

ANNEX C

(produced for reference – see sections 16.16 and 32.16)

STATUTORY DETERMINATION

NATIONAL HEALTH SERVICE, ENGLAND

The Performers Lists (Suspended Dentists' NHS Earnings) Determination 2013

The Secretary of State for Health makes the following determination in exercise of the powers conferred by regulation 13(1) of the National Health Service (Performers Lists) (England) Regulations 2013(1).

Citation, commencement and application

1.—(1) This Determination may be cited as the Performers Lists (Suspended Dentists' NHS Earnings) Determination 2013 and comes into force on 1st April 2013.

(1) This Determination applies in England only.

Interpretation

2. In this Determination—

“2012 Act” means the Health and Social Care Act 2012(2);

“2006 Act” means the National Health Service Act 2006(3);

“the Board” means the National Health Service Commissioning Board(4)

“contractor” means—

(a) a person (including a corporation, partnership, or a limited liability partnership) who has entered into a GDS contract with the Board under section 102 of the 2006 Act(5) or as a consequence of section 300 of the 2012 Act is a party to a GDS contract; or

(b) a person who has entered into a PDS agreement made under section 107 of the 2006 Act(6) with the Board or as a consequence of section 300 of the 2012 Act is a party to a PDS agreement;

“employed or engaged” in relation to a dental practitioner’s relationship with a contractor, includes, in addition to a dental practitioner who has a contract of service or for services with a contractor—

(a) a dental practitioner who is a contractor;

(b) a dental practitioner who is a partner in a partnership or a member of a limited liability partnership and the partnership is the contractor; and

(c) a dental practitioner who is a director of a dental corporation and that corporation is the contractor;

“GDS contract” means a contract made under section 102 of the 2006 Act;

(1) S.I. 2013/335.

(2) 2012 c.7.

(3) 2006 c.41.

(4) The National Health Service Commissioning Board was established by section 1H of the 2006 Act. Section 1H was inserted by section 9(1) of the 2012 Act.

(5) Section 102 is amended by sections 55(1) and 203 of, and paragraph 44 of Schedule 4 to, the 2012 Act.

(6) Section 107 is amended by section 55(1) of, and paragraph 48 of Schedule 4 to, the 2012 Act.

“NHS Pension Scheme Regulations 2008” means the National Health Service Pension Scheme Regulations 2008 (7);

“NHS Pension Scheme Regulations 1995” means the National Health Service Pension Scheme Regulations 1995(8);

“monthly pensionable earnings” as regards any month, means one twelfth of the earnings that are the pensionable earnings of the dental practitioner from general dental services or primary dental services for the financial year in which the month falls;

“PDS agreement” means an agreement entered into under section 107 of the 2006 Act;

“Primary Care Trust” means the Primary Care Trust which was established and which subsisted immediately before the coming into force of section 34 (abolition of Primary Care Trusts) of the Health and Social Care Act 2012(9);

“pensionable earnings” has the same meaning as in paragraph 1 of Schedule 2 to the NHS Pensions Schemes Regulations 1995 or, as the case may be, regulation 3.A.1 of the NHS Pensions Schemes Regulations 2008, and accordingly—

- (a) as regards type 1 dental practitioners, means practitioner income, including earnings derived from monthly seniority payments, but taking into account any relevant pensionable earnings ceiling, or
- (b) as regards type 2 dental practitioners, means fees or regular payments (including salary or wages) paid to the practitioner by a contractor in respect of the performance of primary dental services, excluding bonuses and payments to cover expenses or for overtime;

“Performers Lists Regulations” means the National Health Service (Performers Lists) (England) Regulations 2013(10);

“suspended dentist” means a dental practitioner who is suspended by the Board in accordance with regulation 12 of the Performers Lists Regulations;

“type 1 dental practitioner” has the same meaning as in the NHS Pension Schemes Regulations 1995 or as the case may be, as in NHS Pensions Scheme Regulations 2008; and

“type 2 dental practitioner” has the same meaning as in the NHS Pension Schemes Regulations 1995 or as the case may be, as in the NHS Pensions Scheme Regulations 2008.

Entitlement to payments by virtue of this determination

3.—(1) A person may be entitled to payments from the Board if—

- (a) that person is a suspended dentist; or
- (b) that person is a contractor by whom that suspended dentist is employed or engaged, and

immediately prior to the dentist’s suspension or the circumstances that precipitated that dentist’s suspension the dentist was employed or engaged by the contractor, and apart from the suspension under regulation 12 of the Performers Lists Regulations, that dentist would be able and would be permitted to perform primary dental services.

(2) Subject to the following paragraphs of this Determination, where a dentist falls within the circumstances referred to in sub-paragraph (1), that suspended dentist must be entitled to payments from the Board in respect of each complete calendar month or part month for which the dentist is suspended, if—

- (a) in the case of a dentist who is a contractor—
 - (i) the suspended dentist holds a GDS contract or a PDS agreement and the normal monthly payments under the dentist’s GDS contract or PDS agreement (or a *pro rata* amount in the case of part months) have been suspended, or

(7) S.I. 2008/653, as amended.

(8) S.I. 1995/300, as amended.

(9) 2012 c.7.

(10) 2013/335.

- (ii) the suspended dentist is still paid the normal monthly payments under the dentist's GDS contract or PDS agreement but, notwithstanding the dentist's suspension, the dentist is required to provide units of dental or orthodontic activity under the dentist's GDS contract or PDS agreement during the period of suspension; or
 - (b) the dentist is a dental practitioner to whom (a) does not apply but—
 - (i) the dentist is, or immediately prior to the circumstances that precipitated the dentist's suspension was, employed or engaged by the contractor, and
 - (ii) the dentist is not entitled to the normal monthly remuneration from the contractor (or a *pro rata* amount in the case of part months).
- (3) Subject to the following paragraphs of this Determination, where by virtue of sub-paragraph (1) a contractor may be entitled to payments in respect of a suspended dentist from the Board, that contractor must be entitled to payments from the Board in respect of the suspended dentist, in respect of each complete calendar month or part month during the suspension, if the suspended dentist is not entitled to payments pursuant sub-paragraph (2) but—
- (a) the suspended dentist is, or immediately prior to the circumstances that precipitated the dentist's suspension was, employed or engaged by the contractor; and
 - (b) the suspended dentist is entitled to the dentist's normal monthly NHS remuneration from the contractor but the Board is satisfied that—
 - (i) the contractor has incurred costs in providing primary dental services that would have been provided by the suspended dentist, had that dentist not been suspended, and
 - (ii) it is unreasonable for the contractor to have to bear all those costs itself.
- (4) For the purposes of paragraph (3)(b) for calculating the suspended dentist's normal monthly NHS remuneration, the Board must—
- (a) have regard only to remuneration relating to the performance by the suspended dentist of primary dental services provided under Part 5 of the 2006 Act; and
 - (b) determine an amount which, in the Board's view, represents a reasonable amount having regard to the pensionable earnings of the suspended dentist in the most recently available six complete months of data relating to that suspended dentist's earning.

Amount of payments

4.—(2) Subject to the following paragraphs of this Determination, if a suspended dentist is entitled to a payment from the Board by virtue of paragraph 3(2), the amount to which the dentist is entitled, in respect of each complete calendar month or part month for which the dentist is suspended, is the dentist's monthly pensionable earnings (or a *pro rata* amount in the case of part months).

(1) If in respect of any month or part month for which a suspended dentist is entitled to a payment from the Board by virtue of paragraph 3(2)—

- (a) the dentist is entitled to receive—
 - (i) any remuneration from any alternative work that the dentist has taken on following the dentist's suspension; or
 - (ii) any insurance payments by reason of the dentist's cessation or reduction of work or income, the sum which the dentist is entitled to receive pursuant to sub-paragraph (1) must be reduced by £1 for each complete £2 which the dentist is entitled to receive in respect of the alternative work or as an insurance payment; or
- (b) the dentist is entitled to receive any remuneration which relates to the provision of primary dental services from any contractor by which the dentist was employed or engaged immediately prior to—
 - (i) the dentist's suspension, or
 - (ii) the circumstances which gave rise to the dentist's suspension,

the sum which the dentist is entitled to receive pursuant to sub-paragraph (1) shall be reduced by £9 for each complete £10 which the dentist is entitled to receive from the contractor.

(2) In a case to which paragraph 3(3) applies, the amount to which the contractor is entitled in respect of the suspended dentist in respect of each complete calendar month or part month for which the dentist is suspended, is the amount of the additional costs that the Board is satisfied that—

- (a) the contractor has incurred in providing primary dental services during that month or part month that would have been provided by the suspended dentist, had the dentist not been suspended; and
- (b) it would be unreasonable for the contractor to have to bear,

having regard to the suspended dentist's normal monthly NHS remuneration in accordance with direction 3(4).

Arrangements for payment

5.—(1) Any sum payable under this Determination must be paid subject to any lawful deductions of income tax, national insurance and superannuation contributions by the Board.

(1) Any sum payable under this Determination to a suspended dentist who is employed or engaged by a contractor may be paid to that contractor (contractor payments will in any event be paid to the contractor)(11).

Conditions of payment

6. No payment must be made pursuant to this Determination unless—

- (a) the Board is satisfied that the suspended dentist or, contractor that is otherwise entitled to a payment, is entitled to that specific sum;
- (b) the Board has been provided by the suspended dentist (unless received from another source) with accurate and reliable details of—
 - (i) the suspended dentist's monthly pensionable earnings immediately prior to the dentist's suspension and immediately prior to the circumstances that led to the dentist's suspension;
 - (ii) any insurance policy the suspended dentist has taken out in order to provide the dentist with payments if the dentist's work ceases or is reduced,and the suspended dentist has warranted that the information provided in accordance with this paragraph is accurate;
- (c) the suspended dentist provides the Board with accurate and reliable information about any alternative work the dentist undertakes during the period of suspension, and undertakes to inform the Board immediately where—
 - (i) the dentist takes on any such work, or
 - (ii) there is any other change to the dentist's circumstances that might affect the dentist's entitlement to payments under this Determination,

but the Board may make payments on account to or in respect of a suspended dentist of amounts that are likely to be payable to or in respect of the dentist under this Determination, in appropriate circumstances.

Overpayments

7. If the Board makes a payment to or in respect of a suspended dentist pursuant to this Determination but the suspended dentist or the contractor was not entitled to receive all or any part of it, whether because—

- (a) the conditions relating to or underlying entitlement to the payment are or were not met; or
- (b) the payment was calculated incorrectly (including where a payment on account overestimates the amount that is to fall due),

(11) In practice, payments made to a contractor under a GDS contract or PDS agreement will generally be made by the NHS Business Services Authority on behalf of the Board.

the Board may recover the amount of the overpayment by deducting an equivalent amount from any other payment payable under this Determination to the person who received the overpayment (without prejudice to its other powers to recover the overpayment).

Revocation and saving

8.—(3) Subject to paragraph (2), the Performers Lists (Suspended Dentists' NHS Earnings) Determination 2006 made on 29th March 2006 ("2006 Determination") is revoked.

(1) In a case where—

- (a) a determination was made before 1st April 2013 which would have continuing effect but for paragraph (1), or
- (b) a determination is pending immediately before 1st April 2013 in respect of a suspension made under the National Health Service (Performers Lists) Regulations 2004⁽¹²⁾,

the 2006 Determination continues to apply to the extent necessary to enable payments to be made, continued to be made and recovered in the case of any overpayment.

(2) For the purposes of the continued application of the 2006 Determination in accordance with paragraph (2), references to a Primary Care Trust must be read as if it were a reference to the Board.

Signed by authority of the Secretary of State for Health



Elizabeth Lynam
A member of the Senior Civil Service
27 March 2013

(12) S.I. 2004/585 relevant amendment 2005/3491.

CAPITATION AND QUALITY SCHEME 2 STATEMENT OF FINANCIAL ENTITLEMENTS

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STATUTORY DETERMINATION
(produced for reference)
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DETERMINATION III – SENIORITY PAYMENTS

1. Introduction

1.1 The Secretary of State for Health makes the following Directions set out in this Capitation and Quality Scheme 2 Statement of Financial Entitlements (“SFE”) in exercise of the powers conferred by sections 103(1), 109(4), 272(7) and (8) and 273(1) of the National Health Service Act 2006 (“the 2006 Act”)¹³. This SFE applies only where the contractor and the National Health Service Commissioning Board (“the Board”) elect to enter into a Capitation and Quality Scheme 2 Agreement (“the Agreement”).

1.2 These Directions may be cited as the Capitation and Quality Scheme 2 Statement of Financial Entitlements and are referred to in the following Sections as this SFE. This SFE refers to payments to be made by the Board to a Contractor under a Capitation and Quality Scheme 2 Agreement.

1.3 The directions set out in this SFE are subordinate legislation for the purposes of section 23 of the Interpretation Act 1978, and accordingly, in this SFE, unless the context otherwise requires:

- (a) words or expressions used both here and in the 2006 Act bear the meaning they bear in the 2006 Act;
- (b) references to legislation (i.e. Acts and subordinate legislation) are to that legislation as amended, extended or applied, from time to time;
- (c) words importing the masculine gender include the feminine gender, and vice versa (and words importing the neuter gender also include the masculine and feminine gender); and
- (d) words in the singular include the plural, and vice versa.

1.4 This SFE is divided into Chapters, Parts, Sections, paragraphs, sub-paragraphs and heads. A glossary of some of the words and expressions used in this SFE is provided in Section 34. Words and expressions defined in that Section are often highlighted by initial capital letters.

1.5 At various points in this SFE, reference is made to a dental practitioner being “employed or engaged” by a contractor. In this SFE, “employed or engaged”, in relation to a dental practitioner’s relationship with a contractor (or a pilot scheme provider etc.) includes,

¹³ 2006 c.41. By virtue of section 271(1) of the National Health Service Act 2006, the powers conferred by these sections are exercisable by the Secretary of State only in relation to England.

in addition to dental practitioners who have a contract of service or for services with the contractor:

- (a) a dental practitioner who is the contractor;
- (b) a dental practitioner who is a partner in a contractor that is a partnership; and
- (c) a dental practitioner who is a director of a dental corporation.

Commencement and application

1.6 This SFE is authorised to be given, and by an instrument in writing, on behalf of the Secretary of State for Health, by a member of the Senior Civil Service, on 28th March 2013, and comes into force on 1st April 2013.

1.7 The directions in this SFE are given to the National Health Service Commissioning Board and apply in relation to England only.

1.8 This SFE may be revised at any time, in certain circumstances with retrospective effect. For the most up-to-date information, contact the Dental and Eye Care Services Branch, the Department of Health, Skipton House, 70 London Road, London, SE1 6LH, or visit the following website: www.dh.gov.uk.

1.9 Each contractor who agrees to be part of the Scheme will be assigned to a Pilot wave and type:

- (a) 1st Wave – Those Agreements that have transferred from a Capitation and Quality Scheme Agreement that began in the financial year 2011 to 2012. Within this wave there are six types:
 - (i) Type 1 – Same contract value for same NHS commitment with payments made under the DQOF
 - (ii) Type 1* – Same contract value for same NHS commitment without payments made under the DQOF
 - (iii) Type 2 – Weighted capitation adjustments made for all NHS care with payments made under the DQOF
 - (iv) Type 2* – Weighted capitation adjustments made for all NHS care without payments made under the DQOF
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 - (vi) Type 3* – Weighted capitation adjustments made for routine NHS care without payments made under the DQOF.
- (b) 2nd Wave – Those Agreements that are beginning in the financial year 2013 to 2014 and have transferred from PDS agreement or GDS contract prior to the commencement of the Agreement. Within this wave there are six types:
 - (i) Type 1 – Same contract value for same NHS commitment with payments made under the DQOF
 - (ii) Type 1* – Same contract value for same NHS commitment without payments made under the DQOF
 - (iii) Type 2 – Weighted capitation adjustments made for all NHS care with payments made under the DQOF

- (iv) Type 2* – Weighted capitation adjustments made for all NHS care without payments made under the DQOF
- (v) Type 3 – Weighted capitation adjustments made for routine NHS care with payments made under the DQOF
- (vi) Type 3* – Weighted capitation adjustments made for routine NHS care without payments made under the DQOF.

1.10 Where contractors and the Board have entered into a:

- (a) PDS agreement prior to the commencement of the Agreement, or for 1st Wave Agreements prior to the commencement of the Capitation and Quality Scheme Agreement, Chapters 1 and 3 of this SFE will apply
- (b) GDS contract prior to the commencement of the Agreement, or for 1st Wave Agreements prior to the commencement of the Capitation and Quality Scheme Agreement, Chapters 2 and 3 of this SFE will apply.

1.11 Where the contractor and the Board have elected to enter into an Agreement, the General Dental Services Statement of Financial Entitlements 2013, or as the case may be, the Personal Dental Services Statement of Financial Entitlements 2013, both signed on 28th March 2013¹⁴, subject to paragraph 1.11, temporarily have no effect with effect from the period starting on the day on which the Agreement commences and ending at the end of the day which is the date of the termination of that Agreement.

1.12 On cessation of the Capitation and Quality Scheme 2 or termination of the Agreement, the contractor must continue to provide primary dental services in accordance with the PDS Agreement, or as the case may be, GDS contract, and the Personal Dental Services Statement of Financial Entitlements 2013 and the General Dental Services Statement of Financial Entitlements 2013 continue to have effect as may be amended.

Signed by authority of the Secretary of State for Health



Date: 28th March 2013

Elizabeth Lynam
A Member of the Senior Civil Service
Department of Health

¹⁴ The General Dental Services Statement of Financial Entitlements 2013 signed on 28th March 2013 and the Personal Dental Services Statement of Financial Entitlements 2013 signed on 28th March 2013 are both published on the Department of Health website www.dh.gov.uk.

CHAPTER ONE
PAYMENTS FOR THOSE ELECTING TO
ENTER INTO A CAPITATION AND QUALITY
SCHEME 2 AGREEMENT FROM AN
UNDERLYING PDS AGREEMENT

PART 1
Type 1 Pilots

2. Negotiated Annual Pilot Value

2.1 With effect from 1st April 2013, where a contractor has elected to enter into an Agreement with the Board, the agreement held by the contractor which was considered to have a Negotiated Annual Agreement Value (NAAV) will be deemed to have a Negotiated Annual Pilot Value – Type 1 (NAPV1) beginning on the date the Agreement commences.

2.2 Payments under a Type 1 Agreement in respect of the agreed services specified in the Agreement are to be based on a NAPV1.

2.3 Each Type 1 Agreement must specify:

- (a) that the contractor will offer all mandatory NHS services
- (b) any other services to be provided
- (c) whether the contractor will participate in the DQOF under the Type 1 Agreement. Some Type 1 Agreements will be exempt from quality payments. These Type 1 Agreements will be designated as Type 1* Agreements before the Capitation and Quality Scheme 2 commences.

Nomination of the first Negotiated Annual Pilot Value – Type 1

2.4 At the start of the financial year – or, if a Type 1 Agreement starts after the start of the financial year, for the date on which the Type 1 Agreement takes effect – the Board must calculate for each contractor the NAPV1. The value of the NAPV1 is the same as the value of the NAAV of the underlying PDS agreement held by the contractor immediately before the commencement of the Agreement.

2.5 The NAAV may have been updated by the percentage amount determined by the Secretary of State at the beginning of the financial year 2013 to 2014. If this has not taken place, the NAAV will need to be adjusted by the percentage increase determined by the Secretary of State for the financial year 2013 to 2014 which is 1.5%.

2.6 If the payment, or any of the payments in the aggregate of payments, only relates to part of that financial year – for example, because the PDS agreement held prior to the commencement of the Agreement takes effect for payment purposes after the start of the financial year, or is due to end before the end of the financial year – the part year payment or

payments are to be annualised. The annualised amount of the nominated payment or aggregate of payments is to be used as the basis of the calculation of the first NAPV1 for the contractor's Type 1 Agreement.

Dealing with underdelivery of UDAs in previous financial year or in the current financial year

2.7 Where a contractor held an underlying PDS agreement immediately prior to the commencement of the Agreement, it may be the case that the UDA activity the contractor was required to provide under that agreement has not been delivered by the date on which the Agreement commences. Where it is agreed between the Board and the contractor that any under-delivered activity is to be carried forward, then that amount of UDA activity will be carried forward and in effect the obligation to provide such activity is "stayed" for the duration of the Agreement. The amount of UDAs "stayed" should be set out in the agreement variation. The Board will need to agree with the contractor as to how the amount of UDAs "stayed" will be provided following the termination of the Agreement.

2.8 The amount of UDA activity that should be "stayed" is calculated as:

- (a) the pro-rated amount of UDA activity that should have been delivered for the financial year to date. (Where the Board and a contractor have agreed a specific profile for delivering UDA activity during the year, this profile can be used instead of pro-rating the amount);
- (b) plus the amount of under-delivered UDA activity from the previous financial year that was agreed would be carried forward;
- (c) minus the UDA activity delivered up to the date on which the Agreement commences.

New NAPV1s where a Type 1 Agreement is revised

2.9 If, with the agreement of the Board and the contractor, the NHS commitment of the contractor changes or the services, or service levels, that a contractor is required to provide under its Type 1 Agreement is revised, a new NAPV1 will have to be established for that contractor. If the variation takes effect during the financial year, the new NAPV1 for that Agreement must be an annualised amount for calculation purposes, even though only a proportion of that annualised amount will in fact be payable for the remaining part year.

2.10 NHS commitment is the time and effort that a contractor devotes to providing NHS care. For the Type 1 Pilots it is important that the results achieved are assessed in the context of the time and effort put in by the contractor. The intent is not to manage this at a detailed level but where necessary, the Board must look at indicators to assess NHS commitment. These key indicators of NHS commitment are:

- (a) the average weekly time given to appointments in which an element of NHS care is delivered and reported to the NHS BSA calculated on a quarterly basis. The Board must review the NAPV1 where the key indicator, in the opinion of the Board, significantly decreases from the level agreed at the date of the commencement of the Agreement and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs

from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.

- (b) the historical capitated population number after any adjustment for past underdelivery, calculated on a quarterly basis. The Board must review the NAPV1 if, in the opinion of the Board, this indicator significantly decreases from the level agreed at the date of the commencement of the Agreement, and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.

Annual uprating of NAPV1s

2.11 It is intended that at the start of each financial year that this SFE applies, this SFE will be amended so as to include the percentage increase in agreement value as determined by the Secretary of State for the duration of the Capitation and Quality Scheme 2. In practice, these adjustments will be factored into Monthly APV1Ps by the NHS BSA on a national basis. The Board must not itself, therefore, adjust the amounts that it has loaded into the Payments On-Line (POL) system by these adjustments.

3. Payment of Monthly Annual Pilot Value Payments

3.1 At any point, there should be in respect of each Type 1 Agreement a NAPV1, determined in accordance with Section 2. This, in all cases, is to be an annual (or annualised) amount. For each Type 1 Agreement, the contractor's Actual Annual Pilot Value – Type 1 (AAPV1) has to be established.

3.2 The AAPV1 is calculated as:

- (a) The NAPV1; minus
- (b) an amount of the NAPV1 that is attributed to orthodontic activity, which will be paid for separately under the underlying PDS agreement. If the element relating to orthodontics is not explicitly stated in the underlying agreement then an amount should be agreed by the Board and contractor; and minus
- (c) an element of the NAPV1 that is due to specified services. Specified services are defined in paragraph 10.1. If the element relating to specified services is not explicitly stated in the underlying agreement then an amount should be agreed by the Board and contractor.

3.3 The AAPV1 provides the basis for the calculation of the Monthly Annual Pilot Value – Type 1 Payments (APV1P) payable under the Agreement. These calculations are outlined in the rest of Section 3

3.4 Payments for orthodontics are made in accordance with the underlying PDS agreement. The Agreement will specify the value of the orthodontic services element of the NAPV1 and the number of units of orthodontic activity (“UOAs”) that the contractor is required to provide in the financial year.

3.5 Payments for specified services are outlined in Section 10.

Initial value of Monthly APVIPs

3.6 The first initial value of a contractor's Monthly APVIPs is to be determined for the date on which its Type 1 Agreement takes effect for payment purposes. Once the contractor's AAPV1 has been established, that amount is to be divided by twelve, and subject to paragraph 3.7, the result is the first initial value of the contractor's Monthly APVIPs.

3.7 If the contractor's Type 1 Agreement took effect for payment purposes other than on the first day of a month, the initial value of its Monthly APVIPs in respect of the first part-month of its Agreement is to be adjusted by a factor which is produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

3.8 That initial value (expressed as a monthly value, in cases where an Agreement took effect for payment purposes other than on the first day of the month) will remain the basis for the calculation of the net value of the contractor's Monthly APVIPs, until that initial value is next revised.

Revision of the initial value of Monthly APVIPs

3.9 The initial value of a contractor's Monthly APVIPs will have to be revised where, for any reason, its AAPV1 is revised.

3.10 If the contractor's AAPV1 is revised for the start of a month, the new initial value of its Monthly APVIPs (until its AAPV1 is next revised) is its new AAPV1 divided by twelve. If its AAPV1 changes during a month, the initial value of its Monthly APVIPs (until its AAPV1 is next revised again) is:

- (a) for the month after the month during which its AAPV1 changed, its AAPV1 divided by 12; or
- (b) for the month during which its AAPV1 changed, the aggregate of the following amounts—
 - (i) the amount produced by dividing the number of days during the month before the change by the total number of days in that month, and multiplying that fraction by the old initial value of the contractor's Monthly APVIPs, plus
 - (ii) the amount produced by dividing the number of days during the month for which the contractor had a new AAPV1 by the total number of days in that month, and multiplying that fraction by the new initial value of the contractor's Monthly APVIPs

3.11 Once the initial value of a contractor's Monthly APVIPs has been established for any particular month, the Board must go on to establish the net value of the contractor's Monthly APVIPs, which is the amount actually to be paid.

Deductions in respect of NHS charges

3.12 Deductions should be made in respect of NHS charges in line with paragraphs 8.1 to 8.3 in Part 4 of this SFE.

3.13 The Monthly APVIP value produced after the deduction described in paragraph 8.3 has been made is, subject to paragraph 3.14, the gross value of the contractor's Monthly APVIP for that month (i.e. the value before the deduction of employee's superannuation contributions).

Deductions in respect of overpayments etc.

3.14 Deductions may need to be made to the amount determined in accordance with paragraph 8.3 under the administrative provisions in Section 16 of this SFE, to take account of matters such as overpayments. In accounting terms, these deductions may alter the gross value of the Monthly APVIP in question or the gross value of another payment, but either way they will alter the net value of the Monthly APVIP in question.

Deductions in respect of LDC levies

3.15 Any agreed deduction for LDC levies in line with paragraph 8.4 will be deducted by the Board from the contractor's Monthly APVIPs.

Deductions in respect of employee's superannuation contributions

3.16 Deductions should be made in respect of employee's superannuation contributions in line with paragraphs 8.5 to 8.7 in Part 4 of this SFE.

Net value of the contractor's first Monthly APVIPs

3.17 The gross value of a contractor's Monthly APVIPs, minus any necessary deductions as mentioned in paragraphs 3.12 to 3.16, and minus any voluntary deductions that the contractor has asked to be made, is the net value of the contractor's first Monthly APVIPs. That amount is the amount actually to be paid. It becomes payable on the contractor's Monthly Payment Date, which is the first working day of the month after the month to which the Monthly APVIP relates.

Conditions attached to Monthly APVIPs

3.18 Monthly APVIPs, or any part of such payments, are only payable if the contractor satisfies the following conditions:

- (a) the contractor must make available any information which the Board does not have but needs (including the returns required by virtue of direction 9 of the Directions and the DQOF), and which the contractor either has or could reasonably be expected to obtain, in order to calculate the contractor's Monthly APVIPs;
- (b) the contractor must make available to the Board a reasonable estimate of the net monthly Pensionable Earnings (i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment) of each Dentist Performer

- who is employed or engaged by it, and must notify the Board of any appropriate changes to that estimate; and
- (c) all information supplied pursuant to or in accordance with this paragraph must be accurate.

3.19 If the contractor breaches any condition of its Monthly APV1Ps that is set out in this SFE (including the conditions that are set out in paragraph 3.18), the Board may, in appropriate circumstances, withhold payment of all or any part of a Monthly APV1Ps that is otherwise payable.

Monthly Payment Schedule

3.20 On the due date for Monthly APV1Ps, or as soon as reasonably practicable thereafter, the Board must send to the contractor a Monthly Payment Schedule which shall include (but not be limited to):

- (a) the contractor's AAPV1;
- (b) the amount of the initial value of the contractor's Monthly APV1Ps, prior to any permitted deductions
- (c) the amount of permitted deductions, which shall be specified in two parts:
 - (i) the amount of the NHS charges that the Board has determined, in accordance with paragraph 8.3, that the contractor should have collected in respect of treatment, and
 - (ii) the amount of any other deductions that need to be made to the Monthly APV1Ps under the Agreement or pursuant to this SFE (for example, the deductions mentioned in paragraphs 3.14 to 3.16), together with the reason for any such deduction;
- (d) the amount of the Monthly APV1P following the permitted deductions;
- (e) any other payments payable to the contractor pursuant to this SFE on that due date, including where relevant an indication that a particular payment is made in respect of a named Dentist Performer; and
- (f) the estimated net monthly Pensionable Earnings of each Dentist Performer who performs services under the Agreement, i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment.

3.21 In practice, in accordance with entry 2(c) in column 2 of the Schedule to the Functions Regulations, the Monthly Payment Schedule will be sent to the contractor by the NHS BSA, who will also need to send a copy to the Board (entry 2(a) of column 3 of the Schedule to the Functions Regulations).

Annual payment adjustment for performance

3.22 The amount of payment made to each contractor during the financial year needs to be adjusted based on each contractor's payment due to performance against the DQOF. This adjustment will be made to the AAPV1. The adjustment has to be done in two stages:

- (a) Calculation of the Interim Month 12 Payment – Type 1 (IMTP1) using an estimate of year-end performance against the DQOF
- (b) Reconciliation Month 12 Payment – Type 1 (RMTP1) using final year-end performance data provided by the contractor during the financial year to take

into account any changes in performance against the DQOF since the IMTP1 was calculated. In practice, the RMTP1 is likely to be made in July of the next financial year.

These two payments are made instead of the normal APV1P in month 12.

Interim payment adjustment for performance against the Dental QOF

3.23 An estimated payment for performance against the DQOF will be made in month 12 as part of the IMTP1. For Type 1* Agreements, paragraphs 3.26 to 3.31 do not apply.

3.24 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the EAPV1s for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their EAPV1 values to determine the separate IMTP1 payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the EAPV1 values, such as two agreements providing mandatory services running within the same practice.

Calculation of the Estimated Annual Pilot Value

3.25 The Board should note that the calculation of the IMTP1 and Estimated Annual Pilot Value (EAPV1) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 8. An Estimated Month 12 APV1P is calculated in the same way as previous months. The EAPV1 is calculated by adding the Estimated Month 12 APV1P to the previous eleven APV1Ps. Where a Type 1 Agreement begins after the start of the financial year, the EAPV1 is calculated by adding the Estimated Month 12 APV1P to the APV1Ps so far during that financial year.

Calculation of the estimated payment pool relating to performance

3.26 The amount of payment available to a contractor to reward performance against the DQOF is known as the EAPV1(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the EAPV1. For example, if the EAPV1 is £10,000 and the quality weighting percentage is 10%, then the EAPV1(Full Quality Pool) in this case would be £1,000.

3.27 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the EAPV1(Primary Pool). It is calculated as the EAPV1 minus the EAPV1(Full Quality Pool).

3.28 A Contractor's Estimated Annual Performance Score (CEAPS) is calculated using the rules laid out in paragraph A.5.5 of Annex A.

3.29 The contractor's Estimated Quality Payment (Non-Peer) (EQP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$\text{EQP(NP)} = \frac{\text{CEAPS}}{1,000} \times \text{EAPV1(Full Quality Pool)}.$$

Calculation of the Interim Month 12 Payment – Type 1

3.30 The contractor's Estimated Actual Annual Pilot Value – Type 1 (EAAPV1) is then calculated by adding:

- (a) the EAPV1(Primary Pool); and
- (b) EQP(NP)

3.31 The IMTP1 is then calculated as the EAAPV1 minus the sum of the previous eleven APV1Ps. Where a Type 1 Agreement begins after the start of the financial year, the APV1Ps so far during that financial year should be subtracted. The Board should note that the normal deductions outlined in paragraphs 3.12 to 3.16 will still apply to this payment as with previous months.

3.32 For Type 1* Agreements, the IMTP1 is equal to the Estimated Month 12 APV1P. The Board should note that the normal deductions outlined in paragraphs 3.12 to 3.16 will still apply to this payment as with previous months.

Reconciliation annual payment adjustment for performance against the Dental QOF

3.33 The amount of payment made to each contractor during the financial year needs to be reconciled after all the performance data provided by the contractor is available to the NHS BSA for the purposes of payments under the DQOF. For Type 1* Agreements, paragraphs 3.36 to 3.46 do not apply.

3.34 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the FAPV1s for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their FAPV1 values to determine the separate RMTP1 payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the FAPV1 values, such as two agreements providing mandatory services running within the same practice. If combining EAPV1s for DQOF calculations occurred for the interim payment in paragraph 3.24, then the expectation is that combining the FAPV1s for DQOF calculations would occur at this stage.

Calculation of the Forecast Annual Pilot Value

3.35 The Board should note that the calculation of the RMTP1 and Forecast Annual Pilot Value (FAPV1) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 8. The Forecast Month 12 APV1P is calculated in the same way as previous months. The FAPV1 is calculated by adding the Forecast Month 12 APV1P to the previous eleven APV1Ps. Where a Type 1 Agreement begins after the start of the financial year, the FAPV1 is calculated by adding the Forecast Month 12 APV1P to the APV1Ps so far during that financial year.

Calculation of the payment pool relating to performance

3.36 The amount of payment available to a contractor to reward performance against the DQOF is known as the FAPV1(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the FAPV1. For example, if the FAPV1 is £10,000 and the quality weighting percentage is 10%, then the FAPV1(Full Quality Pool) in this case would be £1,000.

3.37 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the FAPV1(Primary Pool). It is calculated as the FAPV1 minus the FAPV1(Full Quality Pool).

3.38 A Contractor's Annual Performance Score (CAPS) is calculated using the rules laid out in paragraph A.5.6 of Annex A.

3.39 The contractor's Quality Payment (Non-Peer) (QP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$QP(NP) = \frac{CAPS}{1,000} \times FAPV1(\text{Full Quality Pool}).$$

3.40 The contractor's notional contribution to the peer performance payment pool is known as the FAPV1(Peer Quality Pool). It is calculated as:

$$FAPV1(\text{Peer Quality Pool}) = FAPV1(\text{Full Quality Pool}) - QP(NP)$$

3.41 The contractor's Quality Payment (Peer) (QP(P)) is the amount of money that a contractor should receive based on their performance relative to peers. It is calculated by NHS BSA in accordance with Section A.7 of Annex A and the figure is given to the Board.

3.42 It is necessary for the financial risk of commissioners to be capped within the Capitation and Quality Scheme 2. It is possible, although unlikely, that a contractor's QP(P) could be many times its NAPV1 if its performance is considerably better than the rest of the Agreements. This risk would not occur if there was an actual national pool of money to pay the QP(P)s but for the Agreements this has to be paid by the Board. Therefore the Final QP(P) (FQP(P)) is calculated as follows:

- (a) If the sum of the FAPV1(Primary Pool) plus the QP(NP) plus the QP(P) \leq 102% of FAPV1, then FQP(P) = QP(P)
- (b) If the sum of the FAPV1(Primary Pool) plus the QP(NP) plus the QP(P) $>$ 102% of FAPV1, then FQP(P) = (1.02 x FAPV1) minus the FAPV1(Primary Pool) and minus the QP(NP).

3.43 Where the QP(P) is greater than the FQP(P), the difference between the two is known as the QP(P) Residual (QP(P)R). Where the QP(P) is less than or equal to the FQP(P), then the QP(P)R is equal to £0. This value is used by NHS BSA to calculate the final element of the performance payment in line with Section A.8.

3.44 The Residual Payment (RP) is the mechanism by which the Capitation and Quality Scheme 2 ensures that all the money made available for payments under the DQOF is paid to those participating in the Scheme. The RP must be calculated by the NHS BSA in line with Section A.8.

Calculation of the Reconciliation Month 12 Payment – Type 1

3.45 The contractor's Calculated Actual Annual Pilot Value – Type 1 (CAAPV1) is then calculated by adding:

- (a) the FAPV1(Primary Pool); and
- (b) QP(NP) and
- (c) FQP(P) and
- (d) RP

3.46 The RMTP1 is then calculated as:

- (a) the CAAPV1; minus
- (b) the sum of the previous eleven APV1Ps (where a Type 1 Agreement begins after the start of the financial year, the APV1Ps so far during that financial year should be subtracted); minus
- (c) the IMTP1.

3.47 For Type 1* Agreements, the RMTP1 will be equal to £0.

3.48 The RMTP1 is paid to the contractor by the Board. If the RMTP1 is negative, the Board may withhold the value from any payments due to the contractor pursuant to direction 12 of the Directions. The Board should note that the majority of monthly deductions will have been made when the IMTP1 was paid to the contractor and therefore the Board should ensure that only deductions that have arisen out of the reconciliation process are deducted from the RMTP1.

PART 2 TYPE 2 PILOTS

4. Negotiated Annual Pilot Value

4.1 With effect from 1st April 2013, where a contractor has elected to enter into an Agreement with the Board, the agreement held by the contractor which was considered to have a Negotiated Annual Agreement Value (NAAV) will be deemed to have a Negotiated Annual Pilot Value – Type 2 (NAPV2) beginning on the date the Agreement commences.

4.2 Payments under a Type 2 Agreement in respect of the agreed services specified in the Agreement are to be based on a NAPV2.

4.3 Each Type 2 Agreement must specify:

- (a) that the contractor will offer all mandatory NHS services
- (b) any other services to be provided

- (c) whether the contractor will participate in the DQOF under the Type 2 Capitation and Quality Scheme 2 Agreement. Some Type 2 Agreements will be exempt from quality payments. These Type 2 Agreements will be designated as Type 2* Agreements before the Capitation and Quality Scheme 2 commences.

Nomination of the first Negotiated Annual Pilot Value – Type 2

4.4 At the start of the financial year – or, if a Type 2 Agreement starts after the start of the financial year, for the date on which the Type 2 Agreement takes effect – the Board must calculate for each contractor the NAPV2. The value of the NAPV2 is the same as the value of the NAAV of the underlying PDS agreement held by the contractor immediately before the commencement of the Agreement.

4.5 The NAAV may have been updated by the percentage amount determined by the Secretary of State at the beginning of the financial year 2013 to 2014. If this has not taken place, the NAAV will need to be adjusted by the percentage increase determined by the Secretary of State for the financial year 2013 to 2014 which is 1.5%.

4.6 If the payment, or any of the payments in the aggregate of payments, only relates to part of that financial year – for example, because the PDS agreement held prior to the commencement of the Agreement takes effect for payment purposes after the start of the financial year, or is due to end before the end of the financial year – the part year payment or payments are to be annualised. The annualised amount of the nominated payment or aggregate of payments is to be used as the basis of the calculation of the first NAPV2 for the contractor’s Type 2 Agreement.

Dealing with underdelivery of UDAs in previous financial year or in the current financial year

4.7 Where a contractor held an underlying PDS agreement immediately prior to the commencement of the Agreement, it may be the case that the UDA activity the contractor was required to provide under that agreement has not been delivered by the date on which the Agreement commences. Where it is agreed between the Board and the contractor that any under-delivered activity is to be carried forward, then that amount of UDA activity will be carried forward and in effect the obligation to provide such activity is “stayed” for the duration of the Agreement. The amount of UDAs “stayed” should be set out in the agreement variation. The Board will need to agree with the contractor as to how the amount of UDAs “stayed” will be provided following the termination of the Agreement.

4.8 The amount of UDA activity that should be “stayed” is calculated as:

- (a) the pro-rated amount of UDA activity that should have been delivered for the financial year to date. (Where the Board and a contractor have agreed a specific profile for delivering UDA activity during the year, this profile can be used instead of pro-rating the amount);
- (b) plus the amount of under-delivered UDA activity from the previous financial year that was agreed would be carried forward;
- (c) minus the UDA activity delivered up to the date on which the Agreement commences.

New NAPV2s where a Type 2 Agreement is revised

4.9 If, with the agreement of the Board and the contractor, the NHS commitment of the contractor changes or the services, or service levels, that a contractor is required to provide under its Type 2 Agreement is revised, a new NAPV2 will have to be established for that contractor. If the variation takes effect during the financial year, the new NAPV2 for that Agreement must be an annualised amount for calculation purposes, even though only a proportion of that annualised amount will in fact be payable for the remaining part year.

4.10 NHS commitment is the time and effort that a contractor devotes to providing NHS care. For the Type 2 Pilots it is important that the results achieved are assessed in the context of the time and effort put in by the contractor. The intent is not to manage this at a detailed level but where necessary, the Board must look at indicators to assess NHS commitment. These key indicators of NHS commitment are:

- (a) the average weekly time given to appointments in which an element of NHS care is delivered and reported to the NHS BSA calculated on a quarterly basis. The Board must review the NAPV2 where the key indicator, in the opinion of the Board, significantly decreases from the level agreed at the date of the commencement of the Agreement and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.
- (b) the historical capitated population number after any adjustment for past underdelivery, calculated on a quarterly basis. The Board must review the NAPV2 if, in the opinion of the Board, this indicator significantly decreases from the level agreed at the date of the commencement of the Agreement, and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.

Annual uprating of NAPV2s

4.11 It is intended that at the start of each financial year that this SFE applies, this SFE will be amended so as to include the percentage increase in agreement value as determined by the Secretary of State for the duration of the Capitation and Quality Scheme 2. In practice, these adjustments will be factored into Monthly APV2Ps by the NHS BSA on a national basis. The Board must not itself, therefore, adjust the amounts that it has loaded into the Payments On-Line (POL) system by these adjustments.

5. Payment of Monthly Annual Pilot Value Payments

5.1 At any point, there should be in respect of each Type 2 Agreement a NAPV2, determined in accordance with Section 4. This, in all cases, is to be an annual (or annualised) amount. For each Type 2 Agreement, the contractor's Actual Annual Pilot Value – Type 2 (AAPV2) has to be established.

5.2 The AAPV2 is calculated as:

- (a) The NAPV2; minus
- (b) an amount of the NAPV2 that is attributed to orthodontic activity, which will be paid for separately under the underlying PDS agreement. If the element relating to orthodontics is not explicitly stated in the underlying agreement then an amount should be agreed by the Board and contractor; and minus
- (c) an element of the NAPV2 that is due to specified services. Specified services are defined in paragraph 10.1. If the element relating to specified services is not explicitly stated in the underlying agreement then an amount should be agreed by the Board and contractor.

5.3 The AAPV2 provides the basis for the calculation of the Monthly Annual Pilot Value – Type 2 Payments (APV2P) payable under the Agreement. These calculations are outlined in the rest of Section 5

5.4 Payments for orthodontics are made in accordance with the underlying PDS agreement. The Agreement will specify the value of the orthodontic services element of the NAPV2 and the number of units of orthodontic activity (“UOAs”) that the contractor is required to provide in the financial year.

5.5 Payments for specified services are outlined in Section 10.

Initial value of Monthly APV2Ps

5.6 The first initial value of a contractor’s Monthly APV2Ps is to be determined for the date on which its Type 2 Agreement takes effect for payment purposes. Once the contractor’s AAPV2 has been established, that amount is to be divided by twelve, and subject to paragraph 5.7, the result is the first initial value of the contractor’s Monthly APV2Ps.

5.7 If the contractor’s Type 2 Agreement took effect for payment purposes other than on the first day of a month, the initial value of its Monthly APV2Ps in respect of the first part-month of its Agreement is to be adjusted by a factor which is produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

5.8 That initial value (expressed as a monthly value, in cases where an Agreement took effect for payment purposes other than on the first day of the month) will remain the basis for the calculation of the net value of the contractor’s Monthly APV2Ps, until that initial value is next revised.

Revision of the initial value of Monthly APV2Ps

5.9 The initial value of a contractor’s Monthly APV2Ps will have to be revised where, for any reason, its AAPV2 is revised.

5.10 If the contractor’s AAPV2 is revised for the start of a month, the new initial value of its Monthly APV2Ps (until its AAPV2 is next revised) is its new AAPV2 divided by twelve.

If its AAPV2 changes during a month, the initial value of its Monthly APV2Ps (until its AAPV2 is next revised again) is:

- (a) for the month after the month during which its AAPV2 changed, its AAPV2 divided by 12; or
- (b) for the month during which its AAPV2 changed, the aggregate of the following amounts–
 - (i) the amount produced by dividing the number of days during the month before the change by the total number of days in that month, and multiplying that fraction by the old initial value of the contractor's Monthly APV2Ps, plus
 - (ii) the amount produced by dividing the number of days during the month for which the contractor had a new AAPV2 by the total number of days in that month, and multiplying that fraction by the new initial value of the contractor's Monthly APV2Ps

5.11 Once the initial value of a contractor's Monthly APV2Ps has been established for any particular month, the Board must go on to establish the net value of the contractor's Monthly APV2Ps, which is the amount actually to be paid.

Deductions in respect of NHS charges

5.12 Deductions should be made in respect of NHS charges in line with paragraphs 8.1 to 8.3 in Part 4 of this SFE.

5.13 The Monthly APV2P value produced after the deduction described in paragraph 8.3 has been made is, subject to paragraph 5.14, the gross value of the contractor's Monthly APV2P for that month (i.e. the value before the deduction of employee's superannuation contributions).

Deductions in respect of overpayments etc.

5.14 Deductions may need to be made to the amount determined in accordance with paragraph 8.3 under the administrative provisions in Section 16 of this SFE, to take account of matters such as overpayments. In accounting terms, these deductions may alter the gross value of the Monthly APV2P in question or the gross value of another payment, but either way they will alter the net value of the Monthly APV2P in question.

Deductions in respect of LDC levies

5.15 Any agreed deduction for LDC levies in line with paragraph 8.4 will be deducted by the Board from the contractor's Monthly APV2Ps.

Deductions in respect of employee's superannuation contributions

5.16 Deductions should be made in respect of employee's superannuation contributions in line with paragraphs 8.5 to 8.7 in Part 4 of this SFE.

Net value of the contractor's first Monthly APV2Ps

5.17 The gross value of a contractor's Monthly APV2Ps, minus any necessary deductions as mentioned in paragraphs 5.12 to 5.16, and minus any voluntary deductions that the contractor has asked to be made, is the net value of the contractor's first Monthly APV2Ps. That amount is the amount actually to be paid. It becomes payable on the contractor's Monthly Payment Date, which is the first working day of the month after the month to which the Monthly APV2P relates.

Conditions attached to Monthly APV2Ps

5.18 Monthly APV2Ps, or any part of such payments, are only payable if the contractor satisfies the following conditions:

- (a) the contractor must make available any information which the Board does not have but needs (including the returns required by virtue of direction 9 of the Directions and the DQOF), and which the contractor either has or could reasonably be expected to obtain, in order to calculate the contractor's Monthly APV2Ps;
- (b) the contractor must make available to the Board a reasonable estimate of the net monthly Pensionable Earnings (i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment) of each Dentist Performer who is employed or engaged by it, and must notify the Board of any appropriate changes to that estimate; and
- (c) all information supplied pursuant to or in accordance with this paragraph must be accurate.

