

JANUARY 2008

# Practice based commissioning in 2008-09

GPC guidance for LMCS and GPs  
(England only)



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### 1 INTRODUCTION

The Department of Health (DH) published a fairly brief guidance note '*Practice based commissioning – budget setting refinements and clarification of health funding flexibilities, incentive schemes and governance*' on 20 December 2007. This guidance note, which applies to 2008-09, can be found online:

[www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_081101](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_081101)

For the most part, PBC will continue along the same lines in 2008-09 as at present and so the requirements and arrangements detailed in the DH guidance for 2007-08, 'Practice based commissioning: practical implementation' and the correlating GPC guidance note<sup>1</sup>, still stand.

*This GPC guidance sets out the changes that will apply from April 2008.*

### 2 MOVEMENT TOWARDS 'FAIR SHARE' BUDGETS

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See paragraphs 7-29 and annex A of the latest DH guidance  
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For details on the budget setting process for 2007-08, see chapter 5 of the relevant GPC guidance note here:

[www.bma.org.uk/ap.nsf/Content/pbdpolicy0307](http://www.bma.org.uk/ap.nsf/Content/pbdpolicy0307)

In 2008-09, the same toolkit is to be used by PCTs to calculate individual practice 'fair share' budgets. **Where the last available 12 months costed activity (at 2008-09 prices) and the 'fair share' budget differ by more than 10%, then the difference should be corrected by a minimum of 1%.** [Note that in 2007-08, movement towards the 'fair shares' budget was set at a *maximum* of 1%.] There is provision for the minimum reduction not to be imposed '...where activity, prevalence or exceptional circumstances provide strong evidence against that movement...'

**The maximum movement towards the 'fair share' is down to PCT discretion** and the DH recommends that this '...should be informed by a triangulation of 'fair share', activity, and prevalence and deprivation information for the practice in question.'

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1 'Practice based commissioning in 2007-08: detailed analysis of policy and guidelines', March 2007.

The DH guidance also states that the 'fair shares' toolkit '...should not be applied too mechanistically. So in 2008/09 **PCTs are encouraged to use additional local information to inform the fair shares budget setting process...**' Best practice will be viewed as where PCTs '...use local discretion to influence the final indicative budget'.

### 3 LOCAL INCENTIVE SCHEMES

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See paragraph 6 of the latest DH guidance

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For details on local incentive schemes (LISs) for 2007-08, see chapter 7 of the relevant GPC guidance note here:

[www.bma.org.uk/ap.nsf/Content/pbdpolicy0307](http://www.bma.org.uk/ap.nsf/Content/pbdpolicy0307)

In 2008-09, the most significant change is that **the latest DH guidance says that LISs should be '...funded from savings made from PBC'**. In addition, LISs '...should include incentivising practice based commissioners to reduce people's lifestyle risks.'

### 4 USING NHS FUNDING FLEXIBLY

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See paragraphs 2-4 of the latest DH guidance

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The DH published guidance and a consultation in March 2007 'Commissioning framework for health and well-being'. A GPC summary of the document can be found online here:

[www.bma.org.uk/ap.nsf/Content/commframeworkpbc](http://www.bma.org.uk/ap.nsf/Content/commframeworkpbc)

For 2008-09, **the DH instructs PCTs to agree with practice based commissioners a 'menu of local flexibilities' or interventions that represent a cross-over between health and social care.** In order to use funding for these interventions, practice based commissioners should submit a 'light touch business case' to the PCT. A list of possible interventions/flexibilities is given in the guidance.

There is also scope for practice based commissioning to use funding for interventions not listed on the local menu by submitting a business case to the PCT.

### 5 GOVERNANCE

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See paragraph 5 of the latest DH guidance

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For details on governance arrangements for 2007-08, see chapter 2 of the relevant GPC guidance note here:

[www.bma.org.uk/ap.nsf/Content/pbdpolicy0307](http://www.bma.org.uk/ap.nsf/Content/pbdpolicy0307)

For 2008-09, the DH guidance specifically tasks PCTs with putting in place '**...clear governance and accountability to manage transparently any potential conflicts of interest of GPs working within a PCT and on the PEC or other decision making boards.**' A list of conflicts of interest in relation to PBC is given.