GMS Contract Challenges

Aneurin Bevan University Health Board's approach to the letting of multiple General Medical Services contracts to a single GP partnership

May 2026

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Audit snapshot

What we looked at

1 We reviewed Aneurin Bevan University Health Board's (the Health Board) approach to awarding General Medical Services (GMS) contracts for a number of general practices to a single GP partnership run by two general practitioners (the Partnership). We have examined the Health Board's contract letting arrangements as well as the ongoing arrangements for contract management for the GP practices concerned.

Why this is important

2 In April 2024 the Partnership, which is associated with the wider eHarley Street Primary Care Solutions management company, were managing eight GP practices. By October 2025 the Partnership had handed back the contracts for five practices to the Health Board.

3 This has placed the Health Board in a challenging position where it has had to take over the management of these practices at relatively short notice to safeguard provision of general practice services to the local population. In the context of GP practices that were previously managed by the Health Board at a greater than normal cost, there have also been further cost implications for the Health Board, and potentially some anxiety from residents over the continuity of their GP services. In addition, concerns have been made public about non-payment of locum doctor and supplier invoices, tax payments and NHS pension contributions within specific practices that were managed by the Partnership.

4 Collectively these issues have led to politicians in both the Senedd and Westminster raising concerns with the Auditor General about the Partnership's operating model and the Health Board's letting and management of the contracts with the Partnership.

What we have found

5 At the time of letting the contracts to the Partnership, the Health Board was in a challenging position of having to manage a number of vacant practices across its resident population. The Partnership has previously managed a practice in Lliswerry without any apparent concerns and was the only bidder for several of the contracts.

6 Nonetheless, the Health Board should have had a greater appreciation of the risk associated with a single Partnership taking on so many new practices over a short timeframe. It should also have undertaken greater due diligence checks on the Partnership's business model and applied greater scrutiny to its business cases and financial plans.

7 Whilst no evidence of fraudulent activity has been identified, the problems experienced by the Partnership have caused financial concerns for staff employed by the Partnership. In addition, in line with nationally agreed approaches to support financially 'at risk' practices, over £1 million of sustainability funding was accessed by the Partnership ahead of them handing five[1] of their eight contracts back to the Health Board.

8 The Health Board has amended some of its commissioning arrangements because of these events and changes to procurement regulations. However, in our view there is a need to further strengthen contract letting processes to minimise the risk of similar events occurring in the future.

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[1] Since our fieldwork was completed the Partnership has signalled that it intends to hand the remaining three contracts back to the Health Board.

What we recommend

9 We have made four recommendations to the Health Board based on:

- strengthening business case requirements to ensure sufficient detail to inform decision making;
- strengthening the risk assessment on proposed financial plans, operating model, workforce plans and clinical governance;
- further strengthening its new due diligence process; and
- agreeing clear but proportionate GMS practice performance and operational metrics aligned to Health Board monitoring processes.

Key facts and figures

8	practices were being managed by the Partnership in April 2024.
3	practices remained managed by the Partnership during 2025-26. These were Gelligaer Surgery, Pontypool Medical Centre, and Lliswerry Medical Centre.
February 2026	The partners formally notified the Health Board in February that they will hand back the three remaining practices at the end of March 2026.
£10.1m	the 2024-25 combined annual value of the individual contracts for the eight practices.
£1.2m	total additional sustainability funding support claimed by the Partnership for the eight practices during the 2024-25 financial year.

Our findings

Contract award timeline

Contracts were awarded to the Partnership in line with the Health Board's vacant practice policy and in the context of it having to manage a number of vacant practices at the same time

10 Over a two-year period, the Partnership acquired contracts for the delivery of General Medical Services for eight practices across the Health Board. Whilst the Partnership consisted of two GPs, these GPs did not directly provide local care services. Instead, they were responsible for securing staff to deliver the services. This model had been running within NHS England for some time, and reviews by the Care Quality Commission had not found any concerns. The Partnership's model relies on the delivery of back-office functions via a central team employed by e-Harley Street Primary Care Solutions. The premise being that these back-office arrangements enable the practice teams to focus on service delivery at a local level and achieve cost efficiency.

