

Subject:	2017/18 – Local Enhanced Services
Produced by:	Steve Lloyd – Head of Primary Care (WNCCG)
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Submitted to:	West Norfolk Primary Care Co-Commissioning Committee
Purpose of Paper:	For Information and approval of the approach proposed
Executive Summary	
This paper provides an overview of the proposal for WNCCG Primary Care Local Enhanced Services for the financial year 2017/18	
KEY RISKS (in relation to CCG strategic objectives and statutory duties)	
Clinical & Quality: Compliance is monitored, and activity recorded by the CCG. Specifications to receive CCG Clinical and Quality sign-off before implementation.	
Finance and Performance: Risk that changing the basis and approach of LES payments may exceed the funding available through current LES budget, and the 2017/18 PMS release monies.	
Reputation: The CCG routinely reviews any reputational risks associated with its work on Primary Care. Early relationship building with West Norfolk Health, who have been significantly involved in developing the proposal.	
Legal: The CCG ensures that it is acting within its statutory obligations in relation to primary care development.	
Patient focus: Aim to provide parity of services to all WNCCG patients.	
Information Governance: Compliance to policy	
Conflicts of Interest: The Primary Care Co-Commissioning Committee has been set up to ensure that the CCG acts within the guidance on conflicts of interest. This represents significant payments to WNCCG GP practices.	
Equality Impact Assessment: Not applicable.	
Reference to relevant risk on the Governing Body Assurance Framework: Not applicable.	
RECOMMENDATION: The Committee is asked to <u>approve</u> :	
<ol style="list-style-type: none"> 1) That the principles and approach taken around the development of the services is agreed. 2) That the final decision making around the Local Enhanced Services can be made by the Senior Management Team of the CCG. 	

Local Enhanced Services proposal

1 Background

Practices in West Norfolk CCG have come together under a collective organisation – West Norfolk Health (WNH). A review of Local Enhanced Services was identified as one of the priority projects to be undertaken by WNH. As such, a working group comprising of 4 WNH managers, and the Head of Primary Care Commissioning, was formed to undertake a review and to develop a proposal for consideration.

2 The approach taken

There has been growing concern from practices that the cost of providing Local Enhanced Services is greater than the associated income. Practices welcomed the funding for a treatment room service in 2016/17, but recognised that this too failed to cover all the costs of delivering the services.

In order to ensure that practices are appropriately funded for the work undertaken in the future it was agreed within the group that a detailed costing process would be developed to identify the actual costs of providing services. It was also acknowledged that a profit margin should be factored in to calculations.

The costs were built up to recognise:

- Staffing costs including on-costs at an estimated 25%. These costs included GP's, Practice Nurses, HCA's, Admin and Reception costs. The time required to undertake each procedure was identified by staff member. 2 minutes of admin time and 2 minutes of receptionist time were assumed per procedure. The staff groups recognised were:
 - GP
 - Practice Nurse
 - HCA
 - Admin staff
 - Receptionist
- Non-pay costs were identified for each procedure
- A profit element at 15% has been included
- An overheads figure of 2.5% has been included
- A way of recognising the capital equipment required to provide the services.

Service specifications have been developed, and will require clinical and quality sign off. These have deliberately been kept both consistent and concise. Read codes for both clinical systems used in West Norfolk have been identified and included in the specifications.

3 The Risks

The proposal creates a direct link between activity undertaken and the amount of income a practice would receive. Activity estimates have been built up based upon historic activity levels reported by practices. The activity is believed to be relatively robust, although the activity relating to services provided under the "Treatment Room LES" in 16/17 is believed to be less reliable due to it not having been recorded consistently in the past.

4 Proposal

Given the financial risk associated with uncapped payment for activity undertaken by practices, the CCG would like to develop a sensible mechanism with practices to ensure that the balance between services for patients and financial affordability is made.

The CCG would therefore request that the committee approve the principles and approach taken around the development of the services. It is also requested that the final decision making around the Local Enhanced Services to be made by the Senior Management Team of the CCG. The CCG commits that the funds available through the PMS review will be utilised to fund the increased costs of Local Enhanced Services.