

**Schema 9.1 District nurse**

Costs and unit estimation	2002/2003 value	Notes
A. Wages/salary	£25,015 per year	National average salary, based on the April 2002 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	£2,672 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,027 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>184</sup> See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,150 per year	Comprises £2,381 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.
E. Capital overheads	£1,713 per year	Based on the new build and land requirements of community health facilities, <sup>185/186</sup> but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over sixty years at a discount rate of 3.5 per cent. See editorial. At 6 per cent, the cost would be £2,643.
F. Travel	£1.17 per visit	Taken from Netten <sup>187</sup> and inflated using the retail price index.
Working time	42 wks p.a., 37.5 hrs p.w.	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>188</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 mins	Per home visit. Based on discussions with a group of NHS Trusts.
London multiplier	1.13 x (A to D) 1.27 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>189</sup>
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. Building Cost Information Service and Department of the Environment, Transport and the Regions.
<b>Unit costs available 2002/2003 (costs including qualifications given in brackets)</b>		
£22 (£25) per hour; £46 (£52) per hour spent with a patient; £35 (£40) per hour in clinic; £49 (£56) per hour spent on home visits (includes A to E); £17 (£20) per home visit (includes A to F).		

<sup>184</sup> 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.

<sup>185</sup> Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

<sup>186</sup> Department of the Environment, Transport and the Regions (2003) *Housing and Construction Statistics 1991-2001*, The Stationery Office, London. The appropriate inflator is provided by the DETR on request.

<sup>187</sup> Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

<sup>188</sup> Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

<sup>189</sup> Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

## Schema 9.2 Community psychiatric nurse

Costs and unit estimation	2002/2003 value	Notes
A. Wages/salary	£25,448 per year	National average salary, based on the April 2002 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	£2,726 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,766 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>190</sup> See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,199 per year	Comprises £2,381 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.
E. Capital overheads	£1,713 per year	Based on the new build and land requirements of community health facilities, <sup>191/192</sup> but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over sixty years at a discount rate of 3.5 per cent. See editorial. At 6 per cent, the cost would be £2,643.
F. Travel	£1.17 per visit	Taken from Netten <sup>193</sup> and inflated using the retail price index.
Working time	42 wks p.a., 37.5 hrs p.w.	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>194</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 mins	Per home visit. Based on discussions with a group of NHS Trusts.
London multiplier	1.13 x (A to D) 1.27 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>195</sup>
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. Building Cost Information Service and Department of the Environment, Transport and the Regions.
<b>Unit costs available 2002/2003 (costs including qualifications given in brackets)</b>		
£22 (£25) per hour; £62 (£70) per hour of client contact; £49 (£56) per hour of clinic contact; £68 (£77) per hour spent on home visits (includes A to E); £24 (£27) per home visit (includes A to F).		

<sup>190</sup> 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.

<sup>191</sup> Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

<sup>192</sup> Department of the Environment, Transport and the Regions (2003) *Housing and Construction Statistics 1991-2001*, The Stationery Office, London. The appropriate inflator is provided by the DETR on request.

<sup>193</sup> Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

<sup>194</sup> Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

<sup>195</sup> Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

### Schema 9.3 Health visitor

Using Reference costs ([www.doh.gov.uk/nhsexec/refcosts.htm](http://www.doh.gov.uk/nhsexec/refcosts.htm)), the average cost per contact for Health Visiting Services was £29 for 2002 and the average cost per episode was £132.

Costs and unit estimation	2002/2003 value	Notes
A. Wages/salary	£25,015 per year	National average salary for a health visitor, based on the April 2002 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	£2,672 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,128 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>196</sup> See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£5,150 per year	Comprises £2,381 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.
E. Capital overheads	£1,713 per year	Based on the new build and land requirements of community health facilities, <sup>197/198</sup> but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over sixty years at a discount rate of 3.5 per cent. See editorial. At 6 per cent, the cost would be £2,643.
F. Travel	£1.17 per visit	Taken from Netten <sup>199</sup> and inflated using the retail price index.
Working time	42 wks p.a., 37.5 hrs p.w.	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	1:1.86 1:1.40 1:2.47	Dunnell and Dobbs <sup>200</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 mins	Per home visit. Based on discussions with a group of NHS Trusts.
London multiplier	1.13 x (A to D) 1.27 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>201</sup> Building Cost Information Service and Department of the Environment, Transport and the Regions.
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. Building Cost Information Service and Department of the Environment, Transport and the Regions.
<b>Unit costs available 2002/2003 (costs including qualifications given in brackets)</b>		
£22 (£25) per hour; £63 (£72) per hour of client contact; £53 (£60) per hour of clinic contact; £76 (£87) per hour spent on home visits (includes A to E); £27 (£30) per home visit (includes A to F).		