11 The first practice that the Partnership managed was Lliswerry Medical Practice, Newport, in November 2022. They joined an existing GP partnership independent of the Health Board's involvement, in an approach that follows GMS regulations[2]. Services were delivered in line with expectations and no concerns were raised.

[2] GMS processes allow for current GPs contract holders to transfer their contract to another provider, through a contract variation. These processes also allow individuals to join or resign from partnerships.

12 The Health Board then awarded six contracts to the Partnership between October 2023 to April 2024. In three of these cases (the Bryntirion, Blaenavon and Aberbeeg practices) the Partnership was the only applicant applying to run the practices. The other two practices were a result of more recent contract resignations. **Appendix 2** outlines this in greater detail.

13 Prior to October 2023, the Health Board was directly managing five of these practices and had done so for some time ranging from between one to ten years. Ideally, health boards should only look to directly manage practices to provide short-term stability ahead of finding new independent contractors to run the practice[3]. In addition to drawing on capacity within the Health Board, managed practices are typically more costly to run as staffing costs need to align with Agenda for Change pay scales. The Health Board were overspending against their GMS global sum for these practices due to a high level of reliance on locum staffing. The Health Board also reported that the residents of the managed practices had less access to enhanced service activity[4] due to a lack of regular staffing. Collectively these factors created an imperative for the Health Board to return the practices to independent contractor status.

14 In April 2024, the Partnership also joined the contract for Meddygfa Gelligaer Surgery, independent of the Health Board’s involvement.

[3] Increasingly Health Boards are finding it difficult to secure independent contractors to deliver GP services. In this case the Health Board has to step in and run the practice to ensure the service continues to be provided to residents.

[4] Enhanced services could include access to minor surgery and post discharge wound care.

Despite accessing over £1 million of sustainability support funding during 2024-25, the Partnership quickly got into financial difficulties and ultimately handed five practices back

15 As of April 2024, the total annual value of the 8 contracts that the Partnership was responsible for was £10.1 million, although this reduced to £9.8 million as the Partnership transferred three practices back to the Health Board before the end of the 2024-25 financial year. **Appendix 3** contains more details on the 2024-25 contract award values.

16 In discussion with the NHS Wales Counter Fraud team, we are aware that NHS Pensions Agency have been reviewing the GP practices run by the Partnership in respect of underpayment of pension payments. This work had shown that whilst pension payments had been made, they had not been paid at the right level. NHS Wales Counter Fraud staff informed us that outstanding pension contributions for all practices had been paid with the exception of the Tredegar practice for December 2024 only. NHS Wales Counter Fraud staff confirmed that they were content that there was no evidence of fraud in relation to the underpayment of pension contributions.

17 We are also aware that concerns have been raised about underpayments to HMRC and also non-payment of invoices from locum doctors in practices run by the Partnership. Health Board staff confirmed that they have seen evidence of a payment plan from the Partnership to address HMRC underpayments. However, we have not been able to determine whether outstanding locum doctor invoices have been paid.

18 In response to these concerns the Health Board triggered an enhanced monitoring process for all eight of the Partnership's practices. This process included bi-weekly meetings with the Partnership, weekly data reporting, and weekly meetings and assurance visits. Through these the Health Board sought assurance on the arrangements for governance, workforce, and financial sustainability. The Health Board also undertook reviews on clinical capacity, access arrangements, and complaints performance. Overall, whilst the Health Board were receiving sufficient assurance on most of these matters, the financial sustainability of the practices was still of concern.

19 To support the Partnership the Health Board used the Welsh Government's Sustainability Assessment Framework[5] (SAF) to assess the level of support needed for each practice. The level of support is determined by a local assessment panel including the Gwent Local Medical Committee, and GPs must support all claims with evidence of expenditure. Figures for 2024-25 show that the Partnership claimed over £1.2 million of sustainability funding across all the practices it was managing. This funding was largely to cover necessary locum doctor costs but also for other legitimate costs associated with the set up and running of the practices. It should be noted that the Partnership did not claim all the funding that was available to them.

