

## General Practice state-backed indemnity scheme and its impact on overall pay: guidance for members

January 2019

From April 2019, the new state-backed indemnity scheme will cover clinical negligence claims for all GPs, and all other staff working in delivery of primary medical services. It will automatically cover GP contractors/principals, salaried GPs, GP locums, nurses, AHPs and all other professional groups delivering those services (including affiliated work for local authorities, Public Health England, out of hours etc). It will also include the new network workforce.

The scheme will be run by NHS Resolution.



## Funding of the scheme

In April 2019 there will be a one off permanent adjustment to global sum, which in turn is offset by funding going into global sum. Crucially, neither GPs nor other staff members will any longer pay out annually for subscriptions, which represents a significant gain in that they will no longer be obliged to pay for the expense of indemnity, bear the administrative burden of obtaining cover or be liable to pay for any annual increases that in recent years have consistently been significantly above inflation. All future costs will be borne by NHS England and government.

All GPs will still need Medical Defence Organisation cover for non-NHS activities, such as GMC or coroner's court representation, private work etc.

As in 2016/17 and 2017/18, funding will be provided direct to practices to fund the increase in fees for the previous year (i.e. via the SFE on an unweighted per patient basis). The exact figure for this is being agreed and will be provided to practices as an additional and final payment. As with the last two years, practices and salaried GPs should discuss how this additional funding is passed on. This will be the final year that this occurs and this payment will not be repeated from 2020. We will provide template letters for Salaried GP to begin discussion with employing practices about the funding apportioned to them.

## Salaried GPs

There is currently no consistency of arrangements for indemnity costs of salaried GPs or GP principals. Some are responsible for paying their own indemnity, while others have it paid by their practice. There will be situations where a GP may have agreed a certain salary with their practice in exchange for the practice covering indemnity costs, or equally may have agreed a certain salary with the expectation that they will cover their own indemnity costs.

Salaried GPs will receive a 2% pay uplift in 2019/20, and will have their indemnity covered by the new scheme.

## Locum GPs

Locums will no longer need to pay clinical indemnity costs when working for GP practices, out-of-hours organisations or networks. We continue to encourage locums to ensure their fees are set responsibly, reflecting their expenses (and changes thereof), experience, local market forces, and local need.

Locum GPs should receive the 2% pay increase and practices will need to continue to negotiate on an individual basis, as to what an appropriate rate of pay is for the services and responsibilities for each locum engagement.

## Practice Funding and Pay 2019/20

How will this impact the overall pay settlement agreed by GPC England?

In addition to the introduction of the indemnity scheme, there will be a 1.4% uplift to the practice contract, which includes:

- A pay uplift for all GPs and practice staff
- An expenses uplift, including £20m for SARs
- 1% linked to 2018/19 pay uplift
- Funding for practices to engage in establishing networks
- £30m into Global Sum for NHS 111 direct booking

Therefore, GPC England recommends that practice staff, including salaried GPs, receive at least a 2% uplift in 2019/20 through a combination of increase to income and decrease to individuals' indemnity expenses. However, each practice, salaried GP and other staff will need to agree how the uplift is realised.

What will be the position from 2020 onwards?

- There will be no clinical indemnity subscriptions to pay
- Global sum will be increased, which will allow a pay uplift in line with predicted inflation, with a mechanism for readjustment if inflation changes substantially
- This will in turn mean there will be no approach to the DDRB for GP principals, but it will be retained as an option for salaried GPs, other practice staff, GP trainees, GP educators and GP appraisers
- The global sum increase will also allow for expenses to be uplifted in line with predicted inflation
- GPC England and NHS England will agree a mechanism for readjustment, if pay significantly exceeds the intended uplift or inflation is significantly above current predictions
- NHS England plans to publish details of all GPs with NHS earnings in excess of £150k (and intends to extend this to other NHS contractors in due course)