

To: • Paul Carroll, Chair OFNC
Via email

cc. • Peter Hampson, Secretary, OFNC
Via email

NHS England
Wellington House
133-155 Waterloo Road
London
SE1 8UG

29 July 2025

Dear Paul,

General Ophthalmic Fee 2025/2026

I am writing to you to provide an update following a recent meeting held on the 14th July 2025 between NHS England and OFNC officials. This letter and associated appendix sets out to provide you with more granular detail around assumptions and modelling as represented within recent GOS fee meetings.

By way of background, because full visibility of spend was not available within the NHSE ledger at the time of our initial modelling, we used full year activity data supplied by NHSBSA to estimate expected spend in 2025/26. On further examination of this modelling, we have identified that there was an error in the presentation of GOS 6 high and low values. This potentially led to an over-inflation of GOS 6 expected spend in our data. In addition, we identified that our projected GOS 3 spend was under-estimated because it was not inclusive of any supplementary payments for tints/prisms/small glasses supplement or special facial characteristics.

As we now have finalised spend for 24/25, as reported within NHS England ledger payments, we have re modelled all scenarios based on actual numbers. A full breakdown of this modelling, along with the queries raised around the cost per item within GOS 6 high and low vouchers can be found within appendix 1 of this correspondence. We would be happy to schedule a further meeting to go through these calculations should you have any questions on the way this data has been compiled.

Following the review described above, I can confirm that the changes do not materially impact the overall expected uplift to the envelope for GOS services in 2025/26, and therefore our position on the affordability of fee uplifts in 2025/26 remains in line with our previous paper. In summary we have remodelled a potential move of increasing sight tests by £1 or to

£25 per sight test. Modelling these two scenarios, with no uplifts to any other aspects of GOS spend, has identified that both these scenarios present a cost pressure which is unaffordable within the available envelope.

Taking into account all earlier conversations and considering the shared aspiration to focus any uplift to GOS1 fees, we are proposing to write to DHSC in the next week to recommend that the GOS1 fee is uplifted by 2.39% (discussed within our meeting of the 15th May 2025), with other service lines being held at 24/25 values. This will increase the GOS1 fee by 56 pence to a total of £24.09. OFNC's views will be reflected within this correspondence and the minister will make a final decision taking OFNC's feedback into consideration. DHSC will communicate the outcome of this decision to you.

We do recognise that OFNC have made it clear that you do not wish to reconsider the re-distribution of service lines to help increase sight test fees. Should this position change in the future NHS England remain open to any such discussions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ali Sparke', is positioned above the printed name.

Ali Sparke

Director for Dentistry, Community Pharmacy and Optometry

Appendix 1

GOS fee modelling

29 July 2025

1. OFNC officials asked for more granular detail around assumptions and modelling as represented within recent meetings. In addition to this there were queries raised around the cost per item within GOS 6 high and low vouchers.
2. This paper sets out to explain the input data utilised, growth methodology and the output of all modelling.
3. At the time of initial modelling full visibility of spend was not available within NHSE ledger. As a result of this full year data, supplied by NHSBSA was initially utilised.
4. A query was raised around the values presented against GOS 6 presented as £64.33 and £33.44 on further review we have identified that this was an error in presentation. Whilst this potentially over inflated GOS 6 spend, by addition of a sight test fee, on closer examination of NHSBSA data we have further identified that GOS 3, was not inclusive of any supplementary payments for tints/prisms/small glasses supplement or special facial characteristics.
5. As we now have full spend for 24/25, as reported within NHS England ledger payments, we have re modelled all scenarios.

Modelling inputs

6. Table 1, below, shows all spend by service line as taken from NHS England ledger.

Table 1	24/25 ACTUAL LEDGER VALUES		
	Cost per unit	Implied activity	GOS spend (£M)
GOS 1	£23.53	13,518,326	318.1
GOS 3	£43.88	5,394,689	236.7
GOS 4	£31.71	655,172	20.8
GOS 5	£11.41	9,007	0.1
GOS 6 high	£40.80		29.5
GOS 6 low	£10.21		
CET	£596.00	10,829	6.5
Pre-Reg	£4,010.00		2.5
Other			0.2
TOTAL			614.3

