

14 March 2005

**For Action**

**Directors of Finance – PCTs**

**For Information**

**Chief Executives - PCTs**

**Primary Care Contracting Leads –SHAs**

**Cc: SHA CEs and FDs**

2005

**ENHANCED SERVICES FLOOR UNDERSPEND**

I am writing as some PCTs are forecasting they will not meet their Enhanced Services Floor (ESF) in 2004/05. Mostly this is due to the slow uptake/part-year effect of some new enhanced services.

We are continuing to monitor the position carefully to ensure floor spend is delivered this year however where PCTs do not expect this to be the case the following arrangements have been agreed with NHS Employers and the BMA's General Practitioners Committee as a way forward.

**Action**

It is agreed that:

- All PCTs should plan and have **firm commitments** in place to achieve their ESF for 2004/05 and 2005/06
- For 2004/05 only, where PCTs do not achieve the level of expenditure to meet the ESF in 2004/05 they should discuss the position with their LMC. The aims of discussion will be to **obtain LMC agreement** that under expenditure against the ESF will be rolled over into enhanced services budgets in 2005/06 and made good in 2005/06. Where agreement is not reached either party may refer the matter to the **Implementation Coordination Group (ICG)** for consideration of the issue.
- Underspends carried forward 2005/06 must be spent on enhanced services in accordance with the commissioning and monitoring arrangements spelt out in

‘Delivering Investment in General Practice’ and will need to be incorporated into the firm commitments made to achieve their ESF in 2005/06. Where agreement is reached the PCT will need to notify the SHA of the details so that the TSC has access to information on agreed investments which it may need to reflect in its monitoring of the Gross Investment Guarantee.

- PCTs have until the end of April 2005 to identify where planned floor spend was not achieved and to agree with LMCs how the carried forward sums will be invested in 2005/06.
- Any historic reported expenditure by PCTs in 2003/04, which is not subsequently agreed by TSC as counting towards Enhanced Services in the GIG, reduces that PCT’s local ESF for 2004/05 and 2005/06. PCTs who consider this may have occurred will need to submit a **case for rebasing** their local ESF to the ICG for decision.

Definitions are as follows:

“**Obtain LMC agreement**” – this should be a written letter of grant by the LMC

“**Firm commitments**” – a signed contract in place with a primary medical care contractor where practicable by 31 March 2005, otherwise a jointly signed statement of intent or letter of agreement by that date.

“**Case for rebasing**” – paper prepared by the PCT detailing the service which has been disqualified from inclusion in the ESF, and evidence confirming its inclusion in the historic funds reported which were used to construct the PCTs ESF.

“**Implementation Co-ordination Group (ICG)**” – working group of GPC, NHS Employer and Department of Health representatives which consider issues of implementation of the new contract and act as a dispute resolution mechanism where any problem cannot be resolved at local level in the first instance

Any queries on enhanced service arrangements and cases for referral to the ICG should be made to SHA Primary Care Contracting Leads for local resolution in the first instance. Where the SHA agrees there is a case for rebasing, the matter should be referred to ICG

I am copying this letter to Dr Hamish Meldrum, Chair of the BMA’s General Practitioners Committee and Chris Town, Chair of the NHS Employers GMS negotiating team.

Yours sincerely

A handwritten signature in black ink, appearing to read 'RD' followed by a long horizontal stroke.

**RICHARD DOUGLAS**  
**DIRECTOR OF FINANCE & INVESTMENT**