

MARCH 2007

# GPC

General Practitioners  
Committee

## Payment of component 2 of the towards practice based commissioning directed enhanced service

Guidance for LMCS and GPs



The one-year 'towards practice based commissioning' directed enhanced service (TPBC DES) will end on 31 March 2007. Arrangements for the DES are set in legislation in the Statement of Financial Entitlements (SFE) (Amendment) (No. 3) Directions 2006.

[www.dh.gov.uk/assetRoot/04/13/67/23/04136723.pdf](http://www.dh.gov.uk/assetRoot/04/13/67/23/04136723.pdf)

Payment of component 2 (C2) of the DES will depend on achievement against the objectives/targets set locally in practices' DES plans. Where there are joint plans (i.e. between two or more practices) and these include joint objectives/targets, then these as well as any individual objectives/targets must be met in order for individual practices within the practice group to be eligible for a C2 payment. All C2 payments will be made on an individual practice basis and are equal to 95p per registered patient based on the practice list size as at 1 April 2007.

Where any resources freed up from the indicative budget *that practices are able to access* are greater than the value of a C2 payment, then a C2 payment will not be made (see paragraph 7A.12 of the SFE). Access to such freed up resources (FUR) does not depend on achievement against the objectives/targets set locally in practices' DES plans.

Where there are resources freed up from the indicative budget *that practices are able to access*, but these are less than the value of a C2 payment, and practices have achieved the objectives/targets set locally in practices' DES plans, then a 'top-up' payment should be made so that the total resource reaches as a minimum the level of the C2 value minimum (see paragraph 7A.12 of the SFE).

When calculating practices' eligibility for a C2 payment in respect of FUR, PCTs will need to 'demonstrate' that FUR '...have become available for use by the contractor...' (see paragraph 7A.12 of the SFE).

Where practices are eligible for a C2 payment, they will need to submit a claim in writing to the PCT by 30 June 2007 with an undertaking to invest the funding into '...practice activity designed to ensure continued or improved achievement against the targets and objectives agreed in the ... plan' (paragraph 7A.24 of the SFE Amendment). The GPC believes that 'practice activity' would legitimately include clinician and practice administrative time to engage in PBC; this interpretation is also in the spirit of the original DES negotiations between the GPC and NHS Employers.

It should be noted that under PBC proper, there needs to be agreement between the PCT and practice(s) on the use of FUR, but the arrangements for C2 of the DES are different.

Although not obligatory, in the interest of equity and consistency, where FUR are awarded to practices in place of C2 – either in part or in full – a case could be made to PCTs to approve their use in the same way as that for practices receiving C2 payments.

Practices should be aware that the SFE sets out a provision for PCTs to retrospectively seek information from practices on how C2 payments have been used (see paragraphs 7A.25-26

of the SFE). The GPC would not however expect PCTs to seek such information as a matter of course.

Upon receiving practices' claims, PCTs should make C2 payments with the next due Global Sum Monthly Payment (GSMP). For accounting and superannuation purposes, payments should be treated as part of gross income for the 2006-07 financial year (see paragraph 7A.20).

We would advise practices and LMCs to look at the relevant GPC guidance previously issued:

'Focus on the TPBC DES' February 2006 (no log-on required)

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

'Division of freed up resources' April 2006 (log-on required)

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

In addition, the GPC has agreed some wording with the NHS Employers on C2 payments, which will be circulated to PCTs accordingly. This agreed wording can be found below.

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### **Joint GPC-NHS Employers guidance on payment of component 2 of the 'Towards practice based commissioning' Directed Enhanced Service (TPBC DES)**

Upon receipt of the claim from practices for the reward element (or component 2) of the DES, PCTs should provide written confirmation to practices of the value of the reward based on 95p/registered patient. Where the practice has achieved all its agreed targets and objectives as set out in the TPBC DES plan then payment of the reward element of the DES must be made, unless the savings released from the PBC budget are greater (as per the DES guidance). PCTs should not unduly delay this process and payment should be made with the next due Global Sum Monthly Payment (GSMP).

In accordance with the statutory requirement to fully account for the use of all public funds, practices should provide PCTs with a brief, written confirmation of how they will invest this funding in practice activity designed to ensure continued or improved achievement against the targets and objectives agreed in the TPBC DES plan. If there is due concern that a practice has not used the reward payment as stated, PCTs can ask for documentary evidence once the investment has been made accordingly. This may include receipted invoices or a written breakdown of practice costs signed by the lead partner. This will complete the required audit trail subject to any exceptional post payment verification processes.

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In understanding the arrangements for the reward payments, PCTs and practices should refer to paragraphs 7A.12-7A.27 of the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2006.

[www.dh.gov.uk/assetRoot/04/13/67/23/04136723.pdf](http://www.dh.gov.uk/assetRoot/04/13/67/23/04136723.pdf)