutiny Committee

cc
Members of INEL JHOSC
LMC Chairs for City & Hackney, Tower Hamlets and Newham
Members of the HOSCs in Newham, Tower Hamlets, City of London, Hackney
Cabinet Members for Health in Newham, Tower Hamlets, City of London, Hackney
MPs for Newham, Tower Hamlets, Hackney and City of London