

Gateway reference: 2159

PCT Director of Finance

6 November 2003

Dear Colleague

The new GMS contract: Revenue Funding from the National IT Programme

1. I am writing on behalf of the Secretary of State to notify you of non-recurrent additions of £000,000 to your Primary Care Trust's 2003-2004 revenue resource limits for the purpose of Section 97 of the National Health Service Act 1977 as amended. This allocation has been made pro-rata to weighted capitation targets.
2. As a consequence of the above I am also writing on behalf of the Secretary of State to notify you of additions of £000,000 to your Primary Care Trust's financing requirement [cash limit] for 2003-2004. This allotment is made under Section 97 of the National Health Service Act 1977 as amended.
3. This is a non-recurrent addition for 2003-2004. You will also receive the same funding in 2004-05 and 2005-06, when this funding will be subsumed into the new GMS funding system. This is explained in 'Investing in General Practice' and the joint letters of clarification from the GPC and NHS Confederation.

Allocation Purpose

4. This funding is from the National IT Programme specifically to support the commitment for PCTs to meet in full practice IT costs for maintenance and minor upgrades from 1 April 2003 as defined in section 4.30 of the new GMS contract. This is an entitlement for all GPs, both GMS and PMS, and therefore not discretionary.
5. We have estimated that around £50m is currently spent by PCTs each year in support of maintenance and minor upgrades of primary care IT systems. The level of funding made by PCTs to their practices varies but we believe an additional £20m nationally should enable PCTs to fund in full the cost of maintenance and minor upgrades of GP systems.

What is included

6. It is important that both PCTs and practices fully understand what practice entitlements are and what this funding covers and what it does not.

(a) Maintenance is defined as the routine support that is normally provided under annual contracts by GP clinical system suppliers or third parties. PCTs are encouraged to review and consolidate existing maintenance contracts to ensure that they represent value for money and provide the required levels of support.

(b) Minor upgrades are defined as those required to ensure that existing clinical systems continue to perform efficiently. For example; servers, memory or hard disk upgrade, replacement of broken or defective items such as printers, screens or back-up devices.

7. The funding is not intended to cover the cost of system replacement or significant upgrades e.g. purchase of new hardware other than where existing systems can no longer function effectively. Such purchases will be subject to local prioritisation and business case processes as described in the new GMS contract.

Reporting Arrangements

8. The Chief Information Officer (CIO) at your SHA will be required to report on the use of the allocation. In the event of the allocation being insufficient to meet the identified needs this should be raised with the SHA but PCTs should not withhold funds to practices whilst this is happening. The SHA will, after satisfying themselves that the requirements are necessary and covered by the definitions above, take the matter to the regular meetings between the Departmental Board, the National Clinical Directors and the strategic health authority chief executives (the Top Team). The Top Team is committed to ensuring that adequate resources are made available to meet this entitlement.

Reference Numbers

9. The reference number to be quoted on PCT CIC tables H03 and H04 for both the Resource Limit Adjustment and Cash Limit Adjustment is **R/****/****/******.

Enquiries

10. A copy of this letter has been sent to your Director of Finance and the CIO at your SHA.
11. Please direct any enquiries to your SHA CIO in the first instance, and Susan Devlin, Department of Health, telephone number 0113 2546881.

Yours sincerely



Rob Webster
Director – GMS and PMS Contract Implementation

Copy: PCT Chief Executive – by e-mail
SHA Chief Executive – by e-mail
SHA CIO – by e-mail
SHA GMS Finance Lead – by e-mail
SHA PMS Finance Lead – by e-mail
SHA GMS Policy Lead – by e-mail
SHA PMS Policy Lead – by e-mail
PMS Finance Team – by e-mail
PMS Policy Team – by e-mail
PMS NDT – by e-mail