7. To note, NHS England ledger reports only against spend. We have therefore taken the following assumptions into account when modelling anticipated activity for 24/25.
- I. Actual GOS 1 spend within ledger payments was divided by the current sight test fee (£23.53)
 - II. Actual GOS 3 spend was divided by the average voucher payment of £43.88.
 - III. GOS 4 divides the average claim value of £31.71 by spend as reported within the ledger
 - IV. GOS 5 divides the average claim value of £11.41 by spend as reported within the ledger
 - V. As there are two payment points within GOS 6 claims it has not been possible to determine activity growth. Therefore 1.27% growth has been added to the actual spend to understand overall affordability across all payments.
 - VI. The payment of £ 596 for CET has been divided into actual spend to determine volume of activity
 - VII. As pre reg claims may be made at either a six-monthly interval or at the end of the twelve-month placement it has not been possible to quantify activity volume. Additionally, there is currently no time limit for the submission of claims.
 - VIII. For the purposes of volume modelling, we are informed that there will be ~870 students within English universities. Whilst we are still to conclude whether we continue to support students from DA universities we do understand that the current volume of DA students, supported by NHSE is 80 students. We have therefore modelled 950 students in all scenario modelling.

Modelling outputs for a potential increase of £25 per sight test

8. We have modelled two growth scenarios based on pre-pandemic trends and ONS population growth forecasts. Each scenario takes the implied ledger activity and increases by this by the below methodology:
- Low activity growth: c.1% increase in GOS 1 activity (pre-pandemic trend) and 1.27% (forecast ONS population growth) increase in GOS 3 activity, **table 2**.
 - High activity: c.1.27% increase in GOS 1 (forecast ONS population growth) and 3% increase in GOS 3 (pre-pandemic trend), **table 3**.

Table 2	Ledger implied activity	Low growth scenario- achieve £25 sight test fee, hold vouchers flat		
	Activity 1.27% growth (0.97% GOS1)	% increase	Cost per unit	GOS spend (£M)
GOS 1	13,649,454	106.30%	£25.01	341.4
GOS 3	5,463,202	1	£43.88	239.7
GOS 4	663,492	1	£31.71	21.0
GOS 5	9,121	106.30%	£12.13	0.1
GOS 6 high		1	£40.80	29.9
GOS 6 low		1	£10.21	
CET	10,966	1	£596.00	6.5
Pre-Reg	950	1	£4,010.00	3.8
Other				0.2
TOTAL				642.7
			Variance to available envelope	10.8

Table 3	Ledger implied activity	High growth scenario- achieve £25 sight test fee, hold vouchers flat		
	Activity 1.27% growth (3% GOS3)	% increase	Cost per unit	GOS spend (£M)
GOS 1	13,690,009	106.30%	£25.01	342.4
GOS 3	5,556,530	1	£43.88	243.8
GOS 4	663,492	1	£31.71	21.0
GOS 5	9,121	106.30%	£12.13	0.1
GOS 6 high		1	£40.80	29.9
GOS 6 low		1	£10.21	
CET	10,966	1	£596.00	6.5
Pre-Reg	950	1	£4,010.00	3.8
Other				0.2
TOTAL				647.8
			Variance to available envelope	15.9

	Available envelope	Implied expenditure	Variance
High growth -Increase sight test to £25	£631.8m	£647.8m	£15.9m
Low growth -Increase sight test to £25	£631.8m	£642.7m	£10.8m

Modelling out puts for potential to increase sight test by £1

9. We have modelled two growth scenarios based on pre-pandemic trends and ONS population growth forecasts. Each scenario takes the implied ledger activity and increases by this by the below methodology:

- Low activity growth: c.1% increase in GOS 1 activity (pre-pandemic trend) and 1.27% (forecast ONS population growth) increase in GOS 3 activity, **table 4.**

- High activity: c.1.27% increase in GOS 1 (forecast ONS population growth) and 3% increase in GOS 3 (pre-pandemic trend), **table 5**.

