When reviewing the PCN DES it is important to consider some simple business principles:

- Does the contract increase the income of the practice,
- What is the increase in expenditure from the additional work, and
- What is the benefit? (This could be an increase in practice profitability to improve the stability through reinvestment and long-term outcome, an explicit improvement to patient care, or in the best scenario a combination of both.)

INCOME

Staff reimbursement

- The main source of income from the DES is the additional staff reimbursement, in recognition of the additional costs of employing these staff.
- In 2019/20 introductory arrangements apply and each PCN will be able to claim 70% funding for a WTE clinical pharmacist and 100% funding for a WTE social prescribing link-worker.
- From 2020/21, each PCN will be allocated a single combined maximum reimbursement covering all five additional roles on a capitated basis, with a cost to the PCN equivalent to £5.27 per patient, that being the 30% of their salaries which is not directly reimbursed under the ARRS (Additional Roles Reimbursement Scheme).
- Unless recoverable from other sources, practices will be liable for the non-reimbursed portion of new staff costs. Practices should consider whether the benefit in terms of better patient flow management and core workload (the justification for the deal) is worth the investment or, if that is not the case; consider whether they should accept the DES at all.
- In 2023/24 there is projected to be national funding for up to 7,500 clinical pharmacists, 4,500 social prescribers, 5,000 first contact physiotherapists, 3,000 physician associates and 2,000 community paramedics.

Network support money

The network support money has two components:

- To 'part fund' the PCN clinical director; implying that further funding will be required for the clinical director to fully discharge their job function, but the funding route to support this has not been stated. There are obvious implications on clinical capacity and the consequent need for back-fill.
- £1.50 per head for practices; to help participation in the DES. Subsequent to the initial information about the contract, the participation money may be needed by practices to help support other expenditure such as the 2% staff pay increase.

Extended access

- Many areas have existing extended access hubs and it is likely that the £6 per head access money will continue to support this activity.

Extended hours

- The extended hours access DES funding has reduced due to some of the money having been invested into the Global Sum.

Investment and Impact Fund

- Funding is capped and set at £75m for 2020/21, with the exception of the prescribing element.
- "Networks will need to agree with their Integrated Care System how they spend any monies earned from the Fund." ('GP Contract : Investment and Evolution' 6.40).
- It is highly probable that fund outcomes will be directly related to reducing secondary care referrals and activity, and primary care prescribing. It is unclear at present as to the details of this and whether PCNs can realistically and safely impact upon this activity to be able to receive any of this funding to back-resource this shift of workload from secondary to primary care.

Local schemes

- Several London CCGs are planning on all investment through local schemes being contracted through the PCNs rather than with individual practices. The potential income from this is unknown but will need to be considered as part of the PCN 'package'.

Expenditure

- As part of the PCN DES, networks will be required to fulfil the requirements of the seven network service specifications that are being developed over the next two years:
    - Structured medication reviews and optimization (2020/21),
    - Enhanced health in care homes (2020/21),
    - Anticipatory care (2020/21),
    - Supporting early cancer diagnosis (2020/21),
    - Personalised care (2020/21),
    - CVD prevention and diagnosis (2021/22), and
    - Tackling neighbourhood inequalities (2021/22).
- The cost of delivering these areas of work cannot be calculated as it is unknown what these services will involve. Some of them may be currently funded via local incentive schemes, with the concern of money being withdrawn if they are rolled into a national scheme.
- We are awaiting information on any potential VAT charges that may result from the secondment of staff from the PCN into individual practices which could further add to the £5.27 per patient of employing these staff (see staff reimbursement section on page 1).

- Practices should be careful to avoid their PCN developing numerous management structures and processes that will further add to the cost of working in networks. This is counter-intuitive and far removed from the Primary Care Home model from which a lot of the PCN concepts are derived.

Take home messages

- You must ensure that your practice continues to deliver your core contract.
- Give careful consideration before signing any agreement - this is not a straight forward contract change. Key information which would be expected to inform the business decision of individual practices on whether this DES is financially viable for them is still unavailable.
- Consider the ongoing costs and roles of any new staff when employing additional staff members. If the new staff member is performing core GP work, with 70% of their role funded via the PCN DES, then it is of benefit to the practice by reducing staff expenditure. If they are employed to enable the network to achieve additional service contracts, the network needs to ensure that the remuneration for that contract covers at least the 30% of the staff salary as well as the other costs for the service.
- Rather than seeking to create a complex bureaucratic organisation, establish trust between participating practices and develop a shared ethos to enable the network to collaborate with social services and the voluntary sector.
- It is unlikely that the PCN DES will bring an individual practice significant income. If CCGs push more incentive schemes through the networks, and if the potential benefit in kind from the additional roles scheme supports the delivery of core GP services, there is likely to be financial benefit in participating.
- LMCs do not have enough information now to definitively advise practices on whether to participate in the DES. Considering this, we suggest practices participate in the knowledge that Schedule 1 of the network agreement has a clear exit pathway for a practice to resign from the network and relinquish any obligation in providing the additional services.

If you are experiencing any difficulties in forming your PCN, or understanding the financial implications for your practice, please contact us for support and advice – info@lmc.org.uk or raise any inappropriate request via our BEAM to LMC app.

Annex 1

£millions	2019/20	2020/21	2021/22	2022/23	2023/24
1. Additional Roles Scheme	110	257	415	634	891
2. Network Support					
£1.50 per head from CCG general allocation	90	90	91	91	92
GP PCN Leadership (0.25 WTE per PCN from July 2019)	31	42	43	44	45
Subtotal	121	132	134	135	137
3. Access					
Extended Hours Access DES	66	87	87	87	87
Improving Access to GP at £6 per head			367	376	385
Subtotal	66	87	454	463	472
4. Investment & Impact Fund	**0**	**75**	**150**	**225**	**300**
Total PCN Funding	**296**	**552**	**1,153**	**1,457**	**1,799**

Table 1: National PCN Finance