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Friday 7 June 2019

To all GPs and Practice Managers

Dear Colleagues,

As you will all be very much aware, primary care has undergone a great deal of change recently. That change continues at pace as we work to organise our primary care networks and take advantage of the opportunities they present.

To help and support our members through this process, the Confederation has developed the attached information pack. The pack includes

For information:

1. [New guidelines from NHS England on the Network Contract DES](#)
2. [Details of a legal support package for primary care networks that will be funded by the Confederation](#)
3. [Information relating to changes to the funding of the MJOG text messaging service used by practices – to be funded by the Confederation for a further year](#)
4. [An update on plans for the Confederation to act as an employer for staff working within PCNs](#)

For action:

5. [Information relating to the cost-sharing group agreement we have developed to mitigate any VAT risks to the Confederation and its members – **cost-sharing agreement to be signed**](#)
6. [Information relating to accepting shares in the Confederation following the recent changes to the company ownership structure – **shareholder's agreement to be signed**](#)

I recognise that many of these changes are happening so quickly that they create issues which are difficult to manage. I hope that as we move forward together, the Confederation leadership team, as your representatives in our primary care system, can provide you with the support you need to meet these challenges and help protect and strengthen your practices.

Please contact either me or any of our leadership team if you wish to discuss any of these matters further. Contact details are included in the individual sections of this pack.

Kindest regards,

A handwritten signature in black ink, appearing to read 'Jim Barwick', with a stylized flourish at the end.

Jim Barwick | Chief Executive
Leeds General Practice Confederation



1. New guidelines from NHS England on the Network Contract DES

On 24 May 2019, NHSE released new [guidelines for the Network Contract DES](#), which include important detail including:

- The role of commissioners and LMCs in PCN formation
- Network infrastructure
- Workforce reimbursement
- Financial entitlements and payment information
- Extended hours access
- Practices and PCNs that cross CCG boundaries
- Future requirements

This guidance is intended to supplement the requirements set out in the [Network Contract DES Directions](#) and [Network Contract DES specification](#).

If you have any queries regarding the Network Contract DES, please contact gaynor.connor1@nhs.net

2. Legal support for primary care networks

The Confederation has commissioned a package of legal support for primary care networks from our legal advisors, Hill Dickinson. The support includes legal formation, governance and decision making, principle setting and dispute resolution, admission and exit processes, data and information sharing agreements and processes, and the appointment and employment support of clinical directors.

This has been arranged in response to request for support from our members and will be available to every PCN in the city.

There is no cost to PCNs as the costs are being met by the Confederation budget for primary care development.

Each practice will be provided with a dedicated legal contact, who will coordinate support across the various legal teams: commercial/contract, employment, pensions, governance and tax.

In addition, the dedicated legal contact will attend networks meetings to present and facilitate discussion on the options and collate a detailed response/first approach from networks and produce an accurate first draft network agreement. The outcome of the support will be a complete network agreement to meet for the 30 June deadline.

The support package includes the following elements:

Legal forms of a primary care network

- Personal attendance at network meeting to run through legal and contracting forms of primary care networks. Assessing advantages and disadvantages of each and associated key considerations including risk/gain share, contracting, workforce models, pensions, VAT and governance.
- Development of a network agreement to serve as an agenda for the session, pulling together the information required to develop the schedules and associated documents.
- Networks will not be left to navigate this document; it will be populated in conjunction with a Hill Dickinson representative at the network meeting to help maximise the time we have but also provide and options when developing the prepared approach for the network.

Governance and decision making

- Support the development of the detailed network governance model. Advising and resolving provisions such as voting, reserved matters, establishment of an executive if applicable), managing conflicts, selection and development of service models per specification release. Appointment process of clinical director and rotation of post. Identify link into Confederation
- Development of draft schedule 1 for review and comment.
- Allow for two further iterations to schedule to allow for agreement and completion.