Table 4	Ledger implied activity	Low growth scenario - £1 increase to sight fee, hold vouchers flat		
	Activity 1.27% growth (0.97% GOS1)	% incr GDP	Cost per unit	GOS spend (£M)
GOS 1	13,649,454	104.2%	£24.53	334.8
GOS 3	5,463,202	1	£43.88	239.7
GOS 4	663,492	1	£31.71	21.0
GOS 5	9,121	1	£11.41	0.1
GOS 6 high		1	£40.80	29.9
GOS 6 low		1	£10.21	
CET	10,966	1	£596.00	6.5
Pre-Reg	950	1	£4,010.00	3.8
Other				0.2
TOTAL				636.1
			Variance to available envelope	4.2

Table 5	Ledger implied activity	High growth scenario - £1 increase to sight fee, hold vouchers flat		
	Activity 1.27% growth (3% GOS3)	% incr GDP	Cost per unit	GOS spend (£M)
GOS 1	13,690,009	104.2%	£24.53	335.8
GOS 3	5,556,530	1	£43.88	243.8
GOS 4	663,492	1	£31.71	21.0
GOS 5	9,121	1	£11.41	0.1
GOS 6 high		1	£40.80	29.9
GOS 6 low		1	£10.21	
CET	10,966	1	£596.00	6.5
Pre-Reg	950	1	£4,010.00	3.8
Other				0.2
TOTAL				641.2
			Variance to available envelope	9.3

	Available envelope	Implied expenditure	Variance
High growth - Increase sight test by £1 to £24.53	£631.8m	£641.2m	£9.3m
Low growth - Increase sight test by £1 to £24.53	£631.8m	£636.1m	£4.2m

10.Modelling these two scenarios, with no uplifts to any other aspects of GOS spend, demonstrates that both these scenarios present a cost pressure which is unaffordable within the current envelope.

Modelling out puts for potential to increase sight test by 2.39%

11. We have modelled two growth scenarios based on pre-pandemic trends and ONS population growth forecasts. Each scenario takes the implied ledger activity and increases by this by the below methodology:

- Low activity growth: c.1% increase in GOS 1 activity (pre-pandemic trend) and 1.27% (forecast ONS population growth) increase in GOS 3 activity, **table 6**.
- High activity: c.1.27% increase in GOS 1 (forecast ONS population growth) and 3% increase in GOS 3 (pre-pandemic trend), **table 7**.

Table 6	Ledger implied activity	Low growth scenario- GDP deflator to sight test fee, hold vouchers flat		
	Activity 1.27% growth (0.97% GOS1)	% increase	Cost per unit	GOS spend (£M)
GOS 1	13,649,454	102.39%	£24.09	328.8
GOS 3	5,463,202	1	£43.88	239.7
GOS 4	663,492	1	£31.71	21.0
GOS 5	9,121	102.39%	£11.68	0.1
GOS 6 high		1	£40.80	29.9
GOS 6 low		1	£10.21	
CET	10,966	1	£596.00	6.5
Pre-Reg	950	1	£4,010.00	3.8
Other				0.2
TOTAL				630.1
Variance to available envelope				- 1.7

Table 7	Ledger implied activity	High growth scenario- GDP deflator to sight test fee, hold vouchers flat		
	Activity 1.27% growth (3% GOS3)	% increase	Cost per unit	GOS spend (£M)
GOS 1	13,690,009	102.39%	£24.09	329.8
GOS 3	5,556,530	1	£43.88	243.8
GOS 4	663,492	1	£31.71	21.0
GOS 5	9,121	102.39%	£11.68	0.1
GOS 6 high		1	£40.80	29.9
GOS 6 low		1	£10.21	
CET	10,966	1	£596.00	6.5
Pre-Reg	950	1	£4,010.00	3.8
Other				0.2
TOTAL				635.2
Variance to available envelope				3.3

12. Targeting the available uplift to GOS1 fees only using GDP deflator results in an increase to the GOS 1 fee of 56 pence to a total of £24.09. The impact of this is detailed in the table below and meets affordability criteria, being within acceptable risk tolerances.

	Available envelope	Implied expenditure	Variance
High growth - GDP deflator to sight test fee	£631.8m	£635.2m	£3.3m
Low growth - GDP deflator to sight test fee	£631.8m	£630.1m	-£1.7m

13. Based upon our earlier conversations and considering the shared aspiration to focus any uplift to GOS1 fees, we are proposing to write to DHSC in the next week to recommend that the GOS1 fee is uplifted by 2.39% (discussed within our meeting of the 15th May 2025), with other service lines being held at 24/25 values. This will increase the GOS1 fee by 56 pence to a total of £24.09.
14. We will reflect OFNC's views in this correspondence and the minister will make a final decision taking OFNC's feedback into consideration. DHSC will communicate the outcome of this decision to you.
15. We recognise that OFNC do not wish to reconsider the re-distribution of service lines to help increase sight test fees. However, NHS England remain open to any such discussion should this view change in the future.