5.19 If the contractor breaches any condition of its Monthly APV2Ps that is set out in this SFE (including the conditions that are set out in paragraph 5.18), the Board may, in appropriate circumstances, withhold payment of all or any part of a Monthly APV2Ps that is otherwise payable.

Monthly Payment Schedule

5.20 On the due date for Monthly APV2Ps, or as soon as reasonably practicable thereafter, the Board must send to the contractor a Monthly Payment Schedule which shall include (but not be limited to):

- (a) the contractor's AAPV2;
- (b) the amount of the initial value of the contractor's Monthly APV2Ps, prior to any permitted deductions
- (c) the amount of permitted deductions, which shall be specified in two parts:
 - (i) the amount of the NHS charges that the Board has determined, in accordance with paragraph 8.3, that the contractor should have collected in respect of treatment, and
 - (ii) the amount of any other deductions that need to be made to the Monthly APV2Ps under the Agreement or pursuant to this SFE (for example, the deductions mentioned in paragraphs 5.14 to 5.16), together with the reason for any such deduction;
- (d) the amount of the Monthly APV2P following the permitted deductions;

- (e) any other payments payable to the contractor pursuant to this SFE on that due date, including where relevant an indication that a particular payment is made in respect of a named Dentist Performer; and
- (f) the estimated net monthly Pensionable Earnings of each Dentist Performer who performs services under the Agreement, i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment.

5.21 In practice, in accordance with entry 2(c) in column 2 of the Schedule to the Functions Regulations, the Monthly Payment Schedule will be sent to the contractor by the NHS BSA, who will also need to send a copy to the Board (entry 2(a) of column 3 of the Schedule to the Functions Regulations).

Annual payment adjustment for capitation and performance

5.22 The amount of payment made to each contractor during the financial year needs to be adjusted based on each contractor's payment due to weighted capitation and for performance against the DQOF. This adjustment will be made to the AAPV2. The adjustment has to be done in two stages:

- (a) Calculation of the Interim Month 12 Payment – Type 2 (IMTP2) using an estimate of year-end performance on weighted capitation and performance against the DQOF
- (b) Reconciliation Month 12 Payment – Type 2 (RMTP2) using final year-end performance data provided by the contractor during the financial year to take into account any changes in performance on weighted capitation and performance against the DQOF since the IMTP2 was calculated. In practice, the RMTP2 is likely to be made in July of the next financial year.

These two payments are made instead of the normal APV2P in month 12.

Interim annual payment adjustment for weighted capitation

5.23 A notional capitation payment should be calculated for each Type 2 Agreement. This is based on the Contractor's Estimated Capitated Population (CECP). At any point, a patient is part of a CECP if the patient has:

- (a) commenced a course of treatment with that contractor, not counting any course of treatment delivered by a foundation trainee, during the previous three years; and
- (b) has not commenced a course of treatment delivered by a foundation trainee with that contractor in the intervening period since that treatment; and
- (c) has not commenced a course of treatment with another contractor in the intervening period since that treatment.

Commencing a course of treatment is defined in paragraph 34.3.

5.24 The CECP is grouped into patient cohorts in line with Table A in the Dental Capitation and Quality Scheme 2 Capitation Values document. A snapshot of the CECP is taken by the NHS BSA:

- (a) For 1st Wave Agreements on the:

- (i) 30th June
- (ii) 30th September
- (iii) 31st December
- (iv) 31st March
- (b) For 2nd Wave Agreements on the:
 - (i) 31st December
 - (ii) 31st March.

5.25 The snapshots are then averaged to give the number of patients for each patient cohort for that Type 2 Agreement for the financial year. This calculation is carried out by the NHS BSA.

5.26 The number of patients for each cohort is multiplied by the patient capitation weighting for that cohort. The patient capitation weightings for the 2013/14 financial year are shown in Table A in the Dental Capitation and Quality Scheme 2 Capitation Values document. The weighted number of patients for each cohort is then summed to give the Contractor's Estimated Actual Weighted Capitated Population (CEAWCP).

5.27 At the beginning of the financial year, the Board and contractor will have agreed the Contractor's Expected Weighted Capitated Population (CEWCP). This will be a function of access levels in previous years and the mix of patients seen by that practice.

5.28 The difference between the CEAWCP and the CEWCP is calculated to give the Estimated Excess Over CEWCP (EEOCEWCP). Note that the EEOCEWCP could be a negative value.

$$\text{EEOCEWCP} = \text{CEAWCP} - \text{CEWCP}$$

5.29 The National Average Patient Capitation Remuneration Level (NAPCRL) is set nationally and published in the Dental Capitation and Quality Scheme 2 Capitation Values document. As part of the capitation calculations, the NAPCRL is adjusted to reflect the different effective UDA values and patient mix that contractors had when they entered the Agreement using the Local Capitation Adjustment Factor (LCAF). A description of how the LCAF is calculated is given in Section B.2 of Annex B.

5.30 The Board will need to establish a minimum level that the contractor's AAPV2 can be reduced because of the capitation adjustment. The default minimum level is 98% but this may need to be adjusted in cases where there has been under-delivered activity in previous years. This minimum level figure is known as the Capitation Adjustment Minimum Level (CAML). It is calculated by the NHS BSA (working with the Board) and agreed as part of the Agreement. It is based on the proportion of the contracted UDA activity that was delivered in previous years under the underlying agreement but can be adjusted dependent on the principles that are applied to decide on recovery as with other PDS agreements that the Board holds with other providers in their area.

5.31 The AAPV2 is adjusted using the following rules to produce the Estimated Adjusted AAPV2:

- (a) If $\text{CEAWCP} < \text{CEWCP}$, then Estimated Adjusted AAPV2 is the greater of:
 - (i) $\text{AAPV2} + (\text{EEOCEWCP} \times \text{NAPCRL} \times \text{LCAF})$

- (ii) AAPV2 x CAML
- (b) If CEAWCP = CEWCP, then Estimated Adjusted AAPV2 = AAPV2
- (c) If CEAWCP > CEWCP, then Estimated Adjusted AAPV2 is the smaller of:
 - (i) AAPV2 + (EEOCEWCP x NAPCRL x LCAF)
 - (ii) AAPV2 x 1.02

5.32 The Estimated Adjusted AAPV2 is used as part of the IMTP2 calculation in order to make the material adjustment to the contractor's remuneration.

Interim payment adjustment for performance against the Dental QOF

5.33 An estimated payment for performance against the DQOF will be made in month 12 as part of the IMTP2. For Type 2* Agreements, paragraphs 5.36 to 5.41 do not apply.

5.34 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the Estimated Adjusted AAPV2 values for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their Estimated Adjusted AAPV2 values to determine the separate IMTP2 payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the Estimated Adjusted AAPV2 values, such as two agreements providing mandatory services running within the same practice.

Calculation of the Estimated Annual Pilot Value

5.35 The Board should note that the calculation of the IMTP2 and Estimated Annual Pilot Value (EAPV2) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 8. An Estimated Month 12 APV2P is calculated as:

- (a) calculation as for previous months
- (b) plus the Estimated Adjusted AAPV2
- (c) minus the AAPV2.

The EAPV2 is calculated by adding the Estimated Month 12 APV2P to the previous eleven APV2Ps. Where a Type 2 Agreement begins after the start of the financial year, the EAPV2 is calculated by adding the Estimated Month 12 APV2P to the APV2Ps so far during that financial year.

Calculation of the estimated payment pool relating to performance

5.36 The amount of payment available to a contractor to reward performance against the DQOF is known as the EAPV2(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the EAPV2. For example, if the EAPV2 is £10,000 and the quality weighting percentage is 10%, then the EAPV2(Full Quality Pool) in this case would be £1,000.

5.37 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the EAPV2(Primary Pool). It is calculated as the EAPV2 minus the EAPV2(Full Quality Pool).

5.38 A Contractor's Estimated Annual Performance Score (CEAPS) is calculated using the rules laid out in paragraph A.5.5 of Annex A.

5.39 The contractor's Estimated Quality Payment (Non-Peer) (EQP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$\text{EQP(NP)} = \frac{\text{CEAPS}}{1,000} \times \text{EAPV2(Full Quality Pool)}.$$

Calculation of the Interim Month 12 Payment – Type 2

5.40 The contractor's Estimated Actual Annual Pilot Value – Type 2 (EAAPV2) is then calculated by adding:

- (a) the EAPV2(Primary Pool); and
- (b) EQP(NP)

5.41 The IMTP2 is then calculated as the EAAPV2 minus the sum of the previous eleven APV2Ps. Where a Type 2 Agreement begins after the start of the financial year, the APV2Ps so far during that financial year should be subtracted. The Board should note that the normal deductions outlined in paragraphs 5.12 to 5.16 will still apply to this payment as with previous months.

5.42 For Type 2* Agreements, the IMTP2 is calculated as the EAPV2 minus the sum of the previous eleven APV2Ps. Where a Type 2* Agreement begins after the start of the financial year, the APV2Ps so far during that financial year should be subtracted. The Board should note that the normal deductions outlined in paragraphs 5.12 to 5.16 will still apply to this payment as with previous months.

Reconciliation annual payment adjustment for weighted capitation

5.43 Two months after the end of the financial year 2013 to 2014, all FP17s should have been returned by those contractors not involved in the Capitation and Quality Scheme 2 in respect of completed courses of treatment. This will enable the NHS BSA to review the patients that are part of a contractor's population for capitation purposes. In practice there will continue to be a small amount of courses of treatment by contractors not involved in the Capitation and Quality Scheme 2 and those FP17s will be submitted later in the year after those courses of treatment are complete. These will not be included in adjustment for weighted capitation for the purposes of the agreements as the impact is expected to be minimal.

5.44 A notional capitation payment should be calculated for each Type 2 Agreement. This is based on the Contractor's Capitated Population (CCP). At any point, a patient is part of a CCP if the patient has:

- (a) commenced a course of treatment with that contractor, not counting any course of treatment delivered by a foundation trainee, during the previous three years; and

- (b) has not commenced a course of treatment delivered by a foundation trainee with that contractor in the intervening period since that treatment; and
- (c) has not commenced a course of treatment with another contractor in the intervening period since that treatment.

Commencing a course of treatment is defined in paragraph 34.3.

5.45 The CCP is grouped into patient cohorts in line with Table A in the Dental Capitation and Quality Scheme 2 Capitation Values document. A snapshot of the CCP is taken by the NHS BSA:

- (a) For 1st Wave Agreements on the:
 - (i) 30th June
 - (ii) 30th September
 - (iii) 31st December
 - (iv) 31st March
- (b) For 2nd Wave Agreements on the:
 - (i) 31st December
 - (ii) 31st March.

5.46 The snapshots are then averaged to give the number of patients for each patient cohort for that Type 2 Agreement for the financial year. This calculation is carried out by the NHS BSA.

5.47 The number of patients for each cohort is multiplied by the patient capitation weighting for that cohort. The patient capitation weightings for the 2013/14 financial year are shown in Table A in the Dental Capitation and Quality Scheme 2 Capitation Values document. The weighted number of patients for each cohort is then summed to give the Contractor's Actual Weighted Capitated Population (CAWCP).

5.48 At the beginning of the financial year, the Board and contractor will have agreed the Contractor's Expected Weighted Capitated Population (CEWCP). This will be a function of access levels in previous years and the mix of patients seen by that practice.

5.49 The difference between the CAWCP and the CEWCP is calculated to give the Excess Over CEWCP (EOCEWCP). Note that the EOCEWCP could be a negative value.

$$\text{EOCEWCP} = \text{CAWCP} - \text{CEWCP}$$

5.50 The National Average Patient Capitation Remuneration Level (NAPCRL) is set nationally and published in the Dental Capitation and Quality Scheme 2 Capitation Values document. As part of the capitation calculations, the NAPCRL is adjusted to reflect the different effective UDA values and patient mix that contractors had when they entered the Agreement using the Local Capitation Adjustment Factor (LCAF). A description of how the LCAF is calculated is given in Section B.2 of Annex B.

5.51 The minimum level that the contractor's AAPV2 can be reduced because of the capitation adjustment will have been established in paragraph 5.30. This minimum level figure is known as the CAML.

5.52 The AAPV2 is adjusted using the following rules to produce the Adjusted AAPV2:

- (a) If CAWCP < CEWCP, then Adjusted AAPV2 is the greater of:
 - (i) AAPV2 + (EOCEWCP x NAPCRL x LCAF)
 - (ii) AAPV2 x CAML
- (b) If CAWCP = CEWCP, then Adjusted AAPV2 = AAPV2
- (c) If CAWCP > CEWCP, then Adjusted AAPV2 is the smaller of:
 - (i) AAPV2 + (EOCEWCP x NAPCRL x LCAF)
 - (ii) AAPV2 x 1.02

5.53 The Adjusted AAPV2 is used as part of the RMTP2 calculation in order to make the material adjustment to the contractor's remuneration.

Reconciliation annual payment adjustment for performance against the Dental QOF

5.54 The amount of payment made to each contractor during the financial year needs to be reconciled after all the performance data provided by the contractor is available to the NHS BSA for the purposes of payments under the DQOF and after any adjustments due to capitation have been finalised. For Type 2* Agreements, paragraphs 5.57 to 5.67 do not apply.

5.55 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the Adjusted AAPV2 values for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their Adjusted AAPV2 values to determine the separate RMTP2 payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the Adjusted AAPV2 values, such as two agreements providing mandatory services running within the same practice. If combining Estimated Adjusted AAPV2 values for DQOF calculations occurred for the interim payment in paragraph 5.34, then the expectation is that combining the Adjusted AAPV2 values for DQOF calculations would occur at this stage.

Calculation of the Forecast Annual Pilot Value

5.56 The Board should note that the calculation of the RMTP2 and Forecast Annual Pilot Value (FAPV2) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 8. A Forecast month 12 APV2P is calculated as:

- (a) calculation as for previous months
- (b) plus the Adjusted AAPV2
- (c) minus the AAPV2

The FAPV2 is calculated by adding the Forecast Month 12 APV2P to the previous eleven APV2Ps. Where a Type 2 Agreement begins after the start of the financial year, the FAPV2 is calculated by adding the Forecast Month 12 APV2P to the APV2Ps so far during that financial year.

Calculation of the payment pool relating to performance

5.57 The amount of payment available to a contractor to reward performance against the DQOF is known as the FAPV2(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the FAPV2. For example, if the FAPV2 is £10,000 and the quality weighting percentage is 10%, then the FAPV2(Full Quality Pool) in this case would be £1,000.

5.58 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the FAPV2(Primary Pool). It is calculated as the FAPV2 minus the FAPV2(Full Quality Pool).

5.59 A Contractor's Annual Performance Score (CAPS) is calculated using the rules laid out in paragraph A.5.6 of Annex A.

5.60 The contractor's Quality Payment (Non-Peer) (QP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$QP(NP) = \frac{CAPS}{1,000} \times FAPV2(\text{Full Quality Pool}).$$

5.61 The contractor's notional contribution to the peer performance payment pool is known as the FAPV2(Peer Quality Pool). It is calculated as:

$$FAPV2(\text{Peer Quality Pool}) = FAPV2(\text{Full Quality Pool}) - QP(NP)$$

5.62 The contractor's Quality Payment (Peer) (QP(P)) is the amount of money that a contractor should receive based on their performance relative to peers. It is calculated by NHS BSA in accordance with Section A.7 of Annex A and the figure is given to the Board.

5.63 It is necessary for the financial risk of commissioners to be capped within the Capitation and Quality Scheme 2. It is possible, although unlikely, that a contractor's QP(P) could be many times its NAPV2 if its performance is considerably better than the rest of the Agreements. This risk would not occur if there was an actual national pool of money to pay the QP(P)s but for the Agreements this has to be paid by the Board. Therefore the Final QP(P) (FQP(P)) is calculated as follows:

- (a) If the sum of the FAPV2(Primary Pool) plus the QP(NP) plus the QP(P) \leq 102% of FAPV2, then FQP(P) = QP(P)
- (b) If the sum of the FAPV2(Primary Pool) plus the QP(NP) plus the QP(P) $>$ 102% of FAPV2, then FQP(P) = (1.02 x FAPV2) minus the FAPV2(Primary Pool) and minus the QP(NP).

5.64 Where the QP(P) is greater than the FQP(P), the difference between the two is known as the QP(P) Residual (QP(P)R). Where the QP(P) is less than or equal to the FQP(P), then the QP(P)R is equal to £0. This value is used by NHS BSA to calculate the final element of the performance payment in line with Section A.8.

5.65 The Residual Payment (RP) is the mechanism by which the Capitation and Quality Scheme 2 ensures that all the money made available for payments under the DQOF is paid to

those participating in the Scheme. The RP must be calculated by the NHS BSA in line with Section A.8.

Calculation of the Reconciliation Month 12 Payment – Type 2

5.66 The contractor's Calculated Actual Annual Pilot Value – Type 2 (CAAPV2) is then calculated by adding:

- (a) the FAPV2(Primary Pool); and
- (b) QP(NP) and
- (c) FQP(P) and
- (d) RP

5.67 The RMTP2 is then calculated as:

- (a) the CAAPV2; minus
- (b) the sum of the previous eleven APV2Ps (where a Type 2 Agreement begins after the start of the financial year, the APV2Ps so far during that financial year should be subtracted); minus
- (c) the IMTP2.

5.68 For Type 2* Agreements, the RMTP2 is calculated as:

- (a) the FAPV2; minus
- (b) the sum of the previous eleven APV2Ps (where a Type 2* Agreement begins after the start of the financial year, the APV2Ps so far during that financial year should be subtracted); minus
- (c) the IMTP2.

5.69 The RMTP2 is paid to the contractor by the Board. If the RMTP2 is negative, the Board may withhold the value from any payments due to the contractor pursuant to direction 12 of the Directions. The Board should note that the majority of monthly deductions will have been made when the IMTP2 was paid to the contractor and therefore the Board should ensure that only deductions that have arisen out of the reconciliation process are deducted from the RMTP2.

PART 3 TYPE 3 PILOTS

6. Negotiated Annual Pilot Value

6.1 With effect from 1st April 2013, where a contractor has elected to enter into an Agreement with the Board, the agreement held by the contractor which was considered to have a Negotiated Annual Agreement Value (NAAV) will be deemed to have a Negotiated Annual Pilot Value – Type 3 (NAPV3) beginning on the date the Agreement commences.

6.2 Payments under a Type 3 Agreement in respect of the agreed services specified in the Agreement are to be based on a NAPV3.

6.3 Each Type 3 Agreement must specify:

- (a) that the contractor will offer all mandatory NHS services
- (b) any other services to be provided
- (c) whether the contractor will participate in the DQOF under the Type 3 Agreement. Some Type 3 Agreements will be exempt from quality payments. These Type 3 Agreements will be designated as Type 3* Agreements before the Capitation and Quality Scheme 2 commences.

Nomination of the first Negotiated Annual Pilot Value – Type 3

6.4 At the start of the financial year – or, if a Type 3 Agreement starts after the start of the financial year, for the date on which the Type 3 Agreement takes effect – the Board must calculate for each contractor the NAPV3. The value of the NAPV3 is the same as the value of the NAAV of the underlying PDS agreement held by the contractor immediately before the commencement of the Agreement.

6.5 The NAAV may have been updated by the percentage amount determined by the Secretary of State at the beginning of the financial year 2013 to 2014. If this has not taken place, the NAAV will need to be adjusted by the percentage increase determined by the Secretary of State for the financial year 2013 to 2014 which is 1.5%.

6.6 If the payment, or any of the payments in the aggregate of payments, only relates to part of that financial year – for example, because the PDS agreement held prior to the commencement of the Agreement takes effect for payment purposes after the start of the financial year, or is due to end before the end of the financial year – the part year payment or payments are to be annualised. The annualised amount of the nominated payment or aggregate of payments is to be used as the basis of the calculation of the first NAPV3 for the contractor’s Type 3 Agreement.

Dealing with underdelivery of UDAs in previous financial year or in the current financial year

6.7 Where a contractor held an underlying PDS agreement immediately prior to the commencement of the Agreement, it may be the case that the UDA activity the contractor was required to provide under that agreement has not been delivered by the date on which the Agreement commences. Where it is agreed between the Board and the contractor that any under-delivered activity is to be carried forward, then that amount of UDA activity will be carried forward and in effect the obligation to provide such activity is “stayed” for the duration of the Agreement. The amount of UDAs “stayed” should be set out in the agreement variation. The Board will need to agree with the contractor as to how the amount of UDAs “stayed” will be provided following the termination of the Agreement.

6.8 The amount of UDA activity that should be “stayed” is calculated as:

- (a) the pro-rated amount of UDA activity that should have been delivered for the financial year to date. (Where the Board and a contractor have agreed a specific profile for delivering UDA activity during the year, this profile can be used instead of pro-rating the amount);

- (b) plus the amount of under-delivered UDA activity from the previous financial year that was agreed would be carried forward;
- (c) minus the UDA activity delivered up to the date on which the Agreement commences.

New NAPV3s where a Type 3 Agreement is revised

6.9 If, with the agreement of the Board and the contractor, the NHS commitment of the contractor changes or the services, or service levels, that a contractor is required to provide under its Type 3 Agreement is revised, a new NAPV3 will have to be established for that contractor. If the variation takes effect during the financial year, the new NAPV3 for that Agreement must be an annualised amount for calculation purposes, even though only a proportion of that annualised amount will in fact be payable for the remaining part year.

6.10 NHS commitment is the time and effort that a contractor devotes to providing NHS care. For the Type 3 Pilots it is important that the results achieved are assessed in the context of the time and effort put in by the contractor. The intent is not to manage this at a detailed level but where necessary, the Board must look at indicators to assess NHS commitment. These key indicators of NHS commitment are:

- (a) the average weekly time given to appointments in which an element of NHS care is delivered and reported to the NHS BSA calculated on a quarterly basis. The Board must review the NAPV3 where the key indicator, in the opinion of the Board, significantly decreases from the level agreed at the date of the commencement of the Agreement and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.
- (b) the historical capitated population number after any adjustment for past underdelivery, calculated on a quarterly basis. The Board must review the NAPV3 if, in the opinion of the Board, this indicator significantly decreases from the level agreed at the date of the commencement of the Agreement, and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.

Annual uprating of NAPV3s

6.11 It is intended that at the start of each financial year that this SFE applies, this SFE will be amended so as to include the percentage increase in agreement value as determined by the Secretary of State for the duration of the Capitation and Quality Scheme 2. In practice, these adjustments will be factored into Monthly APV3Ps by the NHS BSA on a national basis. The Board must not itself, therefore, adjust the amounts that it has loaded into the Payments On-Line (POL) system by these adjustments.

7. Payment of Monthly Annual Pilot Value Payments

7.1 At any point, there should be in respect of each Type 3 Agreement a NAPV3, determined in accordance with Section 6. This, in all cases, is to be an annual (or annualised)

amount. For each Type 3 Agreement, the contractor's Actual Annual Pilot Value – Type 3 (AAPV3) has to be established.

7.2 The AAPV3 is calculated as:

- (a) The NAPV3; minus
- (b) an amount of the NAPV3 that is attributed to orthodontic activity, which will be paid for separately under the underlying PDS agreement. If the element relating to orthodontics is not explicitly stated in the underlying agreement then an amount should be agreed by the Board and contractor; and minus
- (c) an element of the NAPV3 that is due to specified services. Specified services are defined in paragraph 10.1. If the element relating to specified services is not explicitly stated in the underlying agreement then an amount should be agreed by the Board and contractor.

7.3 The AAPV3 provides the basis for the calculation of the Monthly Annual Pilot Value – Type 3 Payments (APV3P) payable under the Agreement. These calculations are outlined in the rest of Section 7.

7.4 Payments for orthodontics are made in accordance with the underlying PDS agreement. The Agreement will specify the value of the orthodontic services element of the NAPV3 and the number of units of orthodontic activity (“UOAs”) that the contractor is required to provide in the financial year.

7.5 Payments for specified services are outlined in Section 10.

Initial value of Monthly APV3Ps

7.6 The first initial value of a contractor's Monthly APV3Ps is to be determined for the date on which its Type 3 Agreement takes effect for payment purposes. Once the contractor's AAPV3 has been established, that amount is to be divided by twelve, and subject to paragraph 7.7, the result is the first initial value of the contractor's Monthly APV3Ps.

7.7 If the contractor's Type 3 Agreement took effect for payment purposes other than on the first day of a month, the initial value of its Monthly APV3Ps in respect of the first part-month of its Agreement is to be adjusted by a factor which is produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

7.8 That initial value (expressed as a monthly value, in cases where an Agreement took effect for payment purposes other than on the first day of the month) will remain the basis for the calculation of the net value of the contractor's Monthly APV3Ps, until that initial value is next revised.

Revision of the initial value of Monthly APV3Ps

7.9 The initial value of a contractor's Monthly APV3Ps will have to be revised where, for any reason, its AAPV3 is revised.

7.10 If the contractor's AAPV3 is revised for the start of a month, the new initial value of its Monthly APV3Ps (until its AAPV3 is next revised) is its new AAPV3 divided by twelve. If its AAPV3 changes during a month, the initial value of its Monthly APV3Ps (until its AAPV3 is next revised again) is:

- (a) for the month after the month during which its AAPV3 changed, its AAPV3 divided by 12; or
- (b) for the month during which its AAPV3 changed, the aggregate of the following amounts–
 - (i) the amount produced by dividing the number of days during the month before the change by the total number of days in that month, and multiplying that fraction by the old initial value of the contractor's Monthly APV3Ps, plus
 - (ii) the amount produced by dividing the number of days during the month for which the contractor had a new AAPV3 by the total number of days in that month, and multiplying that fraction by the new initial value of the contractor's Monthly APV3Ps

7.11 Once the initial value of a contractor's Monthly APV3Ps has been established for any particular month, the Board must go on to establish the net value of the contractor's Monthly APV3Ps, which is the amount actually to be paid.

Deductions in respect of NHS charges

7.12 Deductions should be made in respect of NHS charges in line with paragraphs 8.1 to 8.3 in Part 4 of this SFE.

7.13 The Monthly APV3P value produced after the deduction described in paragraph 8.3 has been made is, subject to paragraph 7.14, the gross value of the contractor's Monthly APV3P for that month (i.e. the value before the deduction of employee's superannuation contributions).

Deductions in respect of overpayments etc.

7.14 Deductions may need to be made to the amount determined in accordance with paragraph 8.3 under the administrative provisions in Section 16 of this SFE, to take account of matters such as overpayments. In accounting terms, these deductions may alter the gross value of the Monthly APV3P in question or the gross value of another payment, but either way they will alter the net value of the Monthly APV3P in question.

Deductions in respect of LDC levies

7.15 Any agreed deduction for LDC levies in line with paragraph 8.4 will be deducted by the Board from the contractor's Monthly APV3Ps.

Deductions in respect of employee's superannuation contributions

7.16 Deductions should be made in respect of employee's superannuation contributions in line with paragraphs 8.5 to 8.7 in Part 4 of this SFE.

Net value of the contractor's first Monthly APV3Ps

7.17 The gross value of a contractor's Monthly APV3Ps, minus any necessary deductions as mentioned in paragraphs 7.12 to 7.16, and minus any voluntary deductions that the contractor has asked to be made, is the net value of the contractor's first Monthly APV3Ps. That amount is the amount actually to be paid. It becomes payable on the contractor's Monthly Payment Date, which is the first working day of the month after the month to which the Monthly APV3P relates.

Conditions attached to Monthly APV3Ps

7.18 Monthly APV3Ps, or any part of such payments, are only payable if the contractor satisfies the following conditions:

- (a) the contractor must make available any information which the Board does not have but needs (including the returns required by virtue of direction 9 of the Directions and the DQOF), and which the contractor either has or could reasonably be expected to obtain, in order to calculate the contractor's Monthly APV3Ps;
- (b) the contractor must make available to the Board a reasonable estimate of the net monthly Pensionable Earnings (i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment) of each Dentist Performer who is employed or engaged by it, and must notify the Board of any appropriate changes to that estimate; and
- (c) all information supplied pursuant to or in accordance with this paragraph must be accurate.

7.19 If the contractor breaches any condition of its Monthly APV3Ps that is set out in this SFE (including the conditions that are set out in paragraph 7.18), the Board may, in appropriate circumstances, withhold payment of all or any part of a Monthly APV3Ps that is otherwise payable.

Monthly Payment Schedule

7.20 On the due date for Monthly APV3Ps, or as soon as reasonably practicable thereafter, the Board must send to the contractor a Monthly Payment Schedule which shall include (but not be limited to):

- (a) the contractor's AAPV3;
- (b) the amount of the initial value of the contractor's Monthly APV3Ps, prior to any permitted deductions
- (c) the amount of permitted deductions, which shall be specified in two parts:
 - (i) the amount of the NHS charges that the Board has determined, in accordance with paragraph 8.3, that the contractor should have collected in respect of treatment, and
 - (ii) the amount of any other deductions that need to be made to the Monthly APV3Ps under the Agreement or pursuant to this SFE (for example, the deductions mentioned in paragraphs 7.14 to 7.16), together with the reason for any such deduction;

- (d) the amount of the Monthly APV3P following the permitted deductions;
- (e) any other payments payable to the contractor pursuant to this SFE on that due date, including where relevant an indication that a particular payment is made in respect of a named Dentist Performer; and
- (f) the estimated net monthly Pensionable Earnings of each Dentist Performer who performs services under the Agreement, i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment.

7.21 In practice, in accordance with entry 2(c) in column 2 of the Schedule to the Functions Regulations, the Monthly Payment Schedule will be sent to the contractor by the NHS BSA, who will also need to send a copy to the Board (entry 2(a) of column 3 of the Schedule to the Functions Regulations).

Annual payment adjustment for capitation and performance

7.22 The amount of payment made to each contractor during the financial year needs to be adjusted based on each contractor's payment due to weighted capitation for routine care and for performance against the DQOF. Payment due to complex care is unaffected. This adjustment will be made to the AAPV3. The adjustment has to be done in two stages:

- (a) Calculation of the Interim Month 12 Payment – Type 3 (IMTP3) using an estimate of year-end performance on weighted capitation for routine care and performance against the DQOF
- (b) Reconciliation Month 12 Payment – Type 3 (RMTP3) using final year-end performance data provided by the contractor during the financial year to take into account any changes in performance on weighted capitation for routine care and performance against the DQOF since the IMTP3 was calculated. In practice, the RMTP3 is likely to be made in July of the next financial year.

These two payments are made instead of the normal APV3P in month 12.

Interim annual payment adjustment for weighted capitation for routine care

7.23 For Type 3 Agreements, the amount of complex care is defined as the courses of treatment that would count as Band 3 as defined in regulation 2 of the PDS Agreements Regulations. Routine care is defined as all other NHS treatment, including that treatment which would count as Band 1, Band 2, Band 1 Urgent, as set out in Schedules 1, 2 and 4 to the NHS Charges Regulations respectively, prescription only, repairs and replacement in the underlying PDS agreement.

7.24 A notional capitation payment should be calculated for each Type 3 Agreement. This is based on the Contractor's Estimated Capitated Population (CECP). At any point, a patient is part of a CECP if the patient has:

- (a) commenced a course of treatment with that contractor, not counting any course of treatment delivered by a foundation trainee, during the previous three years; and
- (b) has not commenced a course of treatment delivered by a foundation trainee with that contractor in the intervening period since that treatment; and

- (c) has not commenced a course of treatment with another contractor in the intervening period since that treatment.

Commencing a course of treatment is defined in paragraph 34.3.

7.25 The CECP is grouped into patient cohorts in line with Table B in the Dental Capitation and Quality Scheme 2 Capitation Values document. A snapshot of the CECP is taken by the NHS BSA:

- (a) For 1st Wave Agreements on the:
 - (i) 30th June
 - (ii) 30th September
 - (iii) 31st December
 - (iv) 31st March
- (b) For 2nd Wave Agreements on the:
 - (i) 31st December
 - (ii) 31st March.

7.26 The snapshots are then averaged to give the number of patients for each patient cohort for that Type 3 Agreement for the financial year. This calculation is carried out by the NHS BSA.

7.27 The number of patients for each cohort is multiplied by the patient capitation weighting for that cohort. The patient capitation weightings for the 2013/14 financial year are shown in Table B in the Dental Capitation and Quality Scheme 2 Capitation Values document. The weighted number of patients for each cohort is then summed to give the Contractor's Estimated Actual Weighted Capitated Population (CEAWCP).

7.28 At the beginning of the financial year, the Board and contractor will have agreed the Contractor's Expected Weighted Capitated Population (CEWCP). This will be a function of access levels in previous years and the mix of patients seen by that practice.

7.29 The difference between the CEAWCP and the CEWCP is calculated to give the Estimated Excess Over CEWCP (EEOCEWCP). Note that the EEOCEWCP could be a negative value.

$$\text{EEOCEWCP} = \text{CEAWCP} - \text{CEWCP}$$

7.30 The AAPV3 is split between AAPV3 - Routine (AAPV3(R)) and AAPV3 – Complex (AAPV3(C)). This is done by NHS BSA and described in Section B.3 of Annex B.

7.31 The National Average Patient Capitation Remuneration Level - Routine (NAPCRL(R)) is set nationally and published in the Dental Capitation and Quality Scheme 2 Capitation Values document. As part of the capitation calculations, the NAPCRL(R) is adjusted to reflect the different effective UDA values and patient mix that contractors had when they entered the Agreement using the Local Capitation Adjustment Factor (LCAF). A description of how the LCAF is calculated is given in Section B.2 of Annex B.

7.32 The Board will need to establish a minimum level that the contractor's AAPV3(R) can be reduced because of the capitation adjustment. The default minimum level is 98% but this may need to be adjusted in cases where there has been under-delivered activity in

previous years. This minimum level figure is known as the Capitation Adjustment Minimum Level (CAML). It is calculated by the NHS BSA (working with the Board) and agreed as part of the Agreement. It is based on the proportion of the contracted UDA activity that was delivered in previous years under the underlying agreement but can be adjusted dependent on the principles that are applied to decide on recovery as with other PDS agreements that the Board holds with other providers in their area.

7.33 The AAPV3(R) is adjusted using the following rules to produce the Estimated Adjusted AAPV3(R):

- (a) If $CEAWCP < CEWCP$, then Estimated Adjusted AAPV3(R) is the greater of:
 - (i) $AAPV3(R) + (EEOCEWCP \times NAPCRL \times LCAF)$
 - (ii) $AAPV3(R) \times CAML$
- (b) If $CEAWCP = CEWCP$, then Estimated Adjusted AAPV3(R) = AAPV3(R)
- (c) If $CEAWCP > CEWCP$, then Estimated Adjusted AAPV3(R) is the smaller of:
 - (i) $AAPV3(R) + (EEOCEWCP \times NAPCRL \times LCAF)$
 - (ii) $AAPV3(R) \times 1.02$

7.34 The Estimated Adjusted AAPV3(R) is then added to the AAPV3(C) to give the Estimated Adjusted AAPV3.

7.35 The Estimated Adjusted AAPV3 is used as part of the IMTP3 calculation in order to make the material adjustment to the contractor's remuneration.

Interim payment adjustment for performance against the Dental QOF

7.36 An estimated payment for performance against the DQOF will be made in month 12 as part of the IMTP3. For Type 3* Agreements, paragraphs 7.39 to 7.44 do not apply.

7.37 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the Estimated Adjusted AAPV3 values for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their Estimated Adjusted AAPV3 values to determine the separate IMTP3 payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the Estimated Adjusted AAPV3 values, such as two agreements providing mandatory services running within the same practice.

Calculation of the Estimated Annual Pilot Value

7.38 The Board should note that the calculation of the IMTP3 and Estimated Annual Pilot Value (EAPV3) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 8. An Estimated Month 12 APV3P is calculated as:

- (a) calculation as for previous months
- (b) plus the Estimated Adjusted AAPV3
- (c) minus the AAPV3.

The EAPV3 is calculated by adding the Estimated Month 12 APV3P to the previous eleven APV3Ps. Where a Type 3 Agreement begins after the start of the financial year, the EAPV3 is calculated by adding the Estimated Month 12 APV3P to the APV3Ps so far during that financial year.

Calculation of the estimated payment pool relating to performance

7.39 The amount of payment available to a contractor to reward performance against the DQOF is known as the EAPV3(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the EAPV3. For example, if the EAPV3 is £10,000 and the quality weighting percentage is 10%, then the EAPV3(Full Quality Pool) in this case would be £1,000.

7.40 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the EAPV3(Primary Pool). It is calculated as the EAPV3 minus the EAPV3(Full Quality Pool).

7.41 A Contractor's Estimated Annual Performance Score (CEAPS) is calculated using the rules laid out in paragraph A.5.5 of Annex A.

7.42 The contractor's Estimated Quality Payment (Non-Peer) (EQP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$\text{EQP(NP)} = \frac{\text{CEAPS}}{1,000} \times \text{EAPV3(Full Quality Pool)}.$$

Calculation of the Interim Month 12 Payment – Type 3

7.43 The contractor's Estimated Actual Annual Pilot Value – Type 3 (EAAPV3) is then calculated by adding:

- (a) the EAPV3(Primary Pool); and
- (b) EQP(NP)

7.44 The IMTP3 is then calculated as the EAAPV3 minus the sum of the previous eleven APV3Ps. Where a Type 3 Agreement begins after the start of the financial year, the APV3Ps so far during that financial year should be subtracted. The Board should note that the normal deductions outlined in paragraphs 7.12 to 7.16 will still apply to this payment as with previous months.

7.45 For Type 3* Agreements, the IMTP3 is calculated as the EAPV3 minus the sum of the previous eleven APV3Ps. Where a Type 3* Agreement begins after the start of the financial year, the APV3Ps so far during that financial year should be subtracted. The Board should note that the normal deductions outlined in paragraphs 7.12 to 7.16 will still apply to this payment as with previous months.

Reconciliation annual payment adjustment for weighted capitation for routine care

7.46 Two months after the end of the financial year 2013 to 2014, all FP17s should have been returned by those contractors not involved in the Capitation and Quality Scheme 2 in respect of completed courses of treatment. This will enable the NHS BSA to review the patients that are part of a contractor's population for capitation purposes. In practice there will continue to be a small amount of courses of treatment by contractors not involved in the Capitation and Quality Scheme 2 and those FP17s will be submitted later in the year after those courses of treatment are complete. These will not be included in adjustment for weighted capitation for the purposes of the agreements as the impact is expected to be minimal.

7.47 A notional capitation payment should be calculated for each Type 3 Agreement. This is based on the Contractor's Capitated Population (CCP). At any point, a patient is part of a CCP if the patient has:

- (a) commenced a course of treatment with that contractor, not counting any course of treatment delivered by a foundation trainee, during the previous three years; and
- (b) has not commenced a course of treatment delivered by a foundation trainee with that contractor in the intervening period since that treatment; and
- (c) has not commenced a course of treatment with another contractor in the intervening period since that treatment.

Commencing a course of treatment is defined in paragraph 34.3.

7.48 The CCP is grouped into patient cohorts in line with Table B in the Dental Capitation and Quality Scheme 2 Capitation Values document. A snapshot of the CCP is taken by the NHS BSA:

- (a) For 1st Wave Agreements on the:
 - (i) 30th June
 - (ii) 30th September
 - (iii) 31st December
 - (iv) 31st March
- (b) For 2nd Wave Agreements on the:
 - (i) 31st December
 - (ii) 31st March.

7.49 The snapshots are then averaged to give the number of patients for each patient cohort for that Type 3 Agreement for the financial year. This calculation is carried out by the NHS BSA.

7.50 The number of patients for each cohort is multiplied by the patient capitation weighting for that cohort. The patient capitation weightings for the 2013/14 financial year are shown in Table B in the Dental Capitation and Quality Scheme 2 Capitation Values document. The weighted number of patients for each cohort is then summed to give the Contractor's Actual Weighted Capitated Population (CAWCP).

7.51 At the beginning of the financial year, the Board and contractor will have agreed the Contractor's Expected Weighted Capitated Population (CEWCP). This will be a function of access levels in previous years and the mix of patients seen by that practice.

7.52 The difference between the CAWCP and the CEWCP is calculated to give the Excess Over CEWCP (EOCEWCP). Note that the EOCEWCP could be a negative value.

$$\text{EOCEWCP} = \text{CAWCP} - \text{CEWCP}$$

7.53 The AAPV3 is split between AAPV3 - Routine (AAPV3(R)) and AAPV3 – Complex (AAPV3(C)). This is done by NHS BSA and described in Section B.3 of Annex B.

7.54 The National Average Patient Capitation Remuneration Level - Routine (NAPCRL(R)) is set nationally and published in the Dental Capitation and Quality Scheme 2 Capitation Values document. As part of the capitation calculations, the NAPCRL(R) is adjusted to reflect the different effective UDA values and patient mix that contractors had when they entered the Agreement using the Local Capitation Adjustment Factor (LCAF). A description of how the LCAF is calculated is given in Section B.2 of Annex B.

7.55 The minimum level that the contractor's AAPV3(R) can be reduced because of the capitation adjustment will have been established in paragraph 7.32. This minimum level figure is known as the CAML.

7.56 The AAPV3(R) is adjusted using the following rules to produce the Adjusted AAPV3(R):

- (a) If $\text{CAWCP} < \text{CEWCP}$, then Adjusted AAPV3(R) is the greater of:
 - (i) $\text{AAPV3(R)} + (\text{EOCEWCP} \times \text{NAPCRL(R)} \times \text{LCAF})$
 - (ii) $\text{AAPV3(R)} \times \text{CAML}$
- (b) If $\text{CAWCP} = \text{CEWCP}$, then Adjusted AAPV3(R) = AAPV3(R)
- (c) If $\text{CAWCP} > \text{CEWCP}$, then Adjusted AAPV3(R) is the smaller of:
 - (i) $\text{AAPV3(R)} + (\text{EOCEWCP} \times \text{NAPCRL(R)} \times \text{LCAF})$
 - (ii) $\text{AAPV3(R)} \times 1.02$

7.57 The Adjusted AAPV3(R) is then added to the AAPV3(C) to give the Adjusted AAPV3.

7.58 The Adjusted AAPV3 is used as part of the RMTP3 calculation in order to make the material adjustment to the contractor's remuneration.

Reconciliation annual payment adjustment for performance against the Dental QOF

7.59 The amount of payment made to each contractor during the financial year needs to be reconciled after all the performance data provided by the contractor is available to the NHS BSA for the purposes of payments under the DQOF and after any adjustments due to capitation have been finalised. For Type 3* Agreements, paragraphs 7.62 to 7.72 do not apply.

7.60 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the Adjusted AAPV3 values for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their Adjusted AAPV3 values to determine the separate RMTP3 payments for each agreement. The Board should agree with

the contractor whether the agreements are suitable for combining the Adjusted AAPV3 values, such as two agreements providing mandatory services running within the same practice. If combining Estimated Adjusted AAPV3 values for DQOF calculations occurred for the interim payment in paragraph 7.37, then the expectation is that combining the Adjusted AAPV3 values for DQOF calculations would occur at this stage.

Calculation of the Forecast Annual Pilot Value

7.61 The Board should note that the calculation of the RMTP3 and Forecast Annual Pilot Value (FAPV3) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 8. A Forecast Month 12 APV3P is calculated as:

- (a) calculation as for previous months
- (b) plus the Adjusted AAPV3
- (c) minus the AAPV3

The FAPV3 is calculated by adding the Forecast Month 12 APV3P to the previous eleven APV3Ps. Where a Type 3 Agreement begins after the start of the financial year, the FAPV3 is calculated by adding the Forecast Month 12 APV3P to the APV3Ps so far during that financial year.

Calculation of the payment pool relating to performance

7.62 The amount of payment available to a contractor to reward performance against the DQOF is known as the FAPV3(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the FAPV3. For example, if the FAPV3 is £10,000 and the quality weighting percentage is 10%, then the FAPV3(Full Quality Pool) in this case would be £1,000.

7.63 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the FAPV3(Primary Pool). It is calculated as the FAPV3 minus the FAPV3(Full Quality Pool).

7.64 A Contractor's Annual Performance Score (CAPS) is calculated using the rules laid out in paragraph A.5.6 of Annex A.

7.65 The contractor's Quality Payment (Non-Peer) (QP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$QP(NP) = \frac{CAPS}{1,000} \times FAPV3(\text{Full Quality Pool}).$$

7.66 The contractor's notional contribution to the peer performance payment pool is known as the FAPV3(Peer Quality Pool). It is calculated as:

$$FAPV3(\text{Peer Quality Pool}) = FAPV3(\text{Full Quality Pool}) - QP(NP)$$

7.67 The contractor's Quality Payment (Peer) (QP(P)) is the amount of money that a contractor should receive based on their performance relative to peers. It is calculated by NHS BSA in accordance with Section A.7 of Annex A and the figure is given to the Board.

7.68 It is necessary for the financial risk of commissioners to be capped within the Capitation and Quality Scheme 2. It is possible, although unlikely, that a contractor's QP(P) could be many times its NAPV3 if its performance is considerably better than the rest of the Agreements. This risk would not occur if there was an actual national pool of money to pay the QP(P)s but for the Agreements this has to be paid by the Board. Therefore the Final QP(P) (FQP(P)) is calculated as follows:

- (a) If the sum of the FAPV3(Primary Pool) plus the QP(NP) plus the QP(P) \leq 102% of FAPV3, then FQP(P) = QP(P)
- (b) If the sum of the FAPV3(Primary Pool) plus the QP(NP) plus the QP(P) $>$ 102% of FAPV3, then FQP(P) = (1.02 x FAPV3) minus the FAPV3(Primary Pool) and minus the QP(NP).

7.69 Where the QP(P) is greater than the FQP(P), the difference between the two is known as the QP(P) Residual (QP(P)R). Where the QP(P) is less than or equal to the FQP(P), then the QP(P)R is equal to £0. This value is used by NHS BSA to calculate the final element of the performance payment in line with Section A.8.

7.70 The Residual Payment (RP) is the mechanism by which the Capitation and Quality Scheme 2 ensures that all the money made available for payments under the DQOF is paid to those participating in the Scheme. The RP must be calculated by the NHS BSA in line with Section A.8.

Calculation of the Reconciliation Month 12 Payment – Type 3

7.71 The contractor's Calculated Actual Annual Pilot Value – Type 3 (CAAPV3) is then calculated by adding:

- (a) the FAPV3(Primary Pool); and
- (b) QP(NP) and
- (c) FQP(P) and
- (d) RP

7.72 The RMTP3 is then calculated as:

- (a) the CAAPV3; minus
- (b) the sum of the previous eleven APV3Ps (where a Type 3 Agreement begins after the start of the financial year, the APV3Ps so far during that financial year should be subtracted); minus
- (c) the IMTP3.

7.73 For Type 3* Agreements, the RMTP3 is calculated as:

- (a) the FAPV3; minus

- (b) the sum of the previous eleven APV3Ps (where a Type 3* Agreement begins after the start of the financial year, the APV3Ps so far during that financial year should be subtracted); minus
- (c) the IMTP3.