20 Despite the additional financial support provided by the Health Board, there were still concerns regarding the financial stability of the practices. By April 2025, within 15 months, the Partnership had handed back the contracts of five of their practices because they were not financially sustainable.

21 The Health Board managed the transition of the practices that the Partnership returned in an effective manner that stabilised services. It aligned dedicated teams to the practices to support the transition process ensuring access to services and patient safety was prioritised and maintained. This included an operational oversight team formed of clinical directors, nursing staff and management support.

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[5] This scheme is available to all GMS practices across Wales. In addition to the Partnership's practices that received SAF funding, three other practices in the Health Board that the GP partnership does not manage were also in receipt of this funding during 2024-25. Additional funding allocations are proportionate to GP practice size and the particular circumstances of individual practices such as the reliance on locum doctors to maintain safe levels.

22 In September 2025, the Health Board awarded the GMS contract for Aberbeeg Medical Practice to a new provider, commencing 1 January 2026. At the time of reporting the Health Board was directly managing four practices Brynmawr Medical Practice, Blaenavon Medical Practice, Tredegar Health Centre and Bryntirion Surgery. In February 2026, the partnership gave formal notice of their intention to hand back the remaining three GMS contracts for Gelligaer Surgery, Pontypool Medical Centre, and Lliswerry Medical Centre to the Health Board effective from the 1st April 2026.

Effectiveness of contract award processes

The Health Board did not fully assess the risk of letting six contracts to a single partnership and the due diligence, scrutiny of financial plans and business cases was insufficient.

23 The Health Board largely adhered to its vacant practice policy when making the contract award. In January 2025, the Health Board requested its Internal Audit service review the letting of the contract award process for five practices (Tredegar, Brynmawr, Blaenavon, Aberbeeg and Bryntirion). The report published in May 2025 gave reasonable assurance overall but, did find deviations from the policy. These deviations included:

- the interval between the advertisement of the contracts and the deadline for submissions was too short;
- whilst not required for quoracy, external Neighbourhood Care Network representation and/or Llais representation was missing at interview panels; and
- there was deviation from the set interview questions although centred around similar themes.

24 In addition, Internal Audit prepared an advisory report[6] in June 2025. This report focussed on areas which were outside of the scope of its original formal review. This included:

- retaining evidence of financial checks both from internal due diligence and medical performers list financial checks;
- agreeing contract monitoring requirements;
- strengthening the business case scoring approach, and applying standardised questions and scoring model for interviewees to reduce this risk of challenge to the contract award process; and
- ensuring sufficient time between the contract award and the date of the contact commencement.

25 The Health Boards's vacant practice policy did reflect the Welsh Government legislative and regulatory requirements. However, Welsh Government issued this guidance in 2006, and it was not sufficiently designed to support consideration of the sort of business model that the business partnership that eHarley street operated. The need to bring the 2006 guidance up to date will be discussed separately with the Welsh Government.

26 The Health Board advertised and awarded each GMS contract separately but the total amount of contracts that the Health Board awarded to the Partnership came to £8.1 million in 2024-25[7]. In our view the Health Board:

- could have been more cognisant of the potential risks in awarding a total of £8.1 million to a single supplier (albeit from separate contracts), given this far exceeds the £1 million threshold for Ministerial approval that is applied to single contracts; and
- did not sufficiently consider the potential impact/risk of awarding the Partnership several practices in a short timeframe and its ability to manage these new commitments.

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[6] An advisory report gives no assurance assessment unlike a standard Internal Audit report.

[7] For the practices that were appointed through the vacant practice policy (Pontypool, Tredegar Brynmawr, Aberbeeg, Bryntirion and Blaenavon)

27 The Health Board's processes require any potential GMS provider to produce a financial business case as part of their submission, for consideration by a Vacant Practice interview panel that also includes representation from Llais and the Gwent Local Medical Committee. Whilst the Partnership gave assurance in their business cases there were sufficient funds, there is no evidence that the Health Board undertook any financial stress testing or work to provide assurance on the Partnership's financial resilience. Internal Audit also found no record of the types or depths of checks that the Health Board undertook during the assessment process.

