NHS Lothian

Internal Audit 2024/25

GP Enhanced Services

April 2025

FINAL REPORT

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Report Distribution

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- Jenny Long – Director of Primary Care

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- Mark Hunter – Head of Primary Care Finance

For Information:

- Caroline Hiscox – Chief Executive
- Craig Marriott – Director of Finance
- Audit and Risk Committee

Executive summary

Background

GP Enhanced Services in the NHS in Scotland are additional healthcare services that go beyond the standard level of care which GP practices contract with NHS Lothian to provide through the nationally agreed GMS contract.

NHS Lothian commission a range of enhanced services from practices. All enhanced service contracts are voluntary to participate in and are mostly activity based for payment. Payment is determined by practices submitting quarterly and annual returns which is monitored by the Primary Care Contracts Team. Payment Verification takes places on a sample of these payments as a routine process undertaken by NHS National Services Scotland.

GP practices are mainly funded through the core GMS contract, and receive support from a number of Health and Social Care Partnership (HSCP) delivered services as part of the Primary Care Improvement Plan (PCIP) funded by the Primary Care Improvement Fund, such as provision of additional practice Multidisciplinary Team members (e.g. Advanced Nurse Practitioners, Advanced Physiotherapy Practitioners and Advanced Clinical Pharmacists) and the delivery of HSCP Community Treatment and Care services (CTAC) and pharmacotherapy services.

Most HSCPs will also deliver some form of care home team that supports care provided to care home residents, and HSCPs can make other payments to GP practices through local Service Level Agreements, and 'LEG-UP' payments which are used to incentivise practices to grow their patients lists.

Executive summary

Objectives

The objective of this review was to provide an independent assessment of the design and operational effectiveness around the controls in place in relation to payments made to GP Practices for the provision of enhanced services and other care or treatment arrangements (e.g. SLAs, LEGUP etc).

Limitations in scope

Our findings and conclusions will be limited to the risks identified within the APB. The scope of this audit does not allow us to provide an independent assessment of all risks and controls associated with fraud.

Where sample testing is undertaken, our findings and conclusions will be limited to the sample tested only. Please note that there is a risk that our findings and conclusions based on the sample may differ from the findings and conclusions we would reach if we tested the entire population from which the sample is taken.

This review does not constitute an assurance engagement as set out under ISAE 3000.

Acknowledgements

We would like to take this opportunity to thank your staff for their co-operation during this internal audit.

Headline messages

Moderate Assurance

We have completed our assessment of the design and operational effectiveness of the controls in place regarding enhanced services and other payments to GP practices, and have concluded that the processes have provided **Moderate Assurance**. This was confirmed through sample testing, review of documentation and through discussions with management and other staff.

We have provided 'Moderate Assurance' based on our findings, indicating that the controls upon which the organisation relies are suitably designed and, in most cases, effectively applied. However, a moderate amount of residual risk remains. We have reported by exception against the areas where we consider that Management and the Audit and Risk Committee should focus their attention.