7.74 The RMTP3 is paid to the contractor by the Board. If the RMTP3 is negative, the Board may withhold the value from any payments due to the contractor pursuant to direction 12 of the Directions. The Board should note that the majority of monthly deductions will have been made when the IMTP3 was paid to the contractor and therefore the Board should ensure that only deductions that have arisen out of the reconciliation process are deducted from the RMTP3.

PART 4

ADJUSTMENTS TO PAYMENTS COMMON TO ALL PILOT TYPES

8. Deductions to monthly payments

Deductions in respect of NHS charges

8.1 Patients in receipt of relevant dental treatment have to pay charges in respect of that treatment under the NHS Charges Regulations, unless they are exempt from paying the charge by virtue of either 177 of the 2006 Act or the NHS Charges Regulations. Charges are recoverable under those Regulations in respect of specified types of treatment.

8.2 It is the contractor who collects the NHS charges from those patients. Furthermore, in accordance with the underlying PDS agreement condition set by virtue of paragraph 39 (notification of a course of treatment, orthodontic course of treatment) of Schedule 3 to the PDS Agreements Regulations, the contractor is required to make returns of information to the Board within specified time periods outlined about the courses of NHS treatment it provides, and in those returns it has to provide information about whether an NHS charge was payable in respect of that treatment.

8.3 The Board must set the particular date each month by which these paragraph 39 returns of information will be processed. This date is known as the 'scheduling date'. Using the paragraph 39 returns which have been submitted by the contractor, the Board will make a determination of the amount to be deducted that month in respect of NHS charges. These NHS charges should have been collected by the contractor in respect of courses of treatment in accordance with the Dental Charges Regulations, or where applicable, orthodontic activity that the contractor is to provide under its Agreement.

Deductions in respect of LDC levies

8.4 The Board may have recognised a LDC for an area, pursuant to section 113 of the 2006 Act. Where it has done so, a performer of services under a PDS agreement may have notified the Board that he wishes to be represented by that committee. In these circumstances, the performer's contractor may also have agreed with the Board that the levy that the performer is due to pay in respect of that representation, pursuant to directions of the

committee under section 113(11) of the 2006 Act, will be deducted by the Board from the contractor's Monthly APVPs. Where such an agreement has been reached, the levy in respect of that performer is to be so deducted.

Deductions in respect of employee's superannuation contributions

8.5 The Dentist Performers who are employed or engaged by the contractor are likely to be members of either the NHS Pension Scheme 1995 or the NHS Pension Scheme 2008, and their Employing Authority for the purposes of that Scheme will, for present purposes, be the Board (they may have employment in another context which also entitles them to an NHS Pension Scheme pension, but the pensionable earnings derived from that employment should be superannuated elsewhere). Unless they are Foundation Trainees, the Dentist Performers' Pensionable Earnings to be derived from that contractor's Agreement in each financial year will be limited up to a specified percentage of the value of that agreement for that financial year, net of any parental leave payments, sickness leave payments, foundation trainee salary and national insurance reimbursement payments, non domestic rates reimbursement payments or Monthly Seniority Payments payable under that agreement. Foundation Trainee's salaries (net of any bonus, expenses or overtime payments) are fully pensionable.

8.6 The Board will need to make all the deductions in respect of employees' superannuation contributions (including Money Purchase Additional Voluntary Contributions (MPAVCs)) that are payable in respect of the Dentist Performers' Pensionable Earnings that derive from each Agreement that it holds.

8.7 Accordingly, the Board must deduct those contributions from the contractor's Monthly APVPs (or, in the case of Foundation Trainee's employee's superannuation contributions, from their salary reimbursement payments). The process of calculating and making all these deductions is explained in Section 9. If the Board is an Employing Authority for any Dentist Performer employed or engaged by the contractor, the Board may also deduct from the contractor's Monthly APVPs any employee's superannuation contributions (including Money Purchase Additional Voluntary Contributions (MPAVCs)) that the Dentist Performer owes but which have not been superannuated elsewhere, provided that the Board has taken reasonable steps to satisfy itself that no other arrangements have been made to pay those contributions.

9. Superannuation contributions

9.1 The arrangements whereby certain dental pilot scheme employees, other than dental practitioners, were able to be members of the NHS Pension Scheme ceased with the abolition of dental pilot schemes as from 1st April 2006.

Employer's superannuation contributions of Dentist Performers

9.2 However, under the NHS Pension Scheme Regulations 1995 and 2008, the Board will be liable for paying the employer's superannuation contributions in respect of the Pensionable Earnings of dental practitioners who are employed or engaged by a contractor, who are members of the Scheme and who are—

- (a) type 1 dental practitioners (that is, Dentist Performers, other than Foundation Trainees); or

- (b) type 2 dental practitioners (that is, Foundation Trainees),

as their Employing Authority.

9.3 In practice, by virtue of entry 26(d) and 28(d) of the Schedule to the Functions Regulations, one part of the NHS BSA (the part that is acting, in effect, as agent of the Board), will be responsible for forwarding to another part of the NHS BSA (the part that acts as the Pension Scheme administrator) the employer's superannuation contributions that the Board owes in respect of these type 1 and type 2 dental practitioners. The Department of Health will:

- (a) make available to the part of the NHS BSA that is acting, in effect, as the agent of the Board in this matter the resources that it needs for forwarding these contributions;
- (b) deduct from its allocations to the Board amounts equal to the Board's liabilities that have been thus discharged.

Employee's superannuation contributions and Money Purchase Additional Voluntary Contributions of Dentist Performers

9.4 As regards the employee superannuation contributions, and any MPAVCs, the following arrangements will apply:

- (a) in the case of Foundation Trainees, although the contractor that employs him is legally responsible for ensuring that his employee superannuation contributions are deducted from his salary, in practice, these contributions will be deducted by the NHS BSA (i.e. the part of it acting, in effect, as the agent of the Board) from the reimbursement of salary payment under paragraph 12.5(b). It will then remit these employee superannuation contributions to the part of the NHS BSA that acts as the Pension Scheme administrator;
- (b) in the case of type 1 dental practitioner members of the Scheme:
 - (i) their employee superannuation contributions in respect of their Pensionable Earnings will have to be deducted by the Board from the contractor's Monthly APVPs and
 - (ii) any MPAVCs will have to be deducted by the Board from the contractor's Monthly APVPs.

9.5 In practice, the making of the deductions referred to in paragraph 9.4(b) will generally be undertaken by the NHS BSA, which has been given the power to make these deductions by virtue of entries 26(a), 28(a) and 30(a) of the Schedule to the Functions Regulations (although the Board remains ultimately responsible for the calculation of the deductions and ensuring that the deductions that are made are correct). These deductions are to be made in two stages.

Monthly deductions in respect of employee's superannuation contributions of Dentist Performers who are not Foundation Trainees

9.6 First, as is stated in paragraphs 8.5 to 8.7, deductions in respect of type 1 dental practitioners will need to be made each month from the contractor's Monthly APVPs. These

deductions are to be based on a reasonable estimate of the monthly proportion of the annual liability of each type 1 dental practitioner employed or engaged by the contractor in respect of:

- (a) the employee's superannuation contributions payable to the part of the NHS BSA that acts as the Pension Scheme administrator; and
- (b) any MPAVCs payable to an MPAVCs Provider.

9.7 The Board must take all reasonable steps to agree the amount of the deductions with the contractor and must, where requested to do so by the contractor, duly justify the amount of the monthly deductions. It must keep those amounts under review, to take account of significant changes to the contractor's income.

9.8 An amount equal to the monthly amount that the NHS BSA, acting in effect as the agent of the Board in this matter, deducts must be remitted to the part of the NHS BSA that acts as the Pension Scheme administrator, and to any relevant MPAVCs Provider, no later than:

- (a) in the case of employees' superannuation contributions:
 - (i) if the contractor's Monthly Payment Date is the first working day of the month, the nineteenth day of the month after the month to which the related earnings relate, or
 - (ii) if the contractor's Monthly Payment Date is any other date, the nineteenth day after the Monthly Payment Date on which the earnings to which the contributions relate were paid; and
- (b) in the case of MPAVCs, the seventh day after the payment from which they were deducted was paid.

End-year adjustments

9.9 After the end of any financial year, it should be possible for the Board to determine the value of the contractor's Agreement, net of:

- (a) any payments in respect of parental or sickness leave or any Monthly Seniority Payments (these are payments that are pensionable but not included in the calculation of the Agreement's Pensionable Earnings Ceiling); and
- (b) any foundation trainee salary payments, reimbursement of foundation trainee national insurance reimbursement payments, or non-domestic rates reimbursement payments (these are payments that are neither pensionable nor included in the calculation of the Agreement's Pensionable Earnings Ceiling).

9.10 This amount will be included in the Annual Reconciliation Report. The Secretary of State will have established, pursuant to the NHS Pension Scheme Regulations 1995 and 2008, what percentage of that net amount can be considered as Pensionable Earnings under that Agreement. By applying that percentage to that net amount, the Board, and the contractor, will be able to determine the Pensionable Earnings Ceiling for that agreement for that financial year.

9.11 It is a condition of a contractor's Monthly APVPs that by the date specified in paragraph 23(5) (accounts and actuarial reports) of Schedule 2 (medical and dental

practitioners) to the NHS Pension Schemes Regulations 1995, and regulation 3.J.14(4) (employing authority and certain member record keeping and contribution estimates) of the NHS Pension Scheme Regulations 2008 the contractor must return notice referred to in those provisions to the Board in accordance with those provisions.

9.13 Once the Pensionable Earnings in respect of that financial year of each Dentist Performer employed or engaged by a contractor have been notified to the Board, the Board (or if the adjustments can be made by varying the Agreement, the NHS BSA, effectively acting on its behalf) must:

- (a) if the deductions of employee's superannuation contributions (including MPAVCs) from the contractor's Monthly APVPs during that financial year in respect of those earnings:
 - (i) did not cover the cost of all the employee's superannuation contributions payable in respect of those earnings:
 - (aa) deduct the amount outstanding from any Monthly APVPs payable, or from a series of Monthly APVPs payable, to the contractor, or
 - (bb) obtain payment (where no such deduction can be made) from the contractor of the amount outstanding, and it is a condition of all of the payments made pursuant to this SFE that the contractor must pay to the Board the amount outstanding, or
 - (ii) were in excess of the amount payable in respect of employee's superannuation contributions, repay the excess amount to the contractor promptly (unless in the case of an excess amount in respect of MPAVCs, the Dentist Performer elects for that amount to be a further contribution and is entitled to so elect); and
- (b) forward any outstanding employee's superannuation contributions due in respect of those earnings to the part of the NHS BSA that acts as the Pension Scheme administrator or the relevant MPAVCs Provider (having regard to the payments it has already made on account in respect of those Dentist Performers for that financial year).

9.14 The functions of the Board in respect of the NHS Pension Scheme Regulations 1995 and 2008 are exercisable by the NHS BSA in accordance with regulation 2(1) and (2) of, and entries 26, 28 and 29 in columns 2 and 3 of the Schedule to the Functions Regulations.

10. Specified services

10.1 Specified services is a collective term for additional services, excluding orthodontics, advanced mandatory services and other services that may be delivered through a contract. Specified services include, but are not limited to:

- (a) domiciliary services
- (b) sedation services
- (c) advanced mandatory services, such as minor oral surgery
- (d) access services, which are generally defined as services that have been commissioned by the Board to provide NHS care to those people who cannot routinely access NHS care

- (e) out of hours unscheduled care services. For NHS dental services the term “out-of-hours” does not refer to a fixed universally agreed period, but refers to services provided outside the scheduled opening hours of a particular surgery. Out of hours unscheduled care services are generally defined as services that have been commissioned by the Board to provide emergency dental services for residents and visitors to an area who are not routinely under the care of a dentist, and who require urgent treatment arrangements to address severe pain or prevent significant deterioration in oral health.

10.2 At the commencement of the Agreement, the Board and contractor must:

- (a) identify and agree the range of specified services that are included in the underlying PDS agreement
- (b) agree the value of the specified services that is being separated from the underlying PDS agreement and this must be subtracted from the NAPV of the Agreement in line with paragraph 3.2c, 5.2c and 7.2c
- (c) agree the level of service or activity that is to be provided for each of the specified services.

10.3 The contractor is remunerated for these services by additional payments on top of the calculations in Parts 1, 2 and 3. The intention is that remuneration for the mandatory component of these services is effectively done through the main payment and that these additional payments reflect the additional costs of delivering these services.

Agreeing and revising Annual Specified Services Payments

10.4 Where the contractor is to provide specified services under an Agreement for or during part of a financial year, the Board must agree with the contractor an annual (or annualised for part years) level of service or activity involving each specified service for that financial year and an annual (or annualised for part years) sum to be paid in respect of those courses of treatment. This amount is known as the Annual Specified Services Payment (ASSP) and is to be paid in monthly instalments.

10.5 If that number of courses of treatment involving specified services is revised, a new ASSP will have to be established for that contractor. If that variation takes effect during the year, the revised ASSP for that contract shall be an annual (or annualised for the part year) amount for calculation purposes, even though only a proportion of that annual amount will in fact be payable

Annual uprating of ASSPs

10.6 If:

- (a) at the start of a financial year, a contractor was in receipt of Monthly ASSPs in respect of the last month of the previous financial year; and
- (d) the number of courses of treatment involving specified services that the contractor is required to provide is unchanged,

the amount of its ASSP is to be updated by a percentage amount to be determined by the Secretary of State. It is intended that at the start of each financial year this SFE will be amended so as to include that percentage increase.

Initial value of Monthly ASSPs

10.7 Once the contractor's first ASSP has been established, that amount is to be divided by twelve, and subject to paragraphs 10.10 to 10.14, the result is the first gross value of the contractor's Monthly ASSPs.

10.8 If the contractor's contractual arrangement to provide a specified number of courses of treatment involving specified services took effect other than on the first day of a month, the gross value of its Monthly ASSPs in respect of the first part-month of this contractual arrangement is to be adjusted by a factor which is produced by dividing:

- (a) the number of days during the month for which the contractual arrangements to provide specified services have effect; by
- (b) the total number of days in that month.

10.9 That gross value (expressed as a monthly value, in cases where the relevant contractual arrangement took effect other than on the first day of the month) will remain the basis for the calculation of the net value of the contractor's Monthly ASSPs, until that initial value is next revised.

Revision of the initial value of Monthly ASSPs

10.10 The gross value of a contractor's Monthly ASSPs will have to be revised where, for any reason, its ASSP is revised (for example, to take account of annual uprating or where the contractor's specified number of courses of treatment involving specified services is changed).

10.11 If the contractor's ASSP is revised for the start of a month, the new gross value of its Monthly ASSPs (until its ASSP is next revised again) is its new ASSP divided by twelve. If its ASSP changes during a month, the new gross value of its Monthly ASSPs (until its ASSP is next revised again):

- (a) for the month after the month during which its ASSP changed, is its new ASSP divided by 12; or
- (b) for the month during which its ASSP changed, is the aggregate of the following amounts:
 - (i) the amount produced by dividing the number of days during the month before the change by the total number of days in that month, and multiplying that fraction by the old initial value of the contractor's Monthly ASSPs, plus
 - (ii) the amount produced by dividing the number of days during the month for which the contractor had a new ASSP by the total number of days in that month, and multiplying that fraction by the new initial value of the contractor's Monthly ASSPs.

10.12 Once the gross value of a contractor's Monthly ASSPs has been established for any particular month (subject to paragraph 10.14), the Board must go on to establish the net value of the contractor's Monthly ASSPs, which is the amount actually to be paid.

NHS charges and employee's superannuation contributions

10.13 The NHS charges in respect of the courses of treatment involving specified services should be deducted from the contractor's Monthly APVPs, so no deduction will need be made in respect of those from the Monthly ASSPs. Any employee's superannuation contributions attributable to the Monthly ASSPs will be deducted from the Monthly APVPs rather than the ASSPs. However, as both Monthly APVPs and ASSPs are payable at the same time, this distinction will generally only have accounting rather than practical implications.

Deductions in respect of overpayments etc.

10.14 Deductions may need to be made from the Monthly ASSPs under the administrative provisions in Section 16 of this SFE, to take account of matters such as overpayments. In accounting terms, these deductions may alter the gross value of the Monthly ASSP in question or the gross value of another payment, but either way it will alter the net value of the Monthly ASSP in question.

Net value of the contractor's first Monthly ASSPs

10.15 The gross value of a contractor's Monthly ASSPs, minus any deductions as mentioned in paragraph 10.14, is the net value of the contractor's first Monthly ASSPs, which is the amount actually to be paid. This amount becomes payable on the first working day of the month after the month to which the Monthly ASSP relates.

Conditions attached to Monthly ASSPs

10.16 Monthly ASSPs, or any part of such payments, are only payable if the contractor satisfies the following conditions:

- (a) the contractor must make available any information which the Board does not have but needs (including the returns required by virtue of paragraph 39 of Schedule 3 to the PDS Agreements Regulations and direction 11 of the Directions), and which the contractor either has or could reasonably be expected to obtain, in order to calculate the contractor's Monthly ASSPs;
- (b) all information supplied pursuant to or in accordance with this paragraph must be accurate.

10.17 If the contractor breaches any condition of its Monthly ASSPs that is set out in this SFE (including the conditions that are set out in paragraph 10.16), the Board may, in appropriate circumstances, withhold payment of any or any part of a Monthly ASSP that is otherwise payable.

11. Seniority Payments

11.1 Seniority payments are monthly payments to a contractor in respect of individual Dentist Performers who satisfy the eligibility criteria.

Eligibility criteria

11.2 A contractor is entitled to receive a seniority payment in respect of a Dentist Performer employed or engaged by it if the Dentist Performer:

- (a) reached the age of 55 years:
 - (i) before 1st January 2006, and was entitled to and in receipt of a seniority payment pursuant to Determination III of the SDR (set out in the Annex D to this SFE) in respect of the last quarter of the financial year 2005 to 2006, or
 - (ii) between 1st January 2006 and 31st March 2006 inclusive, and would have been entitled to a seniority payment pursuant to Determination III of the SDR in respect of the last quarter of the financial year 2005 to 2006 had the Dentist Performer reached the age of 55 years in the previous quarter of that financial year;

- (b) reached the age of 55 years before 1st April 2006, and–
 - (i) in the last quarter of the financial year 2005 to 2006, the Dentist Performer was employed or engaged by a pilot scheme provider, and
 - (ii) the Dentist Performer would have been entitled to a seniority payment pursuant to Determination III of the SDR in respect of that quarter had the Dentist Performer –
 - (aa) instead provided services under section 35 of the NHS Act 1977 in that quarter, and
 - (bb) reached the age of 55 years before 1st January 2006 (whether or not the Dentist Performer did in fact do so);

- (c) reached the age of 55 years between 1st April 2006 and 31st March 2011 inclusive (although the Dentist Performer’s eligibility is treated as starting in the month after the month during which the Dentist Performer’s birthday falls), and–
 - (i) in the last quarter of the financial year 2005 to 2006, the Dentist Performer provided services under section 35 of the 1977 Act or a pilot scheme agreement; and
 - (ii) would have been entitled to a seniority payment pursuant to Determination III of the SDR in respect of that quarter had the Dentist Performer–
 - (aa) in the case of a person who provided services under a pilot scheme agreement in that quarter, provided services under section 35 of the 1977 Act in that quarter; and
 - (bb) reached the age of 55 years in the previous quarter of that financial year.

11.3 Additionally, a contractor is entitled to receive a seniority payment in respect of a Dentist Performer employed or engaged by it only if:

- (a) the person in respect of whom the payment is made remains included in the Dental Performers List;
- (b) the person in respect of whom the payment is made is not in receipt of a pension payment under the NHS pension scheme in any month in which the contractor claims a Monthly Seniority Payment in respect of him; and
- (c) the amount of the payment, together with the amount of any other Monthly Seniority Payment received by any other contractor participating in the Capitation and Quality Scheme 2, or any other PDS agreement or GDS Contract Holder, in respect of that Dentist Performer for the same month is less than £662.

Applications for a seniority payment

11.4 Where a Dentist Performer satisfies the eligibility criteria specified in paragraph 11.2(a) or (b), in order to obtain its first Monthly Seniority Payment in respect of that Dentist Performer, the contractor must notify the Board in writing:

- (a) that the Dentist Performer is employed or engaged by the contractor; and
- (b) of any other Monthly Seniority Payments which any other contractor participating in the Capitation and Quality Scheme 2, or any other PDS agreement or GDS Contract Holder is claiming in respect of that Dentist Performer for any month to which the contractor's claim relates.

11.5 Where a Dentist Performer satisfies the eligibility criteria specified in paragraph 6.2(c), in order to obtain its first Monthly Seniority Payment in respect of that Dentist Performer, the contractor must make an application to the Board on a standard form (set nationally and available electronically), and that application must include–

- (a) details of how the Dentist Performer satisfies the eligibility criteria set out in paragraph 6.2(c);
- (b) details of the Dentist Performer's estimated net monthly Pensionable Earnings (which should be the amount that features in respect of that Dentist Performer on the contractor's Monthly Payment Schedule); and
- (c) details of any other Monthly Seniority Payments which any other contractor or GDS Contract Holder who may in fact be a Scheme 2 Agreement Holder is claiming in respect of that Dentist Performer for any month to which the contractor's claim relates.

The percentage calculation and the maximum amount of Monthly Seniority Payments

11.6 The amount to which the contractor is entitled as a Monthly Seniority Payment in respect of a Dentist Performer that it employs or engages and in respect of whom the eligibility criteria are satisfied is 21.72% of the Dentist Performer's net monthly Pensionable Earnings under the contractor's Agreement in the month to which the payment relates, but the maximum amount payable in respect of each Dentist Performer in any month is ££662.

11.7 Where a Monthly Seniority Payment may be payable in respect of a particular Dentist Performer to more than one contractor participating in the Capitation and Quality Scheme 2, or to more than one PDS agreement or GDS Contract Holder, but the totals payable under each Agreement, PDS agreement or GDS contract, taken together, would (if there were no maximum amounts) exceed £662, the maximum amount payable under all the Agreements, PDS agreements or GDS contracts under which Monthly Seniority Payments may be payable in respect of that contractor is £662. The £662 must therefore be distributed proportionately between each Agreement, PDS agreement and GDS contract.

11.8 So, if the Dentist Performer earns 60% of his net monthly Pensionable Earnings from a PDS Agreement, 30% from a GDS contract and 10% from a Capitation and Quality Scheme 2 Agreement, his Monthly Seniority Payment under the PDS agreement would be £397, under the GDS contract would be £199 and under the Capitation and Quality Scheme 2 Agreement would be £66.

11.9 In practice, the apportionment will be made by the NHS BSA, as it is they who will have the necessary data about each of the relevant agreements or contracts.

Estimates of net monthly Pensionable Earnings

11.10 For the purposes of this Section, a Dentist Performer's net monthly Pensionable Earnings in respect of any month are one twelfth of his Pensionable Earnings for the financial year into which the month falls, having excluded from those earnings any Pensionable Earnings for that financial year which are attributable to a Monthly Seniority Payment.

11.11 This means that it will be impossible to know, until sometime after the end of a financial year, what the true value of the Monthly Seniority Payments during that financial year should be. Accordingly, the Board must pay, each month, an estimate of what the true value of the Monthly Seniority Payments should be, and that estimate must be the estimate of the net monthly Pensionable Earnings (i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payments) that appears in respect of the Dentist Performer on the contractor's Monthly Payment Schedule.

11.12 The amount of this monthly estimate becomes payable on the first working day of the month after the month to which the Monthly Seniority Payment relates. Any excess that falls due once the true value of the Monthly Seniority Payments is ascertained becomes payable once that true value is ascertained by the Board.

Conditions attached to Monthly Seniority Payments

11.13 Monthly Seniority Payments, or any part of such payments, are only payable if the following conditions are satisfied:

- (a) the contractor must make available to the Board any information which the Board does not have but needs, and the contractor either has or could reasonably be expected to obtain, in order to calculate the payment;
- (b) the contractor must notify the Board of any change in the amount of the net monthly Pensionable Earnings (i.e. net of any Pensionable Earnings that are

- attributable to any Monthly Seniority Payments) of the Dentist Performers employed or engaged by it; and
- (c) all information provided pursuant to or in accordance with this paragraph must be accurate.

11.14 If the contractor breaches any condition of its payments under this Section that is set out in this SFE (including the conditions that are set out in paragraph 11.13), the Board may, in appropriate circumstances, withhold payment of any or any part of a payment under this Section that is otherwise payable.

12. Payments in respect of foundation training

12.1 Payments in respect of foundation training are payments to a contractor who employs a Foundation Trainee. They are intended to meet the salary costs of employing the Foundation Trainee, provide payment to the Dentist Performer who is providing the foundation training to the Foundation Trainee and to provide a payment to the contractor to cover service costs. The payments are only intended to meet the costs of providing foundation training to those graduates who are required to complete one year's foundation training to remain on the Dental Performers List (apart from any "relevant period of employment" determined in accordance with regulation 30(2) (interpretation: foundation training) of the Performers Lists Regulations.

Eligibility for payments in respect of foundation training

12.2 A contractor will be eligible to receive payments under this Section where:

- (a) the contractor employs or engages a Dentist Performer who is a Trainer;
- (b) the contractor has employed a Foundation Trainee under a contract of employment for:
- (i) a period of one year's full-time employment (or an equivalent period of part-time employment); or
 - (ii) any other period which is a "relevant period of employment" for the purposes of regulation 30(2) (interpretation: foundation training) of the Performers Lists Regulations;
- (c) under that contract of employment, the contractor has agreed to pay the Foundation Trainee a monthly salary at a full-time (at least 35 hours per week) rate of £2,511 per month or the amount specified for that period pro rata in the Foundation Trainee is part-time; and
- (d) the Foundation Trainee is not exempt from the requirement to complete one year's foundation training to remain on the Dental Performers List (apart from any "relevant period of employment" determined in accordance with regulation 30(2) (interpretation: foundation training) of the Performer Lists Regulations.

12.3 Any attendance by a Foundation Trainee at a day release course in connection with the foundation training scheme is to be included in the calculation of his contracted hours.

Applications for payments under this Section

12.4 Where a contractor satisfies the eligibility criteria specified in paragraph 12.2, read with paragraph 12.3, in order to obtain payments in respect of foundation training, it must make an application to the Board on a standard form available set nationally and available electronically, and that application must include:

- (a) the following information:
 - (i) the name of the Foundation Trainee appointed,
 - (ii) the date when the Foundation Trainee's employment commenced,
 - (iii) the number of hours to be worked by the Foundation Trainee per week,
 - (iv) the date when the Foundation Trainee's employment will end, and
 - (v) the date of the month on which payment of the salary will be made to the Foundation Trainee;
- (b) a certificate provided by the local Postgraduate Dental Dean or Director of Postgraduate Dental Education verifying that the information provided pursuant to paragraph (a) is correct;
- (c) a declaration in writing that the contractor will pay the Foundation Trainee a monthly salary at a full-time (at least 35 hours per week) rate of £2,511 per month or the amount specified for that period pro rata if the Foundation Trainee is part-time; and
- (d) confirmation in writing from the local Postgraduate Dental Dean or Director of Postgraduate Dental Education that the Foundation Trainee must-
 - (i) complete 12 months foundation training to remain on the performers list; or
 - (ii) that the dentist must complete a "relevant period of employment" by virtue of regulation 30(2) of the Performers Lists Regulations.

Foundation training payments to be made

12.5 Provided the contractor satisfies the eligibility criteria set out in paragraph 12.2, and has applied in accordance with paragraph 12.4, the contractor is entitled to receive the following four types of foundation training payment during the currency of a training contract with a Foundation Trainee:

- (a) a training grant of £ 753 per month, if the Foundation Trainee is full-time (i.e. has contracted hours of at least 35 hours per week), or the amount specified for that period pro rata if the Foundation Trainee is part-time;
- (b) reimbursement of the salary which the contractor has paid to the Foundation Trainee, which is to be £2,511 per month, less:
 - (i) the Foundation Trainee's employee superannuation contributions (if the Foundation Trainee is a member of the NHS Pension Scheme 1995 or 2008) in respect of that Foundation Trainee's salary (see paragraph 9.4(a)), if the Foundation Trainee is full-time (i.e. has contracted hours of at least 35 hours per week), or
 - (ii) the amount specified for that period pro rata if the Foundation Trainee is part-time;
- (c) where a salary is reimbursed pursuant to sub-paragraph (b), reimbursement of the amount of any employer's national insurance contributions which are payable by the contractor in respect of that salary; and
- (d) a sum that represents the service cost to the contractor of employing the Foundation Trainee, of £5,347 per month, if the Foundation Trainee is full-

time (i.e. has contracted hours of at least 35 per week), or the amount specified for that period pro rata if the Foundation Trainee is part-time.

12.6 Again, any attendance by a Foundation Trainee at a day release course in connection with the foundation training scheme is to be included in the calculation of his contracted hours.

12.7 The payments due to a contractor under this Section become payable on the contractor's next Monthly Payment Date after the end of the month to which the claim for the payments relates, which need not be a calendar month. Only one application for payments need be made in respect of each agreed training period, and where appropriate, pro rata claims may be made in respect of part months.

Conditions attached to foundation training payments

12.8 Payments under paragraph 12.5(a), or any part of such payments, are only payable if the contractor gives that training grant to the Foundation Trainee's Trainer:

- (a) within one calendar month of receiving the training grant; and
- (b) as an element of the personal income of the Trainer, subject to any lawful deduction of income tax, national insurance and superannuation contributions.

12.9 Payments under paragraph 12.5(b) or (c), or any part of such payments, are only payable if the contractor pays the Foundation Trainee his salary under his contract of employment.

12.10 The payments under paragraph 12.5, or any part of such payments, are only payable if the following conditions are satisfied:

- (a) the Trainer in respect of whom the payments are made must remain a Trainer;
- (b) the Foundation Trainee in respect of whom the payments are made must remain employed by the contractor;
- (c) the contractor must inform the Board if there is any change of circumstances which may affect its entitlement to payments under this Section (including changes which may affect the level of the payments to which it is entitled under this Section);
- (d) the contractor must make available to the Board any information which the Board does not have but needs and the contractor either has or could reasonably be expected to obtain in order to calculate the payment; and
- (e) all information provided by the contractor pursuant to or in accordance with sub-paragraphs (c) or (d) must be accurate.

12.11 If the contractor breaches any condition of its payments under this Section that is set out in this SFE (including the conditions that are set out in paragraphs 12.8 to 12.10), the Board may, in appropriate circumstances, withhold payment of any or any part of a payment under this Section that is otherwise payable.

12.12 If there is a breach of the condition that is set out in paragraph 12.10(b), the Board may require repayment of any payment paid to which the condition relates, or may withhold payment of any other payment payable to the contractor under this SFE, to the value of the

payment paid. However, if the contract of employment is terminated by either party before it has run its full course and the Foundation Trainee does not serve out a period of notice but is instead paid an amount equal to the salary due in respect of the period of notice, the contractor will be entitled to receive payments under paragraph 12.5(b) and (c) in respect of the amount of the salary which it has paid to the Foundation Trainee in respect of the period of notice, up to a maximum of one month's salary.

13. Payments in respect of maternity, paternity and adoption leave

13.1 Employees of contractors will have rights to time off for ante-natal care, maternity leave, paternity leave, adoption leave, parental leave, time off for dependants and the right to request flexible working if they satisfy the relevant entitlement conditions under employment legislation for those types of leave. The right of partners in partnerships to these types of leave is a matter for their partnership agreement.

13.2 If an employee, a partner in a partnership or a contractor is a Dentist Performer, the contractor that employs or engages that Dentist Performer will be entitled under this Section to payments from the Board in respect of a period of maternity leave, paternity leave or adoption leave taken by that Dentist Performer, provided the eligibility criteria are satisfied and the relevant payment conditions are not breached. However, nothing in the conditions for payments to contractors under this Section shall be interpreted as qualifying a Dentist Performer's statutory rights. In any event, even if the Board is not directed in this SFE to make payments to a contractor in respect of parental leave, it may do so as a matter of discretion. The powers to do so are set out in section 96 of the 2006 Act.

Eligibility for maternity leave payments

13.3 A contractor is entitled to receive a maternity leave payment in respect of a Dentist Performer that it employs or engages if:

- (a) the Dentist Performer's name has been included in a Dental List for a period of at least 2 years, (subject to paragraph 13.7) and the last 26 weeks of that period must have been a period of continuous employment or engagement that required the performance of dental services as part of the NHS and must have immediately preceded the 15th week before the expected week of confinement;
- (b) the Dentist Performer has become pregnant and has reached, or been confined before reaching, the commencement of the 11th week before the expected week of confinement;
- (c) the Dentist Performer has ceased to perform dental services under the contractor's Capitation and Quality Scheme 2 Agreement in order to take maternity leave (which for these purposes includes leave for ante-natal care), excluding any optional keeping in touch days on which it has been agreed between the contractor and the Dentist Performer that the Dentist Performer will work; and
- (d) the payment relates to a Parental Leave Pay Period and not to a period of sickness absence.

Eligibility for paternity leave payments – birth

13.4 A contractor is entitled to receive a paternity leave payment in respect of a Dentist Performer that it employs or engages if:

- (a) the Dentist Performer's name has been included in a Dental List for a period of at least 2 years, (subject to paragraph 13.7) and the last 26 weeks of that period must have been a period of continuous employment or engagement that required the performance of dental services as part of the NHS ending with the week immediately preceding the child's date of birth;
- (b) the Dentist Performer is either:
 - (i) the father of the child; or
 - (ii) married to or the partner of the child's mother, but not the child's father;
 - (iii) has, or expects to have:
 - (aa) if the Dentist Performer is the child's father, responsibility for the upbringing of the child; or
 - (bb) if the Dentist Performer is the mother's husband or partner but not the child's father, the main responsibility, (apart from any responsibility of the mother) for the upbringing of a child.
- (c) the Dentist Performer has ceased to perform dental services under the contractor's Capitation and Quality Scheme 2 Agreement in order to take paternity leave; and
- (d) the payment relates to a Parental Leave Pay Period and not to a period of sickness absence.

Eligibility for paternity leave payments – adoption

13.5 A contractor is entitled to receive a paternity leave payment in respect of a Dentist Performer that it employs or engages if:

- (a) the Dentist Performer's name has been included in a Dental List for a period of at least 2 years (subject to paragraph 13.7) and the last 26 weeks of that period must have been a period of continuous employment or engagement that required the performance of dental services as part of the NHS ending with the week in which the child is adopted;
- (b) the Dentist Performer is either:
 - (i) married to, or the partner of the child's adopter; and
 - (ii) has, or expects to have, the main responsibility (apart from the responsibility of the adopter) for the upbringing of the child;
- (c) the Dentist Performer has ceased to perform dental services under the contractor's Capitation and Quality Scheme 2 Agreement in order to take paternity leave; and
- (d) the payment relates to a Parental Leave Pay Period and not to a period of sickness absence.

Eligibility for adoption leave payments

13.6 A contractor is entitled to receive an adoption leave payment in respect of a Dentist Performer that it employs or engages if:

- (a) the Dentist Performer's name has been included in a Dental List for a period of at least 2 years, (subject to paragraph 13.7) and the last 26 weeks of that period must have been a period of continuous employment or engagement that required the performance of dental services as part of the NHS and must have immediately preceded the date of the adoption;
- (b) the Dentist Performer has become the adoptive parent of a child and is the main care provider for that child;
- (c) the Dentist Performer has ceased to provide dental services under the contractor's Capitation and Quality Scheme 2 Agreement in order to take adoption leave; excluding any optional keeping in touch days on which it has been agreed between the contractor and the dentist performer that the dentist performer will work; and
- (d) the payment relates to a Parental Leave Pay Period and not to a period of sickness absence.

Parental leave for those who have undertaken approved foundation training

13.7 In the case of a Dentist Performer who has undergone one year's approved foundation training, the 2 years mentioned in paragraphs 13.3(a), 13.4(a), 13.5(a) and 13.6(a) shall be reduced to one year.

Meaning of "Parental Leave Pay Period"

13.8 In this Section, "Parental Leave Pay Period" means:

- (a) in the case of a maternity leave payment, a period not exceeding 26 weeks commencing:
 - (i) not earlier than the 11th week before the expected week of confinement, nor later than the expected week of confinement, or
 - (ii) if confinement occurs prior to the eleventh week before the expected week of confinement, on the Monday immediately before the actual date of confinement,
 in respect of which a claim for payments is made by or in respect of a person taking maternity leave (which for these purposes includes leave for ante-natal care) under this Section;
- (b) in the case of a paternity payment, a period not exceeding 2 weeks commencing within 26 weeks of the date of the relevant birth or adoption and in respect of which a claim for payments is made by or in respect of a person taking paternity leave under this Section;
- (c) in the case of an adoption leave payment, a period not exceeding 26 weeks which immediately follows the date of the adoption and in respect of which a claim for payments is made by or in respect of a person taking adoption leave under this Section.

Applications for parental leave payments

13.9 Where a Dentist Performer satisfies the eligibility criteria specified in paragraphs 13.3, 13.4, 13.5 or 13.6, in order to obtain parental leave payments in respect of that Dentist Performer, the contractor must make an application to the Board on a standard form (set nationally and available electronically), and that application must include:

- (a) the intended dates of the Dentist Performer's Parental Leave Pay Period (i.e. the Parental Leave Pay Period in respect of which the application is being made); and
- (b) details of the Dentist Performer's estimated net monthly Pensionable Earnings (which should be based on the last pension declaration statement).

13.10 If the application is in respect of maternity leave payments, the application must also include:

- (a) a maternity certificate or other statement completed by a registered medical practitioner or registered midwife, giving the expected week of confinement of the Dentist Performer or, as the case may be, the date of confinement; and
- (b) a declaration in writing from the contractor that to the best of its knowledge, with regard to the period to which the claim relates, no claim for sickness leave payments has been made under Section 14 by it or any other contractor participating in the Capitation and Quality Scheme 2, or by any other PDS Agreement Holder under the PDS SFE or by any other GDS Contract Holder under the GDS SFE.

13.11 If the application is in respect of paternity leave payments, the application must also include:

- (a) in respect of the birth of a child, written confirmation from the contractor:
 - (i) of the expected or actual date of birth, and
 - (ii) that the Dentist Performer is the husband or partner of the mother, will share responsibility for the child's upbringing and is taking time off to support the mother or to care for the child;
- (b) in respect of the adoption of a child, documents showing the date on which the child is expected to be placed for adoption or the actual date of the placement, the date the adopter was notified of having been matched with the child and written confirmation from the contractor that the Dentist Performer—
 - (i) is the partner of the main care provider,
 - (ii) will share responsibility for the child's upbringing, and
 - (iii) is taking time off to support his partner or to care for the child; and
- (c) a declaration in writing from the contractor that to the best of its knowledge, with regard to the period to which the claim relates, no claim for sickness leave payments has been made under Section 14 by it or any other contractor participating in the Capitation and Quality Scheme 2, or by any other PDS Agreement Holder under the PDS SFE or by any other GDS Contract Holder under the GDS SFE.

13.12 If the application is in respect of adoption leave payments, the application must also include:

- (a) in the case of an adoption within the United Kingdom:
 - (i) the date on which the child is expected to be placed for adoption; or
 - (ii) the actual date of the placement;

- (iii) the date the adopter was notified of having been matched with the child endorsed by the appropriate adoption agency with its name and address; or
- (iv) a matching certificate giving equivalent details;
- (b) in the case of an inter-country adoption:
 - (i) the date on which the adopter received official notification,
 - (ii) the expected date the child will enter the United Kingdom or the date upon which the child did so enter, and
 - (iii) a copy of the official notification and evidence of the date of the child's arrival;
- (c) written confirmation from the contractor that the Dentist Performer is or will be the main care provider for the child; and
- (d) a declaration in writing from the contractor that to the best of its knowledge, with regard to the period to which the claim relates, no claim for sickness leave payments has been made under Section 14 by it or any other contractor participating in the Capitation and Quality Scheme 2, or by any other PDS Agreement Holder under the PDS SFE or by any other GDS Contract Holder under the GDS SFE.

Calculation of the amount of parental leave payments and the due date

13.13 The amount to which the contractor is entitled in respect of parental leave payments is a weekly amount, calculated on the basis of the Dentist Performer's estimated monthly Pensionable Earnings (which should usually be the amount that features in respect of that Dentist Performer on the contractor's Monthly Payment Schedule, plus his estimated monthly Pensionable Earnings in respect of any Monthly Seniority Payment to which he is entitled) immediately before the parental leave is taken. This monthly amount is to be multiplied by 12 and then divided by 52 to produce the weekly amount of the parental leave payments.

13.14 That weekly amount is the amount to which the contractor is entitled in respect of each complete week of the Dentist Performer's Parental Leave Pay Period. If the last day of a week of the Dentist Performer's Parental Leave Pay Period falls in a particular month, the weekly parental leave payment in respect of that week is to fall due on the contractor's Monthly Payment Date in the following month. For these purposes, "month" means a calendar month.

Conditions attached to parental leave payments

13.15 Payments under this Section, or any part of such payments, are only payable if the following conditions are satisfied:

- (a) the Dentist Performer must not perform any dental services during the Parental Leave Pay Period under any Capitation and Quality Scheme 2 Agreement, PDS agreement or GDS contract, (other than any optional keeping in touch days on which it has been agreed between the contractor and the Dentist Performer that the Dentist Performer will work), except with the written approval of the Board; and
- (b) unless the performer dies, the Dentist Performer in respect of whom the payments are made must continue to be a Dentist Performer and continue to be employed or engaged by the contractor (if the performer does die, parental

leave payments may continue to be paid to the contractor for the balance of the Parental Leave Pay Period, provided these are forwarded by the contractor to the performer's estate); and

- (c) the contractor must continue to pay the Dentist Performer an amount equivalent to the Dentist Performer's estimated net Pensionable Earnings (which provided the basis for the calculation of the parental leave payment) during the Parental Leave Pay Period (or pay this to the performer's estate if the Dentist Performer dies).

13.16 If the contractor breaches any condition of its payments under this Section that is set out in this SFE (including the conditions that are set out in paragraph 13.15), the Board may, in appropriate circumstances, withhold payment of any or any part of a payment under this Section that is otherwise payable.

13.17 The computation of periods of entitlement under this section is to take into account periods of leave before this SFE comes into force. Therefore, in the case of a claim for maternity leave payment in respect of a Dentist Performer who has taken a 10 weeks period of maternity leave immediately before this SFE comes into force, there will be an entitlement to a further 16 weeks of maternity leave payment under this SFE.

14. Payments in respect of long-term sickness absence

14.1 Employees of contractors will, if they qualify for it, be entitled to statutory sick pay for 28 weeks of absence on account of sickness in any three years. The right of partners in partnership agreements to paid sickness leave is a matter for their partnership agreement.

14.2 If an employee, a partner in a partnership or a contractor is a Dentist Performer, the contractor that employs or engages that Dentist Performer will be entitled under this Section to payments from the Board in respect of a period of long term sickness absence taken by that Dentist Performer, provided the eligibility criteria are satisfied and the relevant payment conditions are not breached. However, nothing in the conditions for payments to contractors under this Section shall be interpreted as qualifying a Dentist Performer's statutory rights. In any event, even if the Board is not directed in this SFE to make payments to a contractor in respect of sickness absence, it may do so as a matter of discretion. The powers to do so are set out in section 96 of the 2006 Act.

Eligibility for sickness leave payments

14.3 A contractor is entitled to receive sickness leave payments in respect of a Dentist Performer that it employs or engages if, in respect of a complete week of sickness absence:

- (a) subject to paragraph 14.4, the Dentist Performer's name has been included in a Dental List for a period of at least 2 years, which need not be a continuous period and part or all of that period need not immediately precede the period of sickness, but during those 2 years (or that aggregate of 2 years) he must have been performing dental services as part of the NHS;
- (b) the Dentist Performer has been unable to provide dental services under the contractor's Capitation and Quality Scheme 2 Agreement because of sickness, but sickness leave payments are not payable in respect of the first 4 weeks of absence;

- (c) the Dentist Performer has been in receipt of payments under this Section for less than the maximum of 22 weeks during a period of sickness; and
- (d) the contractor is not in receipt of payments under Section 8 in respect of the Dentist Performer.

14.4 In the case of a Dentist Performer who has undergone one year's approved foundation training, the 2 years mentioned in paragraph 14.3(a) shall be reduced to one year.

14.5 Sickness leave payments are only payable in respect of a maximum of 22 weeks in any period of 52 weeks. So, for example, once sickness leave payments have been made in respect of a Dentist Performer for a continuous period of 22 weeks, it will be a further 30 weeks before the Board could again be obliged to make sickness leave payments in respect of that Dentist Performer. However, the Board may waive the eligibility criterion set out in this paragraph in any case where it considers it is reasonable in all the circumstances to do so. The computation of periods of sickness leave is to take into account periods of sickness leave before this SFE comes into force.

Applications for sickness leave payments

14.6 Where a Dentist Performer satisfies the eligibility criteria specified in paragraphs 14.3 to 14.5, in order to obtain a sickness leave payment in respect of that Dentist Performer, the contractor must make an application to the Board on a standard form (set nationally and available electronically), and that application must include:

- (a) a medical certificate, or other statement, completed by a registered medical practitioner to the effect that the Dentist Performer is incapable of work by reason of sickness; and
- (b) a declaration in writing from the contractor that to the best of its knowledge, with regard to the period to which the claim relates, no claim for parental leave payments has been made under Section 13 by it or any other contractor participating in the Capitation and Quality Scheme 2, or by any other PDS Agreement Holder under the PDS SFE or by any other GDS Contract Holder under the GDS SFE.

Calculation of the amount of sickness leave payments and the due date

14.7 The amount to which the contractor is entitled in respect of sickness leave payments is a weekly amount, calculated on the basis of the Dentist Performer's estimated monthly Pensionable Earnings (which should usually be the amount that features in respect of that Dentist Performer on the contractor's Monthly Payment Schedule, plus his estimated monthly Pensionable Earnings in respect of any Monthly Seniority Payment to which he is entitled) immediately before the sickness leave is taken. This amount is to be multiplied by 12 and then divided by 52 to produce, subject to paragraph 14.8, the weekly amount of the sickness leave payments.

14.8 The weekly amount determined in accordance with paragraph 14.7 is the amount to which the contractor is entitled in respect of each complete week during which the Dentist Performer is absent and continues to satisfy the eligibility criteria. If the last day of such a week falls in a particular month, the weekly sickness leave payment in respect of that week is

to fall due on the contractor's Monthly Payment Date in the following month. For these purposes, "month" means a calendar month.