<sup>196</sup> 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.

<sup>197</sup> Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

<sup>198</sup> Department of the Environment, Transport and the Regions (2003) *Housing and Construction Statistics 1991-2001*, The Stationery Office, London. The appropriate inflator is provided by the DETR on request.

<sup>199</sup> Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

<sup>200</sup> Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

<sup>201</sup> Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

### Schema 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>202</sup>

Costs and unit estimation	2002/2003 value	Notes
A. Wages/salary	£27,619 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	£2,993 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£5,027 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	£5,443 per year	Comprises £2,381 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.
E. Capital overheads	£1,223 per year	Based on the new build and land requirements of community health facilities, <sup>203/204</sup> but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over sixty years at a discount rate of 3.5 per cent. See editorial. At 6 per cent, the cost would be £1,887.
F. Travel	£1.17 per visit	Based on community health service travel costs.
Working time	42 weeks p.a. 37.5 hours p.w.	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	1.13 x (A to D) 1.27 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>205</sup> Building Cost Information Service and Department of the Environment.
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. Building Cost Information Service and Department of the Environment.
<b>Unit costs available 2002/2003 (costs including qualifications given in brackets)</b>		
£24 (£27) per hour; £59 (£67) per hour of client contact (includes A to E). Travel £1.17 per visit.		

<sup>202</sup> 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.

<sup>203</sup> Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

<sup>204</sup> Department of the Environment, Transport and the Regions (2003) *Housing and Construction Statistics 1991-2001*, The Stationery Office, London. The appropriate inflator is provided by the DETR on request.

<sup>205</sup> Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

**Schema 9.5 Health care assistant**

Costs and unit estimation	2001/2002 value	Notes
A. Wages/salary	£12,648 per year	National average salary for a health care assistant, based on the April 2002 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	£1,151 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	£3,071 per year	Comprises £2,381 for indirect overheads and 5 per cent of salary costs for direct revenue overheads.
E. Capital overheads	£ 694 per year	Based on the new build and land requirements of community health facilities, <sup>206/207</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 sixty years at a discount rate of 3.5 per cent. See editorial. At 6 per cent, the cost would be £1,071.
F. Travel	£1.17 per visit	Taken from Netten <sup>208</sup> and inflated using the retail price index.
Working time	44 wks p.a., 37.5 hrs p.w.	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.
<i>Ratio of direct to indirect time on:</i> face-to-face contacts clinic contacts home visits	1:0.61 1:0.27 1:0.64	Dunnell and Dobbs <sup>209</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 mins	Per home visit. Based on discussions with a group of NHS Trusts.
London multiplier	1.13 x (A to D) 1.27 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>210</sup>
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. Building Cost Information Service and Department of the Environment, Transport and the Regions.
<b>Unit costs available 2002/2003</b>		
£11 per hour; £17 per hour spent with a patient; £14 per hour in clinic contacts; £17 per hour spent on home visits; £7 per home visit (includes A to F).		

<sup>206</sup> Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

<sup>207</sup> Department of the Environment, Transport and the Regions (2003) *Housing and Construction Statistics 1991-2001*, The Stationery Office, London. The appropriate inflator is provided by the DETR on request.

<sup>208</sup> Netten, A. (1992) Some cost implications of Caring for People: interim report, Discussion Paper 809/4, Personal Social Services Research Unit, University of Kent.

<sup>209</sup> Dunnell, K. & Dobbs, J. (1982) *Nurses Working in the Community*, OPCS, HMSO.

