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EXCLUSIVE

General practices in most ICB areas saw their funding for enhanced services squeezed last year, finds BMJ investigation

Commissioners' budgetary decisions are reducing GPs' ability to offer key basic services and forcing some practices to close, reports **Gareth Iacobucci**

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An investigation by *The BMJ* has found that four fifths of England's integrated care boards (ICBs) either reduced or froze the discretionary funding they gave to general practices as a proportion of the ICB's overall budget this year for services such as phlebotomy, anticoagulation monitoring, wound care, ECGs, and minor surgery.[1] For nearly half of ICBs this was the second year in a row they squeezed GPs' budgets for these types of enhanced services (those outside the core contract).

The BMJ found examples of millions of pounds being stripped from local budgets. The sharpest reduction in 2024-25 was in Shropshire, Telford, and Wrekin ICB, which halved its discretionary spend on primary care services from £4.5m to £2.3m.

Katie Bramall-Stainer, chair of the BMA's General Practitioners Committee for England, said that the findings indicated the scale of financial pressure on GPs' income and why practices were taking collective action—such as limiting how many patients they see each session and stopping rationing referrals—to drive home to the government the urgent need for greater investment in primary care. Many practices are facing financial ruin because of the combination of lack of funding, soaring costs, and high inflation, she said.

She added, "Nationally, this is an incredibly important piece of work that shines a light on what practices and local medical committees [LMCs, the bodies that represent GPs locally] have suspected for years: this often overlooked aspect of the disparities in local enhanced services and local commissioning."

While ICBs have reduced their spending on enhanced services, the cost of providing them has gone up, which means that for GPs "the maths doesn't work," said Bramhall-Stainer. "The truth and tragedy is the embarrassing paucity of discretionary investment that goes into these essential GP services. Hospital colleagues would be shocked to see such basic commissioning as ECGs, complex dressings, or phlebotomy services being commissioned this way at such low cost as to be financially unviable. It helps explain collective action and shows why we need a new national contract."

What is discretionary funding?

For GP services, discretionary funding applies to services outside the core contract. Under the terms of the 2004 General Medical Services contract, general practices in England can be given additional funding for providing extra services. Typically, this comes through a mix of directed enhanced services (DESs), negotiated at a national level, and local enhanced services (LESs), negotiated between LMCs and ICBs.

Enhanced services make up around 10% of GP income overall,[2] or around £165 000 for an average sized practice of 10 000 patients,[3] although this varies by local area and by practice, as services are optional.

LESs are designed to allow flexibility to cater services to local needs, but the level to which they are funded depends on local systems. *The BMJ's* investigation (see box for key findings) shows that this funding has come under increasing pressure as ICBs have been forced to make savings in recent years.[4]

What The BMJ's investigation found

The BMJ asked all 42 ICBs in England under the Freedom of Information Act how much they have spent on discretionary primary care services over the past three financial years and what this represented as a proportion of the ICB's overall budget.

- For 2024-25, 34 ICBs provided comparable data. Of the 34, 27 (79%) either reduced or froze their discretionary spend on primary care services as a proportion of their overall budget when compared with 2023-24: 18 reduced and nine froze. Only seven (21%) increased it.
- For 2023-24, 37 ICBs (88%) provided comparable data. Of these, 28 (76%) either reduced or froze discretionary spending when compared with 2022-23: 21 reduced and six froze. Only 10 (27%) increased it.

Overall, 15 ICBs (44%) reduced or froze discretionary spending as a proportion of their overall budget in both 2023-24 and 2024-25.

More practices on the brink

Andy Pow, director at the firm Forvis Mazars, which provides accountancy advice to practices, said he was now seeing more practices in financial trouble than he ever had. Pow, who is a member of the board of the Association of Independent Specialist Medical Accountants, said pressure on income was forcing some practices to make staff redundant or not replace them.

The BMA's guidance on collective action advises practices to "cease all non-contractual work and divert their resources to core services,"[5] which can include cutting enhanced services if these are deemed unprofitable.

Bramall-Stainer said the squeeze on discretionary funding was a key factor in GPs' collective action. "It plays its part in why practices are closing and why we are haemorrhaging experienced GPs from the NHS workforce," she said.

Practices were now calculating the costs of providing enhanced services and understanding what gaps they were filling at their own expense, she said. "Unfortunately, in many cases, practices may find they are paying to provide these services, and this is why they need to reflect collectively on working with their LMCs around potentially serving notice to the ICB to give their LMC an opportunity to have a reasonable and sensible discussion with the commissioner.

"A large practice delivering a large bundle of services may think, 'We cannot afford to serve notice on this, because we rely on the £100 000 we get for it.' But if they go through it line by line and appreciate it may be costing them £120 000 to deliver, they need to realise what is really happening here and serve the contractual notice."

Huge variation

Bramall-Stainer said it was "striking" how much variability existed in how funding was distributed and how different pots of money were grouped.

"The inverse care law and postcode lottery are quietly and effectively being played out here," she said. This is why the GP Committee for England was calling for a "sustainable new GP contract" across England to deliver greater health equity, greater value for money to the Treasury, and better financial balance for more practices to stop closures, she added.

The BMJ's data show that, per head of population, ICBs spent £19.85 on average on discretionary primary care services in 2024-25. But there was much variation in both the sums and what ICBs included in their discretionary funding, making direct comparisons difficult.

The lowest payment, at £4.40 a head was in Shropshire, Telford, and Wrekin ICB. The highest was £54.80, in Somerset ICB. However, the first figure included only enhanced services, while Somerset's included transformation funding and out-of-hours services. On enhanced services alone Somerset's figure was only £15.40.

Calls for a new contract

Pow said the variation in discretionary funding and how it was defined was "problematic" and strengthened the argument for a new contract. "It needs resetting and simplifying . . . to make sure funding is more consistent across the board," he said.

Bramall-Stainer said many of the services highlighted in *The BMJ*'s investigation were needed in every practice across the country so ought to be in the national contract. "People might blithely assume that such basics as phlebotomy services are commissioned in a core contract, but this is not the case," she said.

She said there was still a place for locally commissioned services but that these should be focused on needs relevant to the local population, such as exceptional rurality or demography.

Shifting investment

The Labour government has explicitly said the NHS needs to invest more in primary and community care.[6] Bramall-Stainer said there was an "interesting question" to do with system priorities and cultures. "ICBs have a responsibility to look with a new lens at what they are doing to support the sustainability of general practice services and listen to the new government's priorities around this," she said.

Ruth Rankine, director of primary care at the NHS Confederation, the membership body for all organisations that commission and provide NHS services, said that GPs and ICBs were being frustrated by pressure to maintain capacity in acute care and to balance budgets, which was leaving "very little bandwidth to start trying to fulfil the government's ambition to move more care closer to home."

She said, "With the pressure on finances, our members are frustrated that they are having to make difficult decisions on the funding and viability of these [enhanced] services.

"Where they are continuing to be commissioned, there is no uplift to the contract value to account for increasing costs, and in many cases services that are reducing demand on other parts of the system are being decommissioned."

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