28 Our review of the Partnership's business cases found them to be lacking in detail. The Partnership's financial plans only covered one-year. A three-year business plan would have been more reasonable requirement, to provide assurance. We noted that the business cases did not provide any detail of costs in relation to the back-office functions managed by eHarley Street Primary Care Solutions. The Partnership had not identified in its business case any financial allocation to e-Harley Street Primary Care Solutions for managing the back-office functions.

29 The Health Board should have evaluated the financial plans in more depth. We reviewed the Brynmawr business case, and this raises concerns about the financial viability of the Partnership to support this practice before the contract award. For example, the proposed financial plan indicated that it intended to reduce locum costs by £1 million compared to the previous financial year. If locum costs reduced, then we would expect a plan to consequently set out a corresponding increase in substantive/core GP salary costs. However, the proposed uplift in substantive GP costs only amounted to an additional £16,607 and no workforce planning details were provided to indicate how such a workforce cost reduction would be achieved.

30 Whilst noting the Partnership had operated the Lliswerry practice since 2022, information within the Partnership's business cases also highlighted a lack of understanding of the devolved healthcare arrangements in Wales. Mobilisation documentation written by the Partnership refers to the Care Quality Commission[8], and Clinical Commissioning Groups[9] neither of which operate in NHS Wales.

31 More broadly, we could see no evidence that the Health Board had undertaken any checks of Companies House records in relation to the partners' wider business interests. Noting that neither the Welsh Government circular nor the Health Board's vacant practice policy prompt for such checks, undertaking them should form part of the Health Board's routine due diligence processes for contract letting. Whilst such checks might not have changed the ultimate decision to award the contracts to the Partnership, it would have provided an opportunity to seek further assurance on issues such as the establishment of multiple companies in a short space of time and businesses which have been dissolved shortly after creation. Even following contract award, this type of information could usefully be part of ongoing contract monitoring and management of risk.

32 It should be noted that the NHS Wales Shared Services Partnership added the two GPs to its Medical Performers List (MPL) in 2022 as general practitioners must be on the list in order to hold a GMS contract. The MPL provides assurance on whether GPs are fit to practice in Wales, checking items including their indemnity insurance and qualifications and experiences. However, as the two GPs were not directly treating patients these checks were of limited value.

[8] The independent regulator of health and adult social care services in England. It monitors, inspects, and rates providers like hospitals, care homes, GPs, and dentists to ensure care is safe, effective, and meets national standards

[9] Clinically-led NHS organisations in England (2013–2022) responsible for planning and purchasing healthcare services for local populations. They were made up of GP practices and managed around two-thirds of the NHS budget before being replaced by Integrated Care Systems (ICSs) in July 2022

Learning from events and ongoing management

Arrangements for ongoing contract management have improved, but there remains scope to strengthen financial checks during the award process

Contract award process

33 The Health Board has made some improvements to its policies and procedures, but in our view these do not go far enough. Following recommendations from Internal Audit, the Health Board has strengthened its policies and procedures for managing future GMS contract awards. In July 2025 the Health Board issued a new standard operating procedure and an updated vacant practice policy. These arrangements reflect the new requirements of the Health Services (Provider Selection Regime) (Wales) Regulations 2025[10]. The new procedures implement a formal tender process and map, strengthened governance in relation to evaluation of applications and broader stakeholder engagement. The Health Board has also agreed a preference that future GMS providers are based in the Gwent region.

34 The procedures also provide more clarity on the specific due diligence checks needed. Prior to the contract award these include:

- basic credit checks on the individuals within the partnership;
- copies of audited financial statements for the past 2 years;
- confirmation of no outstanding debts or liabilities that may affect service delivery;
- details of any previous breaches, sanctions or disputes; and
- accountant letter of viability.

35 The Health Board has also introduced checks upon commencement of the contract to ensure that providers have the following:

10 Health Service Procurement (Wales) Act 2024

- payroll system in place for staff payments;
- evidence of PAYE registration and compliance;
- evidence of compliance for HMRC requirements;
- pension scheme arrangements for staff;
- confirmation of account ownership and authorised signatories;
- employers' liability insurance certificate; and
- public liability insurance certificate.