<sup>210</sup> Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

### Schema 9.6 Practice nurse

Costs and unit estimation	2002/2003 value	Notes
A. Wages/salary	£21,914 per year	Based on the April 2002 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 1997/8 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	£2,291 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£4,715 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>211</sup> See schema 7.5 for more information on training costs of health professionals.
D. Overheads	£4,802 per year	Comprises £2,381 for indirect overheads and 10 per cent of salary costs for direct revenue overheads.
E. Capital overheads	£2,753 per year	Based on the new build and land requirements of community health facilities, <sup>212/213</sup> but adjusted to reflect shared used of both treatment and non-treatment space. Capital costs have been annuitised over sixty years at a discount rate of 3.5 per cent. See editorial. At 6 per cent, the cost would be £4,248.
F. Travel	£0.58 per visit	Atkin and Hirst <sup>214</sup> assumed an average journey of two miles and costed travel at 22.3 pence per mile (1992/93 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 wks p.a., 37 hrs p.w.	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% patient's own home; 60% clinics/surgeries; 5% hospital; 5% other face-to-face settings; 5% travel; and 10% 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 mins	Per home visit. Based on a one week survey of 4 Sheffield practices. <sup>215</sup>
Client contacts	98 p.w. 109 p.w.	No. of consultations per week. No. of procedures per week. <sup>216</sup>
London multiplier	1.13 x (A to D); 1.62 x E	Allows for the higher costs associated with London compared to the national average cost. <sup>217</sup> BCIS and DETR.
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. Building Cost Information Service and Department of the Environment, Transport and the Regions.
<b>Unit costs available 2002/2003 (costs including qualifications given in brackets)</b>		
£20 (£26) per hour; £24 (£31) per hour of client contact; £23 (£29) per hour in clinic; £8 (£10) per consultation; £7 (£9) per procedure; £30 (£38) per hour of home visits (includes A to E); £10 (£18) per home visit (includes A to F).		

<sup>211</sup> 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.

<sup>212</sup> Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

<sup>213</sup> Department of the Environment, Transport and the Regions (2003) *Housing and Construction Statistics 1991-2001*, The Stationery Office, London. The appropriate inflator is provided by the DETR on request.

<sup>214</sup> Atkin, K. & Hirst, M. (1994) *Costing Practice Nurses: Implications for Primary Health Care*, Social Policy Research Unit, University of York.

<sup>215</sup> The Centre for Innovation in Primary Care, *Consultations in General Practice, What do they cost? (1999)*

<sup>216</sup> Jeffreys, L.A., Clark, A. & Koperski, M. (1995) Practice nurses' workload and consultation patterns, *British Journal of General Practice*, 45, August, 415-18.

<sup>217</sup> Department of Health (1997) *Labour Market Forces Factor*, Department of Health, London.

**Schema 9.7a General practitioner – cost elements**

Costs and unit estimation	2002/2003 value	Notes (for further clarification see Commentary)
A. Net remuneration	£67,911 per annum	Intended average net income for 2002/2003 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>218</sup>
B. Practice expenses		On average in 2002/2003, each wte principal employed 0.40 of a practice nurse and 0.06 of other direct care staff.
– Direct care staff	£14,253 p.a.	Travel costs are estimated using the car allowance for GP registrars and have remained the same as last year. <sup>219</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 £4.29. 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.
– Travel	£ 3,928 p.a.	Other practice expenses are estimated on the basis of Inland Revenue Schedule D expenses for 2001/02, 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 £30.94 <sup>220</sup> .
– Other	£45,566 p.a.	
C. Qualifications	£23,258 p.a.	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	£ 825 p.a.	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	£ 6,249 p.a.	Based on new build and land requirements for a GP practitioner suite. Capital costs have been annuitised over sixty years at a discount rate of 3.5 per cent. See editorial. At 6 per cent the cost would be £9,666.
– Equipment	£ 1,732 p.a.	Expenditure on computer equipment is currently used as proxy for annuitised capital costs. (See commentary).
F. Overheads	£ 5,885 p.a.	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 £1.66 per head (3,125 per GP), strategy and development £0.67 (£1,260), and supporting primary care-led purchasing £0.80 (£1,500). <sup>221</sup>
Working time	46.5 w.p.a., 44.7 h.p.w	Derived from the GMP Workload Survey 1992/93. 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 1992-3 survey of GMPs. <sup>222</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	9.36 <sup>223</sup> mins	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.
Clinic	12.6 mins	
Telephone	10.8 mins	
Home visit	13.2 mins	
<b>Unit costs for 2002/2003 are given in the table overleaf</b>		

<sup>218</sup> Information provided by Department of Health.

<sup>219</sup> Department of Health, Revised Fees and Allowances payable to General Practitioners (GP) 2002-03.

<sup>220</sup> Last year, the number of items per consultation was kept consistent with previous years due to a very large increase. This year, the higher rate is consistent.

<sup>221</sup> Griffiths, J. (1998) *Roles, Functions and Costs of Health Authorities*, NHS Executive, Leeds.

<sup>222</sup> 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.

<sup>223</sup> Review Body on Doctors' and Dentists' Remuneration, Thirtieth-First Report 2002, CM 5341 TSO, London.

**Schema 9.7b General practitioner – unit costs**

Unit cost 2002/2003	Including direct care staff costs		Excluding direct care staff costs	
	With qualification costs	Without qualification costs	With qualification costs	Without qualification costs
Annual	£169,607	£146,350	£155,355	£132,097
*Per hour of GMS activity	£80	£68	£73	£62
*Per hour of patient contact	£127	£108	£116	£98
*Per surgery/clinic minute	£2.09	£1.80	£1.91	£1.62
*Per home visit minute	£3.27	£2.81	£2.99	£2.53
*Per surgery consultation lasting 9.36 minutes	£20	£17	£18	£15
*Per clinic consultation lasting 12.6 minutes	£26	£23	£24	£20
*Per telephone consultation lasting 10.8 minutes	£23	£19	£21	£17
Per home visit lasting 13.2 minutes **(plus 12 minutes travel time)	£61	£52	£56	£47
Prescription costs per consultation	£30.97			
Average costs incurred by patient when attending a GP surgery.	£6.90 <sup>224</sup> (Includes weighted average loss of waged time and non-waged time plus oncots plus cost of travel).			

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

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

<sup>224</sup> Kernick, D. Reinhold, D. & Netten, A. (1999) What does it cost to see the doctor? Published in *British Journal of General Practice*, (2000), Vol 50, 401-403.



### Schema 9.7c General practitioner – commentary

**GP expenditure.** GPs are paid capitation payments and fees and allowances for specific activities such as vaccination and immunisation, contraception and out-of-hours visits. These payments are constructed in such a way as to encourage the activity *and* to ensure that collectively they result in an average level of gross income (Intended Average Gross Remuneration; IAGI). This IAGI is intended to deliver an average level of personal income (Intended Average Net Income; IANI) and cover all expenses not met directly by the Health Authority. The degree to which this is achieved is monitored and if activities change in such a way that the IAGI exceeds or fails to meet expenses adequately then adjustments are made in following years. The exception to this is the use of additional target payments to encourage specific activities. In order to allow for the impact of these on GP income, expected expenses are deducted from the payments.

**Allowing for whole time equivalence (wte).** NHS Executive estimated that there would be 28,536 unrestricted principals in 2001/02<sup>225</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 25,711 wte GPs.

**Direct care staff.**<sup>226</sup> On average in 2002 each wte principal employed 0.40 of a practice nurse and 0.06 of other direct care staff. Other care staff include physiotherapists, chiropodists, dispensers, interpreters, link workers, counsellors and complementary therapists. All direct care staff have been costed at the same level as a practice nurse (see Schema 8.6).

**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 1995/6 and 1996/7 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 (8,440 in 2001)<sup>227</sup> number of prescriptions per GP (23,528 in 2002)<sup>228</sup> and the average total cost per prescription (£11.10 at 2002/2003 prices)<sup>229</sup>. The number of prescriptions per consultation (2.78) probably reflects repeat prescriptions arising from initial consultations. Last year, due to a very large increase in the number of items per consultation, the same number was used as in previous years. This year the increase is consistent and the new number has been used.

**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 (1992/3) 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>230</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.

<sup>225</sup> NHS Executive TSC Report, December 2002.

<sup>226</sup> NHS Executive, General and Personal Medical Services Statistics, England and Wales. October 2002.

<sup>227</sup> DH estimate (2002) using data from ONS.

<sup>228</sup> DH Prescribing Analysis and Cost (PACT) system data. February 2003.

<sup>229</sup> Prescription Cost Analysis (2002), DH.

<sup>230</sup> 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 GMS.