Principles

- Development of the network principles/ways of working. Consider and discuss development in line with local strategies but ultimately seek to develop and agree a bespoke set out principles and ways of working between practices within the network.
- Using our experience of working with other public and private sector organisations in the establishment of joint ventures.
- This will form part of the network questionnaire discussed and completed with Hill Dickinson attendance at a meeting of the network

Clinical director (appointment mechanism)

- Developing mechanism for the recruitment/retirement of the clinical director position in an open and transparent manner aligned to DES guidance.
- Develop a suite of documents for the future recruitment of the clinical director including outline job specification, expression of interest form. See below for development of clinical director contract and options for recruitment model.

Information sharing

- Develop information sharing models between network members. See data sharing element below for further detail. This will form part of schedule 2 but also form part of a stand-alone suite of data sharing documents as detailed below.

Intellectual property

- Options appraisal of shared intellectual property rights and shared exploitation.
- Development of provisions on the sharing of IP.

Admission and exit

- Developing provisions/mechanism for the admission and exit of practice and non-core practice members into the network. Link to DES specification and the penalties/implication on exit and ongoing service delivery for applicable practice patients.

Dispute resolution

- Developing a dispute resolution procedure. Consider links to Confederation to offer impartial support before moving to costly mediation.

Data sharing agreement

- Networks are required to enter into a data sharing agreement to govern the sharing of patient data between network members.
- A template agreement is anticipated from NHSE. The form is not mandatory and given the fast approaching timescales we will produce a data sharing agreement (aligned with the NHSE template if available).
- Our detailed questionnaire referenced above will include questions and key considerations for networks which will enable us to produce a detailed first draft agreement for your consideration.
- We will attend in person to work through the questionnaire with you explaining the key considerations and exploring the data flows which will impact upon the drafting and also identify the need for additional bespoke elements below.
- At the infancy of the network it may be that the data flows (linked to the contracting models) are yet to be determined and we can talk through with you the triggers to watch out for as the Network developments that will mean further provisions are required to maintain compliance.

Nominated payee agreement/mandate

- Development of nominated payee agreement – documenting the basis on which the payee holds funds on trust for the network. This arrangement may be between a practice as payee or the Confederation as payee.
- Document will consider powers/freedoms to administer the funds and settle creditors. In will consider agreed spend/budgets and also the link to the governance and level of approval required for agreed spending limits.
- Detail the risk being assumed by the nominated payee and agree appropriate indemnities linked to extent of responsibility i.e. banking role only or duty to verify funds.
- Advice of accounting and tax considerations of the nominated payee options.

Core documentation

- Development of core workforce agreement based on preferred model, e.g. shared or hosted employment.

Pensions

- Ad hoc pensions advice as required linked to the chosen workforce model.

Locality managers will coordinate the rollout of the legal support package within PCNs and will shortly contact lead managers to begin this process.

If you have any questions, please contact gaynor.connor1@nhs.net or vicky.womack@nhs.net

To access your dedicated legal support from Hill Dickinson, please contact vicky.womack@nhs.net

3. Changes to the commissioning of MJOG

NHS Leeds CCG currently holds the contract for the MJOG SMS text messaging service for all GP practices in Leeds on an agreement that ends in July 2019.

After that date, the responsibility for the MJOG licences will sit with the Confederation, while the costs of texts will remain with the CCG.

Because of uncertainty around how innovations such as the NHS App will support digital solutions such as SMS messaging, the CCG has proposed that the Confederation take over the commissioning of MJOG for one year, using funding for digital solutions already paid to the Confederation.

As the nationally provided digital funding can only fund MJOG for a further year, it will be for the Confederation and its members to determine whether MJOG delivers sufficient value for money for them to continue to use it at their own cost, to renegotiate a contract or to seek a different solution that is free to use (e.g. the NHS App) to communicate digitally with patients.