36 These additional checks represent a significant strengthening of the Health Board's arrangements for managing GMS contract awards. However, in our view there is scope to strengthen them further. The guidance still does not require the Health Board to retain a formal record of financial or due diligence checks. Maintaining such a record would be important if the Health Board was ever challenged on its contract award processes. In addition, the guidance also does not extend to checking whether prospective contractors have any business interests or have any financial or commercial history that might warrant a more detailed set of enquiries to provide the necessary assurances on their fitness to be awarded a contract.

Ongoing contract monitoring and management

37 The Health Board has improved its arrangements for monitoring contract delivery. The Health Board has introduced mandatory enhanced monitoring for all new providers for a minimum of 12 months, and this is now part of the commissioning arrangements. However, the Health Board has not described the performance measures or triggers for both escalation and de-escalation that would be in place beyond the initial enhanced monitoring period.

38 The Health Board actively monitors the risks at the practices the Partnership continues to be responsible for, although noting that the remaining practices will be handed back at the end of the financial year. Arrangements included:

- weekly operational escalation meetings monitoring availability of appointments for patients. Attendees include the Head of Primary Care, Deputy Medical Director, Central Operations Manager, Divisional Director

for Primary Care, Community Services, and Complex and Long-Term Care and local practice manager for the partnership;

- bi-weekly assurance meetings with the partnership focusing on governance, workforce, and finance as well as any additional specific practice concerns. Attendees include the Deputy Medical Director, Head of Primary Care and Finance Business Partners with at least one GP partner in attendance alongside the Central Operations Manager;
- monitoring of weekly practice activity data to identify any areas where access standards are not being achieved; and
- practice assurance visits based on the GMS Contract Assurance Framework.

39 The Primary Care Contracting Team use standard arrangements to ensure compliance against core contract requirements for all GMS Practices. We have outlined these arrangements in **Appendix 3.**

40 Welsh Government has developed a Contract Assurance Framework (CAF) as a governance process for the evaluation of assurance on the delivery of services through the GMS Unified Contract used across NHS Wales and by GMS contractors. There are three nationally agreed components:

- data set for quality, safety, governance and contract management; a practice assurance return and IG toolkit;
- process for assessing contractor's compliance against contractual requirements; and
- escalation ladder for managing concerns.

41 The Health Board applied the CAF at each practice. The primary care team have undertaken a series of contract and governance visits and assessed the twelve Health and Care Quality standards[11]. Where the team have found issues, the Health Board has made recommendations, which the practice addressed. The Health Board has paid specific focus to access standards and has also indicated that they have not identified any patient safety issues.

42 The practice visits undertaken as part of the enhanced monitoring arrangements for the Partnership are informed by GP performance information. The practices are up to date with their submission data they as part of the CAF process. The Health Board is also actively monitoring rates of patient concerns and complaints and benchmarking performance to identify any outliers.

[11] Care must be, safe, timely, effective, efficient, equitable, person-centred. Assessments are also made against leadership, workforce, culture, information, learning and whole system approach.

Recommendations

R1 Strengthen GP business case requirements in the vacant practice policy to ensure that potential GP partners include sufficient detail on its workforce, financial and quality plans **(Paragraph 27).**

R2 Strengthen the scrutiny of prospective contractor's financial business plans to include:

2.1 consideration of the realism of financial and workforce projections; and

2.2 risks which might be presented by the nature and complexity of prospective contractors' business interests.

Where concerns are identified, the Health Board should resolve these prior to the letting of the contract **(Paragraph 27 to 30).**

R3 The Health Board should retain evidence of all due diligence checks undertaken when letting any GMS contract. The checks undertaken should include background checks on directors. (**Paragraph 31 and Paragraph 36).**

R4 Agree clear but proportionate GMS practice performance and operational targets for escalation and de-escalation following the initial 12-month contract award review period **(Paragraph 37).**

Appendices

1 About our work

Scope of the audit

Our work considered the steps that the Health Board took to award GMS contracts to a specific GP Partnership between October 2023 and April 2024. We also looked at the ongoing arrangements for managing GP contracts including the monitoring and escalation arrangements.

