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NHS Management Executive
St. Andrew's House
Edinburgh EH1 3DG
31 December 1996

**ACCOUNTABILITY FRAMEWORK FOR GP
FUNDHOLDING**

Summary

1. In June 1996, the Management Executive issued for consultation a draft Accountability Framework for GP Fundholding. The framework was an Annex to the report of the Working Group on the 'Roles and Responsibilities of Health Boards', the Shields Report. Respondents to the consultation included Health Boards, Local Health Councils and local fundholding associations.
2. The final version of the framework is attached. This takes account of a number of the comments received, other comments which related to detailed working arrangements are for local discretion and have not been included in the framework.

Action

3. General Managers are asked to ensure that copies of the framework are distributed to GP Fundholding Liaison Officers and that copies of the framework are issued to all existing and prospective GP fundholders in their Board area.
4. Health Boards and GP fundholders should now commence joint planning for the implementation of the framework.

Yours sincerely

AGNES ROBSON
Director of Primary Care

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ACCOUNTABILITY FRAMEWORK FOR GP FUNDHOLDING

1. Purpose

1.1 This document sets out an accountability framework for GP fundholding.

1.2 The framework forms an integral part of the Government's plans for a primary care led NHS. It makes explicit the accountability arrangements between Health Boards and fundholders and provides a framework for joint working at a local level between health boards, fundholders, primary health care teams and NHS Trusts.

1.3 The framework:

- a. takes full account of the statutory responsibilities and accountability of fundholding practices and health boards;
- b. underpins the Government's policy that purchasing of health services should reflect priorities from a primary care perspective; and
- c. ensures that requirements placed on GP fundholding practices as purchasers are consistent with the requirement of public accountability for GP practices and Health Boards.

1.4 The framework sets out guidelines to:

- make explicit the accountability arrangements for GP fundholding;
- clarify and streamline the accountability and reporting arrangements between GP fundholders and Health Boards; and
- reinforce GP fundholders' freedom to use their funds as flexibly as possible for the benefit of patients within national priorities and objectives.

2. Lines of Accountability

2.1 GP fundholders are statutorily accountable to Health Boards for the use of their funds.

2.2 Health Boards are responsible for awarding (or withdrawing) recognition of a fundholding practice under the regulations, and for monitoring the effective financial management of public funds by GP fundholders in accordance with procedures and guidelines set out on behalf of the Secretary of State. Health Boards also have responsibility for allocating a fund (the allotted sum) to each GP fundholding practice in accordance with guidance issued on behalf of the Secretary of State.

2.3 GP fundholders in Scotland do not have a formal line of accountability to the Secretary of State for Scotland - although in defined circumstance a GP

practice may appeal to the Secretary of State about the Health Board's decision on its status as a fundholding practice.

3. General Principles of Accountability

- 3.1 All parts of the NHS - family practitioners, Health Boards and NHS Trusts, as part of the integrated NHS, are expected to conform to the highest standard of integrity and probity;
- 3.2 As direct purchasers of services for their patients, GP fundholders are responsible for the expenditure of large amounts of public money and as such must be able to demonstrate the cost effectiveness of the resources used;
- 3.3 Health Boards and GP fundholders must work in partnership to develop and implement locally agreed health and health service strategies. Health Boards should consult GPFHs when devising local strategies and GPFHs will be expected to play their full part in delivering the priority aims and objectives contained in the strategies;
- 3.4 Health Boards have statutory responsibility for leading the implementation of Government policy at local level. This includes advising and informing GP fundholders of the wider implications of fundholders purchasing intentions (such as the impact on hospitals or community trusts of a local strategy). Fundholders will be expected to pay due regard to wider, strategic issues, in making purchasing decisions. However, Health Boards cannot override the clinical management decisions taken by fundholders on behalf of their patients.
- 3.5 Within this framework GP fundholders are free to use NHS resources to achieve the most appropriate care for their patients and can look to their Health Board to provide support in carrying out this function.

4. Areas of accountability

- 4.1 In order to discharge their respective responsibilities and achieve the principles of accountability set out in this framework, Health Boards and GP fundholders need to work closely together. The remainder of this document sets out the areas in which GP fundholders are required to demonstrate accountability in their use of public funds and provides more detailed guidance to Boards and fundholders in putting in place local arrangements.
- 4.2 GP fundholders, like all GPs are directly accountable to their patients for the quality of the service they provide. They are also accountable to the NHS for their use of public money. In addition, they are personally accountable to the General Medical Council for the maintenance of fundamental professional standards. These responsibilities fall into the 4 main areas:

- managerial/policy accountability

- accountability to patients
- financial accountability (including efficiency, probity and cash management)
- professional accountability including clinical, managerial competencies, clinical effectiveness and audit.

The remaining sections of the Guidelines clarify and make more explicit certain key requirements under these 4 broad headings.