Conditions attached to sickness leave payments

14.9 Payments under this Section, or any part of such payments, are only payable if the following conditions are satisfied:

- (a) the contractor must, if the Board so requests, provide the Board with medical certificates or other statements to the effect that the Dentist Performer is incapable of work by reason of sickness, completed by a registered medical practitioner, covering any period of absence in respect of which a sickness leave payment is being claimed;
- (b) the Dentist Performer must not perform any dental services under a PDS agreement or GDS contract or Capitation and Quality Scheme 2 Agreement during any period of absence in respect of which a sickness leave payment is claimed, except with the written approval of the Board;
- (c) unless he dies, the Dentist Performer in respect of whom the payments are made continues to be a Dentist Performer and continues to be employed or engaged by the contractor (if he does die, sickness leave payments may continue to be paid to the contractor for the balance of the 22 weeks for which sickness leave payments would otherwise have been payable, provided these are forwarded by the contractor to the Dentist Performer's estate); and
- (d) the contractor must continue to pay the Dentist Performer at least his estimated net Pensionable Earnings during his absence (or pay this to his estate if he dies).

14.10 If the contractor breaches any condition of his sickness leave payments that is set out in this SFE (including the conditions that are set out in paragraph 14.9), the Board may, in appropriate circumstances, withhold payment of any or any part of a payment under this Section that is otherwise payable.

15. Reimbursement of non-domestic rates

15.1 Under this Section, a contractor may be able to claim reimbursement of the Non-domestic Rates payable in relation to any premises at which it provides services under its Agreement.

Eligibility for reimbursement of non-domestic rates

15.2 A contractor is entitled to receive reimbursement of payments in respect of its non-domestic rates for practice premises if, in any financial year:

- (a) it is a Non-Domestic Ratepayer or, where the contractor is a partnership, one of the partners comprising the partnership is the Non-Domestic Ratepayer, as regards the hereditament that comprises or includes the practice premises and in respect of which the claim is made ("the Hereditament"); and
- (b) subject to paragraph 15.3, the total value of the primary dental services provided at the practice premises as part of the NHS is not less than £25,000.

15.3 The Board may waive the eligibility criterion in paragraph 15.2(b) in any case where it considers it is reasonable in all the circumstances to do so.

Applications for reimbursement of non-domestic rates

15.4 Provided the contractor satisfies the eligibility criteria specified in paragraph 15.2, read with paragraph 15.3, in order to obtain reimbursement in respect of its non-domestic rates, it must make an application to the Board on a standard form (set nationally and available electronically), and that application must include:

- (a) the Demand Notice for the financial year to which the claim relates, or a copy of it certified by the Billing Authority;
- (b) in respect of the Hereditament:
 - (i) a receipt from the Billing Authority for the whole amount or, if the contractor pays the annual amount in two instalments, half the amount of the contractor's (or the partner's) annual liability for non-domestic rates, specified in the Demand Notice, or
 - (ii) if the contractor (or the partner) pays its non-domestic rates by monthly instalments, details of the amount to be paid each month, the date the payments are due to commence and the date the payments are due to cease, together with the Demand Notice specifying the monthly instalments due; and where the contractor wishes to be reimbursed in a lump sum after payment of all the instalments, it must provide proof of payment for the whole amount specified in the Demand Notice;
- (c) a declaration in writing from the contractor specifying the proportion, expressed as a percentage, which its income under its Capitation and Quality Scheme 2 Agreement bears to the gross income of the Hereditament from the provision of dental services (i.e. from both NHS and private work) during the last 6 months of the financial year preceding the financial year in respect of which the claim for reimbursement is being made; and
- (d) a declaration in writing from the contractor undertaking, if requested to do so by the Board, within three months of receiving such a request to provide to the Board documentary evidence sufficient to demonstrate accurately the proportion that its income under its Capitation and Quality Scheme 2 Agreement bore to the gross income of the Hereditament from the provision of dental services (i.e. from both NHS and private work) in the last 6 months of the financial year preceding the financial year in respect of which the claim for reimbursement is being made.

15.5 Where the contractor seeks reimbursement of an amount in respect of non-domestic rates in relation to more than one Hereditament, it shall submit to the Board a separate claim in respect of each such Hereditament.

15.6 For the purposes of this Section, the gross income of a Hereditament from the provision of dental services means the gross income from any dental services provided at or associated with the Hereditament by either the contractor or any dental practitioner that the contractor employs or engages.

Amount of non-domestic rates that may be reimbursed

15.7 The amount to which the contractor is entitled in respect of a reimbursement payment in any financial year is the amount specified in the Demand Notice for that financial year less, where the gross income of the Hereditament from the provision of dental services includes any income which is not derived from its Capitation and Quality Scheme 2 Agreement, any amount (“the abatement”) calculated in accordance with paragraph 15.9.

15.8 The amount of the abatement shall be based on the percentage that the contractor is required to declare in accordance with paragraph 15.4(c). Wherever that percentage features in column 1 of the table below (as adjusted, where appropriate, in the light of further information received by the contractor, as requested in accordance with paragraph 15.4(c)) the corresponding percentage opposite that entry in column 2 is the amount, in percentage terms, of the abatement.

COLUMN 1	COLUMN 2
Proportion which the Capitation and Quality Scheme 2 Agreement income bears to the gross income of the Hereditament	Proportion of Non-domestic Rates to be abated
90% or more	No abatement
80% or more but less than 90%	10%
70% or more but less than 80%	20%
60% or more but less than 70%	30%
50% or more but less than 60%	40%
40% or more but less than 50%	50%
30% or more but less than 40%	60%
20% or more but less than 30%	70%
10% or more but less than 20%	80%
Less than 10%	90%

15.9 The amount to which the contractor is entitled falls due once the Board receives a valid application for the amount.

Conditions attached to payments under this Section

15.10 Payments under this Section, or any part of such payments, are only payable if the following conditions are satisfied:

- (a) the contractor must, as regards the Hereditament to which the payment relates, comply with its Agreement term set by virtue of paragraph 13 (premises, facilities and equipment) of Schedule 3 to the PDS Agreements Regulations.
- (b) the contractor must make available any information which the Board does not have but needs, and which the contractor either has or could reasonably be expected to obtain, in order to calculate the amount of contractor’s reimbursement payments;
- (c) the contractor must inform the Board of any changes to its circumstances which may affect its eligibility for reimbursement payments or the level of the reimbursement payments to which it may be entitled; and

- (d) all information supplied pursuant to or in accordance with sub-paragraphs (b) or (c) must be accurate.

15.11 If the contractor breaches any condition of its payments under this Section that is set out in this SFE (including the conditions that are set out in paragraph 15.10), the Board may, in appropriate circumstances, withhold payment of all or any part of a payment under this Section that is otherwise payable.

PART 5

SUPPLEMENTARY PROVISIONS COMMON TO ALL PILOT TYPES

16. Administrative provisions

Payment arrangements

16.1 Payment under this SFE will be undertaken on the Board's behalf by the NHS BSA, and will be paid on the due date. The making of the payments which are required to be paid under these Directions was made a function of the NHS BSA by virtue of entry (a) of column 2 that corresponds to entry 3 in column 1 of the Schedule to the Functions Regulations. By virtue of regulation 2(3)(b) (functions of the Board exercisable by the Authority) of those Regulations, the Board may exercise that function itself only in the event that the NHS BSA is unable to do so for reasons other than a failure by the Board to co-operate in a reasonable manner with the NHS BSA.

16.2 This means that although it remains the responsibility of the Board to determine the correct amount of the payment, (subject to the specific arrangements for making the annual adjustments determined by the Secretary of State which are set out in paragraphs 2.11, 4.11 or 6.11) it must be the NHS BSA that actually makes the payment to the contractor.

16.3 In practice, the Board will be responsible for loading payment data into the NHS BSA's computerised payment system, and this system will normally generate the amount of the payments to be made.

16.4 The NHS BSA has a responsibility (under entry 15 in column 3 of the Schedule to the Functions Regulations) for reporting to the Board evidence that it discovers in the course of carrying out its functions which it considers might be evidence of a breach of contract, an unlawful activity or an irregularity – or a matter which is otherwise unusual – but ultimate responsibility for ensuring that contractors are paid the correct amount rests with the Board. Indeed, the Board is responsible for any acts or omissions of the NHS BSA with regard to the payment functions that it has under the Functions Regulations, including the payment functions that the NHS BSA must perform on the Board's behalf (see regulation 2(4) (functions of the Board exercisable by the Authority) of the Functions Regulations).

16.5 Therefore, because the NHS BSA is effectively acting as the agent of the Board as regards the making of payments, the making of payments is referred to elsewhere in this SFE (see for example paragraph 16.7) as a function of the Board, even though the function is

performed by the NHS BSA. As mentioned in the previous paragraph, this reflects the underlying legal liability, but in practice, references in this SFE to the Board making payments will need to be construed in accordance with the arrangements for making payments described in the preceding paragraphs of this Section.

16.6 However, where reference is made in this SFE to decisions with regard to the withholding of payments or the making of deductions (see for example the next paragraph), these will need to be decisions of the Board, although the NHS BSA will be putting the decision into effect on the Board's behalf.

Overpayments and withheld amounts

16.7 Without prejudice to the specific provisions elsewhere in this SFE relating to overpayments of particular payments, if the Board makes a payment to a contractor under its Agreement pursuant to this SFE and:

- (a) the contractor was not entitled to receive all or part thereof, whether because:
 - (i) it or a person employed or engaged by it did not meet the eligibility criteria for the payment, or
 - (ii) the payment was calculated incorrectly (including where a payment on account overestimates the amount that is to fall due);
- (b) the Board was entitled to withhold all or part of the payment because of a breach of a condition attached to the payment, but is unable to do so because the money has already been paid; or
- (c) the Board is entitled to repayment of all or part of the money paid,

the Board may recover the money paid by deducting an equivalent amount from any payment payable pursuant to this SFE (in instalments, where that is appropriate), and where no such deduction can be made, it is a condition of the payments made pursuant to this SFE that the contractor must pay to the Board that equivalent amount.

16.8 Where the Board is entitled pursuant to this SFE to withhold all or part of a payment because of a breach of a payment condition, and the Board does so or recovers the money by deducting an equivalent amount from another payment in accordance with paragraph 16.7, it may, where it sees fit to do so, reimburse the contractor the amount withheld or recovered, if the breach is cured.

Underpayments and late payments

16.9 Without prejudice to the specific provisions elsewhere in this SFE relating to underpayments of particular payments, if the full amount of a payment that is payable pursuant to this SFE has not been paid before the date on which the payment falls due, then unless:

- (a) this is with the consent of the contractor; or
- (b) the amount of, or entitlement to, the payment, or any part thereof, is in dispute,

once it falls due, it must be paid promptly (see direction 12(1) of the Directions).

16.10 If the contractor's entitlement to the payment is not in dispute but the amount of the payment is in dispute, then once the payment falls due, pending the resolution of the dispute, the Board must:

- (a) pay to the contractor, promptly, an amount representing the amount that the Board accepts that the contractor is at least entitled to; and
- (b) thereafter pay any shortfall promptly, once the dispute is finally resolved.

16.11 However, if a contractor has:

- (a) not claimed a payment to which it would be entitled pursuant to this SFE if it claimed the payment; or
- (b) claimed a payment to which it is entitled pursuant to this SFE but the Board is unable to calculate the payment until after the payment is due to fall due because it does not have the information it needs in order to calculate that payment (all reasonable efforts to obtain the information having been undertaken),

that payment is (instead) to fall due on the contractor's Monthly Payment Date in the month after the month during which the Board obtains the information it needs in order to calculate the payment.

Payments on account

16.12 Where the Board and the contractor agree (but the Board's agreement may be withdrawn where it is reasonable to do so and if it has given the contractor reasonable notice thereof), the Board must pay to a contractor on account any amount that is:

- (a) the amount of, or a reasonable approximation of the amount of, a payment that is due to fall due pursuant to this SFE; or
- (b) an agreed percentage of the amount of, or a reasonable approximation of the amount of, a payment that is due to fall due pursuant to this SFE,

and if that payment results in an overpayment in respect of the payment, paragraph 16.7 applies.

Time limitation for claiming payments

16.13 Subject to paragraphs 16.14 and 16.15, contractors are only eligible for payments under this SFE if they are claimed within three months of the date on which they could first have fallen due.

16.14 Subject to paragraph 16.15, a contractor is only eligible to receive reimbursement in respect of non-domestic rates under Section 15:

- (a) where it is claiming a single payment of the full amount due as a reimbursement in respect of any financial year, if it makes a valid application within three months of the date in the Demand Notice on which the full amount of its non-domestic rates for that financial year falls due;

- (b) where it is claiming two payments, each of half the full amount due as a reimbursement in respect of any financial year, if in relation to each application for a payment it has made a valid application within three months of the date in its Demand Notice on which the corresponding six-monthly amount of its non-domestic rates for that financial year falls due;
- (c) where it is claiming reimbursement of monthly instalments of non-domestic rates in monthly instalments, if it has made a valid application within three months of the date on which the first of the monthly instalments of non-domestic rates falls due.

16.15 The Board may waive the eligibility criteria in paragraphs 16.13 and 16.14 in any case where it considers it is reasonable in all the circumstances to do so.

Payments to or in respect of suspended dentists whose suspension ceases

16.16 If the suspension of a dental practitioner from the Dental Performers List ceases, and:

- (a) that dental practitioner enters into an Agreement that takes effect for payment purposes on 1st April 2013, any payments that the dental practitioner received under a determination made under regulation 13(1) (payment during suspension) of the Performers Lists Regulations¹⁵ may be set off, equitably, against the payments that he is entitled to receive under his Agreement pursuant to this SFE; or
- (b) a contractor is entitled to any payments in respect of that dental practitioner pursuant to this SFE and a payment was made to the dental practitioner pursuant to a determination made under regulation 13(1) (payment during suspension) of the Performers Lists Regulations 2013¹⁶ but the dental practitioner was not entitled to receive all or any part thereof, the amount to which the dental practitioner was not entitled may be set off, equitably, against the payments that the contractor is entitled to in respect of him pursuant to this SFE.

Effect on periodic payments on termination of a Capitation and Quality Scheme 2 Agreement

16.17 If an Agreement under which a periodic payment (generally, the monthly agreement payments) is payable pursuant to this SFE is terminated before the end of the period to which it relates, a proportion of that payment is to fall due on the last day on which the agreement has effect. The amount of the period payment payable is to be adjusted by the fraction produced by dividing:

- (a) the number of days during the period to which the payment relates for which the Agreement has effect; by
- (b) the total number of days in that period.

¹⁵ See The Performance Lists (Suspended Dentists' NHS Earnings) Determination 2013 at Annex C

¹⁶ See The Performance Lists (Suspended Dentists' NHS Earnings) Determination 2013 at Annex C

16.18 This is without prejudice to any arrangements for the recovery of money paid under the Agreement that is recoverable as a result of the agreement terminating or any breach thereof.

Overpayment and termination of a Capitation and Quality Scheme 2 Agreement

16.19 If an Agreement is terminated before the end of the period to which it relates, under which a periodic payment (generally, the monthly agreement payments) is payable pursuant to this SFE, the Board shall perform a reconciliation of the payments made by the Board to the Contractor under the Agreement. The Board shall serve the Contractor with written details of the reconciliation as soon as reasonably practicable, and in any event no later than four months after the termination of the Agreement, in respect of all outstanding payments due to the contractor from the Board and any patient charges due to be paid by the contractor to the Board.

16.20 Payments pursuant to this SFE and the reconciliation statement referred to in paragraph 16.19:

- (a) payable to the contractor by the Board must be paid in accordance with paragraphs 16.17(a) and (b) above in respect of the amount of periodic payment payable,
- (b) that have been made to a contractor by the Board to which that contractor was not entitled may be recovered by the Board by deducting an equivalent amount from any payment payable pursuant to this SFE.

16.21 If after 2 months of the reconciliation statement being produced the contractor has not disputed the reconciliation statement, that reconciliation statement will be the amount either payable to the contractor or recoverable from the contractor, whether or not, if the reconciliation statement had been disputed, that would have led to an amended reconciliation.

16.22 Where payments pursuant to this SFE have been paid by the Board to the contractor and it is not possible for the Board to recover the money paid by deducting an equivalent amount from any payment payable pursuant to this SFE, the contractor must pay to the Board that equivalent amount in accordance with direction 12 of the Directions, and paragraph 16.7.

Dispute resolution procedures

16.23 Any dispute arising out of or in connection with this SFE between the Board and a contractor is to be resolved as a dispute arising out of or in connection with the contractor's Agreement, i.e. in accordance with the NHS dispute resolution procedures or by the courts (see Part 7 of Schedules 3 to the PDS Agreements Regulations).

16.24 The procedures require the contractor and the Board to make every reasonable effort to communicate and cooperate with each other with a view to resolving the dispute between themselves before referring it for determination.

Information returns

16.25 To enable effective monitoring and evaluation of the agreements, returns of information must be made by the contractor within a maximum of 5 working days. Specifically:

- (a) the FP17 must be submitted within a maximum of 5 working days of the course of treatment being completed;
- (b) the acceptance date of an FP17 course of treatment must be notified within a maximum of 5 working days of the treatment acceptance date;
- (c) the Oral Health Assessment / Review must be submitted within a maximum of 5 working days of the assessment / review being completed.

In practice it is expected that, given the capability of the IT systems, these returns would be made in a shorter timeframe. If the Board considers that there are reasonable grounds as to why this is not possible, the Board may waive this requirement.

Annual Reconciliation Report

16.26 The Board must, by no later than 31st August in each financial year, send the contractor an Annual Reconciliation Report, whether as part of the annual report and review required by paragraph 40 (annual report and review) of Schedule 3 to the PDS Agreements Regulations or otherwise, which shall include (but not be limited to), in respect of the previous financial year:

- (a) the total value of the contractor's Agreement, net of:
 - (i) any payments in respect of parental or sickness leave or any Monthly Seniority Payments (these are payments that are pensionable but not included in the calculation of the Agreement's Pensionable Earnings Ceiling), and
 - (ii) any foundation trainee salary payments, foundation trainee national insurance reimbursement payments, or non-domestic rates reimbursement payments (these are payments that are neither pensionable nor included in the calculation of the Agreement's Pensionable Earnings Ceiling);
- (b) the total of the initial values of the contractor's Monthly APVPs;
- (c) the total value of the deductions made to Monthly APVP s paid to the contractor, which shall be specified in two parts–
 - (i) the total amount of the NHS charges deducted, and
 - (ii) the total amount of any other deductions made under the agreement or pursuant to this SFE; and
- (d) the estimated Pensionable Earnings of each Dentist Performer who performed services under its Agreement, net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment paid in respect of the Dentist Performer.
- (e) the value of the adjustments made for capitation where applicable
- (f) the contractor's performance against the DQOF, including:
 - (i) the CAPS
 - (ii) the QP(NP)
 - (iii) the FQP(P)
 - (iv) the RP
- (g) the number of units of orthodontic activity the contractor:

- (i) was contracted to provide;
 - (ii) actually provided, based on the data submitted to the Board by the contractor, in accordance with its agreement or contract condition set by virtue of regulation 14 (units of orthodontic activity) of the PDS Agreements Regulations; and
 - (iii) where relevant, the number of units of orthodontic activity that the contractor was contracted to provide but did not provide;
 - (iv) and the payments that have been made for these units under the PDS SFE;
- (h) the total of the initial values of the contractor's Monthly ASSPs.

16.27 The Annual Reconciliation Report will draw on an annual reconciliation statement relating to the payments made under the Agreement sent by the NHS BSA to the Board pursuant to entry (b) in column 3 that corresponds to entry 3 in column 1 of the Functions Regulations.

PART 6

Termination of a Capitation and Quality Scheme 2 Agreement

17. Exit from a Capitation and Quality Scheme 2 Agreement

17.1 This Section applies in a case where the Agreement terminates as a consequence of:

- (a) the Board gives notice of intention to withdraw from the Agreement pursuant to direction 11(1) of the Directions,
- (b) the contractor gives notice of intention to withdraw from the Agreement pursuant to direction 11(3) of the Directions, and
- (c) cessation of the Capitation and Quality Scheme 2 pursuant to direction 12 of the Directions.

Right to return to underlying PDS agreement

17.2 The Board must consider, in accordance with direction 8, withdrawal from the Agreement in the circumstances set out below but not limited to:

- (a) a significant reduction in Patient Charge Revenue, calculated quarterly, from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made, which in the opinion of the Board represents a significant reductions in NHS commitment.
- (b) a significant decrease in the average weekly time given to appointments in which an element of NHS care is delivered and reported to the NHS BSA calculated on a quarterly basis, which in the opinion of the Board, significantly decreases from the level agreed at the date of the commencement of the Agreement and the Board considers that decrease to represent a significant reduction in NHS commitment, in the period which runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.

- (c) a significant decrease in the historical capitated population number after any adjustment for past underdelivery, calculated on a quarterly basis, which in the opinion of the Board, significantly decreases from the level agreed at the date of the commencement of the Agreement, and the Board considers that decrease to represent a significant reduction in NHS commitment in the period which runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.
- (d) lack of engagement by the contractor in the requirements of the evaluation and monitoring processes required under the Agreement.
- (e) the issuing of breach notices to the contractor in accordance with paragraph 71 of Schedule 3 to the PDS Agreement Regulations.

Adjustments to payments on returning to underlying PDS agreement

17.3 Where the termination is a consequence of:

- (a) the Board giving notice of intention to withdraw pursuant to direction 11(1) of the Directions, or the contractor giving notice of intention to withdraw pursuant to direction 11(3) of the Directions, and the date of termination is not the 31st of March in any year, there must be:
 - (i) no adjustment for capitation, and
 - (ii) no adjustment for performance against the DQOF, for that financial year;
- (b) the cessation of the Capitation and Quality Scheme 2, and the date of termination is not the 31st of March in any year, there must be—
 - (i) an adjustment for capitation made two months after the date of the cessation,
 - (ii) no adjustment for performance against the DQOF, for that financial year.

17.4 If the termination for whatever reason takes effect other than on the first day of a month, for the purposes of payments, the value of its last Monthly APVP in respect of the last part-month of its Agreement is to be produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

17.5 Where the termination for whatever reason takes effect at the end of the financial year financial year then the value of the last Monthly APVP will be adjusted for capitation or performance against the DQOF.

Transfer of residual value of the Capitation and Quality Scheme 2 Agreement

17.6 On termination for whatever reason of the Agreement, the residual value of the contractor's AAPV which will transfer to their underlying PDS agreement will be determined for the date on which the contractor transfers back into that underlying PDS agreement. The

AAPV must be divided by twelve with one twelfth of the AAPV transferring for each remaining month of the financial year.

17.7 If the termination for whatever reason of the Agreement takes effect for payment purposes other than on the first day of a month, the initial value of its Monthly AAVPs in respect of the first part-month of the underlying PDS agreement is to be produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

Activity requirement for the remainder of the financial year

17.8 Following the termination for whatever reason of the Agreement, the activity, expressed in UDAs, expected from a contractor on transfer back to its underlying PDS agreement must be calculated by dividing the contractor's previous agreed annual UDA activity by twelve with one twelfth of the UDA activity transferring for each remaining month of the financial year.

17.9 If the termination of the Agreement for whatever reason takes effect for the purposes of payment other than on the first day of a month, the initial value of the UDA activity in respect of the first part-month of the contractor's underlying PDS agreement is to be produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

17.10 Following the termination of the Agreement for whatever reason, any under-delivered activity, expressed in UDAs, which was "stayed" by agreement (pursuant to paragraphs 2.7, 4.7 and 6.7) between the contractor and the Board at the commencement of the Agreement will be added in full to the annual UDAs required under the PDS agreement for the remainder of the financial year in which the Agreement terminates. If the remainder of the financial year is 5 months or more the Board must, if it considers it reasonable to do so, require the contractor to deliver the activity within the financial year in which the Agreement terminates. If there is less than 5 calendar months remaining in the financial year in which the Agreement terminates, the Board must, if it considers it reasonable to do so, extend the period for delivery of the UDA activity to the "normal" 60 day minimum period from the start of the following financial year (along with any other agreed carried forward UDAs for that year).

17.11 Paragraphs 17.4, 17.5, 17.6 and 17.7 are subject to any rights the Board may have to set off against an amount payable to the contractor an amount that:

- (a) is owed by the contractor to the Board under the Agreement,
- (b) has been paid to the contractor owing to an error or in circumstances when it was not due, or
- (c) may be withheld in accordance with the Directions and the SFE, in accordance with direction 6 of the Directions.

CHAPTER TWO
PAYMENTS FOR THOSE ELECTING TO
ENTER INTO A CAPITATION AND QUALITY
SCHEME 2 AGREEMENT FROM AN
UNDERLYING GDS CONTRACT

PART 7
Type 1 Pilots

18. Negotiated Annual Pilot Value

18.1 With effect from 1st April 2013, where a contractor has elected to enter into an Agreement with the Board, the contract held by the contractor which was considered to have a Negotiated Annual Contract Value (NACV) will be deemed to have a Negotiated Annual Pilot Value – Type 1 (NAPV1) beginning on the date the Agreement commences.

18.2 Payments under a Type 1 Agreement in respect of the agreed services specified in the Agreement are to be based on a NAPV1.

18.3 Each Type 1 Agreement must specify:

- (a) services other than mandatory services to be provided, and
- (b) whether the contractor will participate in the DQOF under the Type 1 Agreement. Some Type 1 Agreements will be exempt from quality payments. These Type 1 Agreements will be designated as Type 1* Agreements before the Capitation and Quality Scheme 2 commences.

Nomination of the first Negotiated Annual Pilot Value – Type 1

18.4 At the start of the financial year – or, if a Type 1 Agreement starts after the start of the financial year, for the date on which the Type 1 Agreement takes effect – the Board must calculate for each contractor the NAPV1. The value of the NAPV1 is the same as the value of the NACV of the underlying GDS contract held by the contractor immediately before the commencement of the Agreement.

18.5 The NACV may have been updated by the percentage amount determined by the Secretary of State at the beginning of the financial year 2013 to 2014. If this has not taken place, the NACV will need to be adjusted by the percentage increase determined by the Secretary of State for the financial year 2013 to 2014 which is 1.5%.

18.6 If the payment, or any of the payments in the aggregate of payments, only relates to part of that financial year – for example, because the GDS contract held prior to the commencement of the Agreement takes effect for payment purposes after the start of the financial year, or is due to end before the end of the financial year – the part year payment or payments are to be annualised. The annualised amount of the nominated payment or

aggregate of payments is to be used as the basis of the calculation of the first NAPV1 for the contractor's Type 1 agreement.

Dealing with underdelivery of UDAs in previous financial year or in the current financial year

18.7 Where a contractor held an underlying GDS contract immediately prior to the commencement of the Agreement, it may be the case that the UDA activity the contractor was required to provide under that agreement has not been delivered by the date on which the Agreement commences. Where it is agreed between the Board and the contractor that any under-delivered activity is to be carried forward, then that amount of UDA activity will be carried forward and in effect the obligation to provide such activity is "stayed" for the duration of the Agreement. The amount of UDAs "stayed" should be set out in the contract variation. The Board will need to agree with the contractor as to how the amount of UDAs "stayed" will be provided following the termination of the Agreement.

18.8 The amount of UDA activity that should be "stayed" is calculated as:

- (a) the pro-rated amount of UDA activity that should have been delivered for the financial year to date. (Where the Board and a contractor have agreed a specific profile for delivering UDA activity during the year, this profile can be used instead of pro-rating the amount);
- (b) plus the amount of under-delivered UDA activity from the previous financial year that was agreed would be carried forward;
- (c) minus the UDA activity delivered up to the date on which the Agreement commences.

New NAPV1s where a Type 1 Agreement is revised

18.9 If, with the agreement of the Board and the contractor, the NHS commitment of the contractor changes or the services, or service levels, that a contractor is required to provide under its Type 1 Agreement is revised, a new NAPV1 will have to be established for that contractor. If the variation takes effect during the financial year, the new NAPV1 for that Agreement must be an annualised amount for calculation purposes, even though only a proportion of that annualised amount will in fact be payable for the remaining part year.

18.10 NHS commitment is the time and effort that a contractor devotes to providing NHS care. For the Type 1 Pilots it is important that the results achieved are assessed in the context of the time and effort put in by the contractor. The intent is not to manage this at a detailed level but where necessary, the Board must look at indicators to assess NHS commitment. These key indicators of NHS commitment are:

- (a) the average weekly time given to appointments in which an element of NHS care is delivered and reported to the NHS BSA calculated on a quarterly basis. The Board must review the NAPV1 where the key indicator, in the opinion of the Board, significantly decreases from the level agreed at the date of the commencement of the Agreement and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.

- (b) the historical capitated population number after any adjustment for past underdelivery, calculated on a quarterly basis. The Board must review the NAPV1 if, in the opinion of the Board, this indicator significantly decreases from the level agreed at the date of the commencement of the Agreement, and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.

Annual uprating of NAPV1s

18.11 It is intended that at the start of each financial year that this SFE applies, this SFE will be amended so as to include the percentage increase in agreement value as determined by the Secretary of State for the duration of the Capitation and Quality Scheme 2. In practice, these adjustments will be factored into Monthly APV1Ps by the NHS BSA on a national basis. The Board must not itself, therefore, adjust the amounts that it has loaded into the Payments On-Line (POL) system by these adjustments.

19. Payment of Monthly Annual Pilot Value Payments

19.1 At any point, there should be in respect of each Type 1 Agreement a NAPV1, determined in accordance with Section 18. This, in all cases, is to be an annual (or annualised) amount. For each Type 1 Agreement, the contractor's Actual Annual Pilot Value – Type 1 (AAPV1) has to be established.

19.2 The AAPV1 is calculated as:

- (a) The NAPV1; minus
- (b) an amount of the NAPV1 that is attributed to orthodontic activity, which will be paid for separately under the underlying GDS contract. If the element relating to orthodontics is not explicitly stated in the underlying contract then an amount should be agreed by the Board and contractor; and minus
- (c) an element of the NAPV1 that is due to specified services. Specified services are defined in paragraph 26.1. If the element relating to specified services is not explicitly stated in the underlying contract then an amount should be agreed by the Board and contractor.

19.3 The AAPV1 provides the basis for the calculation of the Monthly Annual Pilot Value – Type 1 Payments (APV1P) payable under the Agreement. These calculations are outlined in the rest of Section 19.

19.4 Payments for orthodontics are made in accordance with the underlying GDS contract. The Agreement will specify the value of the orthodontic services element of the NAPV1 and the number of units of orthodontic activity (“UOAs”) that the contractor is required to provide in the financial year.

19.5 Payments for specified services are outlined in Section 26.

Initial value of Monthly APV1Ps

19.6 The first initial value of a contractor's Monthly APV1Ps is to be determined for the date on which its Type 1 Agreement takes effect for payment purposes. Once the contractor's AAPV1 has been established, that amount is to be divided by twelve, and subject to paragraph 19.7, the result is the first initial value of the contractor's Monthly APV1Ps.

19.7 If the contractor's Type 1 Agreement took effect for payment purposes other than on the first day of a month, the initial value of its Monthly APV1Ps in respect of the first part-month of its Agreement is to be adjusted by a factor which is produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

19.8 That initial value (expressed as a monthly value, in cases where an Agreement took effect for payment purposes other than on the first day of the month) will remain the basis for the calculation of the net value of the contractor's Monthly APV1Ps, until that initial value is next revised.

Revision of the initial value of Monthly APV1Ps

19.9 The initial value of a contractor's Monthly APV1Ps will have to be revised where, for any reason, its AAPV1 is revised.

19.10 If the contractor's AAPV1 is revised for the start of a month, the new initial value of its Monthly APV1Ps (until its AAPV1 is next revised) is its new AAPV1 divided by twelve. If its AAPV1 changes during a month, the initial value of its Monthly APV1Ps (until its AAPV1 is next revised again) is:

- (a) for the month after the month during which its AAPV1 changed, its AAPV1 divided by 12; or
- (b) for the month during which its AAPV1 changed, the aggregate of the following amounts—
 - (i) the amount produced by dividing the number of days during the month before the change by the total number of days in that month, and multiplying that fraction by the old initial value of the contractor's Monthly APV1Ps, plus
 - (ii) the amount produced by dividing the number of days during the month for which the contractor had a new AAPV1 by the total number of days in that month, and multiplying that fraction by the new initial value of the contractor's Monthly APV1Ps

19.11 Once the initial value of a contractor's Monthly APV1Ps has been established for any particular month, the Board must go on to establish the net value of the contractor's Monthly APV1Ps, which is the amount actually to be paid.

Deductions in respect of NHS charges

19.12 Deductions should be made in respect of NHS charges in line with paragraphs 24.1 to 24.3 in Part 10 of this SFE.

19.13 The Monthly APV1P value produced after the deduction described in paragraph 24.3 has been made is, subject to paragraph 19.14, the gross value of the contractor's Monthly APV1P for that month (i.e. the value before the deduction of employee's superannuation contributions).

Deductions in respect of overpayments etc.

19.14 Deductions may need to be made to the amount determined in accordance with paragraph 24.3 under the administrative provisions in Section 32 of this SFE, to take account of matters such as overpayments. In accounting terms, these deductions may alter the gross value of the Monthly APV1P in question or the gross value of another payment, but either way they will alter the net value of the Monthly APV1P in question.

Deductions in respect of LDC levies

19.15 Any agreed deduction for LDC levies in line with paragraph 24.4 will be deducted by the Board from the contractor's Monthly APV1Ps.

Deductions in respect of employee's superannuation contributions

19.16 Deductions should be made in respect of employee's superannuation contributions in line with paragraphs 24.5 to 24.7 in Part 10 of this SFE.

Net value of the contractor's first Monthly APV1Ps

19.17 The gross value of a contractor's Monthly APV1Ps, minus any necessary deductions as mentioned in paragraphs 19.12 to 19.16, and minus any voluntary deductions that the contractor has asked to be made, is the net value of the contractor's first Monthly APV1Ps. That amount is the amount actually to be paid. It becomes payable on the contractor's Monthly Payment Date, which is the first working day of the month after the month to which the Monthly APV1P relates.

Conditions attached to Monthly APV1Ps

19.18 Monthly APV1Ps, or any part of such payments, are only payable if the contractor satisfies the following conditions:

- (a) the contractor must make available any information which the Board does not have but needs (including the returns required by virtue of direction 9 of the Directions and the DQOF), and which the contractor either has or could reasonably be expected to obtain, in order to calculate the contractor's Monthly APV1Ps;
- (b) the contractor must make available to the Board a reasonable estimate of the net monthly Pensionable Earnings (i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment) of each Dentist Performer

- who is employed or engaged by it, and must notify the Board of any appropriate changes to that estimate; and
- (c) all information supplied pursuant to or in accordance with this paragraph must be accurate.

19.19 If the contractor breaches any condition of its Monthly APV1Ps that is set out in this SFE (including the conditions that are set out in paragraph 19.18), the Board may, in appropriate circumstances, withhold payment of all or any part of a Monthly APV1Ps that is otherwise payable.

Monthly Payment Schedule

19.20 On the due date for Monthly APV1Ps, or as soon as reasonably practicable thereafter, the Board must send to the contractor a Monthly Payment Schedule which shall include (but not be limited to):

- (a) the contractor's AAPV1;
- (b) the amount of the initial value of the contractor's Monthly APV1Ps, prior to any permitted deductions
- (c) the amount of permitted deductions, which shall be specified in two parts:
 - (i) the amount of the NHS charges that the Board has determined, in accordance with paragraph 24.3, that the contractor should have collected in respect of treatment, and
 - (ii) the amount of any other deductions that need to be made to the Monthly APV1Ps under the Agreement or pursuant to this SFE (for example, the deductions mentioned in paragraphs 19.14 to 19.16), together with the reason for any such deduction;
- (d) the amount of the Monthly APV1P following the permitted deductions;
- (e) any other payments payable to the contractor pursuant to this SFE on that due date, including where relevant an indication that a particular payment is made in respect of a named Dentist Performer; and
- (f) the estimated net monthly Pensionable Earnings of each Dentist Performer who performs services under the Agreement, i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment.

19.21 In practice, in accordance with entry 2(c) in column 2 of the Schedule to the Functions Regulations, the Monthly Payment Schedule will be sent to the contractor by the NHS BSA, who will also need to send a copy to the Board (entry 2(a) of column 3 of the Schedule to the Functions Regulations).

Annual payment adjustment for performance

19.22 The amount of payment made to each contractor during the financial year needs to be adjusted based on each contractor's payment due to performance against the DQOF. This adjustment will be made to the AAPV1. The adjustment has to be done in two stages:

- (a) Calculation of the Interim Month 12 Payment – Type 1 (IMTP1) using an estimate of year-end performance against the DQOF
- (b) Reconciliation Month 12 Payment – Type 1 (RMTP1) using final year-end performance data provided by the contractor during the financial year to take

into account any changes in performance against the DQOF since the IMTP1 was calculated. In practice, the RMTP1 is likely to be made in July of the next financial year.

These two payments are made instead of the normal APV1P in month 12.

Interim payment adjustment for performance against the Dental QOF

19.23 An estimated payment for performance against the DQOF will be made in month 12 as part of the IMTP1. For Type 1* Agreements, paragraphs 19.26 to 19.31 do not apply.

19.24 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the EAPV1s for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their EAPV1 values to determine the separate IMTP1 payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the EAPV1 values, such as two agreements providing mandatory services running within the same practice.

Calculation of the Estimated Annual Pilot Value

19.25 The Board should note that the calculation of the IMTP1 and Estimated Annual Pilot Value (EAPV1) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 24. An Estimated Month 12 APV1P is calculated in the same way as previous months. The EAPV1 is calculated by adding the Estimated Month 12 APV1P to the previous eleven APV1Ps. Where a Type 1 Agreement begins after the start of the financial year, the EAPV1 is calculated by adding the Estimated Month 12 APV1P to the APV1Ps so far during that financial year.

Calculation of the estimated payment pool relating to performance

19.26 The amount of payment available to a contractor to reward performance against the DQOF is known as the EAPV1(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the EAPV1. For example, if the EAPV1 is £10,000 and the quality weighting percentage is 10%, then the EAPV1(Full Quality Pool) in this case would be £1,000.

19.27 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the EAPV1(Primary Pool). It is calculated as the EAPV1 minus the EAPV1(Full Quality Pool).

19.28 A Contractor's Estimated Annual Performance Score (CEAPS) is calculated using the rules laid out in paragraph A.5.5 of Annex A.

19.29 The contractor's Estimated Quality Payment (Non-Peer) (EQP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$\text{EQP(NP)} = \frac{\text{CEAPS}}{1,000} \times \text{EAPV1(Full Quality Pool)}.$$

Calculation of the Interim Month 12 Payment – Type 1

19.30 The contractor's Estimated Actual Annual Pilot Value – Type 1 (EAAPV1) is then calculated by adding:

- (a) the EAPV1(Primary Pool); and
- (b) EQP(NP)

19.31 The IMTP1 is then calculated as the EAAPV1 minus the sum of the previous eleven APV1Ps. Where a Type 1 Agreement begins after the start of the financial year, the APV1Ps so far during that financial year should be subtracted. The Board should note that the normal deductions outlined in paragraphs 19.12 to 19.16 will still apply to this payment as with previous months.

19.32 For Type 1* Agreements, the IMTP1 is equal to the Estimated Month 12 APV1P. The Board should note that the normal deductions outlined in paragraphs 19.12 to 19.16 will still apply to this payment as with previous months.

Reconciliation annual payment adjustment for performance against the Dental QOF

19.33 The amount of payment made to each contractor during the financial year needs to be reconciled after all the performance data provided by the contractor is available to the NHS BSA for the purposes of payments under the DQOF. For Type 1* Agreements, paragraphs 19.36 to 19.46 do not apply.

19.34 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the FAPV1s for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their FAPV1 values to determine the separate RMTP1 payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the FAPV1 values, such as two agreements providing mandatory services running within the same practice. If combining EAPV1s for DQOF calculations occurred for the interim payment in paragraph 19.24, then the expectation is that combining the FAPV1s for DQOF calculations would occur at this stage.

Calculation of the Forecast Annual Pilot Value

19.35 The Board should note that the calculation of the RMTP1 and Forecast Annual Pilot Value (FAPV1) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 24. The Forecast Month 12 APV1P is calculated in the same way as previous months. The FAPV1 is calculated by adding the Forecast Month 12 APV1P to the previous eleven APV1Ps. Where a Type 1 Agreement begins after the start of the financial year, the FAPV1 is calculated by adding the Forecast Month 12 APV1P to the APV1Ps so far during that financial year.

Calculation of the payment pool relating to performance

19.36 The amount of payment available to a contractor to reward performance against the DQOF is known as the FAPV1(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the FAPV1. For example, if the FAPV1 is £10,000 and the quality weighting percentage is 10%, then the FAPV1 (Full Quality Pool) in this case would be £1,000.

19.37 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the FAPV1 (Primary Pool). It is calculated as the FAPV1 minus the FAPV1(Full Quality Pool).

19.38 A Contractor's Annual Performance Score (CAPS) is calculated using the rules laid out in paragraph A.5.6 of Annex A.

19.39 The contractor's Quality Payment (Non-Peer) (QP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$QP(NP) = \frac{CAPS}{1,000} \times FAPV1(\text{Full Quality Pool}).$$

19.40 The contractor's notional contribution to the peer performance payment pool is known as the FAPV1(Peer Quality Pool). It is calculated as:

$$FAPV1(\text{Peer Quality Pool}) = FAPV1(\text{Full Quality Pool}) - QP(NP)$$

19.41 The contractor's Quality Payment (Peer) (QP(P)) is the amount of money that a contractor should receive based on their performance relative to peers. It is calculated by NHS BSA in accordance with Section A.7 of Annex A and the figure is given to the Board.

19.42 It is necessary for the financial risk of commissioners to be capped within the Capitation and Quality Scheme 2. It is possible, although unlikely, that a contractor's QP(P) could be many times its NAPV1 if its performance is considerably better than the rest of the Agreements. This risk would not occur if there was an actual national pool of money to pay the QP(P)s but for the Agreements this has to be paid by the Board. Therefore the Final QP(P) (FQP(P)) is calculated as follows:

- (a) If the sum of the FAPV1(Primary Pool) plus the QP(NP) plus the QP(P) \leq 102% of FAPV1, then FQP(P) = QP(P)
- (b) If the sum of the FAPV1(Primary Pool) plus the QP(NP) plus the QP(P) $>$ 102% of FAPV1, then FQP(P) = (1.02 x FAPV1) minus the FAPV1(Primary Pool) and minus the QP(NP).

19.43 Where the QP(P) is greater than the FQP(P), the difference between the two is known as the QP(P) Residual (QP(P)R). Where the QP(P) is less than or equal to the FQP(P), then the QP(P)R is equal to £0. This value is used by NHS BSA to calculate the final element of the performance payment in line with Section A.8.

19.44 The Residual Payment (RP) is the mechanism by which the Capitation and Quality Scheme 2 ensures that all the money made available for payments under the DQOF is paid to those participating in the Scheme. The RP must be calculated by the NHS BSA in line with Section A.8.

Calculation of the Reconciliation Month 12 Payment – Type 1

19.45 The contractor's Calculated Actual Annual Pilot Value – Type 1 (CAAPV1) is then calculated by adding:

- (a) the FAPV1(Primary Pool); and
- (b) QP(NP) and
- (c) FQP(P) and
- (d) RP

19.46 The RMTP1 is then calculated as:

- (a) the CAAPV1; minus
- (b) the sum of the previous eleven APV1Ps (where a Type 1 Agreement begins after the start of the financial year, the APV1Ps so far during that financial year should be subtracted); minus
- (c) the IMTP1.

19.47 For Type 1* Agreements, the RMTP1 will be equal to £0.

19.48 The RMTP1 is paid to the contractor by the Board. If the RMTP1 is negative, the Board may withhold the value from any payments due to the contractor pursuant to direction 12 of the Directions. The Board should note that the majority of monthly deductions will have been made when the IMTP1 was paid to the contractor and therefore the Board should ensure that only deductions that have arisen out of the reconciliation process are deducted from the RMTP1.

PART 8 TYPE 2 PILOTS

20. Negotiated Annual Pilot Value

20.1 With effect from 1st April 2013, where a contractor has elected to enter into an Agreement with the Board, the contract held by the contractor which was considered to have a Negotiated Annual Contract Value (NACV) will be deemed to have a Negotiated Annual Pilot Value – Type 2 (NAPV2) beginning on the date the Agreement commences.

20.2 Payments under a Type 2 Agreement in respect of the agreed services specified in the Agreement are to be based on a NAPV2.

20.3 Each Type 2 Agreement must specify:

- (a) services other than mandatory services that are to be provided; and

- (b) whether the contractor will participate in the DQOF under the Type 2 Agreement. Some Type 2 Agreements will be exempt from quality payments. These Type 2 Agreements will be designated as Type 2* Agreements before the Capitation and Quality Scheme 2 commences.

Nomination of the first Negotiated Annual Pilot Value – Type 2

20.4 At the start of the financial year – or, if a Type 2 Agreement starts after the start of the financial year, for the date on which the Type 2 Agreement takes effect – the Board must calculate for each contractor the NAPV2. The value of the NAPV2 is the same as the value of the NACV of the underlying GDS contract held by the contractor immediately before the commencement of the Agreement.

20.5 The NACV may have been updated by the percentage amount determined by the Secretary of State at the beginning of the financial year 2013 to 2014. If this has not taken place, the NACV will need to be adjusted by the percentage increase determined by the Secretary of State for the financial year 2013 to 2014 which is 1.5%.

20.6 If the payment, or any of the payments in the aggregate of payments, only relates to part of that financial year – for example, because the GDS contract held prior to the commencement of the Agreement takes effect for payment purposes after the start of the financial year, or is due to end before the end of the financial year – the part year payment or payments are to be annualised. The annualised amount of the nominated payment or aggregate of payments is to be used as the basis of the calculation of the first NAPV2 for the contractor’s Type 2 agreement.

Dealing with underdelivery of UDAs in previous financial year or in the current financial year

20.7 Where a contractor held an underlying GDS contract immediately prior to the commencement of the Agreement, it may be the case that the UDA activity the contractor was required to provide under that agreement has not been delivered by the date on which the Agreement commences. Where it is agreed between the Board and the contractor that any under-delivered activity is to be carried forward, then that amount of UDA activity will be carried forward and in effect the obligation to provide such activity is “stayed” for the duration of the Agreement. The amount of UDAs “stayed” should be set out in the contract variation. The Board will need to agree with the contractor as to how the amount of UDAs “stayed” will be provided following the termination of the Agreement.

20.8 The amount of UDA activity that should be “stayed” is calculated as:

- (a) the pro-rated amount of UDA activity that should have been delivered for the financial year to date. (Where the Board and a contractor have agreed a specific profile for delivering UDA activity during the year, this profile can be used instead of pro-rating the amount);
- (b) plus the amount of under-delivered UDA activity from the previous financial year that was agreed would be carried forward;
- (c) minus the UDA activity delivered up to the date on which the Agreement commences.

New NAPV2s where a Type 2 Agreement is revised

20.9 If, with the agreement of the Board and the contractor, the NHS commitment of the contractor changes or the services, or service levels, that a contractor is required to provide under its Type 2 Agreement is revised, a new NAPV2 will have to be established for that contractor. If the variation takes effect during the financial year, the new NAPV2 for that Agreement must be an annualised amount for calculation purposes, even though only a proportion of that annualised amount will in fact be payable for the remaining part year.