We did not review the GP appointment process for any other GP practices that the Health Board manages. GP performers list checks, that NHS Wales Shared Services Partnership undertook also fall outside the scope of the review. We have also not reviewed Health Board compliance with new policies for the more recently awarded Aberbeeg contract.

Audit questions and criteria

Questions

Our audit work was system orientated; its overall purpose was to consider:

- The reasonableness of arrangements for appointing the Partnership with consideration of governance, due diligence, compliance with policy and regulations, decision-making and risk management; and
- The Health Board's oversight and management of the GP practices run by the Partnership, and the process for ensuring a smooth transition where the Partnership was returning its GMS contracts to the Health Board.

Criteria

Our audit questions were shaped by requirements set out in Welsh Government Welsh Health Circular guidance, procurement legislation applicable at the time of contract appointment, and the Health Board's own policies. We also considered the recent Internal Audit work both to place assurance on their work where possible, and to inform our questions.

Methods

We reviewed a range of documents, including:

- Board and committee papers and minutes;
- Key governance documents including the Vacant Practice Policy;
- Internal Audit reports;
- Business cases and contract award documentation; and
- Enhanced monitoring information including minutes from meetings.

We interviewed the following key stakeholders:

- Chief Executive;
- Divisional Director of Primary Care, Community Services, and Complex and Long-Term Care;
- Head of Primary Care;
- NHS Counter Fraud;
- Local Counter Fraud;
- Internal Audit;
- NHS Wales Shared Services Partnership;
- NHS Performance and Improvement;
- Senior Medical Officer for Primary Care and Mental Health and Early Years, Welsh Government; and
- Senior Medical Officer for Primary Care, Mental Health, Substance Misuse & Vulnerable Groups Division, Welsh Government,

2 Contract Award timeline

Practice	Contract process	Managed practice since	Contract start date	Contract return date
Lliswerry	Contract taken over from outgoing GP practice	N/A	1 Nov 22	31 Mar 2026
Pontypool	Contract awarded in line with the Vacant Practice Policy	N/A	1 Oct 23	31 Mar 2026
Tredegar	Contract awarded in line with the Vacant Practice Policy	April 2017	1 Jan 24	1 Apr 25
Brynmawr	Contract awarded in line with the Vacant Practice Policy	July 2015	1 Apr 24	1 Mar 25
Aberbeeg	Contract awarded in line with the Vacant Practice Policy	April 2018	1 Apr 24	1 Mar 25
Bryntirion	Contract awarded in line with the Vacant Practice Policy	December 2017	1 Apr 24	1 Apr 25

Practice	Contract process	Managed practice since	Contract start date	Contract return date
Blaenavon	Contract awarded in line with the Vacant Practice Policy	January 2023	1 Apr 24	1 Mar 25
Meddygfa Gelligaer	Contract taken over from outgoing GP practice	N/A	11 April 24	31 Mar 2026

3 Contract values 2024-25

Exhibit 3: 2024-25 contract values and adjusted figures for the eight GP Partnership practices

Practice	Agreed contract Value £ million	Revised contract value £ million
Pontypool	2.47	2.47
Bryntirion	1.59	1.59
Brynmawr	1.56	1.43
Meddygfa Gelliager	1.09	1.09
Tredegar	1.05	1.05
Blaenavon	0.85	0.78
Lliswerry	0.84	0.84
Aberbeeg	0.67	0.61
Totals	**10.1**	**9.85**

Source: Aneurin Bevan University Health Board

Note: The revised contract value reflects a reduction where the practices were handed back to the Health Board prior to the year end.

4 Contract monitoring

The Primary Care Contracting Team monitor compliance against core contract requirements for all GMS practices. These include:

- monitoring of access standards (quarterly);
- updating of the Primary Care Workforce Intelligence System (monthly);
- clinical governance practice self-assessment toolkit (annual);
- Welsh information governance toolkit self-assessment (annual);
- contract assurance framework (annual);
- escalation reporting (monthly);
- GP data activity (monthly);
- attend collaborative meetings (quarterly);
- participate in two quality improvement projects (annual); and
- child health reporting (monthly monitoring, bi-monthly reporting).