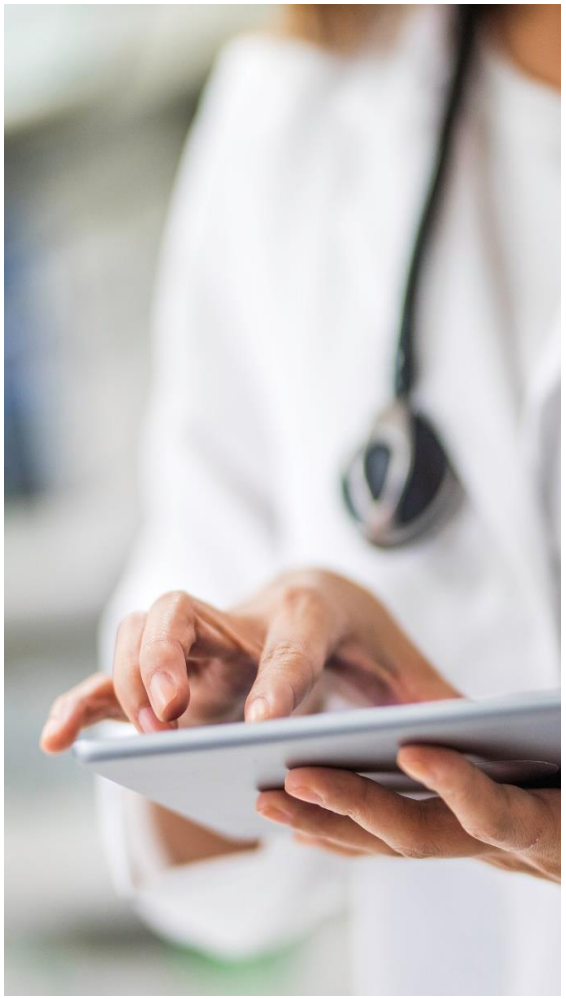
The review has noted the documented guidance that is in place and available for practices to refer to when agreeing to provide enhanced services, when entering into SLAs or LEGUP arrangements. Practices are requested to complete returns to indicate their involvement in each and agree to the schedule for returns of activity. An absence of formal controls to routinely consider the enhanced service payments made to practices against other funding arrangements has been identified. We recommend introducing controls to reduce the risk of duplicate or unnecessary payments.

There are opportunities for management to collaborate with the HSCP primary care teams to establish and implement a formal procedure for the regular review and comparison of the local enhanced services agreed with the practices and other local SLAs as this does not currently take place.

The review has noted a number of practices that continue to be in receipt of funding relating to historical 17C additional Primary Medical Services payments. It is recommended that the 17C payments are reviewed to confirm that they remain relevant or can be either halted or transferred to other funding arrangements.

A comprehensive review of additional payments to ensure services provided reflect actual agreed activity should be undertaken with decisions made around future funding arrangements.

We will review progress made as part of our recommendation tracking during 2024/25 and on handover with regards to NHS Lothian's new internal auditors.



Headline messages

Conclusion

We have raised **five** recommendations. The grading of these recommendations, based on risk, is summarised in the table below.

Risk	Assurance rating	Number of recommendations			
		High	Medium	Low	Imp
There is a lack of clarity from NHS Lothian of the totality of services they commission from GP practices	Significant Assurance	-	-	2	-
Contracts or Service Level Agreements between NHS Lothian and GP Practices are inconsistent, out of date, or do not include all enhanced services provided by the practice	Significant Assurance	-	-	1	-
GP practices are paid incorrectly and/or duplicate payments are made associated with the provision of enhanced services and other care or treatment services	Moderate Assurance	-	1	-	-
There is a risk that payments to GP services may not accurately reflect actual activity due to insufficient scrutiny and verification	Moderate Assurance	-	1	-	-

Summary of findings

Examples of where recommended practices are being applied

- All GP practices are requested to confirm the Enhanced Services to be provided before the start of each financial year. Contract documentation includes guidance as to what is expected from the practice and a 'sign-up' sheet provided for completion by each practice.
- While enhanced services are agreed between practices and the Primary Care Contracts Office (PCCO), Health and Social Care Partnerships also liaise with practices on the provision of GP services that can be supported through other funding streams.
- Clear and comprehensive records are maintained by staff within PCCO of all practices that sign up each year to receive funding for the provision of enhanced services.
- Quarterly and annual returns provided by practices that have signed up to receive enhanced services are subject to review and recording by staff within PCCO.
- Practices that are in receipt of LEGUP funding are required to sign-up to agreements that stipulate what the funding is to be used for, alongside the circumstances that would require funding to be withdrawn and agreement made to return a proportion of the funding where the criteria has not been met.
- West Lothian Health and Social Care Partnership have introduced a survey for practices in receipt of LEGUP funding to complete and ensure that the funding is being used appropriately to support practice list sustainability.

Areas requiring improvement

- Duplicate payments could be made to practices due to LES and LEGUP funding cross-overs and the unawareness of how funding has been utilised.
- The survey for practices in receipt of LEGUP funding undertaken in the West Lothian HSCP should be rolled out to other HSCPs where LEGUP funding is being routinely awarded.
- There are opportunities for management to collaborate with the partnerships to establish and implement a formal procedure for the regular review and comparison of the local enhanced services agreed with the practice and other SLAs outlined in the GMS contracts.
- A number of historical payments are in place for additional medical services and these are not formally assessed on a regular basis which has resulted in no uplift in cost for approximately nine years.
- Payments to GP services may not accurately reflect actual practice activity due to insufficient scrutiny and verification with no regular review of payments being made.