During the next year, the Confederation will appraise the options for digital communication between practices and patients and support practices in the use of MJOG. The CCG IT budget will continue to fund the cost of sending messages during this time.

If you have any questions regarding the commissioning of MJOG, please contact Nichola.Stephens@leeds.gov.uk

For questions about the practical application of MJOG, please contact petra.morgan@nhs.net or ciara.dunne@nhs.net

4. Workforce offer from the Confederation

Last month, we issued an 'offer' to PCNs covering a number of items, one of which relates to workforce - https://www.leedsgpconfederation.org.uk/about/pcnoffer_19-20/

We understand the requirement for PCNs to employ new workforce from 1 July 2019. To support this requirement we can now build on our existing offer.

There are four ways of employing mandated staff that we can help with:

1. The Confederation should be able to employ staff from December (pending a decision about NHS pensions). We will act as a central employer, hosting employment but staff would be deployed and managed within their respective PCNs. We have started to create the model to do this with associated costs. We will use our guiding principles of seeking economies of scale and being not for profit to ensure costs are minimal. We will work with PCNs to develop this further.
2. LCH could act as a central employer, hosting employment, but staff would be deployed and managed within their respective PCNs. We would make significant improvements to governance to ensure that the new workforce is not seen as LCH workforce, with their role being solely for hosted employment. This option will be presented at the next

LCH and Confederation development session on 30 July, which is attended by clinical directors. If there is an appetite for this option, then we will explore it as quickly as possible.

3. A practice in a PCN acts as the hosted employer. The legal framework for this is part of the overall legal support that the Confederation has arranged with Hill Dickinson.
4. Another organisation (e.g. Community Links for social prescribers) could act as the hosted employer.

If you wish to progress any of these options or have any questions about the workforce offer from the Confederation, please contact gaynor.connor1@nhs.net

5. Cost sharing group & cost sharing agreement

The Confederation has developed a cost sharing agreement to ensure that we and our members comply with the relevant laws that exempt us from paying VAT on at-cost charges made from the Confederation to PCNs and practices, where the Confederation is hosting staff or services on behalf of its members.

In general, non-clinical supplies of service or staff provided by non-NHS bodies attract non-reclaimable VAT at 20%. However if a not-for-profit group (e.g. a group of charities) simply wanted to share costs between each other and take advantage of economies of scale, then to avoid paying for VAT, they can create a cost share agreements (CSA). The CSA enables members of the agreement to avoid having to pay VAT arising from providing these services and sharing costs based on the following principles:

- Only direct costs (including an appropriate overhead charge) are charged – **No** profit is ever made.
- The services are “public interest activities”
- 85% of the services provided/shared are directly necessary – so part of delivering clinical services (i.e. we can't branch into buying a completely different industry and still share the costs)
- The service is provided by the Confederation to its members only.
- Services provided between members are not covered.

To complete the agreement, please fill out the highlighted sections on the form. Once the agreement has been signed, please return it to:

Leeds GP Confederation
2nd Floor, Stockdale House
Victoria Road
Leeds
LS6 1PF

Alternatively, if you have a digital signature, you can email the signed agreement to simon.boycott@nhs.net

If you have any questions regarding the agreement, please contact jenny.davies6@nhs.net

6. Changes to Confederation ownership

During May, the constitution of the Confederation was changed by transferring the ownership of shares and control of the company from the three federation companies in the city to the individual practices that make up the Confederation membership.

Each practice that wishes to take up their shares will need to sign the shareholders agreement. Because general partnerships are not being allowed to hold shares under UK law, each partnership must nominate a shareholder who holds the shares in trust for them.

You will not need to transfer any money – the value of the shares has been reserved in the company accounts against any liabilities that may require share capital to be used. The practice will bear no liability for the share capital.

To complete the agreement, please fill out the highlighted sections on the form. To complete the number of shares, please use the number of registered patients (raw list size) as at 1 January 2019.

Once the agreement has been signed, please return it to:

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