Practices upload much of this information to the Primary Care Information Portal. Health boards are then able to review this data at a cluster level but cannot use the data for the performance management of any individual practice. This limits the Health Boards ability to use this information for escalation and monitoring purposes.

5 Key terms in this report

Term	Description
General Practitioners	A medical doctor who provides primary care services, diagnosing and treating a wide range of health conditions. GPs are usually the first point of contact for patients and coordinate ongoing care, including referrals to specialists when needed.
Contract Variation	When a practice is returned to a health board, maybe due to reasons such as retirement of the current contractor, it is responsible for securing a new provider. It does this through a contract award process, where the practice is advertised and independent contractors can apply to run the practice. In some cases, the current contract holder undertakes this process themselves, through a contract variation, where the contract is transferred to a new independent contractor without health board involvement.
GMS Contract	A legal agreement between GP practices and NHS Wales that sets out the core medical services GPs must provide.
Due Diligence	A process of careful investigation and assessment carried out to verify facts, evaluate risks, and ensure informed decision-making—commonly used in financial, legal, and operational contexts such as audits, mergers, or compliance checks.

Managed Practice	A GP practice directly operated by a Health Board in Wales, typically established when a standard GP contract ends and no alternative provider is available. Managed Practices deliver NHS services using salaried and locum staff and are overseen by the Health Board.
Sustainability Assessment Framework	The sustainability assessment framework is a national framework which provides a consistent approach for assessing the sustainability of GP practices and determining the level of support needed for those practices. A local assessment panel determined the eligibility and level of support the Health Board provided. GPs must support all claims with evidence of expenditure.

6 Management response

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R1	Strengthen GP business case requirements in the vacant practice policy to ensure that potential GP partners include sufficient detail on its workforce, financial and quality plans.	The Health Board recognises the importance of ensuring that business cases submitted by prospective GP partners for vacant practices are sufficiently detailed, robust and capable of withstanding external scrutiny. The Health Board has operated a well-established and robust Vacant Practice Policy, which has been consistently applied throughout vacant practice processes. This policy requires prospective GP partners to submit comprehensive business cases, supported by a structured interview and a due diligence process. These submissions are assessed by a Vacant Practice Panel, which includes external representation from Llais and the Local Medical Committee, providing independent challenge and assurance in relation to workforce sustainability, financial viability and quality of care arrangements. In response to learning from recent vacant practice processes and findings from internal audit, the Health Board has already strengthened the existing Vacant Practice Policy and associated business case requirements. These enhancements have focused on improving the clarity and consistency of information required from applicants, particularly in relation to workforce plans, financial modelling and quality governance arrangements. The Health Board welcomes this further recommendation from Audit Wales and will take it forward as part of a continued programme of improvement. Further refinements to business case requirements and assessment processes will be incorporated into the Standard Operating Procedure: Management of General Medical Services Practice	30 April 2026	Head of Primary Care

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
		Vacancies (2025), which sets out the procedural steps for the letting of both vacant and Health Board-managed practices. The SOP ensures that requirements are applied consistently, transparently and in line with relevant regulatory and governance expectations.		
R2	Strengthen the scrutiny of prospective contractor's financial business plans to include: consideration of the realism of financial and workforce projections; and • risks which might be presented by the nature and complexity of prospective contractors' business interests.	The Health Board accepts this recommendation and recognises the importance of robust and proportionate scrutiny of prospective contractors' financial and workforce business plans to support the long-term sustainability, safety and quality of General Medical Services (GMS). The Health Board has operated a well-established and robust Vacant Practice Policy, which has been consistently applied throughout vacant practice processes and includes structured assessment of financial viability, workforce proposals and governance arrangements. This process is supported by multi-disciplinary scrutiny and independent challenge through the Vacant Practice Panel membership. In response to learning from recent vacant practice processes and findings from internal audit, the Health Board has already strengthened the existing Vacant Practice Policy and associated assessment tools. In particular: The financial forecast template that prospective contractors are required to complete has been extended to require a minimum three-year projection, enabling enhanced assessment of the realism of workforce assumptions and future income and expenditure expectations; and A formal due diligence checklist has been introduced, which includes a requirement for individuals within a prospective partnership to commit to undergoing a credit check prior to contract award, where appropriate. The due diligence arrangements will be further	30 April 2026	Head of Primary Care