Detailed findings and action plan

1.1	Significant Assurance	There is a lack of clarity from NHS Lothian of the totality of services they commission from GP practices

Finding and implication	Audit recommendation	Management response, including actions
<u>Potential Duplication of Payments</u> Service Level Agreements are issued to practices that have been identified by Health and Social Care Partnerships (HSCP) where there is a requirement to grow their patient lists, known as List Extension Growth Uplift (LEGUP) Agreements. When LEGUP funding is allocated, the HSCP considers several factors, including the growth in patient list size from previous years, any boundary changes that could attract more patients, and ongoing housing development that may increase the patient population within the practice's boundary. Testing revealed that ten practices were receiving LEGUP funding, with three selected for review to confirm that the funding was allocated appropriately according to the funding criteria. Two West Lothian Practices were included in the sample tested (East Calder and Murieston). While the funding provided to East Calder is appropriate, it was noted that the grant provided to Murieston had been used to refurbish a room for use by phlebotomists, which increased the phlebotomy sessions on offer. Murieston Practice is also in receipt of phlebotomy LES payment, which is provided by NHS Lothian to support GP practices to provide practice-based phlebotomy services (phase 2 phlebotomy funding). Phlebotomy phase 2 funding should be used by practices in any way it is considered most appropriate to support their practice-based phlebotomy services, however, there is a potential funding crossover. The third, Ormiston, is supported by East Lothian HSCP to grow the practice list size over a period of two years (2024 - 2026). The SLA for the LEGUP between the practice and the partnership states that the practice has the flexibility to decide how the investment is spent. However, the HSCP will require a report at the end of the period to meet its audit requirements.	**Recommendation 1** Management should undertake a review of all practices that are in receipt of funding through the phlebotomy enhanced services and LEGUP grant funding to ensure that funding is appropriate and adheres to both the LES and LEGUP funding criteria.	LEGUP funding has been reviewed in detail every six months at Primary Care Joint Management Group (PCJMG) since 2022 which has introduced greater rigour, including the development of Pan-Lothian principles and criteria for LEGUP funding which has been agreed by LMC colleagues. Changes to practice accommodation to support patient demand is included within this criteria, and phlebotomy is an area which is also supported by HSCP PCIP staff, which in WL HSCP are often embedded within the practices. Actions: • LEGUP funding to continue to be reviewed biannually at PCJMG, with a detailed review of all practices in receipt of LEGUP funding to ensure funding is being used appropriately to support patient list growth. • Review the phlebotomy LESs ahead of commissioning the 26/27 enhanced service package. **Responsible Officers:** PCCO and HSCP primary care leads **Executive Lead:** Jenny Long, Director of Primary Care **Due Date:** September 2025

Detailed findings and action plan

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Detailed findings and action plan

2.1	Significant Assurance	GP practices are paid incorrectly and/or duplicate payments are made associated with the provision of enhanced services and other care or treatment services

Finding and implication	Audit recommendation	Management response, including actions
<u>Comparison between Enhanced Services and other care or treatment service SLAs is not routinely carried out</u> In 2024/25, 115 practices across Lothian signed up to a number of local enhanced services, including Anticipatory Care, Minor Injuries and Minor Surgery. Some practices agreed to the provision of all eighteen enhanced services, while others signed up only to specific services. Although staff within PCCO have conducted analysis to identify practices receiving funding for enhanced services and to assess the potential for duplicated payments, there are currently no established controls to compare the enhanced services arrangements agreed between PCCO and the practices with the additional primary medical services SLAs that are agreed between the HSCPs and practices. These controls would help identify any additional services agreed by the HSCPs that are already covered by the enhanced services and determine if there are any potential duplicated payments. The East Lothian HSCP has noted the need to review the Lead Practice for Care Homes LES and align it with the additional support provided by the HSCP Care Home teams in order to assess whether the same level of care should be commissioned by the LES.	**Recommendation 3** Management should collaborate with the partnership to establish and implement a formal procedure for the regular review and comparison of the local enhanced services agreed with the practice and other SLAs agreed at HSCP level, or services provided by HSCPs.	This is a helpful recommendation that should support the progression of work that has been started but not yet completed. Actions: • Development of a formal procedure for regular review of Enhanced Services, HSCP SLAs, and services provided by HSCPs. To be discussed and agreed at PCJMG and in place as part of the review of the enhanced services package to be commissioned for 26/27. **Responsible Officer:** PCCO and HSCP primary care leads **Executive Lead:** Jenny Long, Director of Primary Care **Due Date:** December 2025