20.10 NHS commitment is the time and effort that a contractor devotes to providing NHS care. For the Type 2 Pilots it is important that the results achieved are assessed in the context of the time and effort put in by the contractor. The intent is not to manage this at a detailed level but where necessary, the Board must look at indicators to assess NHS commitment. These key indicators of NHS commitment are:

- (a) the average weekly time given to appointments in which an element of NHS care is delivered and reported to the NHS BSA calculated on a quarterly basis. The Board must review the NAPV2 where the key indicator, in the opinion of the Board, significantly decreases from the level agreed at the date of the commencement of the Agreement and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.
- (b) the historical capitated population number after any adjustment for past underdelivery, calculated on a quarterly basis. The Board must review the NAPV2 if, in the opinion of the Board, this indicator significantly decreases from the level agreed at the date of the commencement of the Agreement, and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.

Annual uprating of NAPV2s

20.11 It is intended that at the start of each financial year that this SFE applies, this SFE will be amended so as to include the percentage increase in agreement value as determined by the Secretary of State for the duration of the Capitation and Quality Scheme 2. In practice, these adjustments will be factored into Monthly APV2Ps by the NHS BSA on a national basis. The Board must not itself, therefore, adjust the amounts that it has loaded into the Payments On-Line (POL) system by these adjustments.

21. Payment of Monthly Annual Pilot Value Payments

21.1 At any point, there should be in respect of each Type 2 Agreement a NAPV2, determined in accordance with Section 20. This, in all cases, is to be an annual (or annualised) amount. For each Type 2 Agreement, the contractor's Actual Annual Pilot Value – Type 2 (AAPV2) has to be established.

21.2 The AAPV2 is calculated as:

- (a) The NAPV2; minus
- (b) an amount of the NAPV2 that is attributed to orthodontic activity, which will be paid for separately under the underlying GDS contract. If the element relating to orthodontics is not explicitly stated in the underlying contract then an amount should be agreed by the Board and contractor; and minus
- (c) an element of the NAPV2 that is due to specified services. Specified services are defined in paragraph 26.1. If the element relating to specified services is not explicitly stated in the underlying contract then an amount should be agreed by the Board and contractor.

21.3 The AAPV2 provides the basis for the calculation of the Monthly Annual Pilot Value – Type 2 Payments (APV2P) payable under the Agreement. These calculations are outlined in the rest of Section 21.

21.4 Payments for orthodontics are made in accordance with the underlying GDS contract. The Agreement will specify the value of the orthodontic services element of the NAPV2 and the number of units of orthodontic activity (“UOAs”) that the contractor is required to provide in the financial year.

21.5 Payments for specified services are outlined in Section 26.

Initial value of Monthly APV2Ps

21.6 The first initial value of a contractor’s Monthly APV2Ps is to be determined for the date on which its Type 2 Agreement takes effect for payment purposes. Once the contractor’s AAPV2 has been established, that amount is to be divided by twelve, and subject to paragraph 21.7, the result is the first initial value of the contractor’s Monthly APV2Ps.

21.7 If the contractor’s Type 2 Agreement took effect for payment purposes other than on the first day of a month, the initial value of its Monthly APV2Ps in respect of the first part-month of its Agreement is to be adjusted by a factor which is produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

21.8 That initial value (expressed as a monthly value, in cases where an Agreement took effect for payment purposes other than on the first day of the month) will remain the basis for the calculation of the net value of the contractor’s Monthly APV2Ps, until that initial value is next revised.

Revision of the initial value of Monthly APV2Ps

21.9 The initial value of a contractor’s Monthly APV2Ps will have to be revised where, for any reason, its AAPV2 is revised.

21.10 If the contractor’s AAPV2 is revised for the start of a month, the new initial value of its Monthly APV2Ps (until its AAPV2 is next revised) is its new AAPV2 divided by twelve. If its AAPV2 changes during a month, the initial value of its Monthly APV2Ps (until its AAPV2 is next revised again) is:

- (a) for the month after the month during which its AAPV2 changed, its AAPV2 divided by 12; or
- (b) for the month during which its AAPV2 changed, the aggregate of the following amounts–
 - (i) the amount produced by dividing the number of days during the month before the change by the total number of days in that month, and multiplying that fraction by the old initial value of the contractor's Monthly APV2Ps, plus
 - (ii) the amount produced by dividing the number of days during the month for which the contractor had a new AAPV2 by the total number of days in that month, and multiplying that fraction by the new initial value of the contractor's Monthly APV2Ps

21.11 Once the initial value of a contractor's Monthly APV2Ps has been established for any particular month, the Board must go on to establish the net value of the contractor's Monthly APV2Ps, which is the amount actually to be paid.

Deductions in respect of NHS charges

21.12 Deductions should be made in respect of NHS charges in line with paragraphs 24.1 to 24.3 in Part 10 of this SFE.

21.13 The Monthly APV2P value produced after the deduction described in paragraph 24.3 has been made is, subject to paragraph 21.14, the gross value of the contractor's Monthly APV2P for that month (i.e. the value before the deduction of employee's superannuation contributions).

Deductions in respect of overpayments etc.

21.14 Deductions may need to be made to the amount determined in accordance with paragraph 24.3 under the administrative provisions in Section 32 of this SFE, to take account of matters such as overpayments. In accounting terms, these deductions may alter the gross value of the Monthly APV2P in question or the gross value of another payment, but either way they will alter the net value of the Monthly APV2P in question.

Deductions in respect of LDC levies

21.15 Any agreed deduction for LDC levies in line with paragraph 24.4 will be deducted by the Board from the contractor's Monthly APV2Ps.

Deductions in respect of employee's superannuation contributions

21.16 Deductions should be made in respect of employee's superannuation contributions in line with paragraphs 24.5 to 24.7 in Part 10 of this SFE.

Net value of the contractor's first Monthly APV2Ps

21.17 The gross value of a contractor's Monthly APV2Ps, minus any necessary deductions as mentioned in paragraphs 21.12 to 21.16, and minus any voluntary deductions that the

contractor has asked to be made, is the net value of the contractor's first Monthly APV2Ps. That amount is the amount actually to be paid. It becomes payable on the contractor's Monthly Payment Date, which is the first working day of the month after the month to which the Monthly APV2P relates.

Conditions attached to Monthly APV2Ps

21.18 Monthly APV2Ps, or any part of such payments, are only payable if the contractor satisfies the following conditions:

- (a) the contractor must make available any information which the Board does not have but needs (including the returns required by virtue of direction 9 of the Directions and the DQOF), and which the contractor either has or could reasonably be expected to obtain, in order to calculate the contractor's Monthly APV2Ps;
- (b) the contractor must make available to the Board a reasonable estimate of the net monthly Pensionable Earnings (i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment) of each Dentist Performer who is employed or engaged by it, and must notify the Board of any appropriate changes to that estimate; and
- (c) all information supplied pursuant to or in accordance with this paragraph must be accurate.

21.19 If the contractor breaches any condition of its Monthly APV2Ps that is set out in this SFE (including the conditions that are set out in paragraph 21.18), the Board may, in appropriate circumstances, withhold payment of all or any part of a Monthly APV2Ps that is otherwise payable.

Monthly Payment Schedule

21.20 On the due date for Monthly APV2Ps, or as soon as reasonably practicable thereafter, the Board must send to the contractor a Monthly Payment Schedule which shall include (but not be limited to):

- (a) the contractor's AAPV2;
- (b) the amount of the initial value of the contractor's Monthly APV2Ps, prior to any permitted deductions
- (c) the amount of permitted deductions, which shall be specified in two parts:
 - (i) the amount of the NHS charges that the Board has determined, in accordance with paragraph 24.3, that the contractor should have collected in respect of treatment, and
 - (ii) the amount of any other deductions that need to be made to the Monthly APV2Ps under the Agreement or pursuant to this SFE (for example, the deductions mentioned in paragraphs 21.14 to 21.16), together with the reason for any such deduction;
- (d) the amount of the Monthly APV2P following the permitted deductions;
- (e) any other payments payable to the contractor pursuant to this SFE on that due date, including where relevant an indication that a particular payment is made in respect of a named Dentist Performer; and

- (f) the estimated net monthly Pensionable Earnings of each Dentist Performer who performs services under the Agreement, i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment.

21.21 In practice, in accordance with entry 2(c) in column 2 of the Schedule to the Functions Regulations, the Monthly Payment Schedule will be sent to the contractor by the NHS BSA, who will also need to send a copy to the Board (entry 2(a) of column 3 of the Schedule to the Functions Regulations).

Annual payment adjustment for capitation and performance

21.22 The amount of payment made to each contractor during the financial year needs to be adjusted based on each contractor's payment due to weighted capitation and for performance against the DQOF. This adjustment will be made to the AAPV2. The adjustment has to be done in two stages:

- (a) Calculation of the Interim Month 12 Payment – Type 2 (IMTP2) using an estimate of year-end performance on weighted capitation and performance against the DQOF
- (b) Reconciliation Month 12 Payment – Type 2 (RMTP2) using final year-end performance data provided by the contractor during the financial year to take into account any changes in performance on weighted capitation and performance against the DQOF since the IMTP2 was calculated. In practice, the RMTP2 is likely to be made in July of the next financial year.

These two payments are made instead of the normal APV2P in month 12.

Interim annual payment adjustment for weighted capitation

21.23 A notional capitation payment should be calculated for each Type 2 Agreement. This is based on the Contractor's Estimated Capitated Population (CECP). At any point, a patient is part of a CECP if the patient has:

- (a) commenced a course of treatment with that contractor, not counting any course of treatment delivered by a foundation trainee, during the previous three years; and
- (b) has not commenced a course of treatment delivered by a foundation trainee with that contractor in the intervening period since that treatment; and
- (c) has not commenced a course of treatment with another contractor in the intervening period since that treatment.

Commencing a course of treatment is defined in paragraph 34.3.

21.24 The CECP is grouped into patient cohorts in line with Table A in the Dental Capitation and Quality Scheme 2 Capitation Values document. A snapshot of the CECP is taken by the NHS BSA:

- (a) For 1st Wave Agreements on the:
 - (i) 30th June
 - (ii) 30th September
 - (iii) 31st December

- (iv) 31st March
- (b) For 2nd Wave Agreements on the:
 - (i) 31st December
 - (ii) 31st March.

21.25 The snapshots are then averaged to give the number of patients for each patient cohort for that Type 2 Agreement for the financial year. This calculation is carried out by the NHS BSA.

21.26 The number of patients for each cohort is multiplied by the patient capitation weighting for that cohort. The patient capitation weightings for the 2013/14 financial year are shown in Table A in the Dental Capitation and Quality Scheme 2 Capitation Values document. The weighted number of patients for each cohort is then summed to give the Contractor's Estimated Actual Weighted Capitated Population (CEAWCP).

21.27 At the beginning of the financial year, the Board and contractor will have agreed the Contractor's Expected Weighted Capitated Population (CEWCP). This will be a function of access levels in previous years and the mix of patients seen by that practice.

21.28 The difference between the CEAWCP and the CEWCP is calculated to give the Estimated Excess Over CEWCP (EEOCEWCP). Note that the EEOCEWCP could be a negative value.

$$\text{EEOCEWCP} = \text{CEAWCP} - \text{CEWCP}$$

21.29 The National Average Patient Capitation Remuneration Level (NAPCRL) is set nationally and published in the Dental Capitation and Quality Scheme 2 Capitation Values document. As part of the capitation calculations, the NAPCRL is adjusted to reflect the different effective UDA values and patient mix that contractors had when they entered the Agreement using the Local Capitation Adjustment Factor (LCAF). A description of how the LCAF is calculated is given in Section B.2 of Annex B.

21.30 The Board will need to establish a minimum level that the contractor's AAPV2 can be reduced because of the capitation adjustment. The default minimum level is 98% but this may need to be adjusted in cases where there has been under-delivered activity in previous years. This minimum level figure is known as the Capitation Adjustment Minimum Level (CAML). It is calculated by the NHS BSA (working with the Board) and agreed as part of the Agreement. It is based on the proportion of the contracted UDA activity that was delivered in previous years under the underlying agreement but can be adjusted dependent on the principles that are applied to decide on recovery as with other GDS contracts that the Board holds with other providers in their area.

21.31 The AAPV2 is adjusted using the following rules to produce the Estimated Adjusted AAPV2:

- (a) If $\text{CEAWCP} < \text{CEWCP}$, then Estimated Adjusted AAPV2 is the greater of:
 - (i) $\text{AAPV2} + (\text{EEOCEWCP} \times \text{NAPCRL} \times \text{LCAF})$
 - (ii) $\text{AAPV2} \times \text{CAML}$
- (b) If $\text{CEAWCP} = \text{CEWCP}$, then Estimated Adjusted AAPV2 = AAPV2
- (c) If $\text{CEAWCP} > \text{CEWCP}$, then Estimated Adjusted AAPV2 is the smaller of:

- (i) $AAPV2 + (EEOCEWCP \times NAPCRL \times LCAF)$
- (ii) $AAPV2 \times 1.02$

21.32 The Estimated Adjusted AAPV2 is used as part of the IMTP2 calculation in order to make the material adjustment to the contractor's remuneration.

Interim payment adjustment for performance against the Dental QOF

21.33 An estimated payment for performance against the DQOF will be made in month 12 as part of the IMTP2. For Type 2* Agreements, paragraphs 21.36 to 21.41 do not apply.

21.34 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the Estimated Adjusted AAPV2 values for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their Estimated Adjusted AAPV2 values to determine the separate IMTP2 payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the Estimated Adjusted AAPV2 values, such as two agreements providing mandatory services running within the same practice.

Calculation of the Estimated Annual Pilot Value

21.35 The Board should note that the calculation of the IMTP2 and Estimated Annual Pilot Value (EAPV2) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 24. An Estimated Month 12 APV2P is calculated as:

- (a) calculation as for previous months
- (b) plus the Estimated Adjusted AAPV2
- (c) minus the AAPV2.

The EAPV2 is calculated by adding the Estimated Month 12 APV2P to the previous eleven APV2Ps. Where a Type 2 Agreement begins after the start of the financial year, the EAPV2 is calculated by adding the Estimated Month 12 APV2P to the APV2Ps so far during that financial year.

Calculation of the estimated payment pool relating to performance

21.36 The amount of payment available to a contractor to reward performance against the DQOF is known as the EAPV2(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the EAPV2. For example, if the EAPV2 is £10,000 and the quality weighting percentage is 10%, then the EAPV2(Full Quality Pool) in this case would be £1,000.

21.37 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the EAPV2(Primary Pool). It is calculated as the EAPV2 minus the EAPV2(Full Quality Pool).

21.38 A Contractor's Estimated Annual Performance Score (CEAPS) is calculated using the rules laid out in paragraph A.5.5 of Annex A.

21.39 The contractor's Estimated Quality Payment (Non-Peer) (EQP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$\text{EQP(NP)} = \frac{\text{CEAPS}}{1,000} \times \text{EAPV2(Full Quality Pool)}.$$

Calculation of the Interim Month 12 Payment – Type 2

21.40 The contractor's Estimated Actual Annual Pilot Value – Type 2 (EAAPV2) is then calculated by adding:

- (a) the EAPV2(Primary Pool); and
- (b) EQP(NP)

21.41 The IMTP2 is then calculated as the EAAPV2 minus the sum of the previous eleven APV2Ps. Where a Type 2 Agreement begins after the start of the financial year, the APV2Ps so far during that financial year should be subtracted. The Board should note that the normal deductions outlined in paragraphs 21.12 to 21.16 will still apply to this payment as with previous months.

21.42 For Type 2* Agreements, the IMTP2 is calculated as the EAPV2 minus the sum of the previous eleven APV2Ps. Where a Type 2* Agreement begins after the start of the financial year, the APV2Ps so far during that financial year should be subtracted. The Board should note that the normal deductions outlined in paragraphs 21.12 to 21.16 will still apply to this payment as with previous months.

Reconciliation annual payment adjustment for weighted capitation

21.43 Two months after the end of the financial year 2013 to 2014, all FP17s should have been returned by those contractors not involved in the Capitation and Quality Scheme 2 in respect of completed courses of treatment. This will enable the NHS BSA to review the patients that are part of a contractor's population for capitation purposes. In practice there will continue to be a small amount of courses of treatment by contractors not involved in the Capitation and Quality Scheme 2 and those FP17s will be submitted later in the year after those courses of treatment are complete. These will not be included in adjustment for weighted capitation for the purposes of the agreements as the impact is expected to be minimal.

21.44 A notional capitation payment should be calculated for each Type 2 Agreement. This is based on the Contractor's Capitated Population (CCP). At any point, a patient is part of a CCP if the patient has:

- (a) commenced a course of treatment with that contractor, not counting any course of treatment delivered by a foundation trainee, during the previous three years; and
- (b) has not commenced a course of treatment delivered by a foundation trainee with that contractor in the intervening period since that treatment; and

- (c) has not commenced a course of treatment with another contractor in the intervening period since that treatment.

Commencing a course of treatment is defined in paragraph 34.3.

21.45 The CCP is grouped into patient cohorts in line with Table A in the Dental Capitation and Quality Scheme 2 Capitation Values document. A snapshot of the CCP is taken by the NHS BSA:

- (a) For 1st Wave Agreements on the:
 - (i) 30th June
 - (ii) 30th September
 - (iii) 31st December
 - (iv) 31st March
- (b) For 2nd Wave Agreements on the:
 - (i) 31st December
 - (ii) 31st March.

21.46 The snapshots are then averaged to give the number of patients for each patient cohort for that Type 2 Agreement for the financial year. This calculation is carried out by the NHS BSA.

21.47 The number of patients for each cohort is multiplied by the patient capitation weighting for that cohort. The patient capitation weightings for the 2013/14 financial year are shown in Table A in the Dental Capitation and Quality Scheme 2 Capitation Values document. The weighted number of patients for each cohort is then summed to give the Contractor's Actual Weighted Capitated Population (CAWCP).

21.48 At the beginning of the financial year, the Board and contractor will have agreed the Contractor's Expected Weighted Capitated Population (CEWCP). This will be a function of access levels in previous years and the mix of patients seen by that practice.

21.49 The difference between the CAWCP and the CEWCP is calculated to give the Excess Over CEWCP (EOCEWCP). Note that the EOCEWCP could be a negative value.

$$\text{EOCEWCP} = \text{CAWCP} - \text{CEWCP}$$

21.50 The National Average Patient Capitation Remuneration Level (NAPCRL) is set nationally and published in the Dental Capitation and Quality Scheme 2 Capitation Values document. As part of the capitation calculations, the NAPCRL is adjusted to reflect the different effective UDA values and patient mix that contractors had when they entered the Agreement using the Local Capitation Adjustment Factor (LCAF). A description of how the LCAF is calculated is given in Section B.2 of Annex B.

21.51 The minimum level that the contractor's AAPV2 can be reduced because of the capitation adjustment will have been established in paragraph 21.30. This minimum level figure is known as the CAML.

21.52 The AAPV2 is adjusted using the following rules to produce the Adjusted AAPV2:

- (a) If $\text{CAWCP} < \text{CEWCP}$, then Adjusted AAPV2 is the greater of:

- (i) $AAPV2 + (EOCEWCP \times NAPCRL \times LCAF)$
- (ii) $AAPV2 \times CAML$
- (b) If $CAWCP = CEWCP$, then Adjusted $AAPV2 = AAPV2$
- (c) If $CAWCP > CEWCP$, then Adjusted $AAPV2$ is the smaller of:
 - (i) $AAPV2 + (EOCEWCP \times NAPCRL \times LCAF)$
 - (ii) $AAPV2 \times 1.02$

21.53 The Adjusted $AAPV2$ is used as part of the $RMTP2$ calculation in order to make the material adjustment to the contractor's remuneration.

Reconciliation annual payment adjustment for performance against the Dental QOF

21.54 The amount of payment made to each contractor during the financial year needs to be reconciled after all the performance data provided by the contractor is available to the NHS BSA for the purposes of payments under the DQOF and after any adjustments due to capitation have been finalised. For Type 2* Agreements, paragraphs 21.57 to 21.67 do not apply.

21.55 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the Adjusted $AAPV2$ values for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their Adjusted $AAPV2$ values to determine the separate $RMTP2$ payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the Adjusted $AAPV2$ values, such as two agreements providing mandatory services running within the same practice. If combining Estimated Adjusted $AAPV2$ values for DQOF calculations occurred for the interim payment in paragraph 21.34, then the expectation is that combining the Adjusted $AAPV2$ values for DQOF calculations would occur at this stage.

Calculation of the Forecast Annual Pilot Value

21.56 The Board should note that the calculation of the $RMTP2$ and Forecast Annual Pilot Value ($FAPV2$) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 24. A Forecast month 12 $APV2P$ is calculated as:

- (a) calculation as for previous months
- (b) plus the Adjusted $AAPV2$
- (c) minus the $AAPV2$

The $FAPV2$ is calculated by adding the Forecast Month 12 $APV2P$ to the previous eleven $APV2Ps$. Where a Type 2 Agreement begins after the start of the financial year, the $FAPV2$ is calculated by adding the Forecast Month 12 $APV2P$ to the $APV2Ps$ so far during that financial year.

Calculation of the payment pool relating to performance

21.57 The amount of payment available to a contractor to reward performance against the DQOF is known as the $FAPV2$ (Full Quality Pool). It is calculated by applying the quality

weighting percentage given in paragraph A.6.2 of Annex A to the FAPV2. For example, if the FAPV2 is £10,000 and the quality weighting percentage is 10%, then the FAPV2(Full Quality Pool) in this case would be £1,000.

21.58 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the FAPV2(Primary Pool). It is calculated as the FAPV2 minus the FAPV2(Full Quality Pool).

21.59 A Contractor's Annual Performance Score (CAPS) is calculated using the rules laid out in paragraph A.5.6 of Annex A.

21.60 The contractor's Quality Payment (Non-Peer) (QP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$QP(NP) = \frac{CAPS}{1,000} \times FAPV2(\text{Full Quality Pool}).$$

21.61 The contractor's notional contribution to the peer performance payment pool is known as the FAPV2(Peer Quality Pool). It is calculated as:

$$FAPV2(\text{Peer Quality Pool}) = FAPV2(\text{Full Quality Pool}) - QP(NP)$$

21.62 The contractor's Quality Payment (Peer) (QP(P)) is the amount of money that a contractor should receive based on their performance relative to peers. It is calculated by NHS BSA in accordance with Section A.7 of Annex A and the figure is given to the Board.

21.63 It is necessary for the financial risk of commissioners to be capped within the Capitation and Quality Scheme 2. It is possible, although unlikely, that a contractor's QP(P) could be many times its NAPV2 if its performance is considerably better than the rest of the Agreements. This risk would not occur if there was an actual national pool of money to pay the QP(P)s but for the Agreements this has to be paid by the Board. Therefore the Final QP(P) (FQP(P)) is calculated as follows:

- (a) If the sum of the FAPV2(Primary Pool) plus the QP(NP) plus the QP(P) \leq 102% of FAPV2, then FQP(P) = QP(P)
- (b) If the sum of the FAPV2(Primary Pool) plus the QP(NP) plus the QP(P) $>$ 102% of FAPV2, then FQP(P) = (1.02 x FAPV2) minus the FAPV2(Primary Pool) and minus the QP(NP).

21.64 Where the QP(P) is greater than the FQP(P), the difference between the two is known as the QP(P) Residual (QP(P)R). Where the QP(P) is less than or equal to the FQP(P), then the QP(P)R is equal to £0. This value is used by NHS BSA to calculate the final element of the performance payment in line with Section A.8.

21.65 The Residual Payment (RP) is the mechanism by which the Capitation and Quality Scheme 2 ensures that all the money made available for payments under the DQOF is paid to those participating in the Scheme. The RP must be calculated by the NHS BSA in line with Section A.8.

Calculation of the Reconciliation Month 12 Payment – Type 2

21.66 The contractor's Calculated Actual Annual Pilot Value – Type 2 (CAAPV2) is then calculated by adding:

- (a) the FAPV2(Primary Pool); and
- (b) QP(NP) and
- (c) FQP(P) and
- (d) RP

21.67 The RMTP2 is then calculated as:

- (a) the CAAPV2; minus
- (b) the sum of the previous eleven APV2Ps (where a Type 2 Agreement begins after the start of the financial year, the APV2Ps so far during that financial year should be subtracted); minus
- (c) the IMTP2.

21.68 For Type 2* Agreements, the RMTP2 is calculated as:

- (a) the FAPV2; minus
- (b) the sum of the previous eleven APV2Ps (where a Type 2* Agreement begins after the start of the financial year, the APV2Ps so far during that financial year should be subtracted); minus
- (c) the IMTP2.

21.69 The RMTP2 is paid to the contractor by the Board. If the RMTP2 is negative, the Board may withhold the value from any payments due to the contractor pursuant to direction 12 of the Directions. The Board should note that the majority of monthly deductions will have been made when the IMTP2 was paid to the contractor and therefore the Board should ensure that only deductions that have arisen out of the reconciliation process are deducted from the RMTP2.

PART 9 TYPE 3 PILOTS

22. Negotiated Annual Pilot Value

22.1 With effect from 1st April 2013, where a contractor has elected to enter into an Agreement with the Board, the contract held by the contractor which was considered to have a Negotiated Annual Contract Value (NACV) will be deemed to have a Negotiated Annual Pilot Value – Type 3 (NAPV3) beginning on the date the Agreement commences.

22.2 Payments under a Type 3 Agreement in respect of the agreed services specified in the Agreement are to be based on a NAPV3.

22.3 Each Type 3 Agreement must specify:

- (a) services other than mandatory services that are to be provided; and
- (c) whether the contractor will participate in the DQOF under the Type 3 Agreement. Some Type 3 Agreements will be exempt from quality payments. These Type 3 Agreements will be designated as Type 3* Agreements before the Capitation and Quality Scheme 2 commences.

Nomination of the first Negotiated Annual Pilot Value – Type 3

22.4 At the start of the financial year – or, if a Type 3 Agreement starts after the start of the financial year, for the date on which the Type 3 Agreement takes effect – the Board must calculate for each contractor the NAPV3. The value of the NAPV3 is the same as the value of the NACV of the underlying GDS contract held by the contractor immediately before the commencement of the Agreement.

22.5 The NACV may have been updated by the percentage amount determined by the Secretary of State at the beginning of the financial year 2013 to 2014. If this has not taken place, the NACV will need to be adjusted by the percentage increase determined by the Secretary of State for the financial year 2013 to 2014 which is 1.5%.

22.6 If the payment, or any of the payments in the aggregate of payments, only relates to part of that financial year – for example, because the GDS contract held prior to the commencement of the Agreement takes effect for payment purposes after the start of the financial year, or is due to end before the end of the financial year – the part year payment or payments are to be annualised. The annualised amount of the nominated payment or aggregate of payments is to be used as the basis of the calculation of the first NAPV3 for the contractor’s Type 3 Agreement.

Dealing with underdelivery of UDAs in previous financial year or in the current financial year

22.7 Where a contractor held an underlying GDS contract immediately prior to the commencement of the Agreement, it may be the case that the UDA activity the contractor was required to provide under that agreement has not been delivered by the date on which the Agreement commences. Where it is agreed between the Board and the contractor that any under-delivered activity is to be carried forward, then that amount of UDA activity will be carried forward and in effect the obligation to provide such activity is “stayed” for the duration of the Agreement. The amount of UDAs “stayed” should be set out in the contract variation. The Board will need to agree with the contractor as to how the amount of UDAs “stayed” will be provided following the termination of the Agreement.

22.8 The amount of UDA activity that should be “stayed” is calculated as:

- (a) the pro-rated amount of UDA activity that should have been delivered for the financial year to date. (Where the Board and a contractor have agreed a specific profile for delivering UDA activity during the year, this profile can be used instead of pro-rating the amount);
- (b) plus the amount of under-delivered UDA activity from the previous financial year that was agreed would be carried forward;
- (c) minus the UDA activity delivered up to the date on which the Agreement commences.

New NAPV3s where a Type 3 Agreement is revised

22.9 If, with the agreement of the Board and the contractor, the NHS commitment of the contractor changes or the services, or service levels, that a contractor is required to provide under its Type 3 Agreement is revised, a new NAPV3 will have to be established for that contractor. If the variation takes effect during the financial year, the new NAPV3 for that Agreement must be an annualised amount for calculation purposes, even though only a proportion of that annualised amount will in fact be payable for the remaining part year.

22.10 NHS commitment is the time and effort that a contractor devotes to providing NHS care. For the Type 3 Pilots it is important that the results achieved are assessed in the context of the time and effort put in by the contractor. The intent is not to manage this at a detailed level but where necessary, the Board must look at indicators to assess NHS commitment. These key indicators of NHS commitment are:

- (a) the average weekly time given to appointments in which an element of NHS care is delivered and reported to the NHS BSA calculated on a quarterly basis. The Board must review the NAPV3 where the key indicator, in the opinion of the Board, significantly decreases from the level agreed at the date of the commencement of the Agreement and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.
- (b) the historical capitated population number after any adjustment for past underdelivery, calculated on a quarterly basis. The Board must review the NAPV3 if, in the opinion of the Board, this indicator significantly decreases from the level agreed at the date of the commencement of the Agreement, and the Board considers that decrease to represent a significant reduction in NHS commitment. The review period runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.

Annual uprating of NAPV3s

22.11 It is intended that at the start of each financial year that this SFE applies, this SFE will be amended so as to include the percentage increase in agreement value as determined by the Secretary of State for the duration of the Capitation and Quality Scheme 2. In practice, these adjustments will be factored into Monthly APV3Ps by the NHS BSA on a national basis. The Board must not itself, therefore, adjust the amounts that it has loaded into the Payments On-Line (POL) system by these adjustments.

23. Payment of Monthly Annual Pilot Value Payments

23.1 At any point, there should be in respect of each Type 3 Agreement a NAPV3, determined in accordance with Section 22. This, in all cases, is to be an annual (or annualised) amount. For each Type 3 Agreement, the contractor's Actual Annual Pilot Value – Type 3 (AAPV3) has to be established.

23.2 The AAPV3 is calculated as:

- (a) The NAPV3; minus
- (b) an amount of the NAPV3 that is attributed to orthodontic activity, which will be paid for separately under the underlying GDS contract. If the element relating to orthodontics is not explicitly stated in the underlying contract then an amount should be agreed by the Board and contractor; and minus
- (c) an element of the NAPV3 that is due to specified services. Specified services are defined in paragraph 26.1. If the element relating to specified services is not explicitly stated in the underlying contract then an amount should be agreed by the Board and contractor.

23.3 The AAPV3 provides the basis for the calculation of the Monthly Annual Pilot Value – Type 3 Payments (APV3P) payable under the Agreement. These calculations are outlined in the rest of Section 23.

23.4 Payments for orthodontics are made in accordance with the underlying GDS contract. The Agreement will specify the value of the orthodontic services element of the NAPV3 and the number of units of orthodontic activity (“UOAs”) that the contractor is required to provide in the financial year.

23.5 Payments for specified services are outlined in Section 26.

Initial value of Monthly APV3Ps

23.6 The first initial value of a contractor’s Monthly APV3Ps is to be determined for the date on which its Type 3 Agreement takes effect for payment purposes. Once the contractor’s AAPV3 has been established, that amount is to be divided by twelve, and subject to paragraph 23.7, the result is the first initial value of the contractor’s Monthly APV3Ps.

23.7 If the contractor’s Type 3 Agreement took effect for payment purposes other than on the first day of a month, the initial value of its Monthly APV3Ps in respect of the first part-month of its Agreement is to be adjusted by a factor which is produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

23.8 That initial value (expressed as a monthly value, in cases where an Agreement took effect for payment purposes other than on the first day of the month) will remain the basis for the calculation of the net value of the contractor’s Monthly APV3Ps, until that initial value is next revised.

Revision of the initial value of Monthly APV3Ps

23.9 The initial value of a contractor’s Monthly APV3Ps will have to be revised where, for any reason, its AAPV3 is revised.

23.10 If the contractor’s AAPV3 is revised for the start of a month, the new initial value of its Monthly APV3Ps (until its AAPV3 is next revised) is its new AAPV3 divided by twelve.

If its AAPV3 changes during a month, the initial value of its Monthly APV3Ps (until its AAPV3 is next revised again) is:

- (a) for the month after the month during which its AAPV3 changed, its AAPV3 divided by 12; or
- (b) for the month during which its AAPV3 changed, the aggregate of the following amounts–
 - (i) the amount produced by dividing the number of days during the month before the change by the total number of days in that month, and multiplying that fraction by the old initial value of the contractor's Monthly APV3Ps, plus
 - (ii) the amount produced by dividing the number of days during the month for which the contractor had a new AAPV3 by the total number of days in that month, and multiplying that fraction by the new initial value of the contractor's Monthly APV3Ps

23.11 Once the initial value of a contractor's Monthly APV3Ps has been established for any particular month, the Board must go on to establish the net value of the contractor's Monthly APV3Ps, which is the amount actually to be paid.

Deductions in respect of NHS charges

23.12 Deductions should be made in respect of NHS charges in line with paragraphs 24.1 to 24.3 in Part 10 of this SFE.

23.13 The Monthly APV3P value produced after the deduction described in paragraph 24.3 has been made is, subject to paragraph 23.14, the gross value of the contractor's Monthly APV3P for that month (i.e. the value before the deduction of employee's superannuation contributions).

Deductions in respect of overpayments etc.

23.14 Deductions may need to be made to the amount determined in accordance with paragraph 24.3 under the administrative provisions in Section 32 of this SFE, to take account of matters such as overpayments. In accounting terms, these deductions may alter the gross value of the Monthly APV3P in question or the gross value of another payment, but either way they will alter the net value of the Monthly APV3P in question.

Deductions in respect of LDC levies

23.15 Any agreed deduction for LDC levies in line with paragraph 24.4 will be deducted by the Board from the contractor's Monthly APV3Ps.

Deductions in respect of employee's superannuation contributions

23.16 Deductions should be made in respect of employee's superannuation contributions in line with paragraphs 24.5 to 24.7 in Part 10 of this SFE.

Net value of the contractor's first Monthly APV3Ps

23.17 The gross value of a contractor's Monthly APV3Ps, minus any necessary deductions as mentioned in paragraphs 23.12 to 23.16, and minus any voluntary deductions that the contractor has asked to be made, is the net value of the contractor's first Monthly APV3Ps. That amount is the amount actually to be paid. It becomes payable on the contractor's Monthly Payment Date, which is the first working day of the month after the month to which the Monthly APV3P relates.

Conditions attached to Monthly APV3Ps

23.18 Monthly APV3Ps, or any part of such payments, are only payable if the contractor satisfies the following conditions:

- (a) the contractor must make available any information which the Board does not have but needs (including the returns required by virtue of direction 9 of the Directions and the DQOF), and which the contractor either has or could reasonably be expected to obtain, in order to calculate the contractor's Monthly APV3Ps;
- (b) the contractor must make available to the Board a reasonable estimate of the net monthly Pensionable Earnings (i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment) of each Dentist Performer who is employed or engaged by it, and must notify the Board of any appropriate changes to that estimate; and
- (c) all information supplied pursuant to or in accordance with this paragraph must be accurate.

23.19 If the contractor breaches any condition of its Monthly APV3Ps that is set out in this SFE (including the conditions that are set out in paragraph 23.18), the Board may, in appropriate circumstances, withhold payment of all or any part of a Monthly APV3Ps that is otherwise payable.

Monthly Payment Schedule

23.20 On the due date for Monthly APV3Ps, or as soon as reasonably practicable thereafter, the Board must send to the contractor a Monthly Payment Schedule which shall include (but not be limited to):

- (a) the contractor's AAPV3;
- (b) the amount of the initial value of the contractor's Monthly APV3Ps, prior to any permitted deductions
- (c) the amount of permitted deductions, which shall be specified in two parts:
 - (i) the amount of the NHS charges that the Board has determined, in accordance with paragraph 24.3, that the contractor should have collected in respect of treatment, and
 - (ii) the amount of any other deductions that need to be made to the Monthly APV3Ps under the Agreement or pursuant to this SFE (for example, the deductions mentioned in paragraphs 23.14 to 23.16), together with the reason for any such deduction;
- (d) the amount of the Monthly APV3P following the permitted deductions;

- (e) any other payments payable to the contractor pursuant to this SFE on that due date, including where relevant an indication that a particular payment is made in respect of a named Dentist Performer; and
- (f) the estimated net monthly Pensionable Earnings of each Dentist Performer who performs services under the Agreement, i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment.

23.21 In practice, in accordance with entry 2(c) in column 2 of the Schedule to the Functions Regulations, the Monthly Payment Schedule will be sent to the contractor by the NHS BSA, who will also need to send a copy to the Board (entry 2(a) of column 3 of the Schedule to the Functions Regulations).

Annual payment adjustment for capitation and performance

23.22 The amount of payment made to each contractor during the financial year needs to be adjusted based on each contractor's payment due to weighted capitation for routine care and for performance against the DQOF. Payment due to complex care is unaffected. This adjustment will be made to the AAPV3. The adjustment has to be done in two stages:

- (a) Calculation of the Interim Month 12 Payment – Type 3 (IMTP3) using an estimate of year-end performance on weighted capitation for routine care and performance against the DQOF
- (b) Reconciliation Month 12 Payment – Type 3 (RMTP3) using final year-end performance data provided by the contractor during the financial year to take into account any changes in performance on weighted capitation for routine care and performance against the DQOF since the IMTP3 was calculated. In practice, the RMTP3 is likely to be made in July of the next financial year.

These two payments are made instead of the normal APV3P in month 12.

Interim annual payment adjustment for weighted capitation for routine care

23.23 For Type 3 Agreements, the amount of complex care is defined as the courses of treatment that would count as Band 3 as defined in regulation 2 of the GDS and PDS Agreements Regulations. Routine care is defined as all other NHS treatment, including that treatment which would count as Band 1, Band 2 and Band 1 Urgent, as set out in Schedules 1, 2 and 4 to the NHS Charges Regulations respectively, prescription only, repairs and replacement in the underlying GDS contract.

23.24 A notional capitation payment should be calculated for each Type 2 Agreement. This is based on the Contractor's Estimated Capitated Population (CECP). At any point, a patient is part of a CECP if the patient has:

- (a) commenced a course of treatment with that contractor, not counting any course of treatment delivered by a foundation trainee, during the previous three years; and
- (b) has not commenced a course of treatment delivered by a foundation trainee with that contractor in the intervening period since that treatment; and
- (c) has not commenced a course of treatment with another contractor in the intervening period since that treatment.

Commencing a course of treatment is defined in paragraph 34.3.

23.25 The CECP is grouped into patient cohorts in line with Table B in the Dental Capitation and Quality Scheme 2 Capitation Values document. A snapshot of the CECP is taken by the NHS BSA:

- (a) For 1st Wave Agreements on the:
 - (i) 30th June
 - (ii) 30th September
 - (iii) 31st December
 - (iv) 31st March
- (b) For 2nd Wave Agreements on the:
 - (i) 31st December
 - (ii) 31st March.

23.26 The snapshots are then averaged to give the number of patients for each patient cohort for that Type 3 Agreement for the financial year. This calculation is carried out by the NHS BSA.

23.27 The number of patients for each cohort is multiplied by the patient capitation weighting for that cohort. The patient capitation weightings for the 2013/14 financial year are shown in Table B in the Dental Capitation and Quality Scheme 2 Capitation Values document. The weighted number of patients for each cohort is then summed to give the Contractor's Estimated Actual Weighted Capitated Population (CEAWCP).

23.28 At the beginning of the financial year, the Board and contractor will have agreed the Contractor's Expected Weighted Capitated Population (CEWCP). This will be a function of access levels in previous years and the mix of patients seen by that practice.

23.29 The difference between the CEAWCP and the CEWCP is calculated to give the Estimated Excess Over CEWCP (EEOCEWCP). Note that the EEOCEWCP could be a negative value.

$$\text{EEOCEWCP} = \text{CEAWCP} - \text{CEWCP}$$

23.30 The AAPV3 is split between AAPV3 - Routine (AAPV3(R)) and AAPV3 – Complex (AAPV3(C)). This is done by NHS BSA and described in Section B.3 of Annex B.

23.31 The National Average Patient Capitation Remuneration Level - Routine (NAPCRL(R)) is set nationally and published in the Dental Capitation and Quality Scheme 2 Capitation Values document. As part of the capitation calculations, the NAPCRL(R) is adjusted to reflect the different effective UDA values and patient mix that contractors had when they entered the Agreement using the Local Capitation Adjustment Factor (LCAF). A description of how the LCAF is calculated is given in Section B.2 of Annex B.

23.32 The Board will need to establish a minimum level that the contractor's AAPV3(R) can be reduced because of the capitation adjustment. The default minimum level is 98% but this may need to be adjusted in cases where there has been under-delivered activity in previous years. This minimum level figure is known as the Capitation Adjustment Minimum Level (CAML). It is calculated by the NHS BSA (working with the Board) and agreed as part

of the Agreement. It is based on the proportion of the contracted UDA activity that was delivered in previous years under the underlying agreement but can be adjusted dependent on the principles that are applied to decide on recovery as with other GDS contracts that the Board holds with other providers in their area.

23.33 The AAPV3(R) is adjusted using the following rules to produce the Estimated Adjusted AAPV3(R):

- (a) If $CEAWCP < CEWCP$, then Estimated Adjusted AAPV3(R) is the greater of:
 - (i) $AAPV3(R) + (EEOCEWCP \times NAPCRL \times LCAF)$
 - (ii) $AAPV3(R) \times CAML$
- (b) If $CEAWCP = CEWCP$, then Estimated Adjusted AAPV3(R) = AAPV3(R)
- (c) If $CEAWCP > CEWCP$, then Estimated Adjusted AAPV3(R) is the smaller of:
 - (i) $AAPV3(R) + (EEOCEWCP \times NAPCRL \times LCAF)$
 - (ii) $AAPV3(R) \times 1.02$

23.34 The Estimated Adjusted AAPV3(R) is then added to the AAPV3(C) to give the Estimated Adjusted AAPV3.

23.35 The Estimated Adjusted AAPV3 is used as part of the IMTP3 calculation in order to make the material adjustment to the contractor's remuneration.

Interim payment adjustment for performance against the Dental QOF

23.36 An estimated payment for performance against the DQOF will be made in month 12 as part of the IMTP3. For Type 3* Agreements, paragraphs 23.39 to 23.44 do not apply.

23.37 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the Estimated Adjusted AAPV3 values for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their Estimated Adjusted AAPV3 values to determine the separate IMTP3 payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the Estimated Adjusted AAPV3 values, such as two agreements providing mandatory services running within the same practice.

Calculation of the Estimated Annual Pilot Value

23.38 The Board should note that the calculation of the IMTP3 and Estimated Annual Pilot Value (EAPV3) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 24. An Estimated Month 12 APV3P is calculated as:

- (a) calculation as for previous months
- (b) plus the Estimated Adjusted AAPV3
- (c) minus the AAPV3.

The EAPV3 is calculated by adding the Estimated Month 12 APV3P to the previous eleven APV3Ps. Where a Type 3 Agreement begins after the start of the financial

year, the EAPV3 is calculated by adding the Estimated Month 12 APV3P to the APV3Ps so far during that financial year.

Calculation of the estimated payment pool relating to performance

23.39 The amount of payment available to a contractor to reward performance against the DQOF is known as the EAPV3(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the EAPV3. For example, if the EAPV3 is £10,000 and the quality weighting percentage is 10%, then the EAPV3(Full Quality Pool) in this case would be £1,000.

23.40 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the EAPV3(Primary Pool). It is calculated as the EAPV3 minus the EAPV3(Full Quality Pool).

23.41 A Contractor's Estimated Annual Performance Score (CEAPS) is calculated using the rules laid out in paragraph A.5.5 of Annex A.

23.42 The contractor's Estimated Quality Payment (Non-Peer) (EQP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$\text{EQP(NP)} = \frac{\text{CEAPS}}{1,000} \times \text{EAPV3(Full Quality Pool)}.$$

Calculation of the Interim Month 12 Payment – Type 3

23.43 The contractor's Estimated Actual Annual Pilot Value – Type 3 (EAAPV3) is then calculated by adding:

- (a) the EAPV3(Primary Pool); and
- (b) EQP(NP)

23.44 The IMTP3 is then calculated as the EAAPV3 minus the sum of the previous eleven APV3Ps. Where a Type 3 Agreement begins after the start of the financial year, the APV3Ps so far during that financial year should be subtracted. The Board should note that the normal deductions outlined in paragraphs 23.12 to 23.16 will still apply to this payment as with previous months.

23.45 For Type 3* Agreements, the IMTP3 is calculated as the EAPV3 minus the sum of the previous eleven APV3Ps. Where a Type 3* Agreement begins after the start of the financial year, the APV3Ps so far during that financial year should be subtracted. The Board should note that the normal deductions outlined in paragraphs 23.12 to 23.16 will still apply to this payment as with previous months.

Reconciliation annual payment adjustment for weighted capitation for routine care

23.46 Two months after the end of the financial year 2013 to 2014, all FP17s should have been returned by those contractors not involved in the Capitation and Quality Scheme 2 in respect of completed courses of treatment. This will enable the NHS BSA to review the

patients that are part of a contractor's population for capitation purposes. In practice there will continue to be a small amount of courses of treatment by contractors not involved in the Capitation and Quality Scheme 2 and those FP17s will be submitted later in the year after those courses of treatment are complete. These will not be included in adjustment for weighted capitation for the purposes of the agreements as the impact is expected to be minimal.

23.47 A notional capitation payment should be calculated for each Type 3 Agreement. This is based on the Contractor's Capitated Population (CCP). At any point, a patient is part of a CCP if the patient has:

- (a) commenced a course of treatment with that contractor, not counting any course of treatment delivered by a foundation trainee, during the previous three years; and
- (b) has not commenced a course of treatment delivered by a foundation trainee with that contractor in the intervening period since that treatment; and
- (c) has not commenced a course of treatment with another contractor in the intervening period since that treatment.

Commencing a course of treatment is defined in paragraph 34.3.

23.48 The CCP is grouped into patient cohorts in line with Table B in the Dental Capitation and Quality Scheme 2 Capitation Values document. A snapshot of the CCP is taken by the NHS BSA:

- (a) For 1st Wave Agreements on the:
 - (i) 30th June
 - (ii) 30th September
 - (iii) 31st December
 - (iv) 31st March
- (b) For 2nd Wave Agreements on the:
 - (i) 31st December
 - (ii) 31st March.

23.49 The snapshots are then averaged to give the number of patients for each patient cohort for that Type 3 Agreement for the financial year. This calculation is carried out by the NHS BSA.

23.50 The number of patients for each cohort is multiplied by the patient capitation weighting for that cohort. The patient capitation weightings for the 2013/14 financial year are shown in Table B in the Dental Capitation and Quality Scheme 2 Capitation Values document. The weighted number of patients for each cohort is then summed to give the Contractor's Actual Weighted Capitated Population (CAWCP).

23.51 At the beginning of the financial year, the Board and contractor will have agreed the Contractor's Expected Weighted Capitated Population (CEWCP). This will be a function of access levels in previous years and the mix of patients seen by that practice.

23.52 The difference between the CAWCP and the CEWCP is calculated to give the Excess Over CEWCP (EOCEWCP). Note that the EOCEWCP could be a negative value.

$$\text{EOCEWCP} = \text{CAWCP} - \text{CEWCP}$$

23.53 The AAPV3 is split between AAPV3 - Routine (AAPV3(R)) and AAPV3 – Complex (AAPV3(C)). This is done by NHS BSA and described in Section B.3 of Annex B.