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
	• Where concerns are identified, the Health Board should resolve these prior to the letting of the contract	developed to incorporate a formal review of Companies House records, to inform whether any additional exploration of wider business interests is required where the nature or complexity of those interests presents a potential risk. The Health Board notes that there is no clause or restriction within The National Health Service (General Medical Services) (Contracts) (Wales) Regulations 2023 that places limitations on the wider business interests of independent contractors. However, the Health Board considers it appropriate to understand and assess such interests where they may present a material risk to financial sustainability, delivery of services or contractual compliance. Where concerns are identified through enhanced financial, workforce or due diligence scrutiny, these will be fully explored and resolved prior to the letting of any contract, with decisions informed by documented evidence and appropriate governance oversight. These strengthened arrangements are embedded within, and will continue to be reflected in, the Standard Operating Procedure: Management of General Medical Services Practice Vacancies (2025), ensuring that scrutiny processes are transparent, consistent, evidence-based and capable of withstanding internal and external audit scrutiny.		
R3	The Health Board should retain evidence of all due diligence checks undertaken when letting any GMS contract. The checks undertaken should	The Health Board accepts this recommendation and recognises the importance of retaining clear and auditable evidence of all due diligence checks undertaken when letting any General Medical Services (GMS) contract, including background checks on directors. The Health Board's due diligence arrangements already include a range of checks designed to provide assurance regarding the suitability, probity and capability of prospective providers. This has included checks undertaken through publicly accessible	Complete	Head of Primary Care

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	include background checks on directors.	systems, such as Companies House, which may not always generate formal documentary outputs. The Health Board acknowledges the need to ensure that evidence of such checks, particularly those completed via online or public access sources, is consistently recorded and retained to support audit assurance and transparency. In response, the Health Board has strengthened its arrangements by explicitly incorporating into the Standard Operating Procedure: Management of General Medical Services Practice Vacancies (2025) a requirement that all documentation and records collated as part of the due diligence process are formally retained. This includes evidence of background and probity checks on directors and relevant individuals, regardless of whether the source of the check is documentary or publicly accessible. The SOP now makes clear that all due diligence records must be held in accordance with the Health Board's Records Management Code of Practice, ensuring that information is securely stored, retrievable, and retained for the appropriate duration. This approach provides a clear audit trail and strengthens the Health Board's assurance framework in relation to the letting and management of GMS contracts.		
R4	Agree clear but proportionate GMS practice performance and operational targets for escalation and de-escalation following the	The Health Board acknowledges the importance of agreeing clear, proportionate and transparent performance and operational targets to support escalation and de-escalation decisions following the initial 12-month contract award review period. The Health Board notes that the General Medical Services (GMS) contract is nationally determined, with core performance, quality and operational requirements set at a national level. Any locally applied measures must therefore align with national contractual	31 July 2026	Head of Primary Care

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	initial 12-month contract award review period.	requirements, avoid unnecessary duplication, and remain proportionate to the risks identified. Within these parameters, the Health Board will develop and apply locally defined indicators to inform escalation and de-escalation decisions following contract awards. These indicators will be designed to complement national requirements and focus on areas such as sustainability, operational resilience and delivery of safe, high-quality care, while ensuring consistency and fairness across practices. The Health Board's existing Enhanced Monitoring Framework already demonstrates a strong commitment to proportionate oversight and early intervention where concerns are identified. Building on this framework, further refinements will be made to ensure that escalation and de-escalation thresholds are clear, evidence-based and consistently applied, supporting transparent decision-making and appropriate governance oversight. These amendments will be formally incorporated into the Standard Operating Procedure: Management of General Medical Services Practice Vacancies (2025), ensuring that expectations, processes and decision-making criteria are clearly articulated and embedded within established operational arrangements.		

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out his work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.