Detailed findings and action plan

3.1	Moderate Assurance	GP practices are paid incorrectly and/or duplicate payments are made associated with the provision of enhanced services and other care or treatment services

Finding and implication	Audit recommendation	Management response, including actions
<u>Historical payments for additional Primary Medical Services are not formally assessed</u> In addition to the enhanced services payments made to practices, some practices also receive payments for additional Primary Medical Services, which are historical payments linked to the 17C PMS contracts that have been in place for several years. Testing was carried out on a sample of GP practices with historical and ongoing Primary Medical Services (PMS) payments to determine the nature of these payment and whether they should be incorporated into the payments for enhanced services or under Primary Care Improvement Fund investment. The results of this has identified a number of practices with historical 17C funded additional PMS payments out with the GMS contracting criteria, none of which have been uplifted for approximately nine years. For the sample of four selected, testing has been inconclusive from the HSCP returns to confirm whether they are routinely reviewed and evidenced for appropriateness and validity. It is noted also that while there are plans in place to transfer the 17C to the GMS 17J contracts, this has not yet been completed. As context, analysis of all 15 practices identified has noted that they are in receipt of annual PMS investments payments totalling £773,915.	**Recommendation 4** Management should complete a comprehensive review of all ongoing and historical payments made to practices under the 17C contractual payments for additional Primary personal medical services. Subsequently, a decision be reached on whether these payments remain valid, should be discontinued, or transferred to alternative funding streams, ensuring they align with other practices.	The 17C additional payments are contractual and cannot be removed, or a practice moved to a 17J contract, without practice agreement. There has been work undertaken to review, including meetings with relevant practices, however, this has not been concluded. Actions: • Update the project plan to ensure clear actions and timelines in place to meet with all 17C practices and progress next steps. This will include a review of the requirements associated with the additional 17C PMS payment and considering how best to update and align for best value, while meeting contractual obligations. **Responsible Officers:** PCCO, Edinburgh HSCP and East Lothian HSCP primary care leads **Executive Lead:** Jenny Long, Director of Primary Care **Due Date:** March 2026

Detailed findings and action plan

4.1	Moderate Assurance	There is a risk that payments to GP services may not accurately reflect actual activity due to insufficient scrutiny and verification

Finding and implication	Audit recommendation	Management response, including actions
<u>Payments to GP services may not accurately reflect actual activity due to insufficient scrutiny and verification.</u> Further analysis was carried out on two practices that have been in receipt of other PMS payments which have remained unchanged since 2018 (Milton Surgery and Inveresk). • The payments to Milton Surgery, totalling £106,158 annually, are for Health Centre Staff, a Minor Surgery Project, a Musculo-Skeletal Project and Enhanced Services. • The payments to Inveresk, totalling £33,137 annually, are for Phlebotomy, a Counsellor and a Community Nursing Reimbursement As part of our review, we have been unable to determine whether the payments made relate to the original agreed services, and if these payments should remain in place, are either no longer required, or can be funded through alternative contractual arrangements. Enquiries around the ongoing relevance of the payments with representatives from the HSCPs and PCCO have noted that the payments have not been reviewed by the Partnership and Practice to determine whether it is still necessary or can be stopped/transferred to another funding stream (i.e. PCIF).	**Recommendation 5** Management should complete a comprehensive review of additional payments to ensure services provided reflect actual agreed activity. Thereafter, an agreement should be made on what funding elements can be stopped or funding transferred to align more with other funding arrangements/criteria.	Both these payments are linked to the 17C PMS additional payments, and due to the historic nature have been difficult to disentangle. They are part of the 17C review process outlined above and will be captured by the actions described in response to recommendation 4.