23.54 The National Average Patient Capitation Remuneration Level - Routine (NAPCRL(R)) is set nationally and published in the Dental Capitation and Quality Scheme 2 Capitation Values document. As part of the capitation calculations, the NAPCRL(R) is adjusted to reflect the different effective UDA values and patient mix that contractors had when they entered the Agreement using the Local Capitation Adjustment Factor (LCAF). A description of how the LCAF is calculated is given in Section B.2 of Annex B.

23.55 The minimum level that the contractor's AAPV3(R) can be reduced because of the capitation adjustment will have been established in paragraph 23.32. This minimum level figure is known as the CAML.

23.56 The AAPV3(R) is adjusted using the following rules to produce the Adjusted AAPV3(R):

- (a) If $\text{CAWCP} < \text{CEWCP}$, then Adjusted AAPV3(R) is the greater of:
 - (i) $\text{AAPV3(R)} + (\text{EOCEWCP} \times \text{NAPCRL(R)} \times \text{LCAF})$
 - (ii) $\text{AAPV3(R)} \times \text{CAML}$
- (b) If $\text{CAWCP} = \text{CEWCP}$, then Adjusted AAPV3(R) = AAPV3(R)
- (c) If $\text{CAWCP} > \text{CEWCP}$, then Adjusted AAPV3(R) is the smaller of:
 - (i) $\text{AAPV3(R)} + (\text{EOCEWCP} \times \text{NAPCRL(R)} \times \text{LCAF})$
 - (ii) $\text{AAPV3(R)} \times 1.02$

23.57 The Adjusted AAPV3(R) is then added to the AAPV3(C) to give the Adjusted AAPV3.

23.58 The Adjusted AAPV3 is used as part of the RMTP3 calculation in order to make the material adjustment to the contractor's remuneration.

Reconciliation annual payment adjustment for performance against the Dental QOF

23.59 The amount of payment made to each contractor during the financial year needs to be reconciled after all the performance data provided by the contractor is available to the NHS BSA for the purposes of payments under the DQOF and after any adjustments due to capitation have been finalised. For Type 3* Agreements, paragraphs 23.62 to 23.72 do not apply.

23.60 If a contractor holds more than one Agreement that are included in the Scheme with the Board, then the expectation is that the Adjusted AAPV3 values for each of these agreements would be effectively combined at this stage so that a single DQOF payment is calculated. The value of the DQOF payment, once calculated, would then be split proportionately across the agreements using the ratio of their Adjusted AAPV3 values to determine the separate RMTP3 payments for each agreement. The Board should agree with the contractor whether the agreements are suitable for combining the Adjusted AAPV3 values, such as two agreements providing mandatory services running within the same practice. If combining Estimated Adjusted AAPV3 values for DQOF calculations occurred

for the interim payment in paragraph 23.37, then the expectation is that combining the Adjusted AAPV3 values for DQOF calculations would occur at this stage.

Calculation of the Forecast Annual Pilot Value

23.61 The Board should note that the calculation of the RMTP3 and Forecast Annual Pilot Value (FAPV3) are done using the values before the deduction of any monthly deductions such as those deductions described in Section 8. A Forecast Month 12 APV3P is calculated as:

- (a) calculation as for previous months
- (b) plus the Adjusted AAPV3
- (c) minus the AAPV3

The FAPV3 is calculated by adding the Forecast Month 12 APV3P to the previous eleven APV3Ps. Where a Type 3 Agreement begins after the start of the financial year, the FAPV3 is calculated by adding the Forecast Month 12 APV3P to the APV3Ps so far during that financial year.

Calculation of the payment pool relating to performance

23.62 The amount of payment available to a contractor to reward performance against the DQOF is known as the FAPV3(Full Quality Pool). It is calculated by applying the quality weighting percentage given in paragraph A.6.2 of Annex A to the FAPV3. For example, if the FAPV3 is £10,000 and the quality weighting percentage is 10%, then the FAPV3(Full Quality Pool) in this case would be £1,000.

23.63 The amount of payment available to the contractor irrespective of performance against the DQOF is known as the FAPV3(Primary Pool). It is calculated as the FAPV3 minus the FAPV3(Full Quality Pool).

23.64 A Contractor's Annual Performance Score (CAPS) is calculated using the rules laid out in Section A.5 of Annex A.

23.65 The contractor's Quality Payment (Non-Peer) (QP(NP)) is the amount of money that a contractor should receive irrespective of their performance relative to peers. It is calculated as:

$$QP(NP) = \frac{CAPS}{1,000} \times FAPV3(\text{Full Quality Pool}).$$

23.66 The contractor's notional contribution to the peer performance payment pool is known as the FAPV3(Peer Quality Pool). It is calculated as:

$$FAPV3(\text{Peer Quality Pool}) = FAPV3(\text{Full Quality Pool}) - QP(NP)$$

23.67 The contractor's Quality Payment (Peer) (QP(P)) is the amount of money that a contractor should receive based on their performance relative to peers. It is calculated by NHS BSA in accordance with Section A.7 of Annex A and the figure is given to the Board.

23.68 It is necessary for the financial risk of commissioners to be capped within the Capitation and Quality Scheme 2. It is possible, although unlikely, that a contractor's QP(P) could be many times its NAPV3 if its performance is considerably better than the rest of the Agreements. This risk would not occur if there was an actual national pool of money to pay the QP(P)s but for the Agreements this has to be paid by the Board. Therefore the Final QP(P) (FQP(P)) is calculated as follows:

- (a) If the sum of the FAPV3(Primary Pool) plus the QP(NP) plus the QP(P) \leq 102% of FAPV3, then FQP(P) = QP(P)
- (b) If the sum of the FAPV3(Primary Pool) plus the QP(NP) plus the QP(P) $>$ 102% of FAPV3, then FQP(P) = (1.02 x FAPV3) minus the FAPV3(Primary Pool) and minus the QP(NP).

23.69 Where the QP(P) is greater than the FQP(P), the difference between the two is known as the QP(P) Residual (QP(P)R). Where the QP(P) is less than or equal to the FQP(P), then the QP(P)R is equal to £0. This value is used by NHS BSA to calculate the final element of the performance payment in line with Section A.8.

23.70 The Residual Payment (RP) is the mechanism by which the Capitation and Quality Scheme 2 ensures that all the money made available for payments under the DQOF is paid to those participating in the Scheme. The RP must be calculated by the NHS BSA in line with Section A.8.

Calculation of the Reconciliation Month 12 Payment – Type 3

23.71 The contractor's Calculated Actual Annual Pilot Value – Type 3 (CAAPV3) is then calculated by adding:

- (a) the FAPV3(Primary Pool); and
- (b) QP(NP) and
- (c) FQP(P) and
- (d) RP

23.72 The RMTP3 is then calculated as:

- (a) the CAAPV3; minus
- (b) the sum of the previous eleven APV3Ps (where a Type 3 Agreement begins after the start of the financial year, the APV3Ps so far during that financial year should be subtracted); minus
- (c) the IMTP3.

23.73 For Type 3* Agreements, the RMTP3 is calculated as:

- (a) the FAPV3; minus
- (b) the sum of the previous eleven APV3Ps (where a Type 3* Agreement begins after the start of the financial year, the APV3Ps so far during that financial year should be subtracted); minus
- (c) the IMTP3.

23.74 The RMTP3 is paid to the contractor by the Board. If the RMTP3 is negative, the Board may withhold the value from any payments due to the contractor pursuant to direction 12 of the Directions. The Board should note that the majority of monthly deductions will have been made when the IMTP3 was paid to the contractor and therefore the Board should ensure that only deductions that have arisen out of the reconciliation process are deducted from the RMTP3.

PART 10

ADJUSTMENTS TO PAYMENTS COMMON TO ALL PILOT TYPES

24. Deductions to monthly payments

Deductions in respect of NHS charges

24.1 Patients in receipt of relevant dental treatment have to pay charges in respect of that treatment under the NHS Charges Regulations, unless they are exempt from paying the charge by virtue of either 177 of the 2006 Act or the NHS Charges Regulations. Charges are recoverable under those Regulations in respect of specified types of treatment.

24.2 It is the contractor who collects the NHS charges from those patients. Furthermore, in accordance with the underlying GDS contract condition set by virtue of paragraph 38 (notification of a course of treatment, orthodontic course of treatment) of Schedule 3 to the GDS Contracts Regulations, the contractor is required to make returns of information to the Board within specified time periods outlined about the courses of NHS treatment it provides, and in those returns it has to provide information about whether an NHS charge was payable in respect of that treatment.

24.3 The Board must set the particular date each month by which these paragraph 39 returns of information will be processed. This date is known as the 'scheduling date'. Using the paragraph 39 (notification of a course of treatment, orthodontic course of treatment) returns which have been submitted by the contractor, the Board will make a determination of the amount to be deducted that month in respect of NHS charges. These NHS charges should have been collected by the contractor in respect of courses of treatment in accordance with the Dental Charges Regulations, or where applicable, orthodontic activity that the contractor is to provide under its Agreement.

Deductions in respect of LDC levies

24.4 The Board may have recognised a LDC for an area, pursuant to section 113 of the 2006 Act. Where it has done so, that committee will represent the Dentist Performers who are employed or engaged by the contractor. In these circumstances, the Board is entitled, by virtue of section 113(10)(b) of the 2006 Act to deduct an amount, commonly known as the levy, from the payments made to the contractor under its GDS contract in respect of the committee's expenses. That deduction is to be made so as to reduce the net value of the contractor's Monthly APVPs.

Deductions in respect of employee's superannuation contributions

24.5 The Dentist Performers who are employed or engaged by the contractor are likely to be members of either the NHS Pension Scheme 1995 or the NHS Pension Scheme 2008, and their Employing Authority for the purposes of that Scheme will, for present purposes, be the Board (they may have employment in another context which also entitles them to an NHS Pension Scheme pension, but the pensionable earnings derived from that employment should be superannuated elsewhere). Unless they are Foundation Trainees, the Dentist Performers' Pensionable Earnings to be derived from that contractor's Agreement in each financial year will be limited up to a specified percentage of the value of that agreement for that financial year, net of any parental leave payments, sickness leave payments, foundation trainee salary and national insurance reimbursement payments, non domestic rates reimbursement payments or Monthly Seniority Payments payable under that agreement. Foundation Trainee's salaries (net of any bonus, expenses or overtime payments) are fully pensionable.

24.6 The Board will need to make all the deductions in respect of employees' superannuation contributions (including Money Purchase Additional Voluntary Contributions (MPAVCs)) that are payable in respect of the Dentist Performers' Pensionable Earnings that derive from each Agreement that it holds.

24.7 Accordingly, the Board must deduct those contributions from the contractor's Monthly APVPs (or, in the case of Foundation Trainee's employee's superannuation contributions, from their salary reimbursement payments). The process of calculating and making all these deductions is explained in Section 25. If the Board is an Employing Authority for any Dentist Performer employed or engaged by the contractor, the Board may also deduct from the contractor's Monthly APVPs any employee's superannuation contributions (including Money Purchase Additional Voluntary Contributions (MPAVCs)) that the Dentist Performer owes but which have not been superannuated elsewhere, provided that the Board has taken reasonable steps to satisfy itself that no other arrangements have been made to pay those contributions.

25. Superannuation contributions

Employer's superannuation contributions of Dentist Performers

25.1 Under the NHS Pension Scheme Regulations 1995 and 2008, the Board will be liable for paying the employer's superannuation contributions in respect of the Pensionable Earnings of dental practitioners who are employed or engaged by a contractor, who are members of the Scheme and who are—

- (a) type 1 dental practitioners (that is, Dentist Performers, other than Foundation Trainees or
- (b) type 2 dental practitioners (that is, Foundation Trainees),

as their Employing Authority.

25.2 In practice, by virtue of entry 26(d) and 28(d) of the Schedule to the Functions Regulations, one part of the NHS BSA (the part that is acting, in effect, as agent of the Board), will be responsible for forwarding to another part of the NHS BSA (the part that acts as the Pension Scheme administrator) the employer's superannuation contributions that the

Board owes in respect of these type 1 and type 2 dental practitioners. The Department of Health will:

- (a) make available to the part of the NHS BSA that is acting, in effect, as the agent of the Board in this matter the resources that it needs for forwarding these contributions;
- (b) deduct from its allocations to the Board amounts equal to the Board's liabilities that have been thus discharged.

Employee's superannuation contributions and Money Purchase Additional Voluntary Contributions of Dentist Performers

25.3 As regards the employee superannuation contributions, and any MPAVCs, the following arrangements will apply:

- (a) in the case of Foundation Trainees, although the contractor that employs him is legally responsible for ensuring that his employee superannuation contributions are deducted from his salary, in practice, these contributions will be deducted by the NHS BSA (i.e. the part of it acting, in effect, as the agent of the Board) from the reimbursement of salary payment under paragraph 28.5(b). It will then remit these employee superannuation contributions to the part of the NHS BSA that acts as the Pension Scheme administrator;
- (b) in the case of type 1 dental practitioner members of the Scheme:
 - (i) their employee superannuation contributions in respect of their Pensionable Earnings will have to be deducted by the Board from the contractor's Monthly APVPs and
 - (ii) any MPAVCs will have to be deducted by the Board from the contractor's Monthly APVPs.

25.4 In practice, the making of the deductions referred to in paragraph 25.5(b) will generally be undertaken by the NHS BSA, which has been given the power to make these deductions by virtue of entries 26(a), 28(a) and 30(a) of the Schedule to the Functions Regulations (although the Board remains ultimately responsible for the calculation of the deductions and ensuring that the deductions that are made are correct). These deductions are to be made in two stages.

Monthly deductions in respect of employee's superannuation contributions of Dentist Performers who are not Foundation Trainees

25.5 First, as is stated in paragraphs 24.5 to 24.7, deductions in respect of type 1 dental practitioners will need to be made each month from the contractor's Monthly APVPs. These deductions are to be based on a reasonable estimate of the monthly proportion of the annual liability of each type 1 dental practitioner employed or engaged by the contractor in respect of:

- (a) the employee's superannuation contributions payable to the part of the NHS BSA that acts as the Pension Scheme administrator; and
- (b) any MPAVCs payable to an MPAVCs Provider.

25.6 The Board must take all reasonable steps to agree the amount of the deductions with the contractor and must, where requested to do so by the contractor, duly justify the amount of the monthly deductions. It must keep those amounts under review, to take account of significant changes to the contractor's income.

25.7 An amount equal to the monthly amount that the NHS BSA, acting in effect as the agent of the Board in this matter, deducts must be remitted to the part of the NHS BSA that acts as the Pension Scheme administrator, and to any relevant MPAVCs Provider, no later than:

- (a) in the case of employees' superannuation contributions:
 - (i) if the contractor's Monthly Payment Date is the first working day of the month, the nineteenth day of the month after the month to which the related earnings relate, or
 - (ii) if the contractor's Monthly Payment Date is any other date, the nineteenth day after the Monthly Payment Date on which the earnings to which the contributions relate were paid; and
- (b) in the case of MPAVCs, the seventh day after the payment from which they were deducted was paid.

End-year adjustments

25.8 After the end of any financial year, it should be possible for the Board to determine the value of the contractor's Agreement, net of:

- (a) any payments in respect of parental or sickness leave or any Monthly Seniority Payments (these are payments that are pensionable but not included in the calculation of the Agreement's Pensionable Earnings Ceiling); and
- (b) any foundation trainee salary payments, reimbursement of foundation trainee national insurance reimbursement payments, or non-domestic rates reimbursement payments (these are payments that are neither pensionable nor included in the calculation of the Agreement's Pensionable Earnings Ceiling).

25.9 This amount will be included in the Annual Reconciliation Report. The Secretary of State will have established, pursuant to the NHS Pension Scheme Regulations 1995 and 2008, what percentage of that net amount can be considered as Pensionable Earnings under that Agreement. By applying that percentage to that net amount, the Board, and the contractor, will be able to determine the Pensionable Earnings Ceiling for that agreement for that financial year.

25.10 It is a condition of a contractor's Monthly APVPs that by the date specified in paragraph 23(5) (accounts and actuarial reports) of Schedule 2 (medical and dental practitioners) to the NHS Pension Schemes Regulations 1995, and regulation 3.J.14(4) (employing authority and certain member record keeping and contribution estimates) of the NHS Pension Scheme Regulations 2008 the contractor must return notice referred to in those provisions to the Board in accordance with those provisions.

25.12 Once the Pensionable Earnings in respect of that financial year of each Dentist Performer employed or engaged by a contractor have been notified to the Board, the Board (or if the adjustments can be made by varying the Agreement, the NHS BSA, effectively acting on its behalf) must:

- (a) if the deductions of employee's superannuation contributions (including MPAVCs) from the contractor's Monthly APVPs during that financial year in respect of those earnings:
 - (i) did not cover the cost of all the employee's superannuation contributions payable in respect of those earnings:
 - (aa) deduct the amount outstanding from any Monthly APVPs payable, or from a series of Monthly APVPs payable, to the contractor, or
 - (bb) obtain payment (where no such deduction can be made) from the contractor of the amount outstanding, and it is a condition of all of the payments made pursuant to this SFE that the contractor must pay to the Board the amount outstanding, or
 - (ii) were in excess of the amount payable in respect of employee's superannuation contributions, repay the excess amount to the contractor promptly (unless in the case of an excess amount in respect of MPAVCs, the Dentist Performer elects for that amount to be a further contribution and is entitled to so elect); and
- (b) forward any outstanding employee's superannuation contributions due in respect of those earnings to the part of the NHS BSA that acts as the Pension Scheme administrator or the relevant MPAVCs Provider (having regard to the payments it has already made on account in respect of those Dentist Performers for that financial year).

25.13 The functions of the Board in respect of the NHS Pension Scheme Regulations 1995 and 2008 are exercisable by the NHS BSA in accordance with regulation 2(1) and (2) (functions of the Board exercisable by the Authority) of, and entries 26, 28 and 29 in columns 2 and 3 of the schedule to, the Functions Regulations.

26. Specified services

26.1 Specified services is a collective term for additional services, excluding orthodontics, advanced mandatory services and other services that may be delivered through a contract. Specified services include, but are not limited to:

- (a) domiciliary services
- (b) sedation services
- (c) advanced mandatory services, such as minor oral surgery
- (d) access services, which are generally defined as services that have been commissioned by the Board to provide NHS care to those people who cannot routinely access NHS care
- (e) out of hours unscheduled care services. For NHS dental services the term "out-of-hours" does not refer to a fixed universally agreed period, but refers to services provided outside the scheduled opening hours of a particular surgery. Out of hours unscheduled care services are generally defined as services that have been commissioned by the Board to provide emergency dental services

for residents and visitors to an area who are not routinely under the care of a dentist, and who require urgent treatment arrangements to address severe pain or prevent significant deterioration in oral health.

26.2 At the commencement of the Agreement, the Board and contractor must:

- (a) identify and agree the range of specified services that are included in the underlying GDS contract
- (b) agree the value of the specified services that is being separated from the underlying GDS contract and this must be subtracted from the NAPV of the Agreement in line with paragraph 19.2c, 21.2c and 23.2c
- (c) agree the level of service or activity that is to be provided for each of the specified services.

26.3 The contractor is remunerated for these services by additional payments on top of the calculations in Parts 7, 8 and 9. The intention is that remuneration for the mandatory component of these services is effectively done through the main payment and that these additional payments reflect the additional costs of delivering these services.

Agreeing and revising Annual Specified Services Payments

26.4 Where the contractor is to provide specified services under an Agreement for or during part of a financial year, the Board must agree with the contractor an annual (or annualised for part years) level of service or activity involving each specified service for that financial year and an annual (or annualised for part years) sum to be paid in respect of those courses of treatment. This amount is known as the Annual Specified Services Payment (ASSP) and is to be paid in monthly instalments.

26.5 If that number of courses of treatment involving specified services is revised, a new ASSP will have to be established for that contractor. If that variation takes effect during the year, the revised ASSP for that contract shall be an annual (or annualised for the part year) amount for calculation purposes, even though only a proportion of that annual amount will in fact be payable.

Annual uprating of ASSPs

26.6 If:

- (a) at the start of a financial year, a contractor was in receipt of Monthly ASSPs in respect of the last month of the previous financial year; and
- (d) the number of courses of treatment involving specified services that the contractor is required to provide is unchanged,

the amount of its ASSP is to be uprated by a percentage amount to be determined by the Secretary of State. It is intended that at the start of each financial year this SFE will be amended so as to include that percentage increase.

Initial value of Monthly ASSPs

26.7 Once the contractor's first ASSP has been established, that amount is to be divided by twelve, and subject to paragraphs 26.8 to 26.14, the result is the first gross value of the contractor's Monthly ASSPs.

26.8 If the contractor's contractual arrangement to provide a specified number of courses of treatment involving specified services took effect other than on the first day of a month, the gross value of its Monthly ASSPs in respect of the first part-month of this contractual arrangement is to be adjusted by a factor which is produced by dividing:

- (a) the number of days during the month for which the contractual arrangements to provide specified services have effect; by
- (b) the total number of days in that month.

26.9 That gross value (expressed as a monthly value, in cases where the relevant contractual arrangement took effect other than on the first day of the month) will remain the basis for the calculation of the net value of the contractor's Monthly ASSPs, until that initial value is next revised.

Revision of the initial value of Monthly ASSPs

26.10 The gross value of a contractor's Monthly ASSPs will have to be revised where, for any reason, its ASSP is revised (for example, to take account of annual uprating or where the contractor's specified number of courses of treatment involving specified services is changed).

26.11 If the contractor's ASSP is revised for the start of a month, the new gross value of its Monthly ASSPs (until its ASSP is next revised again) is its new ASSP divided by twelve. If its ASSP changes during a month, the new gross value of its Monthly ASSPs (until its ASSP is next revised again):

- (a) for the month after the month during which its ASSP changed, is its new ASSP divided by 12; or
- (b) for the month during which its ASSP changed, is the aggregate of the following amounts:
 - (i) the amount produced by dividing the number of days during the month before the change by the total number of days in that month, and multiplying that fraction by the old initial value of the contractor's Monthly ASSPs, plus
 - (ii) the amount produced by dividing the number of days during the month for which the contractor had a new ASSP by the total number of days in that month, and multiplying that fraction by the new initial value of the contractor's Monthly ASSPs.

26.12 Once the gross value of a contractor's Monthly ASSPs has been established for any particular month (subject to paragraph 26.14), the Board must go on to establish the net value of the contractor's Monthly ASSPs, which is the amount actually to be paid.

NHS charges and employee's superannuation contributions

26.13 The NHS charges in respect of the courses of treatment involving specified services should be deducted from the contractor's Monthly APVPs, so no deduction will need be made in respect of those from the Monthly ASSPs. Any employee's superannuation contributions attributable to the Monthly ASSPs will be deducted from the Monthly APVPs rather than the ASSPs. However, as both Monthly APVPs and ASSPs are payable at the same time, this distinction will generally only have accounting rather than practical implications.

Deductions in respect of overpayments etc.

26.14 Deductions may need to be made from the Monthly ASSPs under the administrative provisions in Section 32 of this SFE, to take account of matters such as overpayments. In accounting terms, these deductions may alter the gross value of the Monthly ASSP in question or the gross value of another payment, but either way it will alter the net value of the Monthly ASSP in question.

Net value of the contractor's first Monthly ASSPs

26.15 The gross value of a contractor's Monthly ASSPs, minus any deductions as mentioned in paragraph 26.14, is the net value of the contractor's first Monthly ASSPs, which is the amount actually to be paid. This amount becomes payable on the first working day of the month after the month to which the Monthly ASSP relates.

Conditions attached to Monthly ASSPs

26.16 Monthly ASSPs, or any part of such payments, are only payable if the contractor satisfies the following conditions:

- (a) the contractor must make available any information which the Board does not have but needs (including the returns required by virtue of paragraph 38 of Schedule 3 to the GDS Contracts Regulations and direction 11 of the Directions), and which the contractor either has or could reasonably be expected to obtain, in order to calculate the contractor's Monthly ASSPs;
- (b) all information supplied pursuant to or in accordance with this paragraph must be accurate.

26.17 If the contractor breaches any condition of its Monthly ASSPs that is set out in this SFE (including the conditions that are set out in paragraph 26.16), the Board may, in appropriate circumstances, withhold payment of any or any part of a Monthly ASSP that is otherwise payable.

27. Seniority Payments

27.1 Seniority payments are monthly payments to a contractor in respect of individual Dentist Performers who satisfy the eligibility criteria.

Eligibility criteria

27.2 A contractor is entitled to receive a seniority payment in respect of a Dentist Performer employed or engaged by it if the Dentist Performer:

- (a) reached the age of 55 years:
 - (i) before 1st January 2006, and was entitled to and in receipt of a seniority payment pursuant to Determination III of the SDR (set out in the Annex D to this SFE) in respect of the last quarter of the financial year 2005 to 2006, or
 - (ii) between 1st January 2006 and 31st March 2006 inclusive, and would have been entitled to a seniority payment pursuant to Determination III of the SDR in respect of the last quarter of the financial year 2005 to 2006 had the Dentist Performer reached the age of 55 years in the previous quarter of that financial year;

- (b) reached the age of 55 years before 1st April 2006, and–
 - (i) in the last quarter of the financial year 2005 to 2006, the Dentist Performer was employed or engaged by a pilot scheme provider, and
 - (ii) the Dentist Performer would have been entitled to a seniority payment pursuant to Determination III of the SDR in respect of that quarter had the Dentist Performer –
 - (aa) instead provided services under section 35 of the NHS Act 1977 in that quarter, and
 - (bb) reached the age of 55 years before 1st January 2006 (whether or not the Dentist Performer did in fact do so); or

- (c) reached the age of 55 years between 1st April 2006 and 31st March 2011 inclusive (although the Dentist Performer’s eligibility is treated as starting in the month after the month during which the Dentist Performer’s birthday falls), and–
 - (i) in the last quarter of the financial year 2005 to 2006, the Dentist Performer provided services under section 35 of the 1977 Act or a pilot scheme agreement; and
 - (ii) would have been entitled to a seniority payment pursuant to Determination III of the SDR in respect of that quarter had the Dentist Performer–
 - (aa) in the case of a person who provided services under a pilot scheme agreement in that quarter, provided services under section 35 of the 1977 Act in that quarter; and
 - (bb) reached the age of 55 years in the previous quarter of that financial year.

27.3 Additionally, a contractor is entitled to receive a seniority payment in respect of a Dentist Performer employed or engaged by it only if:

- (a) the person in respect of whom the payment is made remains included in the Dental Performers List;
- (b) the person in respect of whom the payment is made is not in receipt of a pension payment under the NHS pension scheme in any month in which the contractor claims a Monthly Seniority Payment in respect of him; and

- (c) the amount of the payment, together with the amount of any other Monthly Seniority Payment received by any other contractor participating in the Capitation and Quality Scheme 2, or any other PDS agreement or GDS Contract Holder in respect of that Dentist Performer for the same month is less than £662.

Applications for a seniority payment

27.4 Where a Dentist Performer satisfies the eligibility criteria specified in paragraph 27.2(a) or (b), in order to obtain its first Monthly Seniority Payment in respect of that Dentist Performer, the contractor must notify the Board in writing:

- (a) that the Dentist Performer is employed or engaged by the contractor; and
- (b) of any other Monthly Seniority Payments which any other contractor participating in the Capitation and Quality Scheme 2, or any other PDS agreement or GDS Contract Holder is claiming in respect of that Dentist Performer for any month to which the contractor's claim relates.

27.5 Where a Dentist Performer satisfies the eligibility criteria specified in paragraph 6.2(c), in order to obtain its first Monthly Seniority Payment in respect of that Dentist Performer, the contractor must make an application to the Board on a standard form (set nationally and available electronically), and that application must include–

- (a) details of how the Dentist Performer satisfies the eligibility criteria set out in paragraph 6.2(c);
- (b) details of the Dentist Performer's estimated net monthly Pensionable Earnings (which should be the amount that features in respect of that Dentist Performer on the contractor's Monthly Payment Schedule); and
- (c) details of any other Monthly Seniority Payments which any other contractor or GDS Contract Holder who may in fact be a Scheme 2 Agreement Holder is claiming in respect of that Dentist Performer for any month to which the contractor's claim relates.

The percentage calculation and the maximum amount of Monthly Seniority Payments

27.6 The amount to which the contractor is entitled as a Monthly Seniority Payment in respect of a Dentist Performer that it employs or engages and in respect of whom the eligibility criteria are satisfied is 21.72% of the Dentist Performer's net monthly Pensionable Earnings under the contractor's Agreement in the month to which the payment relates, but the maximum amount payable in respect of each Dentist Performer in any month is £662.

27.6 Where a Monthly Seniority Payment may be payable in respect of a particular Dentist Performer to more than one contractor participating in the Capitation and Quality Scheme 2, or to more than one PDS agreement or GDS Contract Holder, but the totals payable under each Agreement, PDS agreement or GDS contract, taken together, would (if there were no maximum amounts) exceed £662, the maximum amount payable under all the Agreements, PDS agreements or GDS contracts under which Monthly Seniority Payments may be payable

in respect of him is £662. The £662 must therefore be distributed proportionately between each Agreement, PDS agreement and GDS contract.

27.7 So, if the Dentist Performer earns 60% of his net monthly Pensionable Earnings from a PDS Agreement, 30% from a GDS contract and 10% from a Capitation and Quality Scheme 2 Agreement, his Monthly Seniority Payment under the PDS agreement would be £397, under the GDS contract would be £199 and under the Capitation and Quality Scheme 2 Agreement would be £66.

27.8 In practice, the apportionment will be made by the NHS BSA, as it is they who will have the necessary data about each of the relevant agreements or contracts.

Estimates of net monthly Pensionable Earnings

27.9 For the purposes of this Section, a Dentist Performer's net monthly Pensionable Earnings in respect of any month are one twelfth of his Pensionable Earnings for the financial year into which the month falls, having excluded from those earnings any Pensionable Earnings for that financial year which are attributable to a Monthly Seniority Payment.

27.10 This means that it will be impossible to know, until sometime after the end of a financial year, what the true value of the Monthly Seniority Payments during that financial year should be. Accordingly, the Board must pay, each month, an estimate of what the true value of the Monthly Seniority Payments should be, and that estimate must be the estimate of the net monthly Pensionable Earnings (i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payments) that appears in respect of the Dentist Performer on the contractor's Monthly Payment Schedule.

27.11 The amount of this monthly estimate becomes payable on the first working day of the month after the month to which the Monthly Seniority Payment relates. Any excess that falls due once the true value of the Monthly Seniority Payments is ascertained becomes payable once that true value is ascertained by the Board.

Conditions attached to Monthly Seniority Payments

27.12 Monthly Seniority Payments, or any part of such payments, are only payable if the following conditions are satisfied:

- (a) the contractor must make available to the Board any information which the Board does not have but needs, and the contractor either has or could reasonably be expected to obtain, in order to calculate the payment;
- (b) the contractor must notify the Board of any change in the amount of the net monthly Pensionable Earnings (i.e. net of any Pensionable Earnings that are attributable to any Monthly Seniority Payments) of the Dentist Performers employed or engaged by it; and
- (c) all information provided pursuant to or in accordance with this paragraph must be accurate.

27.13 If the contractor breaches any condition of its payments under this Section that is set out in this SFE (including the conditions that are set out in paragraph 27.13), the Board may,

in appropriate circumstances, withhold payment of any or any part of a payment under this Section that is otherwise payable.

28. Payments in respect of foundation training

28.1 Payments in respect of foundation training are payments to a contractor who employs a Foundation Trainee. They are intended to meet the salary costs of employing the Foundation Trainee, provide payment to the Dentist Performer who is providing the foundation training to the Foundation Trainee and to provide a payment to the contractor to cover service costs. The payments are only intended to meet the costs of providing foundation training to those graduates who are required to complete one year's foundation training to remain on the Dental Performers List (apart from any "relevant period of employment" determined in accordance with regulation 30(2) (interpretation: foundation training) of the Performers Lists Regulations).

Eligibility for payments in respect of foundation training

28.2 A contractor will be eligible to receive payments under this Section where:

- (a) the contractor employs or engages a Dentist Performer who is a Trainer;
- (b) the contractor has employed a Foundation Trainee under a contract of employment for:
 - (i) a period of one year's full-time employment (or an equivalent period of part-time employment); or
 - (ii) any other period which is a "relevant period of employment" for the purposes of regulation 30(2) (interpretation: foundation training) of the Performers Lists Regulations 2013;
- (c) under that contract of employment, the contractor has agreed to pay the Foundation Trainee a monthly salary at a full-time (at least 35 hours per week) rate of £2,511 per month or the amount specified for that period pro rata in the Foundation Trainee is part-time; and
- (d) the Foundation Trainee is not exempt from the requirement to complete one year's foundation training to remain on the Dental Performers List (apart from any "relevant period of employment" determined in accordance with regulation 30(2) (interpretation: foundation training) of the Performer Lists Regulations).

28.3 Any attendance by a Foundation Trainee at a day release course in connection with the foundation training scheme is to be included in the calculation of his contracted hours.

Applications for payments under this Section

28.4 Where a contractor satisfies the eligibility criteria specified in paragraph 28.2, read with paragraph 28.3, in order to obtain payments in respect of foundation training, it must make an application to the Board on a standard form (set nationally and available electronically), and that application must include:

- (a) the following information:
 - (i) the name of the Foundation Trainee appointed,
 - (ii) the date when the Foundation Trainee's employment commenced,

- (iii) the number of hours to be worked by the Foundation Trainee per week,
- (iv) the date when the Foundation Trainee's employment will end, and
- (v) the date of the month on which payment of the salary will be made to the Foundation Trainee;
- (b) a certificate provided by the local Postgraduate Dental Dean or Director of Postgraduate Dental Education verifying that the information provided pursuant to paragraph (a) is correct;
- (c) a declaration in writing that the contractor will pay the Foundation Trainee a monthly salary at a full-time (at least 35 hours per week) rate of £2,511 per month or the amount specified for that period pro rata if the Foundation Trainee is part-time; and
- (d) confirmation in writing from the local Postgraduate Dental Dean or Director of Postgraduate Dental Education that the Foundation Trainee must-
 - (i) complete 12 months foundation training to remain on the performers list; or
 - (ii) that the dentist must complete a "relevant period of employment" by virtue of regulation 30(2) of the Performers Lists Regulations.

Foundation training payments to be made

28.5 Provided the contractor satisfies the eligibility criteria set out in paragraph 28.2, and has applied in accordance with paragraph 28.4, the contractor is entitled to receive the following four types of foundation training payment during the currency of a training contract with a Foundation Trainee:

- (a) a training grant of £ 753 per month, if the Foundation Trainee is full-time (i.e. has contracted hours of at least 35 hours per week), or the amount specified for that period pro rata if the Foundation Trainee is part-time;
- (b) reimbursement of the salary which the contractor has paid to the Foundation Trainee, which is to be £2,511 per month, less:
 - (i) the Foundation Trainee's employee superannuation contributions (if the Foundation Trainee is a member of the NHS Pension Scheme 1995 or 2008) in respect of that Foundation Trainee's salary (see paragraph 25.4(a)), if the Foundation Trainee is full-time (i.e. has contracted hours of at least 35 hours per week), or
 - (ii) the amount specified for that period pro rata if the Foundation Trainee is part-time;
- (c) where a salary is reimbursed pursuant to sub-paragraph (b), reimbursement of the amount of any employer's national insurance contributions which are payable by the contractor in respect of that salary; and
- (d) a sum that represents the service cost to the contractor of employing the Foundation Trainee, of £5,347 per month, if the Foundation Trainee is full-time (i.e. has contracted hours of at least 35 per week), or the amount specified for that period pro rata if the Foundation Trainee is part-time.

28.6 Again, any attendance by a Foundation Trainee at a day release course in connection with the foundation training scheme is to be included in the calculation of his contracted hours.

28.7 The payments due to a contractor under this Section become payable on the first working day of the month after the month to which the claim for the payments relates, which

need not be a calendar month. Only one application for payments need be made in respect of each agreed training period, and where appropriate, pro rata claims may be made in respect of part months.

Conditions attached to foundation training payments

28.8 Payments under paragraph 28.5(a), or any part of such payments, are only payable if the contractor gives that training grant to the Foundation Trainee's Trainer:

- (a) within one calendar month of receiving the training grant; and
- (b) as an element of the personal income of the Trainer, subject to any lawful deduction of income tax, national insurance and superannuation contributions.

28.9 Payments under paragraph 28.5(b) or (c), or any part of such payments, are only payable if the contractor pays the Foundation Trainee his salary under his contract of employment.

28.10 The payments under paragraph 28.5, or any part of such payments, are only payable if the following conditions are satisfied:

- (a) the Trainer in respect of whom the payments are made must remain a Trainer;
- (b) the Foundation Trainee in respect of whom the payments are made must remain employed by the contractor;
- (c) the contractor must inform the Board if there is any change of circumstances which may affect its entitlement to payments under this Section (including changes which may affect the level of the payments to which it is entitled under this Section);
- (d) the contractor must make available to the Board any information which the Board does not have but needs and the contractor either has or could reasonably be expected to obtain in order to calculate the payment; and
- (e) all information provided by the contractor pursuant to or in accordance with sub-paragraphs (c) or (d) must be accurate.

28.11 If the contractor breaches any condition of its payments under this Section that is set out in this SFE (including the conditions that are set out in paragraphs 28.8 to 28.10), the Board may, in appropriate circumstances, withhold payment of any or any part of a payment under this Section that is otherwise payable.

28.12 If there is a breach of the condition that is set out in paragraph 28.10(b), the Board may require repayment of any payment paid to which the condition relates, or may withhold payment of any other payment payable to the contractor under this SFE, to the value of the payment paid. However, if the contract of employment is terminated by either party before it has run its full course and the Foundation Trainee does not serve out a period of notice but is instead paid an amount equal to the salary due in respect of the period of notice, the contractor will be entitled to receive payments under paragraph 28.5(b) and (c) in respect of the amount of the salary which it has paid to the Foundation Trainee in respect of the period of notice, up to a maximum of one month's salary.

29. Payments in respect of maternity, paternity and adoption leave

29.1 Employees of contractors will have rights to time off for ante-natal care, maternity leave, paternity leave, adoption leave, parental leave, time off for dependants and the right to request flexible working if they satisfy the relevant entitlement conditions under employment legislation for those types of leave. The right of partners in partnerships to these types of leave is a matter for their partnership agreement.

29.2 If an employee, a partner in a partnership or a contractor is a Dentist Performer, the contractor that employs or engages that Dentist Performer will be entitled under this Section to payments from the Board in respect of a period of maternity leave, paternity leave or adoption leave taken by that Dentist Performer, provided the eligibility criteria are satisfied and the relevant payment conditions are not breached. However, nothing in the conditions for payments to contractors under this Section shall be interpreted as qualifying a Dentist Performer's statutory rights. In any event, even if the Board is not directed in this SFE to make payments to a contractor in respect of parental leave, it may do so as a matter of discretion. The powers to do so are set out in section 112 of the 2006 Act.

Eligibility for maternity leave payments

29.3 A contractor is entitled to receive a maternity leave payment in respect of a Dentist Performer that it employs or engages if:

- (a) the Dentist Performer's name has been included in a Dental List for a period of at least 2 years, (subject to paragraph 29.7) and the last 26 weeks of that period must have been a period of continuous employment or engagement that required the performance of dental services as part of the NHS and must have immediately preceded the 15th week before the expected week of confinement;
- (b) the Dentist Performer has become pregnant and has reached, or been confined before reaching, the commencement of the 11th week before the expected week of confinement;
- (c) the Dentist Performer has ceased to perform dental services under the contractor's Agreement in order to take maternity leave (which for these purposes includes leave for ante-natal care), excluding any optional keeping in touch days on which it has been agreed between the contractor and the Dentist Performer that the Dentist Performer will work; and
- (d) the payment relates to a Parental Leave Pay Period and not to a period of sickness absence.

Eligibility for paternity leave payments – birth

29.4 A contractor is entitled to receive a paternity leave payment in respect of a Dentist Performer that it employs or engages if:

- (a) the Dentist Performer's name has been included in a Dental List for a period of at least 2 years, (subject to paragraph 29.7) and the last 26 weeks of that period must have been a period of continuous employment or engagement that required the performance of dental services as part of the NHS ending with the week immediately preceding the child's date of birth;
- (b) the Dentist Performer is either:
 - (i) the father of the child; or

- (ii) married to or the partner of the child's mother, but not the child's father;
- (iii) has, or expects to have:
 - (aa) if the Dentist Performer is the child's father, responsibility for the upbringing of the child; or
 - (bb) if the Dentist Performer is the mother's husband or partner but not the child's father, the main responsibility, (apart from any responsibility of the mother) for the upbringing of a child.
- (c) the Dentist Performer has ceased to perform dental services under the contractor's Agreement in order to take paternity leave; and
- (d) the payment relates to a Parental Leave Pay Period and not to a period of sickness absence.

Eligibility for paternity leave payments – adoption

29.5 A contractor is entitled to receive a paternity leave payment in respect of a Dentist Performer that it employs or engages if:

- (a) the Dentist Performer's name has been included in a Dental List for a period of at least 2 years (subject to paragraph 29.7) and the last 26 weeks of that period must have been a period of continuous employment or engagement that required the performance of dental services as part of the NHS ending with the week in which the child is adopted;
- (b) the Dentist Performer is either:
 - (i) married to, or the partner of the child's adopter; and
 - (ii) has, or expects to have, the main responsibility (apart from the responsibility of the adopter) for the upbringing of the child;
- (c) the Dentist Performer has ceased to perform dental services under the contractor's Agreement in order to take paternity leave; and
- (d) the payment relates to a Parental Leave Pay Period and not to a period of sickness absence.

Eligibility for adoption leave payments

29.6 A contractor is entitled to receive an adoption leave payment in respect of a Dentist Performer that it employs or engages if:

- (a) the Dentist Performer's name has been included in a Dental List for a period of at least 2 years, (subject to paragraph 29.7) and the last 26 weeks of that period must have been a period of continuous employment or engagement that required the performance of dental services as part of the NHS and must have immediately preceded the date of the adoption;
- (b) the Dentist Performer has become the adoptive parent of a child and is the main care provider for that child;
- (c) the Dentist Performer has ceased to provide dental services under the contractor's Agreement in order to take adoption leave; excluding any optional keeping in touch days on which it has been agreed between the contractor and the dentist performer that the dentist performer will work; and
- (d) the payment relates to a Parental Leave Pay Period and not to a period of sickness absence.

Parental leave for those who have undertaken approved foundation training

29.7 In the case of a Dentist Performer who has undergone one year's approved foundation training, the 2 years mentioned in paragraphs 29.3(a), 29.4(a), 29.5(a) and 29.6(a) shall be reduced to one year.

Meaning of "Parental Leave Pay Period"

29.8 In this Section, "Parental Leave Pay Period" means:

- (a) in the case of a maternity leave payment, a period not exceeding 26 weeks commencing:
 - (i) not earlier than the 11th week before the expected week of confinement, nor later than the expected week of confinement, or
 - (ii) if confinement occurs prior to the eleventh week before the expected week of confinement, on the Monday immediately before the actual date of confinement,in respect of which a claim for payments is made by or in respect of a person taking maternity leave (which for these purposes includes leave for ante-natal care) under this Section;
- (b) in the case of a paternity payment, a period not exceeding 2 weeks commencing within 26 weeks of the date of the relevant birth or adoption and in respect of which a claim for payments is made by or in respect of a person taking paternity leave under this Section;
- (c) in the case of an adoption leave payment, a period not exceeding 26 weeks which immediately follows the date of the adoption and in respect of which a claim for payments is made by or in respect of a person taking adoption leave under this Section.

Applications for parental leave payments

29.9 Where a Dentist Performer satisfies the eligibility criteria specified in paragraphs 29.3, 29.4, 29.5 or 29.6, in order to obtain parental leave payments in respect of that Dentist Performer, the contractor must make an application to the Board on a standard form (set nationally and available electronically), and that application must include:

- (a) the intended dates of the Dentist Performer's Parental Leave Pay Period (i.e. the Parental Leave Pay Period in respect of which the application is being made); and
- (b) details of the Dentist Performer's estimated net monthly Pensionable Earnings (which should be based on the last pension declaration statement).

29.10 If the application is in respect of maternity leave payments, the application must also include:

- (a) a maternity certificate or other statement completed by a registered medical practitioner or registered midwife, giving the expected week of confinement of the Dentist Performer or, as the case may be, the date of confinement; and

- (b) a declaration in writing from the contractor that to the best of its knowledge, with regard to the period to which the claim relates, no claim for sickness leave payments has been made under Section 30 by it or any other contractor participating in the Capitation and Quality Scheme 2, or by any other PDS Agreement Holder under the PDS SFE or by any other GDS Contract Holder under the GDS SFE.

29.11 If the application is in respect of paternity leave payments, the application must also include:

- (a) in respect of the birth of a child, written confirmation from the contractor:
 - (i) of the expected or actual date of birth, and
 - (ii) that the Dentist Performer is the husband or partner of the mother, will share responsibility for the child's upbringing and is taking time off to support the mother or to care for the child;
- (b) in respect of the adoption of a child, documents showing the date on which the child is expected to be placed for adoption or the actual date of the placement, the date the adopter was notified of having been matched with the child and written confirmation from the contractor that the Dentist Performer—
 - (i) is the partner of the main care provider,
 - (ii) will share responsibility for the child's upbringing, and
 - (iii) is taking time off to support his partner or to care for the child; and
- (c) a declaration in writing from the contractor that to the best of its knowledge, with regard to the period to which the claim relates, no claim for sickness leave payments has been made under Section 30 by it or any other contractor participating in the Capitation and Quality Scheme 2, or by any other PDS Agreement Holder under the PDS SFE or by any other GDS Contract Holder under the GDS SFE.

29.12 If the application is in respect of adoption leave payments, the application must also include:

- (a) in the case of an adoption within the United Kingdom:
 - (i) the date on which the child is expected to be placed for adoption; or
 - (ii) the actual date of the placement;
 - (iii) the date the adopter was notified of having been matched with the child endorsed by the appropriate adoption agency with its name and address; or
 - (iv) a matching certificate giving equivalent details;
- (b) in the case of an inter-country adoption:
 - (i) the date on which the adopter received official notification,
 - (ii) the expected date the child will enter the United Kingdom or the date upon which the child did so enter, and
 - (iii) a copy of the official notification and evidence of the date of the child's arrival;
- (c) written confirmation from the contractor that the Dentist Performer is or will be the main care provider for the child; and
- (d) a declaration in writing from the contractor that to the best of its knowledge, with regard to the period to which the claim relates, no claim for sickness leave payments has been made under Section 30 by it or any other contractor

participating in the Capitation and Quality Scheme 2, or by any other PDS Agreement Holder under the PDS SFE or by any other GDS Contract Holder under the GDS SFE.

