

## 9.1 District nurse

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£25,362 per year	National average salary, based on the April 2003 scale mid-point for a G grade district nurse. The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£2,926 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,149 per year	The equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life. <sup>1</sup> See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,286 per year	Comprises £2,458 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. <sup>2</sup>
E. Capital overheads	£1,992 per year	Based on the new build and land requirements of community health facilities, <sup>3/4</sup> but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,073.
F. Travel	£1.20 per visit	Taken from Netten <sup>5</sup> and inflated using the retail price index.
Working time	42 weeks per annum 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
<i>Ratio of direct to indirect time on:</i> face-to-face contacts clinic contacts home visits	1:1.08 1:0.58 1:1.21	Dunnell and Dobbs <sup>6</sup> estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 38 per cent; clinics 6 per cent; hospitals 2 per cent; other face-to-face settings 2 per cent; travel 24 per cent; non-clinical activity 28 per cent. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits.
Length of contact	20 minutes	Per home visit. Based on discussions with a group of NHS Trusts.
London multiplier	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>7</sup>
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. <sup>7</sup> Building Cost Information Service and the Office of the Deputy Prime Minister.
<b>Unit costs available 2003/2004 (costs including qualifications given in brackets)</b>		
£23 (£26) per hour; £47 (£54) per hour spent with a patient; £36 (£41) per hour in clinic; £50 (£57) per hour spent on home visits (includes A to E); £18 (£20) per home visit (includes A to F).		

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

6 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

7 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

## 9.2 Community psychiatric nurse

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£25,825 per year	National average salary, based on the April 2003 scale mid-point for a G grade community psychiatric nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£2,987 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,882 per year	The equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life. <sup>1</sup> See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,339 per year	Comprises £2,458 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. <sup>2</sup>
E. Capital overheads	£1,992 per year	Based on the new build and land requirements of community health facilities, <sup>3/4</sup> but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,073.
F. Travel	£1.20 per visit	Taken from Netten <sup>5</sup> and inflated using the retail price index.
Working time	42 weeks per annum 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:1.78 1:1.19 1:2.03	Dunnell and Dobbs <sup>6</sup> estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 25 per cent; clinics 3 per cent; other face-to-face settings 8 per cent; travel 21 per cent; non-clinical activity 43 per cent. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits.
Length of contact	20 minutes	Per home visit. Based on discussions with a group of NHS Trusts.
London multiplier	1.14 × (A to D) 1.53 × E	Allows for the higher costs associated with London compared to the national average cost. <sup>7</sup>
Non-London multiplier	0.97 × (A to D) 0.97 × E	Allows for the lower costs associated with working outside London compared to the national average cost. <sup>7</sup> Building Cost Information Service and Office of the Deputy Prime Minister.
<b>Unit costs available 2003/2004 (costs including qualifications given in brackets)</b>		
£23 (£26) per hour; £64 (£72) per hour of client contact; £50 (£57) per hour of clinic contact; £70 (£79) per hour spent on home visits (includes A to E); £24 (£28) per home visit (includes A to F).		

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM), *Property Market Report*, Spring 2003, Valuation Office.

5 Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

6 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

7 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

### 9.3 Health visitor

National Reference Costs ([www.doh.gov.uk/nhsexec/refcosts.htm](http://www.doh.gov.uk/nhsexec/refcosts.htm)), give an average cost per health visitor episode of £192.

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£25,362 per year	National average salary for a health visitor, based on the April 2003 scale mid-point for a G grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£2,926 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,252 per year	The equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life. <sup>1</sup> See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,286 per year	Comprises £2,458 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. <sup>2</sup>
E. Capital overheads	£1,992 per year	Based on the new build and land requirements of community health facilities, <sup>3/4</sup> but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,073.
F. Travel	£1.20 per visit	Taken from Netten <sup>5</sup> and inflated using the retail price index.
Working time	42 weeks per annum 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:1.86 1:1.40 1:2.47	Dunnell and Dobbs <sup>6</sup> estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 15 per cent; clinics 12 per cent; other face-to-face settings 8 per cent; travel 16 per cent; non-clinical activity 49 per cent. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits.
Length of contact	20 minutes	Per home visit. Based on discussions with a group of NHS Trusts.
London multiplier	1.14 × (A to D) 1.53 × E	Allows for the higher costs associated with London compared to the national average cost. <sup>7</sup> Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.97 × (A to D) 0.97 × E	Allows for the lower costs associated with working outside London compared to the national average cost. <sup>7</sup> Building Cost Information Service and Office of the Deputy Prime Minister.
<b>Unit costs available 2003/2004 (costs including qualifications given in brackets)</b>		
£23 (£26) per hour; £65 (£74) per hour of client contact; £54 (£62) per hour of clinic contact; £78 (£90) per hour spent on home visits (includes A to E); £27 (£31) per home visit (includes A to F).		

