

To: PCT Directors of Finance

Cc: PCT Allocation Contacts
SHA Directors of Finance
SHA Allocation Contacts
SHA GMS Contract Leads

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Dear Colleague,

2004/05 ALLOCATIONS FOR PERSONAL ADMINISTRATION OF NON DISPENSING GMS DOCTORS

I am writing to confirm the allocation of £16.5m for the personal administration costs of non dispensing GMS doctors.

Due to a late change in legislation, these costs, which had been met from a non discretionary budget up to 2003/04, fall to be funded from the discretionary budget with effect from 2004/05. In this regard it has been noted that many PCT's are not recording spend on Personal Administration by GMS doctors on the Quarterly GMS returns and PCT's are accordingly asked to ensure that such spend is fully reflected in their Q3 returns.

The overall budget for Personal Administration in 2004/05 is £32.4m of which £15.9m was allocated to PCT's earlier in the year for their PMS practices.

The balance of £16.5m is now to be allocated for GMS practices. A number of options were considered for determining fair allocations but it was decided to use the 2003/04 FIS data adjusted for the transfer of Wave 5a and 5b practices to PMS.

Due to payment lags, the 2003/04 FIS data included 2 months spend for Wave 5a practices and 8 months spend for Wave 5b practices. An assessment of these costs was made from the full year estimates provided by PCT's for their PMS practices (figures that were used to inform the 2004/05 PMS allocations). The resultant part year element for Wave 5a and 5b practices was deducted from the 2003/04 FIS figures and the net figures used to apportion the available £16.5m. Allocation details by PCT are included on the attached spreadsheet.

PCTs should address any queries to their SHA allocation contacts in the first instance. SHA's should refer any queries they are unable to deal with to Ros Slocombe on 0113 254 5323.

Yours sincerely



Richard Armstrong
Head of Primary Medical Care Contracting