Calculation of the amount of parental leave payments and the due date

29.13 The amount to which the contractor is entitled in respect of parental leave payments is a weekly amount, calculated on the basis of the Dentist Performer's estimated monthly Pensionable Earnings (which should usually be the amount that features in respect of that Dentist Performer on the contractor's Monthly Payment Schedule, plus his estimated monthly Pensionable Earnings in respect of any Monthly Seniority Payment to which he is entitled) immediately before the parental leave is taken. This monthly amount is to be multiplied by 12 and then divided by 52 to produce the weekly amount of the parental leave payments.

29.14 That weekly amount is the amount to which the contractor is entitled in respect of each complete week of the Dentist Performer's Parental Leave Pay Period. If the last day of a week of the Dentist Performer's Parental Leave Pay Period falls in a particular month, the weekly parental leave payment in respect of that week is to fall due on the contractor's Monthly Payment Date in the following month. For these purposes, "month" means a calendar month.

Conditions attached to parental leave payments

29.15 Payments under this Section, or any part of such payments, are only payable if the following conditions are satisfied:

- (a) the Dentist Performer must not perform any dental services during the Parental Leave Pay Period under any Capitation and Quality Scheme 2 Agreement, PDS agreement or GDS contract, (other than any optional keeping in touch days on which it has been agreed between the contractor and the Dentist Performer that the Dentist Performer will work), except with the written approval of the Board; and
- (b) unless the performer dies, the Dentist Performer in respect of whom the payments are made must continue to be a Dentist Performer and continue to be employed or engaged by the contractor (if the performer does die, parental leave payments may continue to be paid to the contractor for the balance of the Parental Leave Pay Period, provided these are forwarded by the contractor to the performer's estate); and
- (c) the contractor must continue to pay the Dentist Performer an amount equivalent to the Dentist Performer's estimated net Pensionable Earnings (which provided the basis for the calculation of the parental leave payment) during the Parental Leave Pay Period (or pay this to the performer's estate if the Dentist Performer dies).

29.16 If the contractor breaches any condition of its payments under this Section that is set out in this SFE (including the conditions that are set out in paragraph 29.15), the Board may, in appropriate circumstances, withhold payment of any or any part of a payment under this Section that is otherwise payable.

29.17 The computation of periods of entitlement under this section is to take into account periods of leave before this SFE comes into force. Therefore, in the case of a claim for maternity leave payment in respect of a Dentist Performer who has taken a 10 weeks period of maternity leave immediately before this SFE comes into force, there will be an entitlement to a further 16 weeks of maternity leave payment under this SFE.

30. Payments in respect of long-term sickness absence

30.1 Employees of contractors will, if they qualify for it, be entitled to statutory sick pay for 28 weeks of absence on account of sickness in any three years. The right of partners in partnership agreements to paid sickness leave is a matter for their partnership agreement.

30.2 If an employee, a partner in a partnership or a contractor is a Dentist Performer, the contractor that employs or engages that Dentist Performer will be entitled under this Section to payments from the Board in respect of a period of long term sickness absence taken by that Dentist Performer, provided the eligibility criteria are satisfied and the relevant payment conditions are not breached. However, nothing in the conditions for payments to contractors under this Section shall be interpreted as qualifying a Dentist Performer's statutory rights. In any event, even if the Board is not directed in this SFE to make payments to a contractor in respect of sickness absence, it may do so as a matter of discretion. The powers to do so are set out in section 112 of the 2006 Act.

Eligibility for sickness leave payments

30.3 A contractor is entitled to receive sickness leave payments in respect of a Dentist Performer that it employs or engages if, in respect of a complete week of sickness absence:

- (a) subject to paragraph 30.4, the Dentist Performer's name has been included in a Dental List for a period of at least 2 years, which need not be a continuous period and part or all of that period need not immediately precede the period of sickness, but during those 2 years (or that aggregate of 2 years) he must have been performing dental services as part of the NHS;
- (b) the Dentist Performer has been unable to provide dental services under the contractor's Agreement because of sickness, but sickness leave payments are not payable in respect of the first 4 weeks of absence;
- (c) the Dentist Performer has been in receipt of payments under this Section for less than the maximum of 22 weeks during a period of sickness; and
- (d) the contractor is not in receipt of payments under Section 24 in respect of the Dentist Performer.

30.4 In the case of a Dentist Performer who has undergone one year's approved foundation training, the 2 years mentioned in paragraph 30.3(a) shall be reduced to one year.

30.5 Sickness leave payments are only payable in respect of a maximum of 22 weeks in any period of 52 weeks. So, for example, once sickness leave payments have been made in respect of a Dentist Performer for a continuous period of 22 weeks, it will be a further 30 weeks before the Board could again be obliged to make sickness leave payments in respect of that Dentist Performer. However, the Board may waive the eligibility criterion set out in this paragraph in any case where it considers it is reasonable in all the circumstances to do so. The

computation of periods of sickness leave is to take into account periods of sickness leave before this SFE comes into force.

Applications for sickness leave payments

30.6 Where a Dentist Performer satisfies the eligibility criteria specified in paragraphs 30.3 to 30.5, in order to obtain a sickness leave payment in respect of that Dentist Performer, the contractor must make an application to the Board on a standard form (set nationally and available electronically), and that application must include:

- (a) a medical certificate, or other statement, completed by a registered medical practitioner to the effect that the Dentist Performer is incapable of work by reason of sickness; and
- (b) a declaration in writing from the contractor that to the best of its knowledge, with regard to the period to which the claim relates, no claim for parental leave payments has been made under Section 29 by it or any other contractor participating in the Capitation and Quality Scheme 2, or by any other PDS Agreement Holder under the PDS SFE or by any other GDS Contract Holder under the GDS SFE.

Calculation of the amount of sickness leave payments and the due date

30.7 The amount to which the contractor is entitled in respect of sickness leave payments is a weekly amount, calculated on the basis of the Dentist Performer's estimated monthly Pensionable Earnings (which should usually be the amount that features in respect of that Dentist Performer on the contractor's Monthly Payment Schedule, plus his estimated monthly Pensionable Earnings in respect of any Monthly Seniority Payment to which he is entitled) immediately before the sickness leave is taken. This amount is to be multiplied by 12 and then divided by 52 to produce, subject to paragraph 30.8, the weekly amount of the sickness leave payments.

30.8 The weekly amount determined in accordance with paragraph 30.7 is the amount to which the contractor is entitled in respect of each complete week during which the Dentist Performer is absent and continues to satisfy the eligibility criteria. If the last day of such a week falls in a particular month, the weekly sickness leave payment in respect of that week is to fall due on the contractor's Monthly Payment Date in the following month. For these purposes, "month" means a calendar month.

Conditions attached to sickness leave payments

30.9 Payments under this Section, or any part of such payments, are only payable if the following conditions are satisfied:

- (a) the contractor must, if the Board so requests, provide the Board with medical certificates or other statements to the effect that the Dentist Performer is incapable of work by reason of sickness, completed by a registered medical practitioner, covering any period of absence in respect of which a sickness leave payment is being claimed;
- (b) the Dentist Performer must not perform any dental services under a PDS agreement or GDS contract or Capitation and Quality Scheme 2 Agreement

- during any period of absence in respect of which a sickness leave payment is claimed, except with the written approval of the Board;
- (c) unless he dies, the Dentist Performer in respect of whom the payments are made continues to be a Dentist Performer and continues to be employed or engaged by the contractor (if he does die, sickness leave payments may continue to be paid to the contractor for the balance of the 22 weeks for which sickness leave payments would otherwise have been payable, provided these are forwarded by the contractor to the Dentist Performer's estate); and
 - (d) the contractor must continue to pay the Dentist Performer at least his estimated net Pensionable Earnings during his absence (or pay this to his estate if he dies).

30.10 If the contractor breaches any condition of his sickness leave payments that is set out in this SFE (including the conditions that are set out in paragraph 30.9), the Board may, in appropriate circumstances, withhold payment of any or any part of a payment under this Section that is otherwise payable.

31. Reimbursement of non-domestic rates

31.1 Under this Section, a contractor may be able to claim reimbursement of the Non-domestic Rates payable in relation to any premises at which it provides services under its Agreement.

Eligibility for reimbursement of non-domestic rates

31.2 A contractor is entitled to receive reimbursement of payments in respect of its non-domestic rates for practice premises if, in any financial year:

- (a) it is a Non-Domestic Ratepayer or, where the contractor is a partnership, one of the partners comprising the partnership is the Non-Domestic Ratepayer, as regards the hereditament that comprises or includes the practice premises and in respect of which the claim is made ("the Hereditament"); and
- (b) subject to paragraph 31.3, the total value of the primary dental services provided at the practice premises as part of the NHS is not less than £25,000.

31.3 The Board may waive the eligibility criterion in paragraph 31.2(b) in any case where it considers it is reasonable in all the circumstances to do so.

Applications for reimbursement of non-domestic rates

31.4 Provided the contractor satisfies the eligibility criteria specified in paragraph 31.2, read with paragraph 31.3, in order to obtain reimbursement in respect of its non-domestic rates, it must make an application to the Board on a standard form (set nationally and available electronically), and that application must include:

- (a) the Demand Notice for the financial year to which the claim relates, or a copy of it certified by the Billing Authority;
- (b) in respect of the Hereditament:
 - (i) a receipt from the Billing Authority for the whole amount or, if the contractor pays the annual amount in two instalments, half the amount

- of the contractor's (or the partner's) annual liability for non-domestic rates, specified in the Demand Notice, or
- (ii) if the contractor (or the partner) pays its non-domestic rates by monthly instalments, details of the amount to be paid each month, the date the payments are due to commence and the date the payments are due to cease, together with the Demand Notice specifying the monthly instalments due; and where the contractor wishes to be reimbursed in a lump sum after payment of all the instalments, it must provide proof of payment for the whole amount specified in the Demand Notice;
 - (c) a declaration in writing from the contractor specifying the proportion, expressed as a percentage, which its income under its Capitation and Quality Scheme 2 Agreement bears to the gross income of the Hereditament from the provision of dental services (i.e. from both NHS and private work) during the last 6 months of the financial year preceding the financial year in respect of which the claim for reimbursement is being made; and
 - (d) a declaration in writing from the contractor undertaking, if requested to do so by the Board, within three months of receiving such a request to provide to the Board documentary evidence sufficient to demonstrate accurately the proportion that its income under its Capitation and Quality Scheme 2 Agreement bore to the gross income of the Hereditament from the provision of dental services (i.e. from both NHS and private work) in the last 6 months of the financial year preceding the financial year in respect of which the claim for reimbursement is being made.

31.5 Where the contractor seeks reimbursement of an amount in respect of non-domestic rates in relation to more than one Hereditament, it shall submit to the Board a separate claim in respect of each such Hereditament.

31.6 For the purposes of this Section, the gross income of a Hereditament from the provision of dental services means the gross income from any dental services provided at or associated with the Hereditament by either the contractor or any dental practitioner that the contractor employs or engages.

Amount of non-domestic rates that may be reimbursed

31.7 The amount to which the contractor is entitled in respect of a reimbursement payment in any financial year is the amount specified in the Demand Notice for that financial year less, where the gross income of the Hereditament from the provision of dental services includes any income which is not derived from its Capitation and Quality Scheme 2 Agreement, any amount ("the abatement") calculated in accordance with paragraph 31.9.

31.8 The amount of the abatement shall be based on the percentage that the contractor is required to declare in accordance with paragraph 31.4(c). Wherever that percentage features in column 1 of the table below (as adjusted, where appropriate, in the light of further information received by the contractor, as requested in accordance with paragraph 31.4(c)) the corresponding percentage opposite that entry in column 2 is the amount, in percentage terms, of the abatement.

COLUMN 1	COLUMN 2
Proportion which the Capitation and Quality Scheme 2 Agreement income bears to the gross income of the Hereditament	Proportion of Non-domestic Rates to be abated
90% or more	No abatement
80% or more but less than 90%	10%
70% or more but less than 80%	20%
60% or more but less than 70%	30%
50% or more but less than 60%	40%
40% or more but less than 50%	50%
30% or more but less than 40%	60%
20% or more but less than 30%	70%
10% or more but less than 20%	80%
Less than 10%	90%

31.9 The amount to which the contractor is entitled falls due once the Board receives a valid application for the amount.

Conditions attached to payments under this Section

31.10 Payments under this Section, or any part of such payments, are only payable if the following conditions are satisfied:

- (a) the contractor must, as regards the Hereditament to which the payment relates, comply with its Agreement terms set by virtue of paragraph 12 (premises, facilities and equipment) of Schedule 3 to the GDS Contracts Regulations.
- (b) the contractor must make available any information which the Board does not have but needs, and which the contractor either has or could reasonably be expected to obtain, in order to calculate the amount of contractor's reimbursement payments;
- (c) the contractor must inform the Board of any changes to its circumstances which may affect its eligibility for reimbursement payments or the level of the reimbursement payments to which it may be entitled; and
- (d) all information supplied pursuant to or in accordance with sub-paragraphs (b) or (c) must be accurate.

31.11 If the contractor breaches any condition of its payments under this Section that is set out in this SFE (including the conditions that are set out in paragraph 31.10), the Board may, in appropriate circumstances, withhold payment of all or any part of a payment under this Section that is otherwise payable.

**PART 11
SUPPLEMENTARY PROVISIONS COMMON TO ALL PILOT
TYPES**

32. Administrative provisions

Payment arrangements

32.1 Payment under this SFE will be undertaken on the Board's behalf by the NHS BSA, and will be paid on the due date. The making of the payments which are required to be paid under these Directions was made a function of the NHS BSA by virtue of entry 1(a) of column 2 in the Schedule to the Functions Regulations. By virtue of regulation 2(3)(b) (functions of the Board exercisable by the Authority) of those Regulations, the Board may exercise that function itself only in the event that the NHS BSA is unable to do so for reasons other than a failure by the Board to co-operate in a reasonable manner with the NHS BSA.

32.2 This means that although it remains the responsibility of the Board to determine the correct amount of the payment, (subject to the specific arrangements for making the annual adjustments determined by the Secretary of State which are set out in paragraphs 18.11, 20.11 or 22.11) it must be the NHS BSA that actually makes the payment to the contractor.

32.3 In practice, the Board will be responsible for loading payment data into the NHS BSA's POL system, and this system will normally generate the amount of the payments to be made.

32.4 The NHS BSA has a responsibility (under entry 5 in column 3 that corresponds to entry 5 of column 1 of the Schedule to the Functions Regulations) for reporting to the Board evidence that it discovers in the course of carrying out its functions which it considers might be evidence of a breach of contract, an unlawful activity or an irregularity – or a matter which is otherwise unusual – but ultimate responsibility for ensuring that contractors are paid the correct amount rests with the Board. Indeed, the Board is responsible for any acts or omissions of the NHS BSA with regard to the payment functions that it has under the Functions Regulations, including the payment functions that the NHS BSA must perform on the Board's behalf (see regulation 2(4) (functions of the Board exercisable by the Authority) of the Functions Regulations).

32.5 Therefore, because the NHS BSA is effectively acting as the agent of the Board as regards the making of payments, the making of payments is referred to elsewhere in this SFE (see for example paragraph 32.7) as a function of the Board, even though the function is performed by the NHS BSA. As mentioned in the previous paragraph, this reflects the underlying legal liability, but in practice, references in this SFE to the Board making payments will need to be construed in accordance with the arrangements for making payments described in the preceding paragraphs of this Section.

32.6 However, where reference is made in this SFE to decisions with regard to the withholding of payments or the making of deductions (see for example the next paragraph), these will need to be decisions of the Board, although the NHS BSA will be putting the decision into effect on the Board's behalf.

Overpayments and withheld amounts

32.7 Without prejudice to the specific provisions elsewhere in this SFE relating to overpayments of particular payments, if the Board makes a payment to a contractor under its Agreement pursuant to this SFE and:

- (a) the contractor was not entitled to receive all or part thereof, whether because:
 - (i) it or a person employed or engaged by it did not meet the eligibility criteria for the payment, or
 - (ii) the payment was calculated incorrectly (including where a payment on account overestimates the amount that is to fall due);
- (b) the Board was entitled to withhold all or part of the payment because of a breach of a condition attached to the payment, but is unable to do so because the money has already been paid; or
- (c) the Board is entitled to repayment of all or part of the money paid,

the Board may recover the money paid by deducting an equivalent amount from any payment payable pursuant to this SFE (in instalments, where that is appropriate), and where no such deduction can be made, it is a condition of the payments made pursuant to this SFE that the contractor must pay to the Board that equivalent amount.

32.8 Where the Board is entitled pursuant to this SFE to withhold all or part of a payment because of a breach of a payment condition, and the Board does so or recovers the money by deducting an equivalent amount from another payment in accordance with paragraph 32.7, it may, where it sees fit to do so, reimburse the contractor the amount withheld or recovered, if the breach is cured.

Underpayments and late payments

32.9 Without prejudice to the specific provisions elsewhere in this SFE relating to underpayments of particular payments, if the full amount of a payment that is payable pursuant to this SFE has not been paid before the date on which the payment falls due, then unless:

- (a) this is with the consent of the contractor; or
- (b) the amount of, or entitlement to, the payment, or any part thereof, is in dispute,

once it falls due, it must be paid promptly (see direction 6 of the Directions).

32.10 If the contractor's entitlement to the payment is not in dispute but the amount of the payment is in dispute, then once the payment falls due, pending the resolution of the dispute, the Board must:

- (a) pay to the contractor, promptly, an amount representing the amount that the Board accepts that the contractor is at least entitled to; and
- (b) thereafter pay any shortfall promptly, once the dispute is finally resolved.

32.11 However, if a contractor has:

- (a) not claimed a payment to which it would be entitled pursuant to this SFE if it claimed the payment; or

- (b) claimed a payment to which it is entitled pursuant to this SFE but the Board is unable to calculate the payment until after the payment is due to fall due because it does not have the information it needs in order to calculate that payment (all reasonable efforts to obtain the information having been undertaken),

that payment is (instead) to fall due on the contractor's Monthly Payment Date in the month after the month during which the Board obtains the information it needs in order to calculate the payment.

Payments on account

32.12 Where the Board and the contractor agree (but the Board's agreement may be withdrawn where it is reasonable to do so and if it has given the contractor reasonable notice thereof), the Board must pay to a contractor on account any amount that is:

- (a) the amount of, or a reasonable approximation of the amount of, a payment that is due to fall due pursuant to this SFE; or
- (b) an agreed percentage of the amount of, or a reasonable approximation of the amount of, a payment that is due to fall due pursuant to this SFE,

and if that payment results in an overpayment in respect of the payment, paragraph 32.7 applies.

Time limitation for claiming payments

32.13 Subject to paragraphs 32.14 and 32.15, contractors are only eligible for payments under this SFE if they are claimed within three months of the date on which they could first have fallen due.

32.14 Subject to paragraph 32.15, a contractor is only eligible to receive reimbursement in respect of non-domestic rates under Section 31:

- (a) where it is claiming a single payment of the full amount due as a reimbursement in respect of any financial year, if it makes a valid application within three months of the date in the Demand Notice on which the full amount of its non-domestic rates for that financial year falls due;
- (b) where it is claiming two payments, each of half the full amount due as a reimbursement in respect of any financial year, if in relation to each application for a payment it has made a valid application within three months of the date in its Demand Notice on which the corresponding six-monthly amount of its non-domestic rates for that financial year falls due;
- (c) where it is claiming reimbursement of monthly instalments of non-domestic rates in monthly instalments, if it has made a valid application within three months of the date on which the first of the monthly instalments of non-domestic rates falls due.

32.15 The Board may waive the eligibility criteria in paragraphs 32.13 and 32.14 in any case where it considers it is reasonable in all the circumstances to do so.

Payments to or in respect of suspended dentists whose suspension ceases

32.16 If the suspension of a dental practitioner from the Dental Performers List ceases, and:

- (a) that dental practitioner enters into an Agreement that takes effect for payment purposes on 1st April 2013, any payments that the dental practitioner received under a determination made under regulation 13(1) (payments during suspension) of the Performers Lists Regulations¹⁷ may be set off, equitably, against the payments that he is entitled to receive under his Agreement pursuant to this SFE; or
- (b) a contractor is entitled to any payments in respect of that dental practitioner pursuant to this SFE and a payment was made to the dental practitioner pursuant to a determination made under regulation 13(1) (payments during suspension) of the Performers Lists Regulations¹⁸ but the dental practitioner was not entitled to receive all or any part thereof, the amount to which the dental practitioner was not entitled may be set off, equitably, against the payments that the contractor is entitled to in respect of him pursuant to this SFE.

Effect on periodic payments on termination of a Capitation and Quality Scheme 2 Agreement

32.17 If an Agreement under which a periodic payment (generally, the monthly agreement payments) is payable pursuant to this SFE is terminated before the end of the period to which it relates, a proportion of that payment is to fall due on the last day on which the agreement has effect. The amount of the period payment payable is to be adjusted by the fraction produced by dividing:

- (a) the number of days during the period to which the payment relates for which the Agreement has effect; by
- (b) the total number of days in that period.

32.18 This is without prejudice to any arrangements for the recovery of money paid under the Agreement that is recoverable as a result of the agreement terminating or any breach thereof.

Overpayment and termination of a Capitation and Quality Scheme 2 Agreement

32.19 If an Agreement is terminated before the end of the period to which it relates, under which a periodic payment (generally, the monthly agreement payments) is payable pursuant to this SFE, the Board shall perform a reconciliation of the payments made by the Board to the Contractor under the Agreement. The Board shall serve the Contractor with written details of the reconciliation as soon as reasonably practicable, and in any event no later than four months after the termination of the Agreement, in respect of all outstanding payments due to the contractor from the Board and any patient charges due to be paid by the contractor to the Board.

¹⁷ See The Performers Lists (Suspended Dentists' NHS Earnings) Determination 2013 at Annex C.

¹⁸ See The Performers Lists (Suspended Dentists' NHS Earnings) Determination 2013 at Annex C.

32.20 Payments pursuant to this SFE and the reconciliation statement referred to in paragraph 32.19:

- (a) payable to the contractor by the Board must be paid in accordance with paragraphs 32.17(a) and (b) above in respect of the amount of periodic payment payable,
- (b) that have been made to a contractor by the Board to which that contractor was not entitled may be recovered by the Board by deducting an equivalent amount from any payment payable pursuant to this SFE.

32.21 If after 2 months of the reconciliation statement being produced the contractor has not disputed the reconciliation statement, that reconciliation statement will be the amount either payable to the contractor or recoverable from the contractor, whether or not, if the reconciliation statement had been disputed, that would have led to an amended reconciliation.

32.22 Where payments pursuant to this SFE have been paid by the Board to the contractor and it is not possible for the Board to recover the money paid by deducting an equivalent amount from any payment payable pursuant to this SFE, the contractor must pay to the Board that equivalent amount in accordance with direction 6 of the Directions, and paragraph 32.7.

Dispute resolution procedures

32.23 Any dispute arising out of or in connection with this SFE between the Board and a contractor is to be resolved as a dispute arising out of or in connection with the contractor's Agreement, i.e. in accordance with the NHS dispute resolution procedures or by the courts (see Parts 7 of Schedules 3 to the GDS Contracts Regulations).

32.24 The procedures require the contractor and the Board to make every reasonable effort to communicate and cooperate with each other with a view to resolving the dispute between themselves before referring it for determination.

Information returns

32.25 To enable effective monitoring and evaluation of the agreements, returns of information must be made by the contractor within a maximum of 5 working days. Specifically:

- (a) The FP17 must be submitted within a maximum of 5 working days of the course of treatment being completed
- (b) The acceptance date of an FP17 course of treatment must be notified within a maximum of 5 working days of the treatment acceptance date
- (c) The Oral Health Assessment / Review must be submitted within a maximum of 5 working days of the assessment / review being completed

In practice it is expected that, given the capability of the IT systems, these returns would be made in a shorter timeframe. If the Board considers that there are reasonable grounds as to why this is not possible, the Board may waive this requirement.

Annual Reconciliation Report

32.26 The Board must, by no later than 31st August in each financial year, send the contractor an Annual Reconciliation Report, whether as part of the annual report and review required by paragraph 39 of Schedule 3 to the GDS Contracts Regulations otherwise, which shall include (but not be limited to), in respect of the previous financial year:

- (a) the total value of the contractor's Agreement, net of:
 - (i) any payments in respect of parental or sickness leave or any Monthly Seniority Payments (these are payments that are pensionable but not included in the calculation of the Agreement's Pensionable Earnings Ceiling), and
 - (ii) any foundation trainee salary payments, foundation trainee national insurance reimbursement payments, or non-domestic rates reimbursement payments (these are payments that are neither pensionable nor included in the calculation of the Agreement's Pensionable Earnings Ceiling);
- (b) the total of the initial values of the contractor's Monthly APVPs;
- (c) the total value of the deductions made to Monthly APVPs paid to the contractor, which shall be specified in two parts–
 - (i) the total amount of the NHS charges deducted, and
 - (ii) the total amount of any other deductions made under the agreement or pursuant to this SFE; and
- (d) the estimated Pensionable Earnings of each Dentist Performer who performed services under its Agreement, net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment paid in respect of the Dentist Performer.
- (e) the value of the adjustments made for capitation where applicable
- (f) the contractor's performance against the DQOF, including:
 - (i) the CAPS
 - (ii) the QP(NP)
 - (iii) the FQP(P)
 - (iv) the RP
- (g) the number of units of orthodontic activity the contractor:
 - (i) was contracted to provide;
 - (ii) actually provided, based on the data submitted to the Board by the contractor, in accordance with its agreement or contract condition set by virtue of regulation 18 of the GDS Contracts Regulations; and
 - (iii) where relevant, the number of units of orthodontic activity that the contractor was contracted to provide but did not provide;
 - (iv) and the payments that have been made for these units under the GDS SFE;
- (h) the total of the initial values of the contractor's Monthly ASSPs.

32.27 The Annual Reconciliation Report will draw on an annual reconciliation statement relating to the payments made under the Agreement sent by the NHS BSA to the Board pursuant to entry 2(b) in column 3 of the Functions Regulations.

PART 12

Termination of a Capitation and Quality Scheme 2 Agreement

33. Exit from a Capitation and Quality Scheme 2 Agreement

33.1 This Section applies in a case where the Agreement terminates as a consequence of:

- (a) the Board gives notice of intention to withdraw from the Agreement pursuant to direction 11(1) of the Directions,
- (b) the contractor gives notice of intention to withdraw from the Agreement pursuant to direction 11(3) of the Directions, and
- (c) cessation of the Capitation and Quality Scheme 2 pursuant to direction 12 of the Directions.

Right to return to underlying GDS contract

33.2 The Board must consider, in accordance with direction 11, withdrawal from the Agreement in the circumstances set out below but not limited to:

- (a) a significant reduction in Patient Charge Revenue, calculated quarterly, from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made, which in the opinion of the Board represents a significant reductions in NHS commitment.
- (b) a significant decrease in the average weekly time given to appointments in which an element of NHS care is delivered and reported to the NHS BSA calculated on a quarterly basis, which in the opinion of the Board, significantly decreases from the level agreed at the date of the commencement of the Agreement and the Board considers that decrease to represent a significant reduction in NHS commitment, in the period which runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.
- (c) a significant decrease in the historical capitated population number after any adjustment for past under delivery, calculated on a quarterly basis, which in the opinion of the Board, significantly decreases from the level agreed at the date of the commencement of the Agreement, and the Board considers that decrease to represent a significant reduction in NHS commitment in the period which runs from the date of the commencement of the Agreement until the end of the financial year in which the Agreement is made.
- (d) lack of engagement by the contractor in the requirements of the evaluation and monitoring processes required under the Agreement.
- (e) the issuing of breach notices to the contractor in accordance with paragraph 73 of Schedule 3 to the GDS Contracts Regulations.

Adjustments to payments on returning to underlying GDS contract

33.3 Where the termination is a consequence of:

- (a) the Board giving notice of intention to withdraw pursuant to direction 11(1) of the Directions, or the contractor giving notice of intention to withdraw pursuant to direction 11(3) of the Directions, and the date of termination is not the 31st of March in any year, there must be:
 - (i) no adjustment for capitation, and
 - (ii) no adjustment for performance against the DQOF, for that financial year;
- (b) the cessation of the Capitation and Quality Scheme 2, and the date of termination is not the 31st of March in any year, there must be—
 - (i) an adjustment for capitation made two months after the date of the cessation,
 - (ii) no adjustment for performance against the DQOF, for that financial year.

33.4 If the termination for whatever reason takes effect other than on the first day of a month, for the purposes of payments, the value of its last Monthly APVP in respect of the last part-month of its Agreement is to be produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

33.5 Where the termination for whatever reason takes effect at the end of the financial year then the value of the last Monthly APVP will be adjusted for capitation or performance against the DQOF.

Transfer of residual value of the Capitation and Quality Scheme 2 Agreement

33.6 On termination for whatever reason of the Agreement, the residual value of the contractor's AAPV which will transfer to their underlying GDS contract will be determined for the date on which the contractor transfers back into that underlying GDS contract. The AAPV must be divided by twelve with one twelfth of the AAPV transferring for each remaining month of the financial year.

33.7 If the termination for whatever reason of the Agreement takes effect other than on the first day of a month, for payment purposes the initial value of its Monthly AAPVs in respect of the first part-month of its agreement is to be produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

Activity requirement for the remainder of the financial year

33.8 Following the termination for whatever reason of the Agreement, the activity, expressed in UDAs, expected from a contractor on transfer back to its underlying GDS contract must be calculated by dividing the contractor's previous agreed annual UDA expectation by twelve with one twelfth of the UDA expectation transferring for each remaining month of the financial year.

33.9 If the termination of the Agreement for whatever reason takes effect for the purposes of payment other than on the first day of a month, the initial value of the UDA activity in respect of the first part-month of the contractors underlying GDS contract is to be produced by dividing:

- (a) the number of days during the month for which the Agreement has effect for payment purposes; by
- (b) the total number of days in that month.

33.10 Following the termination of the Agreement for whatever reason, any under-delivered activity, expressed in UDAs, which was “stayed” by agreement (pursuant to paragraphs 18.7, 20.7 and 22.7) between the contractor and the Board at the commencement of the Agreement will be added in full to the annual UDAs required under the GDS contract for the remainder of the financial year in which the Agreement terminates. If the remainder of the financial year is 5 months or more the Board must, if it considers it reasonable to do so, require the contractor to deliver the activity within the financial year in which the Agreement terminates. If there is less than 5 calendar months remaining in the financial year in which the Agreement terminates, the Board must, if it considers it reasonable to do so, extend the period for delivery of the UDA activity to the “normal” 60 day minimum period from the start of the following financial year (along with any other agreed carried forward UDAs for that year).

33.11 Paragraphs 33.4, 33.5, 33.6 and 33.7 are subject to any rights the Board may have to set off against an amount payable to the contractor an amount that:

- (a) is owed by the contractor to the Board under the Agreement,
- (b) has been paid to the contractor owing to an error or in circumstances when it was not due, or
- (c) may be withheld in accordance with the Directions and the SFE.

CHAPTER THREE

TERMS USED THROUGHOUT THIS SFE

PART 13

Definitions

34. Glossary of Terms

Acronyms

34.1 The following acronyms are used in this document:

AAPV	Actual Annual Pilot Value (for all types of Agreement)
AAPV1	Actual Annual Pilot Value – Type 1
AAPV2	Actual Annual Pilot Value – Type 2
AAPV3	Actual Annual Pilot Value – Type 3
AAVP	Monthly Annual Agreement Value Payment
ACVP	Monthly Annual Contact Value Payment
APV1P	Monthly Annual Pilot Value – Type 1 Payments
APV2P	Monthly Annual Pilot Value – Type 2 Payments
APV3P	Monthly Annual Pilot Value – Type 3 Payments
APVP	Monthly Annual Pilot Value Payments (for all types of Agreement)
ASSP	Annual Specified Services Payment
AYCP2	Adjusted Year’s Capitation Payment – Type 2
AYCP3(R)	Adjusted Year’s Capitation Payment (Routine) – Type 3
AYECP2	Adjusted Year’s Estimated Capitation Payment – Type 2
AYECP3(R)	Adjusted Year’s Estimated Capitation Payment (Routine) – Type 3
BCCP	Baseline Contractor’s Capitated Population
BCP	Baseline Capitation Payment
BPE	Basic Periodontal Examination
CAAPV	Calculated Actual Annual Pilot Value (for all types of Agreement)
CAAPV1	Calculated Actual Annual Pilot Value – Type 1
CAAPV2	Calculated Actual Annual Pilot Value – Type 2
CAAPV3	Calculated Actual Annual Pilot Value – Type 3
CAML	Capitation Adjustment Minimum Level
CAPS	Contractor’s Annual Performance Score
CAWCP	Contractor’s Actual Weighted Capitation Population
CCP	Contractor’s Capitated Population
CCSW	Contractor’s Contract Size Weighting
CEAPS	Contractor’s Estimated Annual Performance Score
CEAWCP	Contractor’s Estimated Actual Weighted Capitation Population
CECP	Contractor’s Estimated Capitated Population
CEPS	Contractor’s Excess Performance Score
CEWCP	Contractor’s Expected Weighted Capitation Population
CPSPP	Contractor’s Percentage Share of Peer Pool
CQC	Care Quality Commission
CSRPP	Contractor’s Share of the Residual Payment Pool

CSRPP(A)	Contractor's Share of the Residual Payment Pool – A
CSRPP(B)	Contractor's Share of the Residual Payment Pool – B
CSRPP(C)	Contractor's Share of the Residual Payment Pool – C
CWEPS	Contractor's Weighted Excess Performance Score
DQOF	Dental Quality and Outcomes Framework
EAAPV	Estimated Actual Annual Pilot Value (for all types of Agreement)
EAAPV1	Estimated Actual Annual Pilot Value – Type 1
EAAPV2	Estimated Actual Annual Pilot Value – Type 2
EAAPV3	Estimated Actual Annual Pilot Value – Type 3
EAPV	Estimated Annual Pilot Value (for all types of Agreement)
EAPV1	Estimated Annual Pilot Value – Type 1
EAPV2	Estimated Annual Pilot Value – Type 2
EAPV3	Estimated Annual Pilot Value – Type 3
EEOCEWCP	Estimated Excess Over Contractor's Expected Weighted Capitation Population
EOCEWCP	Excess Over Contractor's Expected Weighted Capitation Population
EQP(NP)	Estimated Quality Payment (Non-Peer)
EWCAF	Estimated Weighted Capitation Adjustment Factor
FAPV	Forecast Annual Pilot Value (for all types of Agreement)
FAPV1	Forecast Annual Pilot Value – Type 1
FAPV2	Forecast Annual Pilot Value – Type 2
FAPV3	Forecast Annual Pilot Value – Type 3
FQP(P)	Final Quality Payment (Peer)
GDC	General Dental Council
IMTP	Interim Month 12 Payment (for all types of Agreement)
IMTP1	Interim Month 12 Payment – Type 1
IMTP2	Interim Month 12 Payment – Type 2
IMTP3	Interim Month 12 Payment – Type 3
LCAF	Local Capitation Adjustment Factor
LCAPS-1 st	Lowest Contractor's Annual Performance Score (1 st Wave)
LCAPS-2 nd	Lowest Contractor's Annual Performance Score (2 nd Wave)
MPAVC	Money Purchase Additional Voluntary Contributions
NAAV	Negotiated Annual Agreement Value
NACV	Negotiated Annual Contract Value
NAPCRL	National Average Patient Capitation Remuneration Level
NAPCRL(R)	National Average Patient Capitation Remuneration Level - Routine
NAPV	Negotiated Annual Pilot Value (for all types of Agreement)
NAPV1	Negotiated Annual Pilot Value – Type 1
NAPV2	Negotiated Annual Pilot Value – Type 2
NAPV3	Negotiated Annual Pilot Value – Type 3
NHS BSA	NHS Business Services Authority
NPQP-1 st	National Peer Quality Pool (1 st Wave)
NPQP-2 nd	National Peer Quality Pool (2 nd Wave)
NWEPP	National Weighted Excess Performance Points
OHA	Oral Health Assessment
OHR	Oral Health Review
POL	Payments On-Line
PRP	Potential Residual Payment
PRP(A)	Potential Residual Payment – A
PRP(B)	Potential Residual Payment – B

PRP(C)	Potential Residual Payment – C
QP(NP)	Quality Payment (Non-Peer)
QP(P)	Quality Payment (Peer)
QP(P)R	Quality Payment (Peer) Residual
RAG	Red Amber Green
RMTP	Reconciliation Month 12 Payment (for all types of Agreement)
RMTP1	Reconciliation Month 12 Payment – Type 1
RMTP2	Reconciliation Month 12 Payment – Type 2
RMTP3	Reconciliation Month 12 Payment – Type 3
RPP-1 st	Residual Payment Pool (1 st Wave)
RPP-2 nd	Residual Payment Pool (2 nd Wave)
RPP(A)-1 st	Residual Payment Pool – A (1 st Wave)
RPP(A)- 2 nd	Residual Payment Pool – A (2 nd Wave)
RPP(B)-1 st	Residual Payment Pool – B (1 st Wave)
RPP(B)- 2 nd	Residual Payment Pool – B (2 nd Wave)
RPP(C)-1 st	Residual Payment Pool – C (1 st Wave)
RPP(C)- 2 nd	Residual Payment Pool – C (2 nd Wave)
SFE	Statement of Financial Entitlement
UYCP(2)	Unadjusted Year’s Capitation Payment – Type 2
UYCP3(R)	Unadjusted Year’s Capitation Payment (Routine) – Type 3
UYECP(2)	Unadjusted Year’s Estimated Capitation Payment – Type 2
UYECP3(R)	Unadjusted Year’s Estimated Capitation Payment (Routine) – Type 3
WCAF	Weighted Capitation Adjustment Factor

Definitions

34.2 Unless the context otherwise requires, words and expressions used in this SFE and the GDS Contracts Regulations, the PDS Agreements Regulations and the Directions bear the meaning they bear in the GDS Contracts Regulations, the PDS Agreements Regulations and the Directions.

34.3 The following words and expressions used in this SFE have, unless the context otherwise requires, the meanings ascribed below:

“The 1977 Act” means the National Health Service Act 1977.¹⁹

“The 2006 Act” means the National Health Service Act 2006.²⁰

“an Agreement ” is an agreement made in accordance with the Capitation and Quality Scheme 2 and in accordance with the Directions.

“Annual Reconciliation Report” is be construed in accordance with paragraph 16.26 and 32.26.

“Billing Authority” has the same meaning as in Schedule 9 to the Local Government Finance Act 1988 (generally, district councils and London Borough Councils).

¹⁹ 1977 c.49.

²⁰ 2006 c.41.

“the Board” means the National Health Service Commissioning Board²¹.

“Care pathway” means the planning of the continuing primary dental services to be provided to the patient, over the time immediately following the patient’s oral health assessments or oral health reviews, which includes:

- (a) the treatment interventions proposed for a patient and advice in relation to those interventions, which will include proposals for any interim care required, and the provision of an interim care plan;
- (b) advice in relation to oral health promotion and the prevention of oral disease relevant to that patient; and
- (c) the completion of a self-care plan specific to that patient, which includes:
 - (i) a plan of treatment interventions;
 - (ii) risk assessment in relation to oral health;
 - (iii) appropriate preventative advice;
 - (iv) a plan of self-care measures proposed for that patient including specified actions to be undertaken by the patient;
 - (v) referral to other services where necessary; and
 - (vi) the date of the next oral health review,which is provided to that patient for the purposes of improving and maintaining that patient’s oral health and reducing that patient’s risk level where necessary.

“Commencing a course of treatment” occurs on the acceptance date on the FP17 that was raised for that treatment.

“Confinement” means the birth of a living child, or the birth of a child, whether living or not, after 24 weeks of pregnancy.

“Contractor” means a person, other than the Board, who is a party to an Agreement.

“Demand Notice” means the notice served by the Billing Authority stating, in accordance with regulations under paragraph 2(2)(g) of Schedule 9 to the Local Government Finance Act 1988, the payment by way of Non-Domestic Rates that a Non-Domestic Ratepayer is required to make in respect of a financial year.

“Dental List” means the Dental Performers List.

“Dental Performers List” means the list prepared, maintained and published by the Board pursuant to regulation 3(1)(b) of the Performers Lists Regulations.

“Dentist” means a person registered in the dentists register under the Dentists Act 1984.

“Dentist Performer” means a dental practitioner:

²¹ The National Health Service Commissioning Board was established by section 1H of the 2006 Act. Section 1H was inserted by section 9(1) of the Health and Social Care Act 2012 Act (c.7).

- (a) whose name is included in the Dental Performers List;
- (b) who performs dental services under an Agreement; and
- (c) who is employed or engaged by a contractor.

“the Directions” means the National Health Service (Dental Services) (Capitation and Quality Scheme 2 Agreements) Directions 2013.²²

“domain” means one of four categories of clinical disease status, which are –

- (a) caries;
- (b) periodontal disease;
- (c) non-carious tooth surface loss (erosion, attrition and abrasion); and
- (d) soft tissue conditions.

“Employed or engaged” is to be construed in accordance with paragraph 1.5.

“Employing Authority” has the same meaning as in the NHS Pension Scheme Regulations 1995 and the NHS Pension Scheme Regulations 2008.

“Expected date of confinement” means the date on which the birth of a child is expected.

“Expected week of confinement” means the week in which the birth of a child is expected.

“Financial year” means a period of 12 months ending with 31st March in any year.

“Foundation Trainee” means a dental practitioner who is employed by a contractor as a Foundation Trainee as a consequence of a placement arrangement made by the local Postgraduate Dental Dean or Director of Postgraduate Dental Education.

“Foundation Trainer” means a Dentist Performer:

- (a) who is employed or engaged by a contractor; and
- (b) whose application to act as a Trainer in a foundation training scheme for general dental practice has been approved by a selection committee established by a Local Postgraduate Dental Education Committee, and who remains an approved person by such a committee.

“Functions Regulations” means the Functions of the National Health Service Commissioning Board and the NHS Business Services Authority (Awdurdod Gwasanaethau Busnes y GIG) (Primary Dental Services) (England) Regulations 2013.²³

“GDS contract” means a general dental services contract.

“GDS Contract Holder” means a person who has entered into a GDS contract with the Board.

“GDS Contracts Regulations” means the National Health Service (General Dental Services Contracts) Regulations 2005.²⁴

²² The National Health Service (Dental Services)(Capitation and Quality Scheme Agreements) Directions 2013 signed on 13 March 2013 published on the Department of Health website www.dh.gov.uk.

²³ S.I. 2013/469.

“GDS SFE 2013” means the directions given under section 103 of the 2006 Act in respect of GDS contracts.²⁵

“Hereditament” shall be construed in accordance with paragraph 15.2(a) and paragraph 31.2(a).

“Interim care plan” means the plan of the additional advice and preventative treatment proposed at a patient’s oral health assessment or oral health review which is recorded on a patient’s treatment plan, which includes:

- (a) proposals of any preventative treatment to be provided;
- (b) proposals for instruction on techniques and practices required in relation to the promotion of oral health; and
- (c) proposals in respect of advice in relation to diet, hygiene, personal habits and oral health in order to prevent dental and oral disease.

“Money Purchase Additional Voluntary Contributions” means contributions to a Money Purchase Additional Voluntary Contributions Provider in respect of what, for the purposes of the National Health Service Pension Scheme (Additional Voluntary Contributions) Regulations 20002, is a free-standing additional voluntary contributions scheme.

“Money Purchase Additional Voluntary Contributions Provider” means an insurance company providing what, for the purposes of the National Health Service (Additional Voluntary Contributions) Regulations 2000, is a free-standing additional voluntary contributions scheme.

“Month 12” means the last month of the financial year, which is March.

“Monthly Payment Date” shall be construed in accordance with paragraph 3.17, 5.17, 7.17, 19.17, 21.17 and 23.17.

“Monthly Payment Schedule” shall be construed in accordance with paragraph 3.20, 5.20, 7.20, 19.20, 21.20 and 23.20.

“Monthly Seniority Payment” is a payment under Section 11 or Section 27.

“Net monthly Pensionable Earnings” means a Dentist Performer’s monthly Pensionable Earnings (i.e. one twelfth of his Pensionable Earnings for the financial year into which the month falls), net of any Pensionable Earnings that are attributable to any Monthly Seniority Payment.

“NHS Pensions Scheme Regulations 1995” means the National Health Service Pension Schemes Regulations 1995.²⁶

²⁴ S.I. 2005/3361. Amendments have been made by S.I. 2006/563, 2007/544, 2008/528, 1514, and 1700, 2009/309 and 462 and 2010/22 and 1181, and 2011/1182, 2012/502, 2273 and 2404, and 2013/235 and 364.

²⁵ General Dental Services Statement of Financial Entitlements 2013 signed on 28th March 2013.

²⁶ S.I. 1995/300 as amended.

“NHS Business Services Authority” means the NHS Business Services Authority established by the NHS Business Services Authority (Awdurdod Gwasanaethau Busnes y GIG) (Establishment and Constitution) Order 2005.²⁷

“NHS charge” means a charge made to the patient for provision of services pursuant to the NHS Charges Regulations.

“NHS Charges Regulations” means the National Health Service (Dental Charges) Regulations 2005.²⁸

“NHS Pension Scheme” means the pension scheme continued under the NHS Pension Scheme Regulations 1995 and 2008.

“NHS Pension Scheme Regulations 1995” means the National Health Service (Pension Scheme) Regulations 1995.²⁹

“NHS Pensions Scheme Regulations 2008” means the National Health Service Pension Schemes Regulations 2008.³⁰

“Non-Domestic Ratepayer” means the person who is liable under section 43 of the Local Government Finance Act 1988 to pay an amount in respect of Non-Domestic Rates.

“Non-Domestic Rates” means the non-domestic rates payable under Part III of the Local Government Finance Act 1988.

“Oral health assessment” means the initial examination at which a comprehensive and standardised assessment of a patient’s oral health and individual risk factors relating to oral health is carried out when that patient first visits a practice participating in the Capitation and Quality Scheme 2 which includes:

- (a) clinical assessment of that patient; and
 - (b) a review of that patient’s medical history and clinically relevant social history, where relevant to a patient’s oral health;
- during which the provider of services and the patient agree a self-care plan and a care pathway incorporating advice, actions to be undertaken by the patient and treatment for that patient that is appropriate to that patient’s need.

“Oral health review” means the examination undertaken for the purposes of updating the patient’s current oral health assessment, which is scheduled according to the patient’s need and risk, at which the patient’s care pathway is reviewed and agreed with the patient.

“Oral health status” means the risk status, specified as red, amber or green, which is assigned to the patient for each of the four domains following the oral health assessment and reviewed at each oral health review.

²⁷ S.I. 2005/2414 as amended by S.I. 2006/632 and S.I. 2007/1201.

²⁸ S.I. 2005/3477 as amended.

²⁹ S.I. 1995/300 as amended.

³⁰ S.I. 2008/563 as amended.

“Parental Leave Pay Period” is to be construed in accordance with paragraph 13.8 and paragraph 29.8.

“Partner”, in the context of a personal relationship (as opposed to a partner to a partnership agreement), means a member of a couple who are living as husband and wife or as civil partners, or who are living in like family arrangements.

“Paternity leave payment” includes payment for adoption leave for an adoptive parent who is not the main care provider.

“Patient Charges Revenue” means the payments collected by a contractor from patients for charges made and recovered in respect of the provision of primary dental services provided under an Agreement pursuant to the NHS Charges Regulations.