Appendices

Appendix 2:
Staff involved and documents reviewed

Staff involved

- Mark Hunter, Head of Primary Care Finance
- Monika Jakob, Management Accountant – GMS & PCCO
- Alison McNeillage, General Manager Primary Care Contracts Office
- Jamie Megaw, General Manager for Primary Care Services – East Lothian HSCP
- Helana Sleeth, Senior Development Manager – West Lothian HSCP
- Denyse Aitken, Service Manager, Primary Care Services – Midlothian HSCP
- Amegad Abdelgawad, Transformation Manager – Edinburgh HSCP

Documents and Systems Reviewed

- Enhanced Service Contracts 2024/25
- Emails to practices requesting sign-up to 2024/25 enhanced services
- Signed and completed enhanced services signature sheet
- Enhanced Services sign-up spreadsheet
- Records of annual and quarterly returns to NHS Lothian reporting enhanced service activity
- LEGUP SLAs and grant letters
- Financial reports detailing historical and ongoing payments made to practices

Appendix 3:
Our assurance levels

The table below shows the levels of assurance we provide and guidelines for how these are arrived at. We always exercise professional judgement in determining assignment assurance levels, reflective of the circumstances of each individual assignment.

Rating	Description
Significant Assurance	The Board can take reasonable assurance that the system(s) of control achieves or will achieve the control objective. There may be an insignificant amount of residual risk or none at all. There is little evidence of system failure and the system appears to be robust and sustainable. The controls adequately mitigate the risk, or weaknesses are only minor (for instance a low number of findings which are all rated as 'low' or no findings)
Moderate Assurance	The Board can take reasonable assurance that controls upon which the organisation relies to achieve the control objective are in the main suitably designed and effectively applied. There remains a moderate amount of residual risk. In most respects the "purpose" is being achieved. There are some areas where further action is required, and the residual risk is greater than "insignificant". The controls are largely effective and in most respects achieve their purpose with a limited number of findings which require management action (for instance a mix of 'medium' findings and 'low' findings)
Limited Assurance	The Board can take some assurance from the systems of control in place to achieve the control objective, but there remains a significant amount of residual risk which requires action to be taken. This may be used when: • There are known material weaknesses in key control areas. • It is known that there will have to be changes that are relevant to the control objective (e.g. due to a change in the law) and the impact has not been assessed and planned for. The controls are deficient in some aspects and require management action (for instance one 'high' finding and a number of other lower rated findings)
No assurance	The Board cannot take any assurance from the audit findings. There remains a significant amount of residual risk. The controls are not adequately designed and / or operating effectively and immediate management action is required as there remains a significant amount of residual risk (for instance a number of HIGH rated recommendations)

Appendix 3:
Our recommendation ratings

The table below describes how we grade our audit recommendations based on risks:

Rating	Description	Possible features
High	Findings that are fundamental to the management of risk in the business area, representing a weakness in the design or application of activities or control that requires the immediate attention of management	• Key activity or control not designed or operating effectively • Potential for fraud identified • Non-compliance with key procedures/standards • Non-compliance with regulation
Medium	Findings that are important to the management of risk in the business area, representing a moderate weakness in the design or application of activities or control that requires the immediate attention of management	• Important activity or control not designed or operating effectively • Impact is contained within the department and compensating controls would detect errors • Possibility for fraud exists • Control failures identified but not in key controls • Non-compliance with procedures/standards (but not resulting in key control failure)
Low	Findings that identify non-compliance with established procedures, or which identify changes that could improve the efficiency and/or effectiveness of the activity or control but which are not vital to the management of risk in the business area.	• Minor control design or operational weakness • Minor non-compliance with procedures/standards
Improvement	Items requiring no action but which may be of interest to management or which represent best practice advice	• Information for management • Control operating but not necessarily in accordance with best practice