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

6 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

7 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

## 9.4 NHS community nurse specialist for HIV/AIDS

Based on a study of community services for people with HIV/AIDS in 1994/95 by Renton et al.<sup>1</sup>

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£28,503 per year	National average salary for community nurses specialising in the care of people with HIV/AIDS. Information about the grade and enhancement allowance was collected by Renton et al. Costs have been inflated by the HCHS pay index.
B. Salary oncosts	£3,343 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,149 per year	Based on the training costs of a district nurse. See schema 7.5 for more information on training costs of health professionals.
D. Overheads: direct and indirect	£5,642 per year	Comprises £2,458 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. <sup>2</sup>
E. Capital overheads	£1,421 per year	Based on the new build and land requirements of community health facilities, <sup>3/4</sup> but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £2,193.
F. Travel	£1.20 per visit	Based on community health service travel costs. <sup>5</sup>
Working time	42 weeks per annum 37.5 hours per week	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts	1:1.5	Based on findings by Renton et al.
Length of contact		
London multiplier	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>6</sup> Building Cost Information Service and Office of the Deputy Prime Minister.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. <sup>6</sup> Building Cost Information Service and Office of the Deputy Prime Minister.
<b>Unit costs available 2003/2004 (costs including qualifications given in brackets)</b>		
£25 (£28) per hour; £62 (£69) per hour of client contact (includes A to E). Travel £1.20 per visit.		

1 Renton, A., Petrou, S. & Whitaker, L. (1995) *Utilisation, Needs and Costs of Community Services for People with HIV Infection: A London-based Prospective Study*, Department of Health, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 15.

6 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

## 9.5 Health care assistant

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£13,057 per year	National average salary for a health care assistant, based on the April 2003 scale mid-point for a B grade nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance. It does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£1,289 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£0	No professional qualifications assumed.
D. Overheads	£3,175 per year	Comprises £2,458 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. <sup>1</sup>
E. Capital overheads	£807 per year	Based on the new build and land requirements of community health facilities, <sup>2/3</sup> but adjusted to reflect shared used of both treatment and non-treatment space. It is assumed that an auxiliary nurse uses one-sixth of the treatment space used by a district nurse. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £1,245.
F. Travel	£1.20 per visit	Taken from Netten <sup>4</sup> and inflated using the retail price index.
Working time	44 weeks per annum 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 20 days annual leave and 10 statutory leave days. Assumes 10 days sickness leave, but no study/training days.
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:0.61 1:0.27 1:0.64	Dunnell and Dobbs <sup>5</sup> estimated that the proportion of working time spent in different locations/activities was as follows: patient's own home 58 per cent; clinics 2 per cent; other face-to-face settings 2 per cent; travel 21 per cent; non-clinical activity 17 per cent. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits.
Length of contact	20 minutes	Per home visit. Based on discussions with a group of NHS Trusts.
London multiplier	1.14 x (A to D) 1.53 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>6</sup> Building Cost Information Service and ODPM/Valuation Office.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. <sup>6</sup> Building Cost Information Service and Office of the Deputy Prime Minister.
<b>Unit costs available 2003/2004</b>		
£11 per hour; £18 per hour spent with a patient; £14 per hour in clinic contacts; £18 per hour spent on home visits; £7 per home visit (includes A to F).		

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

2 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

3 Office of the Deputy Prime Minister (ODPM), *Property Market Report*, Spring 2003, Valuation Office.

4 Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

5 Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

6 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

## 9.6 Practice nurse

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£22,622 per year	Based on the April 2003 scale mid-point for a F grade nurse. A study in Sheffield found the average hourly rate for a practice nurse was £9.79 in 1997/1998 which is the equivalent of an F grade district nurse. The sum includes an element to reflect the proportion of staff who receive a London allowance in order to provide a national average.
B. Salary oncosts	£2,561 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,828 per year	The equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life. <sup>1</sup> See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£4,976 per year	Comprises £2,381 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. <sup>2</sup>
E. Capital overheads	£3,198 per year	Based on the new build and land requirements of community health facilities, <sup>3/4</sup> but adjusted to reflect shared use of both treatment and non-treatment space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. See editorial. At 6 per cent, the cost would be £4,934.
F. Travel	£0.60 per visit	Atkin and Hirst <sup>5</sup> assumed an average journey of two miles and costed travel at 22.3 pence per mile (1992/1993 prices), inflated using the retail price index. Travel costs were found to be lower than those incurred by district nurses as they only visit within an area defined by the practice.
Working time	42 weeks per annum 37 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts clinic contacts home visits	1:0.18 1:0.12 1:0.45	Assumed time use: 15 per cent patient's own home; 60 per cent clinics/surgeries; 5 per cent hospital; 5 per cent other face-to-face settings; 5 per cent travel; and 10 per cent non-clinical activity. Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Clinic and home visit multipliers allocate travel time just to home visits. Based on discussions with health service professionals.
Length of contact	27 minutes	Per home visit. Based on a one week survey of 4 Sheffield practices. <sup>6</sup>
Client contacts	98 per week 109 per week	No. of consultations per week. No. of procedures per week. <sup>7</sup>
London multiplier	1.14 x (A to D); 1.67 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>8</sup> BCIS and ODPM.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. <sup>8</sup> Building Cost Information Service and Office of the Deputy Prime Minister.
<b>Unit costs available 2003/2004 (costs including qualifications given in brackets)</b>		
£21 (£24) per hour; £25 (£28) per hour of client contact; £24 (£27) per hour in clinic; £8 (£9) per consultation; £7 (£8) per procedure; £31 (£35) per hour of home visits (includes A to E); £11 (£16) per home visit (includes A to F).		

- Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.
- Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2, Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.
- Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.
- Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.
- Atkin, K. & Hirst, M. (1994) *Costing Practice Nurses: Implications for Primary Health Care*, Social Policy Research Unit, University of York.
- Centre for Innovation in Primary Care (1999) *Consultations in General Practice — What do they cost?*, Centre for Innovation in Primary Care, Sheffield.
- Jeffreys, L.A., Clark, A. & Koperski, M. (1995) Practice nurses' workload and consultation patterns, *British Journal of General Practice*, 45, August, 415-418.
- Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

## 9.7 Nurse practitioner in primary care

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£30,321 per year	Taken from the Royal College of Nursing recommended pay, terms and conditions 2003/2004. Based on the mid-point for a grade H/I nurse practitioner (which is an hourly rate of £15.9). It includes an element to reflect the proportion of staff who receive a London allowance in order to provide a national average.
B. Salary oncosts	£3,585 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£6,915 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. <sup>1</sup> The RCN recommends that nurse practitioners should undertake a specific course of study to at least honours degree. Pre-registration training includes general nurse's training plus further education to honours or masters degree level. If post graduate training was undertaken (including the Nurse Prescribing Course), there would be an additional annuitised cost of £3,704.
D. Overheads	£5,848 per year	Comprises £2,458 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. <sup>2</sup>
E. Capital overheads	£3,198 per year	Based on the new build and land requirements of community health facilities, <sup>3/4</sup> but adjusted to reflect shared use of treatment (£1,967) and non treatment space (£1,231). Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
Working time	42 weeks per annum 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 25 days annual leave and 10 statutory leave days. Assumes 5 study/training days and 10 days sickness leave.
<i>Length of consultation:</i> Surgery Home Telephone	15 minutes 25 minutes 6 minutes	Information provided by 27 nurse practitioners working in primary care contacted about length of consultations. Venning et al <sup>5</sup> found that nurse practitioners spent a mean of 11.57 minutes face-to-face with patients (SD 5.79 mins) and an additional 1.33 minutes per patient in getting prescriptions signed.
<i>Ratio of direct to indirect time on:</i> face-to-face contacts patient contact (incl. telephone)	1:0.71 1:0.55	Information provided by 27 nurse practitioners on time use. Surgery consultations 58 per cent, home visits 0.4 per cent and telephone consultations 6.4 per cent. Getting prescriptions signed 1.4 per cent. Travel time to home visits was negligible (0.1 per cent).
London multiplier	1.14 x (A to D) 1.67 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>6</sup> Building Cost Information Service and Office of the Deputy Prime Minister/Valuation Office.
Non-London multiplier	0.97 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. <sup>6</sup> Building Cost Information Service and Office of the Deputy Prime Minister, Transport and the Regions.
<b>Unit costs available 2003/2004 (costs including qualifications given in brackets)</b>		
Cost per hour £27 (£32), cost per hour in surgery £47 (£55), cost per hour of client contact £42 (£49), cost per surgery consultation £12 (£14).		

1 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS*, Vols 1 & 2, Personal Social Services Research Unit, University of Kent, Canterbury.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS*, Vol 2, *Methodology*, P 13. Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, Quarter 1, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 Venning, P., Durie, A., Roland, M., Roberts, C. & Leese, B. (2000) *Randomised Controlled Trial Comparing Cost Effectiveness of General Practitioners and Nurse Practitioners in Primary Care*.

6 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

## 9.8a General practitioner — cost elements

Costs and unit estimation	2003/2004 value	Notes (for further clarification see Commentary)
A. Net remuneration	£70,052 per annum	Intended average net income for 2002/2003 uprated using the HCHS pay inflator, plus expected further earnings associated with higher target payments less expected expenses associated with the activity. This figure has been adjusted to reflect the expected income for a whole-time equivalent GP. <sup>1</sup> See commentary.
B. Practice expenses – Direct care staff – Travel – Other	£15,943 per annum £4,598 per annum £50,493 per annum	On average in 2003/2004, each wte principal employed 0.43 of a practice nurse and 0.06 of other direct care staff. Travel costs are estimated using the car allowance for GP registrars. <sup>2</sup> This is the latest estimation made and is based on AA information about the full cost of owning and running a car and allows for 10,000 miles. Average cost per visit is £5. Travel costs are included in the annual and weekly cost but excluded from costs per minute and just added to cost of a home visit. Other practice expenses are estimated on the basis of Inland Revenue Schedule D expenses for 2002/03, less expenditure on direct care staff, trainees, associates, locum staff, computer equipment and travel (see commentary). Expenditure is inflated using the HCHS pay and prices inflators, and adjusted to allow for wte principals. Excludes all expenditure on drugs. Average prescription costs per consultation are £30.52 <sup>3</sup> .
C. Qualifications	£24,787 per annum	The equivalent annual cost of pre-registration and postgraduate medical education. The investment costs of a medical degree, one year spent as a pre-registration house officer, two years as senior house officer and one year as a GP registrar have been annuitised over the expected working life of the GP. See schema 7.5 for more information on training costs of health professionals.
D. Ongoing training	£945 per annum	Calculated using budgeting information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Levy (MADEL) funds (provisional). Adjustment has been made to reflect assumed usage of educational facilities.
E. Capital costs – Premises – Equipment	£7,117 per annum £1,653 per annum	Based on new build and land requirements for a GP practitioner suite. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent the cost would be £10,982. Expenditure on computer equipment is used as proxy for annuitised capital costs (see commentary).
F. Overheads	£6,074 per annum	Estimated assuming an average list size of 1885 (1996 figure, personal communication with NHS Executive). When inflated using the HCHS pay index and adjusted to allow for a wte GP, the costs were: family health services administration £1.71 per head (3,225 per GP), strategy and development £0.69 (£1,300), and supporting primary care-led purchasing £0.82 (£1,548). <sup>4</sup>
Working time	46.5 wks p.a. 44.7 hrs p.w.	Derived from the GMP Workload Survey 1992/1993. Allows for time spent per year on annual leave, sick leave and study leave.
Ratio of direct to indirect time: surgery/clinic/phone contact home visits	1:0.57 1:1.46	Based on proportion of time spent on home visits (10.5 per cent), surgery contacts (surgery consultations 36.6 per cent; telephone consultations 7.7 per cent; clinics 2.9 per cent) reported in the 1992-1993 survey of GMPs. <sup>5</sup> Patient direct to indirect contact ratios allocate all non-contact time to all contact time. Surgery and home visit multipliers allocate travel time just to home visits.
Consultations: Surgery Clinic Telephone Home visit	9.36 <sup>6</sup> minutes 12.6 minutes 10.8 minutes 13.2 minutes	Based on GMP workload survey. The time spent on a home visit just includes time spent in the patients home. On average 12 minutes were spent travelling per visit. This travel time has been allowed for in the estimation of the ratio of direct to indirect time spent on home visits.
<b>Unit costs for 2003/2004 are given in the table overleaf</b>		

1 Information provided by Department of Health.

2 Information provided by Department of Health.

3 Figures have decreased since last year due to a reduction in the number of prescriptions per consultation.

4 Griffiths, J. (1998) *Roles, Functions and Costs of Health Authorities*, NHS Executive, Leeds.

5 General Medical Practitioners' Workload Survey 1992-93, Final Analysis (1994) Joint evidence to the Doctors' and Dentists' Review Body from the Health Departments and the GMSC.

6 Review Body on Doctors' and Dentists' Remuneration, Thirtieth-First Report 2002, CM 5341 TSO, London.

## 9.8b General practitioner — unit costs

Unit cost 2003/2004	Including direct care staff costs		Excluding direct care staff costs	
	With qualification costs	Without qualification costs	With qualification costs	Without qualification costs
Annual	£181,662	£156,875	£165,718	£140,931
<sup>1</sup> Per hour of GMS activity	£85	£73	£77	£66
<sup>1</sup> Per hour of patient contact	£135	£116	£123	£104
<sup>1</sup> Per surgery/clinic minute	£2.24	£1.92	£2.03	£1.72
<sup>1</sup> Per home visit minute	£3.49	£3.00	£3.18	£2.69
<sup>1</sup> Per surgery consultation lasting 9.36 minutes	£21	£18	£19	£16
<sup>1</sup> Per clinic consultation lasting 12.6 minutes	£28	£24	£26	£22
<sup>1</sup> Per telephone consultation lasting 10.8 minutes	£24	£21	£22	£19
Per home visit lasting 13.2 minutes <sup>2</sup> (plus 12 minutes travel time)	£65	£56	£59	£50
Prescription costs per consultation	£30.52			
Average costs incurred by patient when attending a GP surgery.	£7.22 <sup>3</sup> (Includes weighted average loss of waged time and non-waged time plus oncosts plus cost of travel).			

<sup>1</sup> In order to provide consistent unit costs, these costs exclude travel costs.

<sup>2</sup> Allows for 12 minute travel time. Previous estimates included prescription costs. These have now been excluded to provide consistency with other consultation costs.

<sup>3</sup> Kernick, D., Reinhold, D. & Netten, A. (1999) What does it cost to see the doctor? *British Journal of General Practice*, 2000, 50, 401-403.

### 9.8c General practitioner — commentary

*GP expenditure.* On 1 April 2004, the new GMS Contract was implemented across the UK to which almost 100 per cent of practices have now signed up to. The contract's new funding formula marks a radical change in the funding of GP practices, shifting the focus from doctor numbers, to take into account the needs of patients and practice workload. It has moved away from using the complex structure of Intended Average Net Income (IANI) (explained in previous volumes), for GPs, expenses and the balancing mechanism and the associated problems. Under the new contract, the concept of the intended average net remuneration for GP principals has disappeared and the new allocation formula will mean that practice income will no longer be based on the number of individual practitioners, but will increasingly reflect the particular health needs of each practice's local community. This year however, our figures have been updated as the Department of Health are in the process of reworking the method of calculation and results will be available only after the 2005 Inland Review enquiry has been published.