5. Managerial/Policy Accountability

5.1 As purchasers in their own right, GP fundholders are wholly responsible for the management of the funds they control for the benefit of their patients. Four key requirements have been identified in this area to ensure management and policy accountability. All GP fundholding practices on entering the scheme will be required to respect these principles as follows:

a. announcement of any intended major shifts in purchasing intentions in accordance with the contracting timetable set annually by the Management Executive in the same way as Health Boards are required to do. ("Major shifts" in purchasing intentions refer to changes in purchasing intentions that are likely to have a material effect on hospitals and/or community Trusts, or local health strategy.) Compliance with this requirement assists NHS Trusts/providers to plan more effectively for the coming year. It also ensures that other aspects of the contracting timetable do not slip which would be to the disadvantage of fundholders in relation to completing contracts and agreeing budgets with their Health Boards;

b.(i) preparation of an annual practice or business plan. This plan should set out how the practice intends to use the fund and management allowances over the coming year, including any plans for the use of savings. It should also demonstrate the practice's contribution to targets and priorities (both national and local). The plan should also clearly indicate how the practice will contribute its share of the national efficiency target set for purchases. Such plans should include an outline longer term view. Optionally the practice plan may incorporate plans for the practice's general medical services activity; and confirm details of the primary health care charter (where the GP practice chooses to provide one) - to avoid duplication of effort in submission;

b.(ii) submission of the annual practice or business plan by the fundholder for discussion with its Health Board. The Board will want to satisfy itself that each fundholder's plan contributes to agreed strategies and is consistent with national priorities; and in aggregate meet national targets and objectives set out for example in the annual Priorities and Planning Guidelines set by the NHS Management

Executive for all purchasers. It is also important that the reasons for divergency from Board strategy statements (eg to meet particular needs and requirements of the practice population) are properly identified and justified by the GP fundholder;

c. preparation of an outturn or annual report for the relevant Health Board within 3 months of the end of the financial year, setting performance against plan and highlighting significant achievements against targets. If it is of assistance to the practice, this outturn report could incorporate the practice's annual GMS report and Patient's Charter statements;

d. agreement to hold meetings as required to review performance. The timetable for these should be agreed locally by the Board and its fundholders, reflecting the circumstances and maturity of the individual fundholding practices within the scheme. These meetings should be genuine dialogues between partners, with a focus on identifying areas for development and sharing best practice to inform planning for the year ahead. There is therefore likely to be a retrospective review of performance, in-year review of the current year and the opportunity to plan ahead for the next cycle of business plan activity.

5.2 It is anticipated that fundholders and Boards will work together through the management accountability framework and use it as a vehicle to:

- develop GP fundholders' role as purchasers, and their role as responsible purchasers within the NHS framework as a whole;
- consider the benefits where relevant of joint purchasing initiatives between fundholding practices within a Health Board area;
- inform and assist budget setting negotiations between Health Boards and fundholders;
- put in place appropriate arrangements for risk sharing on the use of allocated funds;
- enhance the status of fundholding as the leading edge of primary care led purchasing in the NHS; and
- establish the position of fundholders as long-term partners in purchasing.

6. Accountability to patients and the wider public

6.1 Like other managers of NHS resources, GP fundholders have a responsibility to make their plans and performance reports available for public scrutiny. This

includes publishing information on plans and performance; involving patients in service planning; and ensuring an effective complaints system.

Publishing information

6.2 Contracts and annual accounts of GP fundholders are public documents which should be made available at the Health Board for public inspection.

6.3 GP fundholders are expected to make available key documents relating to the management of their fund, including information on major shifts in purchasing; annual practice or business plans; and outturn or performance reports. They are not expected to publicise any personal or commercial information - for example, GP partners' income or other exclusions agreed locally with the Health Board. Copies of documents on paper, disc or electronically should be sent to the Health Boards and to the relevant Local Health Council.

6.4 In addition fundholding practices should ensure that a copy of these documents (or a user friendly summary) is available at the practice for consultation by patients. The availability of the document(s) should be publicised in the surgery.

Involving patients

6.5 Closeness to patients, and the involvement of patients in decisions about their own health care, are major strengths of general practice. The GP Fundholding Scheme offers opportunities for fundholding practices to develop a range of models for involving their patient populations in priority setting, strategy development and annual planning.

6.6 At the simplest level some practices might choose to make their draft annual plans available for consultation at the surgery and to publicise this fact by a notice in the waiting room. Practices, however, may choose to go further and establish patient forums or carry out questionnaire surveys about patients' health, status, and satisfaction. Whatever option is chosen, practices should describe how they intend to involve their patients in the practice business plans submitted to the Health Boards, so that progress, in achieving improved patient involvement can be part of performance review discussions.

6.7 Not all patients will want to be involved in the decision-making process but will want to be kept informed about for example the services provided within the practice, or waiting times. Fundholders will be expected to take account of the wishes of these patients, and provide information accordingly.

Handling complaints

6.8 GP fundholders, like other GPs, should ensure that they have appropriate arrangements in place for dealing with patients' comments and complaints.

