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## Press release

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# The new GP contract has cost more than expected although there are early signs of benefits for some patients

The new contract for GP practices should have been better planned and will take time to improve care for patients. However, there is evidence of improvement in the care of some patients.

An Audit Scotland report published today, *Review of the new General Medical Services contract*, says that the new GP practice contract, introduced in April 2004, has brought some benefits for patients, GPs and the wider NHS. These include better monitoring of people with certain long-term conditions such as diabetes, increased income for GP practices, and flexibility for NHS boards to plan healthcare based on the needs of the local population.

In the first three years of the new contract, general medical services cost £160 million more than was allocated to NHS boards to pay for these services. The majority of the additional costs are due to higher than expected costs of implementing an incentive payment system for the quality of care, and ensuring that no practice is financially disadvantaged by the new contract.

The Auditor General for Scotland, Robert Black, said: 'The new contract for GP practices is an opportunity to improve both patient care and the working lives of GPs, and give the NHS greater flexibility. There are early signs that the contract has addressed GP concerns about pay and work life balance, and has improved services for some patients.'

'However, there was insufficient planning for implementing this contract, partly due to a lack of available data on primary care and an underestimation of the costs of the contract. The challenge for the Scottish Government, the NHS and GPs is to build on the early signs of improvement and to deliver better outcomes for patients.'

The report says the new contract has the potential to develop care for patients. In particular it gives NHS boards greater flexibility to move services from hospital to the community and to deliver services tailored to specific local needs, such as drugs misuse services and healthcare for homeless people.

The report also highlights a lack of basic management information about general practice in Scotland. The NHS does not know how many of Scotland's GPs work full or part time. There is also a lack of comprehensive data on staff numbers, workload and activity in practices. This makes it difficult for the NHS to plan effectively.

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### Notes to editors

1. In 2007 there were 4,721 GPs and 1,030 practices in Scotland. Of these, 940 practices (88 per cent) had new General Medical Services (nGMS) contracts. The nGMS contract is a contract between the NHS boards and the GP practice, not with individual GPs.
2. Most GPs are independent contractors who provide services to the NHS. Very few are employed directly by an NHS board although this number is increasing.
3. The nGMS contract was introduced because previous GP contracts were considered to be no longer fit for purpose. The aims of nGMS are to: reduce GPs' personal and practice workload to a manageable level; appropriately reward GPs for their work; address problems in recruiting GPs; and deliver more services in primary care, closer to patients' homes.
4. Under the contract, practices receive a 'global sum' bulk payment and also earn money through an incentive payment scheme, the Quality and Outcomes Framework (QOF). The majority of the additional costs for nGMS

were because practices achieved higher levels through the QOF than expected, and because practices are paid a 'correction factor' to ensure they are not financially disadvantaged by the new contract.

5. Under the contract, GPs have been able to give up responsibility for delivering out-of-hours services. This was the subject of an Audit Scotland report published in 2007, *Primary care out-of-hours services*, which is available on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)
6. All Audit Scotland reports published since 2000 can be found on Audit Scotland's website.
7. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. Audit Scotland has prepared this report for the Auditor General for Scotland.
8. The Auditor General is responsible for securing the audit of the Scottish Government and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament.