

9. Nurses and doctors

- 9.1 Community nurse (includes district nursing sister, district nurse)
- 9.2 Nurse (mental health)
- 9.3 Health visitor
- 9.4 Nurse specialist (community)
- 9.5 Clinical support worker nursing (community)
- 9.6 Nurse (GP practice)
- 9.7 Nurse advanced (includes lead specialist, clinical nurse specialist, senior specialist)
- 9.8a General practitioner — cost elements
- 9.8b General practitioner — unit costs
- 9.8c General practitioner — commentary

9.1 Community nurse (includes district nursing sister, district nurse)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£26,068 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 6 according to the National Profile for Nurses. ^{1,2} The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£5,600 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,744 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. ³ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,947 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£2,343 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁷
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 29 days annual leave and 8 statutory leave days. ² 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	1:1.08 1:0.58 1:1.21	Dunnell and Dobbs 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. ⁸ 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) 1.45 × E	Allows for the higher costs associated with London compared to the national average cost. ⁹
Non-London multiplier	0.93 × (A to D) 0.97 × E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁹ Building Cost Information Service and the Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£25 (£29) per hour; £53 (£61) per hour spent with a patient; £40 (£46) per hour in clinic; £56 (£65) per hour spent on home visits (includes A to E); £20 (£23) per home visit (includes A to F).		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

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

9.2 Nurse (mental health)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,118 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 5 according to the National Profile for Nurses. ^{1,2} The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£4,628 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,450 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. ³ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,355 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£2,343 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁷
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 29 days annual leave and 8 statutory leave days. ² Assumes 5 study/training days, and 10 days sickness leave.
Ratio of direct to indirect time on: face-to-face contacts client related	1:0.89 1:0.33	Based on the National Child and Adolescent Mental Health Service Mapping data and returns from over 500 G grade nurses, 45% of time was spent on direct clinical work, 13% on consultation and liaison, 8% on training and education, 4% on research and evaluation, 23% on admin and management, 7% on other work and 17% on tier 1 work. ⁸ Tier 1 work was assumed to be spread across all types of activity and for the purpose of this analysis 50% of time is apportioned to direct contacts and 50% to client related work.
London multiplier	1.14 x (A to D) 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ⁹
Non-London multiplier	0.93 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£21 (£25) per hour; £40 (£47) per hour of face to face contact; £28 (£33) per hour of client related work.		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Office of the Deputy Prime Minister (ODPM), *Property Market Report*, Summer 2005, Valuation Office.

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

8 Department of Health (2002) *National Child and Adolescent Mental Health Service Mapping Data*.

9 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), give an average cost per health visitor episode of £100. This excludes all visits for vaccinations and immunisations, post natal visits and any school based visits. Costs have been updated to 2005/06 levels using the HCHS Pay and Prices inflator.

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£26,068 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 6 according to the National Profile for Nurses. ^{1,2} The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£5,600 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,861 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. ³ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,947 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£2,343 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁷
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 29 days annual leave and 8 statutory leave days. ² 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 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. ⁸ 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) 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Non-London multiplier	0.93 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁹ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£25 (£29) per hour; £72 (£84) per hour of client contact; £61 (£70) per hour of clinic contact; £88 (£102) per hour spent on home visits (includes A to E); £31 (£35) per home visit (includes A to F).		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

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

9.4 Nurse specialist (community)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£26,068 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 6 according to the National Profile for Nurses. ^{1,2} The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£5,600 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,744 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	£5,947 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ³
E. Capital overheads	£2,235 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared use of both treatment and non-treatment space. ^{4,5} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£1.30 per visit	Based on community health service travel costs. ⁶
Working time	42 weeks per annum 37.5 hours per week	Includes 29 days annual leave and 8 statutory leave days. ² 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. for a NHS community nurse specialist for HIV/AIDS. ⁷
Length of contact		
London multiplier	1.11 × (A to D) 1.45 × E	Allows for the higher costs associated with London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
Non-London multiplier	0.93 × (A to D) 0.97 × E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£25 (£29) per hour; £63 (£72) per hour of client contact (includes A to E). Travel £1.30 per visit.		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

6 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

7 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.

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

9.5 Clinical support worker nursing (community)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£12,924 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 2 according to the National Profile for Nurses. ^{1,2} The sum does not include any lump sum allowances or pay enhancements for unsocial hours worked.
B. Salary oncosts	£2,537 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£0	No professional qualifications assumed.
D. Overheads	£3,554 per year	Comprises £2,781 for indirect overheads and 5 per cent of salary costs for direct revenue overheads. ³
E. Capital overheads	£1,005 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{4,5} 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.
F. Travel	£1.30 per visit	Taken from Netten and inflated using the retail price index. ⁶
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 29 days annual leave and 8 statutory leave days. ² 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 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. ⁷ 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	1.11 x (A to D) 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
Non-London multiplier	0.93 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ⁸ Building Cost Information Service and Office of the Deputy Prime Minister. ^{4,5}
Unit costs available 2005/2006		
£13 per hour; £21 per hour spent with a patient; £16 per hour in clinic contacts; £21 per hour spent on home visits; £8 per home visit (includes A to F).		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

4 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

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

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

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

9.6 Nurse (GP practice)

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£21,118 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 5 according to the National Profile for Nurses. ^{1,2} The sum does not include any allowances for unsocial hours worked.
B. Salary oncosts	£4,446 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,326 per year	Equivalent annual cost of pre-registration and post-registration education after the total investment cost has been annuitised over the expected working life. ³ See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,337 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ⁴
E. Capital overheads	£3,617 per year	Based on new build and land requirements of community health facilities, but adjusted to reflect shared used of both treatment and non-treatment space. ^{5,6} Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent.
F. Travel	£0.60 per visit	Atkin and Hirst 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. ⁷ 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 37.5 hours per week	Nursing and midwifery staffs negotiating council conditions of service and rates of pay. Includes 29 days annual leave and 8 statutory leave days. ² Assumes 5 study/training days, and 10 days sickness leave.
<i>Ratio of direct to indirect time on:</i> face-to-face contacts	1:0.18	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.
clinic contacts	1:0.12	
home visits	1:0.45	
Length of contact	27 minutes	Per home visit. Based on a one week survey of 4 Sheffield practices. ⁸
Client contacts	98 per week 109 per week	No. of consultations per week. No. of procedures per week. ⁹
London multiplier	1.11 x (A to D); 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Non-London multiplier	0.93 x (A to D) 0.96 x E	Allows for the lower costs associated with working outside London compared to the national average cost. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{5,6}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
£22 (£25) per hour; £26 (£29) per hour of client contact; £24 (£28) per hour in clinic; £8 (£10) per consultation; £8 (£9) per procedure; £32 (£36) per hour of home visits (includes A to E); £11 (£17) per home visit (includes A to F).		

1 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.

2 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.

3 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.

4 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*, Personal Social Services Research Unit, University of Kent, Canterbury.

5 Building Cost Information Service (2006) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

6 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).

7 Atkin, K. & Hirst, M. (1994) *Costing Practice Nurses: Implications for Primary Health Care*, Social Policy Research Unit, University of York.

8 Centre for Innovation in Primary Care (1999) *Consultations in General Practice — What do they cost?*, Centre for Innovation in Primary Care, Sheffield.

9 Jeffreys, L.A., Clark, A. & Koperski, M. (1995) Practice nurses' workload and consultation patterns, *British Journal of General Practice*, 45, August, 415-418.

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

9.7 Nurse advanced (includes lead specialist, clinical nurse specialist, senior specialist)¹

Costs and unit estimation	2005/2006 value	Notes
A. Wages/salary	£31,127 per year	Agenda for Change (AfC) salaries, based on the April 2005 scale mid-point for Band 7 according to the National Profile for Nurses. ^{2,3,4} 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	£6,911 per year	Employers' national insurance plus 14 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£8,699 per year	The equivalent annual cost of pre-registration education after the total investment cost has been annuitised over the expected working life. ⁵ 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 £3,145.
D. Overheads	£6,642 per year	Comprises £2,781 for indirect overheads and 10 per cent of salary costs for direct revenue overheads. ⁶
E. Capital overheads	£3,617 per year	Based on the new build and land requirements of community health facilities, but adjusted to reflect shared use of treatment and non treatment space. ^{7,8} 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 29 days annual leave and 8 statutory leave days. ³ Assumes 5 study/training days and 10 days sickness leave.
Length of consultation: 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. 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. ⁹
Ratio of direct to indirect time on: 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	1.11 x (A to D) 1.45 x E	Allows for the higher costs associated with London compared to the national average cost. ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister. ^{6,7}
Non-London multiplier	0.93 x (A to D) 0.97 x E	Allows for the lower costs associated with working outside London compared to the national average cost ¹⁰ Building Cost Information Service and Office of the Deputy Prime Minister, Transport and the Regions. ^{6,7}
Unit costs available 2005/2006 (costs including qualifications given in brackets)		
Cost per hour £31 (£37), cost per hour in surgery £53 (£63), cost per hour of client contact £48 (£56), cost per surgery consultation £12 (£14).		

- 1 A term for nurse practitioners specifically has not been developed due to the great variation in the use of the term NP. Personal correspondence with the RCN NP Adviser has suggested that the best match is the Advance Nurse profile (Band 7).
- 2 This is assumed to be the salary band Nurse Practitioners would have moved to according to the Royal College of Nursing. Royal College of Nursing (2003) *Practice Nurses and Nurse Practitioners, Recommended Pay, Terms and Conditions 2003-2004*. Royal College of Nursing, London.
- 3 NHS Employers (2005) *Agenda for Change (AfC) Pay Bands 1 April 2005/06*, NHS Employers, London. <http://www.rcn.org.uk/agendaforchange/payconditions/pay/pay2005.php>.
- 4 NHS Employers (2005) *Agenda for Change, NHS Terms and Conditions of Service Handbook*, NHS Employers, London.
- 5 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.
- 6 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*, Personal Social Services Research Unit, University of Kent, Canterbury.
- 7 Building Cost Information Service (2006) *Surveys of Tender Prices*, Quarter 1, BCIS, Royal Institution of Chartered Surveyors, London.
- 8 Based on personal communication with the Office of the Deputy Prime Minister (ODPM) (2006).
- 9 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*.
- 10 Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

9.8a General practitioner — cost elements

Costs and unit estimation	2005/2006 value	Notes (for further clarification see Commentary)
A. Net remuneration	£95,350 per year	New earning figure based on the new GP contract plus expected further earnings associated with higher target payments. ¹ See commentary 9.8c.
B. Practice expenses		
- Out of hours	£11,215 per year	Amount allocated for out of hours care.
Direct care staff	£23,661 per year	On average in 2005 each FTE equivalent practitioner (excluding GP registrars & GP retainers) employed 0.61 FTE practice staff.
Travel	£4,598 per year	Estimated using the car allowance for GP registrars and is unchanged since last year. ² This 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	£12,597 per year	Other practice expenses are estimated on the basis of GIG monitoring, Annex D for 2005/06. Practice expenses exclude all expenditure on drugs. See commentary 9.8c.
C. Qualifications	£27,556 per year	The equivalent annual cost of pre-registration and postgraduate medical education. See commentary 9.8c.
D. Ongoing training	£2,060 per year	Calculated using information provided by the London Deanery. ³ This includes costs for the new two year foundation programme and the speciality run-through grade. ⁴ See commentary 9.8c.
E. Capital costs		
- Premises	£8,068 per year	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.
- Equipment	£2,516 per year	Taken from the Gross Investment Guarantee (GIG) Monitoring report and adjusted to allow for equipment allocated to direct care staff. Expenditure on computer equipment is used as a proxy for annuitised capital. See commentary 9.8c.
F. Overheads	£7,171 per year	Uprated from <i>Unit Costs of Health and Social Care 2005</i> , estimated assuming an average list size of 1885 (1996 figure, personal communication with NHS Executive). ⁵ When inflated using the HCHS pay index and adjusted to allow for a wte GP, the costs were: administration £2.02 per head (£3,798 per GP) strategy and development £0.81 (£1,532), and supporting primary care-led purchasing £0.94 (£1,823). ^{6,7}
Working time	46.5 wks p.a. 44.7 hrs p.w.	Derived from the GMP Workload Survey 1992/1993. ⁸ Allows for time spent per year on annual leave, sick leave and study leave.
Ratio of direct to indirect time:		
surgery/clinic/phone contact	1:0.57	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. ⁹ 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.
home visits	1:1.46	
Consultations:		
Surgery	10.0 minutes ⁹	Based on GMP workload survey, the time spent on a home visit just includes time spent in the patients home. ⁶ 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. See commentary 9.8c.
Clinic	12.6 minutes	
Telephone	10.8 minutes	
Home visit	13.2 minutes	

Unit costs for 2005/2006 are given in table 9.8b

- Investing in General Practice, The New General Medical Services Contract, The main contract document 'blue book' sent to all GPs in 2003.
- Information provided by Department of Health.
- Personal communication with the London Deanery.
- NHS Employers (2006) *Modernising Medical Careers: A New Era in Medical Training*, NHS Employers, London.
- Curtis, L. & Netten, A. (2005) *Unit Costs of Health and Social Care 2005*, Personal Social Services Research Unit, University of Kent, Canterbury.
- 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.
- Griffiths, J. (1998) *Roles, Functions and Costs of Health Authorities*, NHS Executive, Leeds.
- 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.
- www.doctors.net.uk/gpsurvey

9.8b General practitioner — unit costs

Unit cost 2005/2006	Including direct care staff costs		Excluding direct care staff costs	
	With qualification costs	Without qualification costs	With qualification costs	Without qualification costs
Annual (including travel)	£194,792	£167,236	£171,131	£143,576
¹ Per hour of GMS activity	£94	£80	£82	£69
¹ Per hour of patient contact	£147	£126	£129	£108
¹ Per surgery/clinic minute	£2.50	£2.10	£2.20	£1.80
¹ Per home visit minute	£3.80	£3.30	£3.40	£2.80
¹ Per surgery consultation lasting 10.0 minutes	£25	£21	£22	£18
¹ Per clinic consultation lasting 12.6 minutes	£31	£27	£27	£23
¹ Per telephone consultation lasting 10.8 minutes	£27	£23	£23	£20
Per home visit lasting 13.2 minutes (plus 12 minutes travel time) ²	£69	£60	£61	£51
Prescription costs per consultation	£34.60			
Average costs incurred by patient when attending a GP surgery.	£7.90 (Includes weighted average loss of waged time and non-waged time plus oncosts plus cost of travel). ³			

¹ In order to provide consistent unit costs, these costs exclude travel costs.

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

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

9.8c General practitioner — commentary

General note about GP expenditure. On 1 April 2004, the new GMS Contract was implemented across the UK. 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. GPs are paid capitation payments and fees and allowances for specific activities such as vaccination and immunisation, services for violent patients etc. These payments are constructed in such a way as to encourage the activity. The most recent Earnings and Expenses Enquiry (EEQ) shows that in 2003/04 GPMS GPs had an expenses to earnings ratio of 0.5972 (and corresponding net income to expenses ratio of 0.4028).¹ Using the GPMS ratio, it has been estimated that the average increase in profit for all UK contractor GPs in 2005/06 was £295.3 million (£733 million x 0.4028). Hence the average increase in NHS profit for each contractor GP in 2005/06 was £8,274.

Allowing for whole time equivalence (wte). The NHS Information Centre have estimated that the number of FTE practitioners (excluding GP registrars and GP retainers) has increased to 29,248 in 2005.² The estimated number of full time equivalents (FTE) Practitioners has increased at a slower rate than head count numbers, reflecting increased part time working.

Allowing for expenditure not associated with GP activity. GP expenditure covers additional services such as payments for trainees and locums whose activity results in separate outputs. This expenditure is deducted based on information taken from the Gross Investment Guarantee (GIG) Monitoring Report. Other PCO administered funds have also been deducted such as GP retainer scheme payments and payments for paternity and maternity cover. It is known that GPs employ locums when they do not qualify for allowances and if we allow for activity associated with locums and GP retainers and other cover for maternity and paternity leave, the resulting unit costs are slightly lower compared with the costs which do not include this activity (£96 including practice nurse costs with training per hour of patient contact compared to £94 and £83 without training compared to £80). We have also excluded expenditure related to dispensing.

Direct care staff.³ On average in 2005 each FTE equivalent practitioner (excluding GP registrars & GP retainers) employed 0.61 FTE practice staff. All direct care staff have been costed at the same level as a band 5 GP practice nurse.

Other practice expenses. These are estimated by deducting specific expenditure on remuneration, care staff and travel from global sum payments and the balance of PMS Expenditure (including baseline but excluding enhanced services element). This sum also includes Administration of recruitment and retention services and demand management activities.

Prescription costs. Average prescription costs per consultation are £33.40. These are based on information about annual numbers of consultations per GP, estimated by using the number of GPs for 2005 and the annual number of consultations per GP (7,624 in 2005)^{3,4} number of prescriptions per GP (24,128 in 2005)⁵ and the average total cost per prescription (£10.92 at 2005 prices).⁶ The cost per item has fallen from £11.70 in 2004 to £10.92 in 2005 because of the reduction in price of many drugs since the introduction of the new PPRS agreement in February 2005 and the new prices for generics from April 2005. The number of prescriptions per consultation (3.16) probably reflects repeat prescriptions arising from initial consultations.

Qualifications. 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.

Ongoing training. Costs consist of an amount for the generic curriculum, the postgraduate centres infrastructure costs, study leave and the costs of course organisers, admin support, trainers workshops, vocational training and Internal courses for GP tutors. Excluded are the costs of exceptional training (£100 per trainee) and a cost for the running of the library postgraduate centres.

Computer equipment. Ideally, this should include an annuitised figure reflecting the level of computer equipment in GP surgeries. However the figure presented in the schema represents the yearly amount allocated to IT expenditure during 2005/06. This has been taken from the GIG Monitoring Report.

Overheads. This 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. New information will be available in 2007.

1 GP earnings and expenses: 2005/06, produced by the Technical Steering Committee, March 2006, Health and Social Care Information Centre.

2 The Information Centre, General and Personal Medical Services in England: 1995-2005, Bulletin 2006/04/HSCIC.

3 Includes home visits, telephone consultations and visits to GP practice by the patient.

4 National Audit Office, Patient Choice at the Point of GP Referral, Report by the Comptroller and Auditor General, HC 180 Session 2004-2005, 19 January 2005.

5 Department of Health Prescribing Analysis and Cost (PACT) system data. 2004.

6 Prescribing support unit, Health and Social Care Information Centre.