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

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3 March 2020

Dear colleagues,

**Update to the GP contract agreement: 2020/21-2023/24: Financial implications**

My letter of 6 February outlined that NHS England and NHS Improvement and the BMA had agreed the 2020/21 GP contract deal, and provided a summary of the changes. That letter is available at:

<https://www.england.nhs.uk/publication/update-to-the-gp-contract-agreement-2020-21-2023-24-letter-from-ed-waller/>

I am now writing to provide further details of the financial implications, none of which will give rise to cost pressures for financial planning or other purposes.

Additional funding allocations

The current Primary Care Medical (local) allocations were published on 17 July 2019 at: <https://www.england.nhs.uk/publication/ccg-allocations-2019-20-to-2023-24-primary-care-medical/>

Those allocations now need to be revised to take account of the additional funding shown in the table below. Detailed Primary Care Medical local allocations adjustments by CCG area are in the process of being updated to reflect these changes – and the expected changes for 2020/21, subject to further checking, are attached at appendix A.

They will also be published at: <https://www.england.nhs.uk/allocations/>

£ millions	2020/21	2021/22	2022/23	2023/24
<b>Allocations as published 17/07/2019</b>	<b>8,392.213</b>	<b>8,770.967</b>	<b>9,194.091</b>	<b>9,675.388</b>
Plus Care Homes Premium funding	27.433	54.866	54.866	54.866
Plus increase in Practice funding	20.000	20.000	20.000	20.000
Plus IIF to fund measures agreed for 2020/21	40.500	TBC	TBC	TBC
<b>Revised Allocations</b>	<b>8,480.146</b>	<b>8,845.833</b>	<b>9,268.957</b>	<b>9,750.254</b>

A summary of what these amounts are intended to fund is set out below. Fuller details can be found in the GP contract update document, available at:

<https://www.england.nhs.uk/publication/investment-and-evolution-update-to-the-gp-contract-agreement-20-21-23-24/>

- The Care Home Premium described at paragraph 11 of the update document will be paid at £60 per CQC-registered care home bed from October 2020, and £120 per year thereafter. The funding shown in the table above will be distributed to CCGs on the basis of the number of care home beds in their area. Published CQC data<sup>1</sup> on bed numbers in each CCG area will inform the calculations.
- “Increase in Practice funding” shows the net effect of the £10m increase in QOF, described in paragraph 9, and £12m for post-natal checks described in paragraph 10. This is partly offset by the end of a time-limited funding stream worth £2m related to Primary Care Support England (PCSE) which is now removed.
- “IIF funding for agreed measures” refers to the Impact and Investment fund which is described in chapter 8. This is an incentive scheme which will pay out to PCNs based on performance metrics set out in the document. IIF continues and expands in future years and is only shown non-recurrently here pending the outcome of negotiations for 2021/22 on the total value and metrics. It will be funded through additional allocations for commissioners.

This does not include additional funding for the Additional Roles Reimbursement Scheme for which separate arrangements apply, which are explained below.

#### Funding the costs of other contract increases

Published allocation increases cover the additional costs of:

- increases to global sum - which include;
  - amounts in respect of increases to contractor pay, staff and other expenses;
  - the introduction of post-natal maternity checks
  - the reinvestment of reductions to MPIG (only relevant for GMS contracts) and
  - the reinvestment of reduced seniority costs.
- the introduction of a new QOF indicator for non-diabetic hyperglycaemia and also changes to the value of a QOF point to reflect the changing average practice size.

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<sup>1</sup> Published by CQC on their webpage: <https://www.cqc.org.uk/about-us/transparency/using-cqc-data>

Further details will be available in the PMS/APMS contract implementation guidance that will be published shortly.

### Enhancing the Additional Roles Reimbursement Scheme (ARRS)

As set out in chapter 1 of the update document, the ARRS is being expanded with the aim of delivering 26,000 extra staff by 2023/24, covering a wider range of roles with 100% reimbursement (up to the limits set out in the document) from April 2020. Additional resources are being made available for the ARRS as shown at row (B) of the table below to give total funding of £1,412m by 2023/24.

<b>£ millions</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Original ARRS funding (A)	110	257	415	634	891
Additional ARRS funding (B)		173	331	393	521
<b>Revised total (A + B)</b>	<b>110</b>	<b>430</b>	<b>746</b>	<b>1027</b>	<b>1412</b>

The original ARRS funding, at row (A) in the table, is already included in the Primary Care Medical allocations<sup>2</sup> published on 17 July 2019. In 2020/21 this funding is worth £257m across England, which is around 60% of the £430m total available.

The additional ARRS funding, shown at row (B) of the table which runs to £521m in 2023/24, will - in the first instance - be held by NHSE&I and not added to the revised local Primary Care Medical allocations.

The intention is that as PCNs claim ARRS reimbursement in 2020/21, and subsequent years, so the funding shown in row (A) of the table that is included in local Primary Care Medical allocations will be paid out by CCGs.

At a CCG level, once the funding in row (A) has been claimed by PCNs and they continue to claim reimbursement over those amounts, CCGs will be able to draw down additional allocations - on the basis of need - from the centrally-held additional funding shown in row (B).

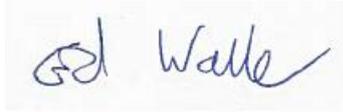
The precise details of these arrangements are being developed, including calculating the value of the funding in row (B) for each CCG, and will be communicated in due course.

As some of you are aware, we have been running a series of roadshows to help colleagues understand the changes in full. In the meantime, if you have any queries they can be submitted to [England.GPcontracts@nhs.net](mailto:England.GPcontracts@nhs.net).

Yours faithfully,

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<sup>2</sup> Available at: <https://www.england.nhs.uk/publication/ccg-allocations-2019-20-to-2023-24-primary-care-medical/>

Handwritten signature in blue ink, appearing to read "G. J. Wallis".

Director, Primary Care Strategy and NHS Contracts