Allowing for whole time equivalence (wte). NHS Executive estimated that there would be 28,360 unrestricted principals in 2002/03<sup>1</sup>. On the basis of information provided by the Department of Health about proportion of part time GPs, it was estimated that this was the equivalent of 25,552 wte GPs.

*Direct care staff.*<sup>2</sup> On average in 2003 each wte principal employed 0.43 of a practice nurse.

Allowing for expenditure not associated with GP activity. GPs IAGI covers trainees, associates, locums and assistants whose activity results in separate outputs. Expenditure on trainees and associates is deducted based on information from HA annual accounts. Locum expenses are also deducted: HAs pay 60 per cent when GPs qualify so the remaining 40 per cent is deducted from indirectly reimbursed expenses. On the basis of HA accounts and assuming that GPs pay locums 75 per cent of intended net remuneration, 4.4 locum days per wte GP are purchased when GPs qualify for allowances. It is known that GPs employ locums when they do not qualify for allowances, so the total amount deducted has been increased to allow for four weeks per GP. The assistants' allowance has been deducted from HA expenditure, but no further adjustment has been made. The resulting unit costs are not very sensitive to assumptions about the level of locum activity: rounded unit costs per consultation and per home visit do not change if the number of locum weeks purchased is one or four weeks.

*Other practice expenses.* These are estimated by deducting specific expenditure, care staff, travel etc. from total expenditure. Not too much should be read into variations between individual years as they may well result from individual year's estimates being too low or a little high.

*Computer equipment.* A study of 1995/1996 and 1996/1997 accounts found that 51.1 per cent of computer reimbursements were for equipment. Fifty per cent of computer capital reimbursements are made through HAs - the remainder are paid by GPs. Total capital expenditure is deducted from overall expenses. At present the total amount deducted is identified in the schema as computer equipment costs. This should be replaced by an annuitised figure reflecting the level of computer equipment in GP surgeries. The situation at present is very variable between GPs and changeable over time, making it difficult at present to make any realistic assumptions.

*Prescription costs.* These are based on information about annual numbers of consultations per GP (9,432 in 2002)<sup>3</sup> number of prescriptions per GP (24,905 in 2003)<sup>4</sup> and the average total cost per prescription (£11.56 at 2003 prices)<sup>5</sup>. The number of prescriptions per consultation (2.64) probably reflects repeat prescriptions arising from initial consultations.

*Overheads.* Family Health Services administration includes administration of the contracts of GPs, financial payments to practitioners, transfers of patients' medical records, registration and allocation of GPs' patients, and breast and cervical cytology screen systems. Strategy and development includes the costs of primary care strategy and development, and practice premises, staff, IT and personnel development. Supporting primary care-led purchasing includes the cost of support for activities such as locality commissioning, fundholding, and employment of GPs.

*Activity.* The GMP Workload Survey (1992/1993) was conducted for every week of the year. The difference between the average number of hours per week of doctors undertaking GMS activity and those not undertaking such activity is the number of weeks leave/sick etc. Full-time doctors activity was used in order to ensure that we are estimating for wte doctors. In order to convert the annual hours worked into weeks the average number of hours worked on GMS duties each week by GMPs carrying out GMS duties was used. On this basis wte GMPs work 46.5 weeks a year for 44.7 hours per week.

*Coverage.* Figures refer to Great Britain rather than England. GPs in Scotland do have lower incomes than GPs in England on average. This has been found to be due to lower list sizes and correspondingly lower levels of activity.<sup>6</sup>

*Fundholding.* No allowance for fundholding has been included as the fundholding allowance covers the cost of managing the commissioning of secondary care so are not strictly a cost of primary care.

1 NHS Executive TSC Report, December 2003.

2 NHS Executive (2003) *General and Personal Medical Services Statistics, England and Wales*, October 2003.

3 Department of Health estimate (2002).

4 Department of Health Prescribing Analysis and Cost (PACT) system data. February 2003.

5 Prescription Cost Analysis (2003) Department of Health, London.

6 General Medical Practitioners' Workload Survey 1992-93, Final Analysis (1994), Joint evidence to the Doctors' and Dentists' Review Body from the Health Departments and the GMSC.