6.9 GP fundholders also have a responsibility to ensure that the contracts they place for hospital and community health services on behalf of their patients include appropriate arrangements for handling complaints. This will normally include clear information about how patients may complain and the name and address of the person to whom complaints should be addressed. Fundholders have the option of developing practice sensitive standards in addressing these issues, or adopting the standards required by the local Health Board. In addition, under Acting on Complaints [GPs] will have the right to be involved, if they wish, in the review stage for complaints about hospital and community health services.

7. Financial Accountability

7.1 Fundholders manage significant amounts of public funds delegated to them by Health Boards in accordance with guidelines and guidance issued by the NHS Management Executive on behalf of the Secretary of State. The fundholders do not actually hold these funds themselves. The budget is held by the Health Board and applied at the direction of fundholders for approved purposes in accordance with the national regulations.

7.2 The financial accountability of GP fundholders is set out in detail in the GP Fundholding Manual. Fundholders are expected to ensure probity, regularity and value for money in the expenditure of the fund. The key requirements are as follows:

7.2.1 to produce annual accounts, for independent audit at the end of each financial year showing how the fund was used. Once audited these are public documents, and are available for inspection at the Health Board; and

7.2.2 because Boards are statutorily required to monitor fundholder expenditure, the Management Executive expects them to monitor fundholder expenditure and activity against plan on a monthly basis. Boards should be able to use the annual practice or business plan as a main source document for the practice's general management of the fund, including its delivery of its contribution to local efficiency targets set by the NHS Management Executive. The Board should discuss with a GP practice any action that may be necessary to bring activity or expenditure back into line with the practice's original published plan as discussed with the Health Board. Boards can also institute an audit and review if they consider it to be necessary.

7.3 Boards are expected to develop clear guidelines, taking into account any national guidance provided, in the areas of:

- risk management for high cost treatments or therapies; and
- the rules governing financial or cash management within GP fundholding including the use of savings.

7.4 Boards are expected to consider how to minimise the number and detail of monitoring returns and ad hoc requests placed on fundholding practices.

8. Clinical and Professional Accountability

8.1 GP fundholders, like all clinicians, have a duty to ensure that the care they provide is of the highest possible standard within available resources. All GPs are accountable to the General Medical Council for their conduct as members of the medical profession. This implies a duty to maintain a good standard of practice. It is expected that all GP practices will participate in clinical audit of their GMS activity.

8.2 In addition GP fundholders are expected to ensure that the services they purchase on behalf of their patients are subject to audit, and may wish to agree (with other purchasers) local audit priorities on an annual basis. Health Boards are invited to consider what information they can provide to GP fundholders to facilitate such audit arrangements.

8.3 GP fundholding practices should set out briefly in their annual practice plans their intentions for clinical audit in the coming year.

9. Managing Disputes - Including Arbitration and Appeal

9.1 Statutory arrangements for arbitration and appeal remain unchanged. There are statutory arrangements for arbitration between fundholders and providers on NHS contracts. There is also a statutory right of appeal to the Secretary of State by a GP practice in relation to:

- a. the Health Board's refusal to offer recognition as a fundholding practice and;
- b. a Health Board's decision to withdraw fundholding status from a practice on the grounds of mis-managing the fund.

9.2 Already, as a matter of good practice, Boards should have established internal arrangements for review of operational management decisions by Board officers and to handle any representations submitted by fundholders. The principles set out in this framework should be of assistance to Boards in developing such practices.

9.3 The aim should be to streamline the handling of complaints within Health Boards, and avoid recourse to formal disputes procedures. For example, arrangements for performance review with fundholding practices can include in-year contingency planning. This - together with other work underway on financial management including pooling of risk and streamlining of the rules in the use of savings - can be used positively and prevent difficulties about end-year overspends and questions about mis-management of the fund.

9.4 It would not be appropriate to establish a statutory or formal arbitration arrangement involving the Secretary of State in relation to other parts of the accountability cycle set out in this paper. However the Management Executive would

be available for informal consultation with interested parties where difficulties arise or where clarification is sought.

10. Summary

10.1 The key requirement covered in these Guidelines are as follows:

Management accountability

- **preparation of an annual practice plan, including planned contribution to the national efficiency target**
- **signally major shifts in purchasing intentions**
- **preparation of an annual performance report**
- **review performance with the Health Board within the national framework.**

Accountability to patients and the wider public

- **publishing clear, understandable information (eg annual practice plan and performance report)**
- **involving patients in service planning**
- **ensuring an effective complaints system.**

Financial accountability

- **preparation of annual accounts for audit**
- **providing limited monthly information for monitoring by the Health Board**
- **confirming performance against planned contribution to national efficiency target**
- **seeking Health Board authorisation for use of savings.**

Clinical and professional accountability

- **participate in clinical audit of GMS and other practice based activities**
- **ensure clinical audit of purchased hospital and community health care.**