“Patient days” means the total number of days for which a contractor’s patients entitle him to a capitation payment during the stated period.

“Payments On-Line” is the NHS BSA’s computerised system for making payments to dentists on behalf of the Board.

“PDS agreement” is an agreement within the meaning of section 107 of the 2006 Act (arrangements by the Board for the provision of primary dental services).

“PDS Agreement Holder” means a person who is a party to a PDS agreement.

“PDS Agreements Regulations” means the National Health Service (Personal Dental Services Agreements) Regulations 2005.³¹

“PDS SFE 2013” means the directions given under section 109(4) of the 2006 Act in respect of PDS agreements.³²

“Pensionable Earnings” means the earnings derived from an Agreement, a PDS agreement or a GDS contract which are treated as the pensionable earnings of a Dentist Performer under the NHS Pension Scheme Regulations 1995 and the NHS Pension Scheme Regulations 2008.

“Pensionable Earnings Ceiling” has the meaning given in paragraph 1 of Schedule 2 to the NHS Pension Scheme Regulations 1995 (medical and dental practitioners – additional definitions) and in regulation 3.A.1 of the NHS Pension Scheme Regulations 2008 (interpretation of Part 3; general).

“Performers Lists Regulations” means the National Health Service (Performers Lists) (England) Regulations 2013.³³

“Period of sickness” means a period beginning with the date on which a Dentist Performer ceases to provide dental services under the Agreement because of sickness and ending with

³¹ S.I.2005/3373; as amended by S.I. 2006/1837, 2007/544, 2008/547, 2009/404, 2011/519, 2012/502, 2013/235 and 364.

³² Personal Dental Services Statement of Financial Entitlement 2013 signed on 28th March 2009.

³³ S.I. 2013/335.

the date on which that Dentist Performer is once again available to provide dental services under the Agreement.

“Postgraduate dental dean or director of postgraduate dental education” means a dental practitioner appointed to that position to assist in the provision of a suitable learning environment for dental practitioners performing primary dental services to meet the requirements and standards of the Dental Faculties of the Royal College of Surgeons of England and the Department of Health.

“SDR” means the Statement of Dental Remuneration under regulation 19(3) of the National Health Service (General Dental Services) Regulations 1992, as it had effect on 31st March 2006.

“Type 1 dental practitioner” has the meaning given in regulation A2 of the NHS Pension Scheme Regulations 1995 (interpretation) and in regulation 3.A.1 (interpretation) of Part 3: general) of the NHS Pension Scheme Regulations 2013.

“Type 2 dental practitioner” has the meaning given in regulation A2 of the NHS Pension Scheme Regulations 1995 (interpretation) and in regulation 3.A.1 (interpretation) of Part 3: general) of the NHS Pension Scheme Regulations 2013.

“Underlying agreement” means the PDS agreement held by a contractor immediately prior to entering an Agreement.

“Underlying contract” means the GDS contract held by a contractor immediately prior to entering an Agreement.

PART 14

TRANSITIONAL, REVOCATION AND SAVINGS PROVISIONS

14. Interpretation

14.1 For the purposes of this Section—

“2012 Act” means the Health and Social Care Act 2012^{**34**};

“Capitation and Quality Scheme Agreement” means an agreement containing such terms and conditions relating to the provision of primary dental services as are required by, and which is made in accordance with, the National Health Service (Dental Services) (Capitation and Quality Scheme Agreements) Directions 2011^{**35**};

“Primary Care Trust” means the party to a GDS contract, other than the contractor, who entered into a Capitation and Quality Scheme Agreement;

³⁴ 2012 c.7.

³⁵ The National Health Service (Dental Services) (Capitation and Quality Scheme Agreements) Directions 2011 signed on 27th April 2011.

“the Scheme SFE” means the Capitation and Quality Scheme Statement of Financial Entitlements³⁶; and

“Relevant Body” means the party to a PDS agreement other than the contractor, who entered into a Capitation and Quality Scheme Agreement.

Transitional provisions

14.2 Subject to any other preceding provision in this SFE, any act or omission by or in relation to, a Relevant Body or a Primary Care Trust before 1st April 2013 in respect of—

(a) the exercise of any function of a Relevant Body or a Primary Care Trust under or in connection with a provision of the Scheme SFE as in force on 31st March 2013; or

(b) any rights or liabilities of a Relevant Body or a Primary Care Trust transferred as a consequence of a property transfer scheme made under section 300 of the 2012 Act in relation to Scheme SFE,

is deemed to have been an act or omission of, or in relation to the Board.

14.3 Anything which, when this SFE takes effect, is in the process of being done by, or in relation to, the Relevant Body or the Primary Care Trust in respect of, or in connection with—

(a) the exercise by the Relevant Body or the Primary Care Trust of any of its functions under or in connection with a provision of the Scheme SFE as in force on 31st March 2013, or

(b) any rights or liabilities of the Relevant Body or the Primary Care Trust transferred as a consequence of a property transfer scheme made under section 300 of the 2012 Act in relation to the Scheme SFE,

(c) is deemed to have effect as if done by, or in relation to, and may be continued by, or in relation to, the Board.

14.4 Where it is necessary for the contractor or the Board—

(a) to take account of a period of time; or

(b) to calculate a period of time which is required in accordance with this SFE,

any period of time that occurred before 1st April 2013 and which is relevant to the matter under consideration is to be taken into account or used in order to calculate any time period for the purposes of that consideration or applying provisions in these Directions on or after the 1st April 2013 only if that period of time could have been taken into account or used in a calculation of a time period in respect of those mirror provisions as in force immediately before 1st April 2013.

14.5 Notwithstanding paragraph 14.6, any provision which has continuing operation after 31st March 2013 and which refers to a Relevant Body or a Primary Care Trust or requires

³⁶ The Capitation and Quality Scheme Statement of Financial Entitlements signed on 24th May 2011 is available on the Department of Health website www.dh.gov.uk.

action by a Relevant Body or a Primary Care Trust, is to be treated, so far as that provision falls to be applied to any act, omission occurring after that date, as if it referred to the Board.

Revocations and Savings

14.6 Subject to paragraph 14.5—

- (a) the Scheme SFE signed on 24th May 2011;
- (b) the Capitation and Quality Scheme Statement of Financial Entitlements (Amendment) Directions 2013 signed on 5th February 2013;

are revoked.

14.7 Notwithstanding the revocation provided for in paragraph 14.6, the Scheme SFE as in force immediately before 1st April 2013 continues to apply to the extent necessary to assess any entitlement to payment or recovery of payment arising under the terms of a Capitation and Quality Scheme Agreement.

14.8 For the purposes of paragraph 14.7 and for the resolution of any matter which is pending as at 31st March 2013—

- (a) the Board may do or continue to do anything which a Relevant Body or a Primary Care Trust could have done in relation to the Scheme SFE; and
- (b) the transitional provisions in Schedules 1 and 2 to the National Health Service (Primary Dental Services) (Miscellaneous Amendments and Transitional Provisions) Regulations 2013 apply in so far as is necessary.

ANNEX A

DENTAL QUALITY AND OUTCOMES FRAMEWORK

A.1. Introduction

A.1.1 Work on quality indicators, and in particular outcome indicators, is relatively new in the National Health Service and even more so in dentistry. A Dental Clinical Effectiveness and Outcomes Group undertook the development of an initial wide range of potential quality indicators. These contributed to the initial Dental Quality and Outcomes Framework (DQOF), which has been further developed over the last two years. The DQOF is revised as at 1 April 2013 and this revised version will apply to the Capitation and Quality Scheme 2. The revised version is described in this Annex and will be published on the DH website on 1 April 2013.

A.1.2 The DQOF is consists of three domains:

- (a) Clinical effectiveness
- (b) Patient experience
- (c) Safety

A.1.3 The maximum amount of points available to be achieved in the DQOF by a contractor is 1,000.

A.2. Clinical effectiveness

A.2.1 A key component of all Agreements will be the implementation of the oral health assessment and a pathway approach to care, supported by evidence-based clinical guidelines where available. All Agreements will use the Oral Health Assessment (OHA). The OHA is a standardised, comprehensive assessment of a patient's oral health status in which standardised information is collected using the clinical software to support decisions about prevention, treatment and recall frequency. It involves taking a full patient history and carrying out a thorough dental and head and neck examination including:

- (a) tooth charting
- (b) assessment of caries, erosion and dental decay
- (c) assessment of periodontal disease
- (d) assessment of tooth service loss
- (e) assessment of soft tissue condition
- (f) the patient's medical history
- (g) the clinically relevant aspects of the patient's social history.

A.2.2 A contractor will carry out an OHA when a patient first visits a practice. The OHA is to be updated at Oral Health Review (OHR). The interval between the OHA and OHR is dependent on the clinical need. The clinical software will set the recall based on oral health status but this can be overridden by the dentist if there are clinical reasons to do so. Contractors must follow the clinical and software guidance that will be provided.

A.2.3 The clinical effectiveness outcome indicators included in the DQOF are based on the clinical elements of the standardised OHA and the associated process of determining the patient’s oral health status. The oral health status can be described using a Red, Amber, Green (RAG) methodology. This is discussed between dentist and patient who then agree a personalised care plan which is recorded on the self-care plan provided to the patient and a defined care pathway. It enables an assessment of the patient’s current status and patient modifying factors to determine risk of future disease, and should be refreshed at each review. It can also provide an assessment of need across a practice population.

A.2.4 The aim of this domain of the DQOF is to measure the maintenance or improvement of oral health with respect to caries and periodontal health. The risk screening process incorporates both clinical and patient modifying factors. For the purposes of the outcome measures, only the clinical factors are measured and evaluated.

Clinical effectiveness indicators

A.2.5 The following clinical effectiveness indicators are derived from the clinical elements of the assessment based on the standardised OHA and the associated process of determining the patient’s oral health status. The indicator information will be captured at review and achievement of the indicator is described as either maintaining or improving a patient’s condition.

Ref	Indicator	Points available
OI.01	Decayed teeth (dt) aged 5 years old and under, reduction in number of carious teeth/child	150
OI.02	Decayed Teeth (DT) aged 6 years old and over, reduction in number of carious teeth/child	150
OI.03	Decayed Teeth (DT) reduction in number of carious teeth/dentate adult	150
OI.04	Patients with BPE score improved or maintained at oral health review	75
OI.05	Patients with BPE of score 2 or more with sextant bleeding sites improved at oral health review	75

A.2.6 Clinical Effectiveness Outcome Indicator OI.01

Definition

Decayed teeth (dt) aged 5 years old and under, reduction in number of carious teeth/child

Achievement threshold

50% Under 5s active decay (dt) improved or maintained.

The achievement threshold allows for both the impact of patient and carers on attaining required outcomes and individual patient’s susceptibility.

Rationale

Dental caries is preventable and at early stages reversible. This indicator will monitor the primary dental care team’s adoption of evidenced informed preventative advice and intervention and their impact on oral health.

Evidence

Delivering Better Oral Health (DBOH), evidence based prevention. Selected Cochrane reviews;

Marinho VC, Higgins JP, Sheiham A, Logan S. 2003. Fluoride toothpastes for preventing dental caries in children and adolescents. Cochrane Database of Systematic Reviews. Issue 2. Art. no: CD002278 DOI: 10.1002/14651858.

Marinho VCC, Higgins JPT, Logan S, Sheiham A. 2007. Fluoride varnishes for preventing dental caries in children and adolescents. Cochrane Database of Systematic Reviews. Issue 2. Art. no: CD002279. DOI: 10.1002/14651858.

NHS Dental Epidemiology programme survey of 5 year olds in 2007/08 reports that 69% 5 year olds are caries free.

Reporting and Verification

Practices should record the indicator information through tooth level data in the oral health assessment/oral health review. Achievement of the indicator is described as either maintaining or improving a patient's condition.

Measurement will be based on most recent paired reviews (OHA & OHR, OHR & OHR) within the financial year.

Data Item: no caries, early caries, established caries, arrested caries

Age Range: 0 – 5 years

Exclusions: none

Verification: External verification is not required.

A.2.7 Clinical Effectiveness Outcome Indicator OI.02

Definition

Decayed Teeth (DT) aged 6 years old and over, reduction in number of carious teeth/child

Achievement threshold

75% over 6's improved or maintained.

The achievement threshold allows for both the impact of patient and carers on attaining required outcomes and individual patient's susceptibility.

Rationale

Dental caries is preventable and at early stages reversible. This will monitor the primary dental care team's adoption of evidenced informed preventative advice and intervention and their impact on oral health.

Evidence

Delivering Better Oral Health (DBOH), evidenced based prevention toolkit. Selected Cochrane references; as above and

Ahovuo-Saloranta A, Hiiri A, Nordblad A, Worthington H, Mäkelä M. 2007. Pit and fissure sealants for preventing dental decay in the permanent teeth of children and

adolescents. Cochrane Database of Systematic Reviews. Issue 2. Art. no: CD001830. DOI: 10.1002/14651858 CD001830 pub 2

Marinho VCC, Higgins JPT, Logan S, Sheiham A. 2007. Fluoride mouthrinses for preventing dental caries in children and adolescents. Cochrane Database of Systematic Reviews. Issue 2. Art. no: CD002284. DOI: 10.1002/14651858.

NHS Dental Epidemiology programme survey of 12 year old children 2008/09 found 66.7% of 12 year olds with no caries experience.

Reporting and Verification

Practices should record the indicator information through the oral health assessment/oral health review. Achievement of the indicator is described as either maintaining or improving a patient's condition.

Measurement will be based on most recent paired reviews (OHA & OHR, OHR & OHR) within the financial year

Data Item: no caries, early caries, established caries, arrested caries

Age Range: 6-18 years

Exclusions: none

Verification: External verification is not required.

A.2.8 Clinical Effectiveness Outcome Indicator OI.03

Definition

Decayed Teeth (DT) reduction in number of carious teeth/dentate adult

Achievement threshold

75% improved or maintained.

The achievement threshold allows for both the impact of patient and carers on attaining required outcomes and individual patient's susceptibility.

Rationale

Dental caries is preventable and at early stages reversible. This will monitor the primary dental care team's adoption of evidenced informed preventative advice and intervention and their impact on oral health.

Evidence

Delivering Better Oral Health (DBOH), evidence based prevention toolkit; Baysan A, Lynch E, Ellwood R et al. 2001. Reversal of primary root caries using dentifrices containing 5,000 and 1,100 ppm fluoride. Caries Res. 35: 41–46.

Adult Dental Health survey 2009 reports that 72% adults had no visible coronal caries.

Reporting and Verification

Practices should record the indicator information through the oral health assessment/oral health review. Achievement of the indicator is described as either maintaining or improving a patient's condition.

Measurement will be based on most recent paired reviews (OHA & OHR, OHR & OHR) within the financial year.

Data Item: no caries, early caries, established caries, arrested caries

Age Range: 19 years and older

Exclusions: edentate adults

Verification: External verification is not required.

A.2.9 Clinical Effectiveness Outcome Indicator OI.04

Definition

Patient Periodontal condition (measured using Basic Periodontal Examination (BPE) score) improved or maintained at oral health review

Achievement threshold

75% patients BPE score improved or maintained at oral health review.

The achievement threshold allows for both the impact of patient and carers on attaining required outcomes and individual patient's susceptibility. The achievement also takes into consideration that periodontal disease is not always reversible.

Rationale

With early identification of a periodontal condition practitioners can improve and maintain BPE status. This will monitor the primary dental care team's adoption of the BPE and evidenced informed preventative advice and intervention.

Evidence

Delivering Better Oral Health (DBOH)evidence based prevention toolkit;

Guidelines for the management of patients with periodontal diseases. *J Periodontol.* 727: 1607–1611.

Nunn ME. 2003. Understanding the etiology of periodontitis: an overview of periodontal risk factors. *Periodontology.* 32: 11–23.

Albandar JM. 2002. Global risk factors and risk indicators for periodontal diseases. *Periodontology.* 29: 177–206.

Davies RM, Davies GM. 2005. Periodontal disease and general health. *Dent Update.* 32: 438–442.

Van der Weijden GA, Hioe KP. 2005. A systematic review of the effectiveness of self-performed mechanical plaque removal in adults with gingivitis using a manual toothbrush. *J Clin Periodontol.* 32(Suppl 6): 214–228.

Reporting and Verification

Practices should record the indicator information through the oral health assessment/oral health review. Achievement of the indicator is described as either maintaining or improving a patient's condition.

Measurement will be based on most recent paired reviews (OHA & OHR, OHR & OHR) within the financial year.

Data Item: BPE

Age Range: 19 years and older

Exclusions: edentate adults

Verification: External verification is not required.

A.2.10 Clinical Effectiveness Outcome Indicator OI.05

Definition

Patient Periodontal condition of BPE 2 or more with sextant bleeding sites improved at oral health review

Achievement threshold

50% patients with BPE 2 or more with sextant bleeding sites improved at oral health review.

The achievement threshold reflects both the impact of patient and carers on attaining required outcomes and individual patient susceptibility. The achievement also takes into consideration that periodontal disease is not always reversible.

Rationale

With early identification of a periodontal condition and monitoring of sextant bleeding, practitioners can improve and maintain levels of gingival bleeding. This will monitor the primary dental care team's adoption of the BPE and evidenced informed preventative advice and intervention.

Evidence

Delivering Better Oral Health (DBOH), evidenced based prevention toolkit

Baker P, Needleman I, 2010. Risk management in clinical practice. Part 10. Periodontology. British Dental Journal, vol 209 no 11 557-565

Reporting and Verification

Practices should record the indicator information through the oral health assessment/oral health review. Achievement of the indicator is described as improving a patient's condition.

Measurement will be based on most recent paired reviews (OHA & OHR, OHR & OHR) within the financial year.

Data Item: BPE, Sextant Bleeding

Age Range: 19 years and older

Exclusions: edentate adults

Verification: External verification is not required.

Weighting given to clinical effectiveness

A.2.11 The maximum amount of points available to be achieved in the Clinical Effectiveness domain of the DQOF by a contractor is 600.

A.3. Patient experience

A.3.1 Patient experience indicators are a fundamental part of performance frameworks in healthcare and are important for delivery of a patient-centred service. The indicators are needed to help ensure that the service delivered is in line with patient expectations and that the outcomes are in line with what patients want and need.

A.3.2 The surveys to assess performance against the patient experience indicators will be conducted by NHS BSA using their existing survey methodology but using a larger sample size for the Agreement practices.

Patient experience indicators

A.3.3 The following patient experience indicators are to be used.

Ref	Indicator	Points available
PE.01	Patients reporting that they are able to speak & eat comfortably	30
PE.02	Patients satisfied with the cleanliness of the dental practice	30
PE.03	Patients satisfied with the helpfulness of practice staff	30
PE.04	Patients reporting that they felt sufficiently involved in decisions about their care	50
PE.05	Patients who would recommend the dental practice to a friend	100
PE.06	Patients reporting satisfaction with NHS dentistry received	50
PE.07	Patients satisfied with the time to get an appointment	10

A.3.4 Patient Experience Indicator PE.01

Definition

Patient survey question “Are you able to speak and eat comfortably?”

Achievement threshold

% of patients reporting that they are able to speak & eat comfortably

Level 1 45%-54% =15

Level 2 55%-100% =30

Reporting and Verification

Patient Experience Indicators are to be captured through the Dental Services patient survey.

Verification: External verification is not required.

A.3.5 Patient Experience Indicator PE.02

Definition

Patient survey question “How satisfied were you with the cleanliness of the practice?”

Achievement threshold

% of patients satisfied with the cleanliness of the dental practice

Level 1 80%-89% = 15

Level 2 90%-100% = 30

Reporting and Verification

Patient Experience Indicators are to be captured through the Dental Services patient survey.

Verification: External verification is not required.

A.3.6 Patient Experience Indicator PE.03

Definition

Patient survey question “ How helpful were the staff at the practice?”

Achievement threshold

% of patients satisfied with the helpfulness of practice staff

Level 1 80%-89%= 15

Level 2 90%-100% = 30

Reporting and Verification

Patient Experience Indicators are to be captured through the Dental Services patient survey.

Verification: External verification is not required.

A.3.7 Patient Experience Indicator PE.04

Definition

Patient survey question “Did you feel sufficiently involved in decisions about your care?”

Achievement threshold

% of patients reporting that they felt sufficiently involved in decisions about their care

Level 1 70%-84% = 25

Level 2 85%-100% = 50

Reporting and Verification

Patient Experience Indicators are to be captured through the Dental Services patient survey.

Verification: External verification is not required.

A.3.8 Patient Experience Indicator PE.05

Definition

Patient survey question “Would you recommend this practice to a friend?”

Achievement threshold

% of patients who would recommend the dental practice to a friend

Level 1 70%-79% = 50

Level 2 80%-89%= 75

Level 3 90%-100%=100

Reporting and Verification

Patient Experience Indicators are to be captured through the Dental Services patient survey.

Verification: External verification is not required.

A.3.9 Patient Experience Indicator PE.06

Definition

Patient survey question “How satisfied are you with the NHS dentistry received?”

Achievement threshold

% of patients reporting satisfaction with NHS dentistry received

Level 1 80%-84% = 20

Level 2 85%-89% = 40

Level 3 90%-100% =50

Reporting and Verification

Patient Experience Indicators are to be captured through the Dental Services patient survey.

Verification: External verification is not required.

A.3.10 Patient Experience Indicator PE.07

Definition

Patient survey questions “How do you feel about the length of time taken to get appointment?”

Achievement threshold

% of patients satisfied with the time to get an appointment

Level 1 70%- 84% = 5

Level 2 85%-100% =10

Reporting and Verification

Patient Experience Indicators are to be captured through the Dental Services patient survey.

Verification: External verification is not required.

Weighting given to patient experience

A.3.11 The maximum amount of points available to be achieved in the Patient Experience domain of the DQOF by a contractor is 300.

A.4. Safety

A.4.1 Safety quality measures will fall under the remit of CQC and work with professional bodies such as the GDC. The dental profession and commissioners are committed to ensuring that clinical practice remains safe and that safety is a fundamental part of the service that is delivered. Consequently, patient safety overall is not something that should be rewarded through a quality payment as all dentists should adhere to safe practices.

Safety indicator

A.4.2 However clinical aspects of patient safety can be monitored and rewarded through payment and payment will be made on the following indicator:

Ref	Indicator	Points available
SA.01	90% of patients for whom an up-to-date medical history is recorded at each oral health review	100

A.4.3 Safety Indicator SA.01

Definition

Patients for whom an up-to-date medical history is recorded at each oral health review

Achievement threshold

90% of patients for whom an up-to-date medical history is recorded at each oral health review

Rationale

The capture of a patient's past medical history is required under GDC standards of professional conduct – "Make and keep accurate and complete patient records, including a medical history, at the time you treat them". Patients are significantly at risk if not this not conducted prior to treatment.

Evidence

D'Cruz L, 2010. Risk management in clinical practice. Part 1. Introduction. British Dental Journal. Volume 209, No 1 July 10

Reporting and Verification

Practices should record the indicator information through the oral health assessment/oral health review.

Measurement will be based on all reviews within the financial year.

Data Item: PMH

Age Range: All

Exclusions: none

Verification: External verification is not required.

Weighting given to safety

A.4.4 The maximum amount of points available to be achieved in the Safety domain of the DQOF by a contractor is 100.

A.5. Developing a quality score

A.5.1 The NHS BSA must assess the performance of each contractor on behalf of the Board. The NHS BSA will send a performance report to the Board by 30th of June in any year.

A.5.2 The performance of each contractor against each of the indicators in Sections A.2, A.3 and A.4 must be calculated using the table below:

A.5.3 If in the course of the duration of the Capitation and Quality Scheme 2, elements of the DQOF prove unworkable or significantly affect the ability of the Board to monitor or evaluate the Scheme or the analysis of any data provided as a consequence of the Agreement effectively, the Secretary of State has the power to amend the DQOF, in consultation with the Board and contractors participating in the Scheme, in order to make its operation feasible.

A.5.4 If a contractor has no patients or survey returns for any particular indicator then they will score zero for that indicator. Note that where this happens for many contractors for any particular indicator, paragraph A.5.3 will be applied.

Ref	Indicator	Counting Rules	Contractor's Performance	Points available	Scoring rules	Contractor's Score achieved
OI.01	Decayed teeth (dt) aged 5 years old and under, reduction in number of carious teeth/child	[m]% under 5s active decay (dt) improved or maintained		150	If [m]<50%, then Score = 0 If [m]≥50%, then Score = 150	
OI.02	Decayed Teeth (DT) aged 6 years old and over, reduction in number of carious teeth/child	[n]% over 6's improved or maintained		150	If [n]<75%, then Score = 0 If [n]≥75%, then Score = 150	
OI.03	Decayed Teeth (DT) reduction in number of carious teeth/dentate adult	[p]% dentate adults improved or maintained		150	If [p]<75%, then Score = 0 If [p]≥75%, then Score = 150	
OI.04	Patients with BPE score improved or maintained at oral health review	[q]% patients BPE score improved or maintained at oral health review		75	If [q]<75%, then Score = 0 If [q]≥75%, then Score = 75	
OI.05	Patients with BPE of score 2 or more with sextant bleeding sites improved at oral health review	[r]% patients with BPE 2 or more with sextant bleeding sites improved at oral health review		75	If [r]<50%, then Score = 0 If [r]≥50%, then Score = 75	
PE.01	Patients reporting that they are able to speak & eat comfortably	[s]% of patients reporting that they are able to speak & eat comfortably		30	If [s]<75%, then Score = 0 If [s]≥75% & <85%, then Score = 15 If [s]≥85%, then Score = 30	
PE.02	Patients satisfied with the cleanliness of the dental practice	[t]% of patients reporting that they are satisfied with the cleanliness of the dental practice		30	If [t]<90%, then Score = 0 If [t]≥90% & <95%, then Score = 15 If [t]≥95%, then Score = 30	
PE.03	Patients satisfied with the helpfulness of practice staff	[u]% of patients reporting that they are satisfied with the helpfulness of practice		30	If [u]<90%, then Score = 0 If [u]≥90% & <95%, then Score = 15	

Ref	Indicator	Counting Rules	Contractor's Performance	Points available	Scoring rules	Contractor's Score achieved
		staff			If [u]≥95%, then Score = 30	
PE.04	Patients reporting that they felt sufficiently involved in decisions about their care	[v]% of patients reporting that they felt sufficiently involved in decisions about their care		50	If [v]<85%, then Score = 0 If [v]≥85% & <90%, then Score = 25 If [v]≥90%, then Score = 50	
PE.05	Patients who would recommend the dental practice to a friend	[w]% of patients reporting that they would recommend the dental practice to a friend		100	If [w]<90%, then Score = 0 If [w]≥90% & <95%, then Score = 50 If [w]≥95%, then Score = 100	
PE.06	Patients reporting satisfaction with NHS dentistry received	[x]% of patients reporting that they are satisfied with NHS dentistry received		50	If [x]<90%, then Score = 0 If [x]≥90% & <95%, then Score = 25 If [x]≥95%, then Score = 50	
PE.07	Patients satisfied with the time to get an appointment	[y]% of patients reporting that they are satisfied with the time to get an appointment		10	If [y]<70%, then Score = 0 If [y]≥70% & <85%, then Score = 5 If [y]≥85%, then Score = 10	
SA.01	90% of patients for whom an up-to-date medical history is recorded at each oral health review	[z]% of patients for whom an up-to-date medical history is recorded at each oral health review		100	If [z]<90%, then Score = 0 If [z]≥90%, then Score = 100	

A.5.5 A Contractor's Estimated Annual Performance Score (CEAPS) must be calculated by adding up the "Contractor's Score Achieved" for each of the thirteen indicators from the table above with the data available on 31st March.

A.5.6 A Contractor's Annual Performance Score (CAPS) must be calculated by adding up the "Contractor's Score Achieved" for each of the thirteen indicators from the table above. This gives a CAPS score out of 1,000. If for any reason, some indicators have not been included, (for example as described in paragraph A.5.3), then the overall score will be pro-rated so it is still a score out of 1,000.

Annual performance report

A.5.7 The performance report will cover:

- (a) the contractor's performance against each of the indicators
- (b) the points scored by the contractor for each of the indicators
- (c) the CAPS for that contractor
- (d) the CEPS for that contractor

A.6 Weighting for performance

A.6.1 The percentage of payment relating to performance against the DQOF is reviewed and set by the Secretary of State at the start of each financial year.

A.6.2 The quality weighting for Agreements will be 10% for the financial year 2013 to 2014.

A.7 Assessment of peer performance across all Agreements

A.7.1 An assessment of peer performance across all Agreements must be calculated in accordance with paragraphs A.7.2 to A.7.11.

A.7.2 All the calculations in this section will be done by the NHS BSA and this section is provided for information. The payment for peer performance will come from the Board's budget.

A.7.3 For all Agreements with an element of payment relating to quality, that is all except Type 1*, Type 2* and Type 3* Agreements, some of the payment will be dependent on performance against the other Agreements. The calculation of the peer performance award for each Agreement has to be calculated nationally in two pools:

- (a) 1st Wave Agreements
- (b) 2nd Wave Agreements.

A.7.4 The lowest CAPS is defined for each DQOF pool:

- (a) Lowest CAPS (1st Wave) (LCAPS-1st) across all Agreements is calculated as the lowest CAPS value for that financial year across the Type 1, Type 2 and Type 3 1st Wave Agreements

- (b) Lowest CAPS (2nd Wave) (LCAPS-2nd) across all Agreements is calculated as the lowest CAPS value for that financial year across the Type 2 and Type 3 2nd Wave Agreements.

A.7.5 A Contractor’s Excess Performance Score (CEPS) is calculated:

- (a) For 1st Wave Agreements, by subtracting the LCAPS-1st from that contractor’s CAPS
- (b) For 2nd Wave Agreements, by subtracting the LCAPS-2nd from that contractor’s CAPS.

For example, if a contractor has a CAPS of 950 and the LCAPS for their pool is 850, then the CEPS would be 100.”

A.7.6 A Contractor’s Contract Size Weighting (CCSW) is defined as the percentage of the value of all Agreements in that DQOF pool that is due to that particular Agreement. The calculation is:

- (a) For 1st Wave Agreements:

$$\text{CCSW} = \frac{\text{FAPV}}{\text{Sum of all FAPVs for Type 1, Type 2 and Type 3 1}^{\text{st}} \text{ Wave Agreements}}$$

- (b) For 2nd Wave Agreements:

$$\text{CCSW} = \frac{\text{FAPV}}{\text{Sum of all FAPVs for Type 2 and Type 3 2}^{\text{nd}} \text{ Wave Agreements}}$$

A.7.7 A Contractor’s Weighted Excess Performance Score (CWEPS) is calculated by multiplying the CEPS by the CCSW

A.7.8 The National Weighted Excess Performance Points (NWEPP) is calculated as

- (a) For 1st Wave Agreements, the sum of all the CWEPS across all 1st Wave Agreements
- (b) For 2nd Wave Agreements, the sum of all the CWEPS across all 2nd Wave Agreements.

A.7.9 A Contractor’s Percentage Share of Peer Pool (CPSPP) is the proportion of the money available for performance against peers that a contractor will receive. The calculation is:

$$\text{CPSPP} = \frac{\text{CWEPS}}{\text{NWEPP}}$$

A.7.10 The total amount notionally available for distribution across all the Agreements for performance relative to peers,

- (a) For 1st Wave Agreements, is called the National Peer Quality Pool (1st Wave) (NPQP-1st). It is the sum of all the FAPV(Peer Quality Pool) across all the 1st Wave Agreements
- (b) For 2nd Wave Agreements, is called the National Peer Quality Pool (2nd Wave) (NPQP-2nd). It is the sum of all the FAPV(Peer Quality Pool) across all the 2nd Wave Agreements.

A.7.11 The amount that an Agreement would notionally receive from the NPQP-1st or NPQP-2nd is known as the Quality Payment (Peer) (QP(P)).

- (a) For 1st Wave Agreements, the calculation is:

$$QP(P) = CPSPP \times NPQP-1^{st}$$

- (b) For 2nd Wave Agreements, the calculation is:

$$QP(P) = CPSPP \times NPQP-2^{nd}$$

A.8 Redistribution of capped peer quality payments

A.8.1 Every Agreement must have an RP calculated in accordance with paragraphs 8.1 to 8.11 of this part of Annex A.

A.8.2 Capping the QP(P) to produce a FQP(P) is intended to limit the liability of the Board participating in the Capitation and Quality Scheme 2. It is not intended to limit the total amount of money paid out across all contractors. Therefore any money that was subtracted from a QP(P) to produce a FQP(P) needs to be distributed to other Agreements. The calculation for this distribution is done by NHS BSA.

A.8.3 For each Agreement, the QP(P)R is calculated in line with paragraphs 3.43, 5.64, 7.69, 19.43, 21.64 and 23.69. In some cases, the value of the QP(P)R is £0.

A.8.4 The QP(P)Rs are combined into two separate pools:

- (a) The sum of all the QP(P)Rs across all 1st Wave Agreements is known as the Residual Payment Pool (1st Wave) – A (RPP-1st(A))
- (b) The sum of all the QP(P)Rs across all 2nd Wave Agreements is known as the Residual Payment Pool (2nd Wave) – A (RPP-2nd(A)).

A.8.5 The Residual Payment (RP) to each contractor is then calculated by the NHS BSA. This calculation applies only to Agreements whose QP(P)R is equal to £0.

A.8.6 The Contractor's Share of the Residual Payment Pool – A (CSRRP(A)) is calculated as:

- (a) For 1st Wave Agreements:

$$CSRRP(A) = \frac{FAPV \text{ (Peer Quality Pool)}}{\text{---}}$$

Sum of the FAPV (Peer Quality Pool) of all 1st Wave
Agreements
whose QP(P)R>0

(b) For 2nd Wave Agreements:

$$\text{CSRRP(A)} = \frac{\text{FAPV (Peer Quality Pool)}}{\text{Sum of the FAPV (Peer Quality Pool) of all 2nd Wave Agreements whose QP(P)R>0}}$$

A.8.7 The Potential Residual Payment - A (PRP(A)) for each Agreement is then calculated as:

(a) For 1st Wave Agreements:

$$\text{PRP(A)} = \text{RPP-1st(A)} \times \text{CSRRP(A)}$$

(a) For 2nd Wave Agreements:

$$\text{PRP(A)} = \text{RPP-2nd(A)} \times \text{CSRRP(A)}$$

A.8.8 A check is then made by NHS BSA to ensure that the PRP(A) for any Agreement is not so big that it exceeds the 2% cap.

- (a) If the sum of the FAPV(Primary Pool) plus the QP(NP) plus the QP(P) plus the PRP(A) ≤ 102% of FAPV, then RP(A) = PRP(A)
- (b) If the sum of the FAPV(Primary Pool) plus the QP(NP) plus the QP(P) plus the PRP(A) > 102% of FAPV, then RP(A) = (1.02 x FAPV) minus the FAPV (Primary Pool) and minus the QP(NP) and minus the QP(P).

A.8.9 It is then possible that capping the PRP(A) to get the RP means that income for more Agreements has been capped and that there is more money that still needs to be distributed. In this case the process described above is repeated with a smaller number of Agreements within each pool. This means:

- (a) The Quality Payment (Peer) Residual B (QP(P)R(B)) is calculated for each Agreement whose PRP(A) was capped by subtracting the RP(A) from the PRP(A)
- (b) The QP(P)R(B)s are combined into two separate pools:
 - (i) The sum of all the QP(P)R(B)s across all 1st Wave Agreements is known as the Residual Payment Pool (1st Wave) – B (RPP-1st(B))
 - (ii) The sum of all the QP(P)R(B)s across all 2nd Wave Agreements is known as the Residual Payment Pool (2nd Wave) – B (RPP-2nd(B))

- (c) The Contractor's Share of the Residual Payment Pool – B (CSRRP(B)) is calculated only for each Agreement whose QP(P)R(B) is equal to £0, as:

- (i) For 1st Wave Agreements:

$$\text{CSRRP(B)} = \frac{\text{FAPV (Peer Quality Pool)}}{\text{Sum of the FAPV (Peer Quality Pool) of all 1st Wave Agreements whose QP(P)R(B) is equal to £0}}$$

- (ii) For 2nd Wave Agreements:

$$\text{CSRRP(B)} = \frac{\text{FAPV (Peer Quality Pool)}}{\text{Sum of the FAPV (Peer Quality Pool) of all 2nd Wave Agreements whose QP(P)R(B) is equal to £0}}$$

- (d) An additional Potential Residual Payment – B (PRP(B)) is then calculated as:

- (i) For 1st Wave Agreements:

$$\text{PRP(B)} = \text{RPP-1st(B)} \times \text{CSRRP(B)}$$

- (ii) For 2nd Wave Agreements:

$$\text{P RP(B)} = \text{RPP-2nd(B)} \times \text{CSRRP(B)}$$

- (e) The same check that the total payments do not exceed the 2% cap is then made again:

- (i) If the sum of the FAPV(Primary Pool) plus the QP(NP) plus the QP(P) plus the RP(A) plus the PRP(B) \leq 102% of FAPV, then RP(B) = PRP(B)
- (ii) If the sum of the FAPV(Primary Pool) plus the QP(NP) plus the QP(P) plus the RP(A) plus the PRP(B) $>$ 102% of FAPV, then RP(B) = (1.02 x FAPV) minus the FAPV (Primary Pool) and minus the QP(NP) and minus the QP(P) minus the RP(A).

A.8.10 It is then possible that capping the PRP(B) to get the RP(B) means that income for more Agreements has been capped and that there is more money that still needs to be distributed. If there are still Agreements for whom this applies and therefore money still to be allocated then the calculation in paragraph A.8.9 is repeated for those Agreements only with the same two distinct pools, based on a QP(P)R(C), RPP-1st(C) or RPP-2nd(C), CSRRP(C) to get a PRP(C) and an RP(C). The calculation is repeated as many times as is necessary until all the money has been allocated.

A.8.11 The RP must be calculated by adding the RP(A) plus the RP(B) plus the RP(C) and so on, depending on how many iterations needed to be done to allocate all the money

A.8.12 For those Agreements whose QP(P)R is not equal to £0, the RP = £0. The RP is then used as part of the calculation of the CAAPV.

ANNEX B

DAILY CAPITATION VALUES

B.1 National capitation values

B.1.1 National capitation values are published on the Department of Health website. The document is called “Dental Capitation and Quality Scheme 2 Capitation Values”^a. The document contains two tables:

- (a) Table A - Daily Capitation Values for Type 2 and Type 2* Agreements for 2013 to 2014
- (b) Table B - Daily Capitation Values for Type 3 and Type 3* Agreements for 2013 to 2014.

B.1.2 The tables in the Dental Capitation and Quality Scheme 2 Capitation Values document show the daily capitation values for each patient cohort. The payment is dependent on the:

- (a) patient’s gender
- (b) patient’s age group
- (c) rank of the Index of Multiple Deprivation for the patient’s home postcode

B.2 Local adjusted capitation values

B.2.1 One of the principles of the Capitation and Quality Scheme 2 is that no contractor should be financially advantaged or disadvantaged simply because they are participating. This means for Type 2 and Type 3 Agreements, where some of the payments are dependent on capitation, it is intended that contractors will receive the same payment through capitation as they would have received through activity if those contractors are seeing the same number of patients with the same patient mix as under their underlying PDS agreements or underlying GDS contracts. In practice this is unlikely to happen but in order to reflect the fact that those contractors who elect to enter Agreements will have a range of UDA values, the NHS BSA will calculate an adjustment to the capitation values for each contractor and this section is provided for information.

B.2.2 The Local Capitation Adjustment Factor (LCAF) is the amount by which the notional capitation payment is multiplied to determine the Adjusted Year’s Capitation Payment (AYCP) for that specific contractor. The LCAF will vary for different agreements.

B.2.3 The LCAF must be calculated by the NHS BSA for each Agreement based on:

^a “Dental Capitation and Quality Scheme 2 Capitation Values” published on the Department of Health website www.dh.gov.uk.

- (a) the notional capitation payments applicable for the underlying contract or the underlying agreement in the previous financial year using the national capitation values
- (b) the AAPV2 for Type 2 Agreements and the AAPV3(R) for Type 3 Agreements
- (c) any necessary adjustment to reflect the local approach to carry-forward and financial recovery where under delivery has occurred.

B.2.4 The LCAF is then used in the calculation of the Month 12 payment to Type 2 and Type 3 Agreements in line with paragraphs 5.29, 5.50, 7.31, 7.54, 21.29, 21.50, 23.31 and 23.54.

B.3 Determining the amount of money for routine and complex care for Type 3 Agreements

B.3.1 Type 3 Agreements have a fixed payment for complex care and only the component of the AAPV3 that relates to routine care is varied by capitation.

B.3.2 For this to happen, the AAPV3 is split between AAPV3(R) and AAPV3(C). This must be done by the NHS BSA on behalf of the Board and this section is provided for information.

B.3.3 The AAPV3(C) for an Agreement is calculated as:

- (a) the number of Band 3 course of treatment carried out by the contractor in 2010/11
- (b) multiplied by 9
- (c) divided by the total number of UDAs delivered for 2010/11
- (d) multiplied by the AAPV

B.3.4 $\text{AAPV3(R)} = \text{AAPV3} - \text{AAPV3(C)}$

B.3.5 This calculation is the same for Type 3* Agreements.

ANNEX C

(attached as a separate document)

ANNEX D

DETERMINATION III – SENIORITY PAYMENTS

(See section 6.2(a)(i). This Determination is annexed to this SFE for historical reference)

INTERPRETATION

1. (1) In this Determination, unless the context otherwise requires -

“accumulated gross fees” means gross fees authorised for payment by the Board in respect of a period since 1 April 2005;

“approved postgraduate education session” means a session of not less than two-and-a-half hours' duration which forms the whole or a part of a course approved by the regional Postgraduate Dental Dean / Director of postgraduate dental education;

“Board” means the Dental Practice Board;

“Financial Year” means the period beginning on 1 April in one year and ending on 31 March in the next year;

“PCT” means a Primary Care Trust;

“payment period” means a period since 1 April 2005;

“pensionable earnings” means that remuneration defined -

(a) in Schedule 2 to the National Health Service Pension Scheme Regulations 1995 (*); or

(b) in Schedule 1 to the National Health Service Superannuation Scheme (Scotland) Regulations 1995 (#);

which is paid to a dentist for the provision of general dental services whether or not such a dentist is entitled to participate in the benefits provided under those Regulations, as if that definition -

(i) excluded payments made under this Determination and remuneration as a salaried practitioner; and

(ii) disregarded any limit on remuneration of which account must be taken under those Regulations;

"quarter" means a period of 3 months ending on 31 March, 30 June, 30 September or 31 December;

"seniority payment" has the meaning assigned to it in paragraph 2 of this Determination;

"superannuation benefit" means any payment, other than a refund of contributions, made to a dentist by virtue of the application of

(a) the National Health Service Pension Scheme Regulations 1995; or

(b) the National Health Service Superannuation Scheme (Scotland) Regulations 1995; or

(c) the corresponding provisions of the law in force in Northern Ireland or the Isle of Man;

as a result of his providing general dental services.

(2) In this Determination a reference to any enactment or statutory instrument is to that enactment or statutory instrument as amended or re-enacted by any subsequent enactment or statutory instrument.

(3) In this Determination a reference to a numbered paragraph is to the paragraph bearing that number in this Determination and a reference in a paragraph to a numbered sub-paragraph is to the sub-paragraph bearing that number in that paragraph.

(4) This Determination applies to England only, must come into force on 1 April 2005.

ENTITLEMENT

2. (1) Subject to the provisions of sub-paragraph (5), a PCT must, with effect from the first day of a quarter on which a dentist must have fulfilled the conditions set out in sub-paragraphs (2) and (3) and complied with the requirements set out in sub-paragraph (4), authorise the Board to pay to the dentist in accordance with the provisions of paragraph 4 such additional remuneration as is appropriate. This additional remuneration will be referred to as a seniority payment.
 - (2) The conditions referred to in sub-paragraph (1) are -
 - (a) the dentist has reached the age of 55 years on or before the first day of the relevant quarter;
 - (b) the dentist has provided general dental services other than as a salaried dentist or as an assistant for a period of not less than 10 years since July 1948, of which not less than a period of 5 years (whether or not either of such periods has been continuous) has been within the period of 10 years ending on the first day of the relevant quarter; and
 - (c) the dentist has, within the 10 years ending 31 March 2005, received pensionable earnings of not less than £207,000.
 - (3) A dentist, who becomes entitled to seniority payments for the first time on or after 1 April 1992, must have undertaken not less than two approved postgraduate education sessions in the five financial quarters prior to the first day of the quarter to which the claim relates.
 - (4) The requirements referred to in sub-paragraph (1) are that an application for a seniority payment must be made on a form which must be obtained from a PCT, on whose dental list the dentist is included, must be made by recorded

delivery to that PCT, and must include particulars of the fulfilment by the dentist of the conditions set out in sub-paragraphs (2) and (3).

(5) A PCT must not authorise the Board to pay a seniority payment to a dentist

(a) to whom a seniority payment has by virtue of the preceding sub-paragraphs of this paragraph been authorised by another PCT; and

(b) for a quarter in which he ceases to be on that PCT's dental list and in respect of which a seniority payment is authorised by another PCT.

3. A dentist must cease from being entitled to a seniority payment from the beginning of the first day of -

(a) the quarter in which his name is removed from the dental list pursuant to regulation 9 of the National Health Service (General Dental Services) Regulations 1992, as amended; or

(b) the quarter immediately following any quarter in which he receives a superannuation benefit.

PAYMENTS

4. A seniority payment must be calculated and payable as follows-

(a) for the period from 1 April 2005, where a dentist is or becomes entitled to seniority payments on or after 1 April 2005 by virtue of the provisions of paragraph 2, a seniority payment must be payable in the first and each subsequent quarter in which he is entitled, provided -

(i) that his accumulated gross fees to the end of the relevant quarter amount to at least the sums listed below -

Quarter ending	Accumulated gross fees
30 June 2005	£6,250
30 September 2005	£12,500
31 December 2005	£18,750
31 March 2006	£25,000

Or;

(ii) that his accumulated gross fees are less than the minimum figure stipulated in sub-paragraph (a), but at least 90% of his earnings from dentistry was attributable to accumulated gross fees; and he applies for a seniority payment by completing the form provided to him, for that purpose, by the Board and returning it to the Board.

The seniority payments must be 10% of accumulated gross fees in the relevant quarter, less any seniority payment already made in respect of any previous

quarter or quarters in the payment period (or in the case of a dentist who becomes eligible for seniority payments after 1 April 2005, less an amount equal to any seniority payment that would have been made if he had been entitled to seniority payments on 1 April 2005), up to a maximum accumulated gross fee income by the end of the relevant quarter as listed below;

Quarter ending	Accumulated gross fees
30 June 2005	£18,750
30 September 2005	£37,500
31 December 2005	£56,250
31 March 2005	£75,000

(b) subject to sub-paragraph (c), a seniority payment must be payable at the end of the quarter following the one to which it relates;

(c) no seniority payment must be made by the Board to a dentist in respect of any period before the quarter immediately preceding the quarter in which his application for a seniority payment is delivered to a PCT.