From the Rt Hon Andrew Lansley CBE MP
Secretary of State for Health

DH Department of Health

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To:
All General Practitioners in England

cc:
All Chief Executives in Primary Care Trusts in England
All Chief Executives in Strategic Health Authorities in England

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Dear Colleague,

I am writing to you to set out the next steps on GP-led commissioning, answer directly some of the questions that have been raised with me in my discussions with GPs across the country and outline how you can engage in the process going forward.

I know that many of you are excited and enthused about the opportunities set out in the recent White Paper, *Equity and excellence: Liberating the NHS*. Of course, many of you already have a deep understanding of the opportunities presented by GP-led commissioning as a result of the reforms of the last two decades, including most recently practice-based commissioning. Many of you also recognise that you take commissioning decisions on a daily basis – when advising a patient whether to self-care, managing a patient directly, prescribing a medicine, or when referring a patient to a specialist for further investigation and treatment. The purpose of the proposed reforms is to give you and your colleagues in general practice – as people who see patients every day and best understand their needs – the responsibility to shape services to deliver the high-quality care patients expect and deserve.

I know that these reforms are ambitious. But they have one clear aim: to ensure that the health outcomes achieved by the NHS for patients here are among the best in the world. To help deliver this aim, the Coalition Government has promised to increase NHS spending in real terms during the lifetime of the current Parliament. However, it is important to be mindful of the need to ensure all of the NHS's resources are used most effectively for the purposes of improving patient care. Many of you will have witnessed care which has been commissioned or provided inefficiently, or care services which have not been integrated sufficiently – and this will have frustrated you, as it does me. That is why I believe you are best placed to make every penny count in the NHS, for the patients it serves.

From my discussions with you – and from our constructive dialogues with your colleagues in the British Medical Association, the Royal College of General Practitioners, the NHS Alliance, the National Association of Primary Care and the Family Doctor Association – I know that there are three key areas of interest:

- The responsibilities of GPs;
- The support for GPs to help them with their new responsibilities; and
- The 'correct' organisational and governance arrangements for consortia.

I will deal with each of these in turn.

Responsibilities of GPs

First, the proposed reforms are not about burdening you with paperwork, or involving you in the minutiae of the administration needed to support your commissioning decisions. They are about giving you the overall responsibility for the design of services which meet your patients' needs, and to respond quickly when failures in those services arise. Although you will have overall responsibility for the commissioning budget, we would not expect you to involve yourself in every commissioning function. You will be able to secure support for discharging your responsibilities – whether this is from those you already work with closely in Primary Care Trusts (PCTs), local authorities, or external partners.

Of course, some of you will need to take a leadership role, and some will want to take a more direct involvement in the commissioning consortium. The National Leadership Council (NLC) is currently inviting applications for GPs or other primary care professionals to develop their leadership skills to prepare for those roles. If you would like to know more, please contact your PCT, Strategic Health Authority, or the NLC secretariat at: leadershipcouncil@dh.gsi.gov.uk

GPs will also continue to have a vital role in delivering preventative and public health services, as many of you do now, working with your local Directors of Public Health to secure health improvement amongst your patients. However, we also propose to ring-fence the public health budget to ensure it is used to tackle the challenges which may arise in the future. A new Public Health Service will support you in your work, and further details will be set out in a public health White Paper later this year.

Support for GPs

Secondly, you will be supported in taking your commissioning decisions. We propose that advice will be provided from the NHS Commissioning Board and you will be free to seek the input of colleagues with specialist expertise wherever you see fit in shaping your commissioning plans. We intend that you will be resourced to carry out these responsibilities, and each consortium provided with a management allowance.

I know there has been speculation about what the management allowance might be, but the reality is that no decision has yet been taken. Our intention is to use current levels of expenditure by PCTs on management and administration to inform our decision, but there are many responsibilities which are currently placed on PCTs which we propose will not be placed upon consortia. We envisage that some responsibilities will transfer to local authorities, or to the NHS Commissioning Board, and that others may be scrapped entirely. We also anticipate that specialised services currently commissioned nationally will continue to be commissioned on this basis. The exact transfer of responsibility – and therefore the resources needed to discharge these responsibilities – is subject to the consultation process and Parliamentary approval, but we will ensure information is communicated clearly to you.

Organisational and governance arrangements

Thirdly, I know from speaking with many of you that you are keen to know the sizes and structures of consortia which are most desirable. However, I want to make clear that you are best placed to determine what is best for you and your patients. We envisage that consortia should be of an appropriate size to discharge their statutory functions but we are not proposing to prescribe from the centre what you are best placed to determine. Depending on your circumstances it may be appropriate to structure consortia across local authority boundaries, opt for a small consortium which commissions some care through a pan-consortia arrangement, or combine with a large number of other GP practices to create a single, large consortium.

You should not feel under pressure to form new working arrangements at this stage. The White Paper sets out a proposed timetable subject to consultation and the Parliamentary process, anticipating that formal establishment of all GP consortia will take place in the year after next. At the moment, you will wish to consider what the appropriate organisational form which most suits your own particular local circumstances might be, in consultation with your GP colleagues, other health and social care professionals, your colleagues in PCTs and local government, and patient

groups. You will also wish to think about, in broad terms, what roles your proposed consortium would like to carry out by itself, what roles might be better carried out on a joint basis with other consortia or local authorities, and where you may need support from external organisations. The organisation and governance arrangements which will apply in due course will flow from this vision.

Next steps

The legislative framework for these reforms is subject to Parliamentary approval. We are consulting on aspects of our proposals, and I hope you will contribute to this important process if you have not done so already. However, there are steps that can be taken while this process is ongoing, and you will be interested to know that:

- PCTs already have freedoms, within the current legislative framework, to devolve commissioning decisions to groups of GPs and other clinicians. We are actively encouraging this interim approach, so – if you have decided amongst your colleagues that you will be seeking to take on more responsibilities in shadow form – you will be able to approach your PCT(s) for the support you need to begin work now. This will enable you, wherever possible, to begin now to establish the knowledge of, and approach to, services which will inform your later decision-making. This does not pre-empt decisions on the more decisive shift to GP-led commissioning that we are proposing, and it means that your initial decisions will not be set in stone for the longer-term. Over time, you will be free to develop your own commissioning arrangements, structures, sizes and governance as you learn from your experience and the experience of others.

- We intend that there will be flexibility within the proposed new legislative framework for you to determine the governance and organisational structure of consortia, and there is no expectation that consortia should resemble PCTs in their own structures. We intend that only essential requirements (such as financial accounting) are set out as statutory duties.

- The Department of Health has published on its website, and has shared with professional organisations, answers to a number of frequently asked questions: http://www.dh.gov.uk/en/Consultations/Liveconsultations/DH_117587 (click on the FAQ link). We will continue to keep this page updated.

Department of Health

I hope this letter has helped you to understand our vision for GP commissioning in greater detail, and the vital leadership role we envisage you playing. I know that many of you will have more questions and I look forward to meeting many more of you over the coming months to discuss them with you.

Finally, I would like to thank you for being so generous with your time in recent months as you have helped us develop our proposals. For those of you who have not already done so, please do read more about the White Paper, and contribute your thoughts, at www.dh.gov.uk/liberatingthenhs.

ANDREW LANSLEY CBE

AG 22.09