

Schema 14.1 Pre-registration house officer

Costs and unit estimation	2002/2003 value	Notes
A. Wages/salary	£26,394 per year	Based on payment for 40.7 basic hours per week on duty (of which 88.7 per cent are actually worked), and 31.7 additional hours per week (of which 59.6 per cent are actually worked at a rate of 50 per cent of basic rate). ³⁷² It does not reflect payments for London allowances.
B. Salary oncosts	£2,577 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£16,921 per year	The equivalent annual cost of pre-registration medical education. The investment in training has been annuitised over the expected working life of the doctor. ³⁷³ See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,381 per year	Comprises £2,381 for indirect overheads. No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Ongoing training	£2,317 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£2,240 per year	Based on the new build and land requirements of NHS facilities. ^{374/ 375} Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. 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 £3,457.
Working time	44 wks p.a.	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 days sickness leave. No study/training days have been assumed.
London multiplier	1.14 x (A to E); 1.26 x F	Allows for the higher costs associated with London compared to the national average cost. ³⁷⁶
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost ⁵
Unit costs available 2002/2003 (costs including qualifications given in brackets)		
£11 (£17) per hour on duty; £14 (£22) per hour worked (includes A to F).		

³⁷² Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, London.

³⁷³ 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.

³⁷⁴ Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

³⁷⁵ 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.

³⁷⁶ Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

Schema 14.2 Senior house officer

Costs and unit estimation	2002/2003 value	Notes
A. Wages/salary	£36,381 per year	Based on payment for 38.9 basic hours per week on duty (of which 87 per cent are actually worked), and 33.6 additional hours per week (of which 48 per cent are actually worked at a rate of 50 per cent of basic rate). ³⁷⁷ It does not reflect payments for London allowances.
B. Salary oncosts	£ 3,938 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£18,134 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. See schema 7.5 for further details on training for health professionals.
D. Overheads	£ 2,381 per year	Comprises £2,381 for indirect overheads. No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Ongoing training	£ 2,930 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£ 2,240 per year	Based on the new build and land requirements of NHS facilities. ^{378/ 379} Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. 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 £3,457.
Working time	38 wks p.a.	Includes 25 days annual leave and 10 statutory leave days. Assumes 30 study/training days, and 5 days sickness leave.
London multiplier	1.14 x (A to E); 1.26 x F	Allows for the higher costs associated with London compared to the national average cost. ³⁸⁰
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁵
Unit costs available 2002/2003 (costs including qualifications given in brackets)		
£16 (£24) per hour on duty; £24 (£35) per hour worked (includes A to F).		

³⁷⁷ Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, London.

³⁷⁸ Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

³⁷⁹ 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.

³⁸⁰ Provisional and published analysis using data from the Department of Health's weighted capitation formula.

Schema 14.3 Specialist registrar

Costs and unit estimation	2002/2003 value	Notes
A. Wages/salary	£39,995 per year	Based on payment for 39.9 basic hours per week on duty (of which 89 per cent are actually worked), and 30.7 additional hours per week (of which 43 per cent are actually worked at a rate of 50 per cent of basic rate). ³⁸¹ It does not reflect payments for London allowances.
B. Salary oncosts	£ 4,508 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£19,949 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer and two years as a senior house officer have been annuitised over the expected working life of the doctor. ³⁸² See schema 7.5 for further details on training for health professionals.
D. Overheads	£ 2,381 per year	Comprises £2,381 for indirect overheads. No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Ongoing training	£ 2,930 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£ 2,240 per year	Based on the new build and land requirements of NHS facilities. ^{383/ 384} Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. 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 £3,457.
Working time	37 wks p.a.	Includes 30 days annual leave and 10 statutory leave days. Assumes 30 study/training days, and 5 days sickness leave.
London multiplier	1.14 x (A to E); 1.26 x F	Allows for the higher costs associated with London compared to the national average cost. ³⁸⁵
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁵
Unit costs available 2002/2003 (costs including qualifications given in brackets)		
£19 (£28) per hour on duty; £27 (£40) per hour worked (includes A to F).		

³⁸¹ Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, London.

³⁸² 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.

³⁸³ Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

³⁸⁴ 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.

³⁸⁵ Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

Schema 14.4 Consultant: medical

Costs and unit estimation	2002/2003 value	Notes
A. Wages/salary	£69,093 per year	Average salary for a consultant physician based on the April 2002 scale midpoint including £8,235 corresponding to the third discretionary point. ³⁸⁶ The sum also includes £558 to reflect the national level of distinction award payments. It does not reflect payments for London allowances.
B. Salary oncosts	£ 9,382 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£24,399 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ³⁸⁷ See schema 7.5 for further details on training for health professionals.
D. Overheads	£26,970 per year	Comprises £6,007 for indirect overheads and £20,963 for secretarial staff costs.
E. Ongoing training	£1,430 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£3,272 per year	Based on the new build and land requirements of NHS facilities. ^{388/ 389} Includes shared use of consultation and examination areas, and designated secretarial office 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 £5,048.
Working time	41 wks p.a., 48.2 hrs p.w.	Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000-01 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ³⁹⁰
Ratio of direct to indirect time on: patient-related activity	1:0.33	Assuming 69 per cent of consultant time spent on patient-related activity. ³⁹¹ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact.
London multiplier	1.02 x (A to E); 1.27 x F	Allows for the higher costs associated with London compared to the national average cost. ³⁹²
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost ⁷
Unit costs available 2002/2003 (costs including qualifications given in brackets)		
£66 (£82) per hour; £88 (£109) per patient-related hour (includes A to F).		

³⁸⁶ NHS Executive (2002), Advance letter (MD) 1/02 .

³⁸⁷ 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.

³⁸⁸ Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

³⁸⁹ 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.

³⁹⁰ Consultants survey, BMA. Health Service Journal (February, 2002).

³⁹¹ Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

³⁹² Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

Schema 14.5 Consultant: surgical

Costs and unit estimation	2001/2002 value	Notes
A. Wages/salary	£69,064 per year	Average salary for a consultant surgeon based on the April 2002 scale midpoint including £8,235 corresponding to the third discretionary point. ³⁹³ The sum also includes £529 to reflect the national level of distinction award payments. It does not reflect payments for London allowances.
B. Salary oncosts	£9,380 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£24,399 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ³⁹⁴ See schema 7.5 for further details on training for health professionals.
D. Overheads	£26,970 per year	Comprises £6,007 for direct overheads and £20,963 for secretarial staff costs.
E. Ongoing training	£1,430 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£3,272 per year	Based on the new build and land requirements of NHS facilities. ^{395/396} Includes shared use of consultation and examination areas, and designated secretarial office 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 £5,048.
Working time	41 wks p.a., 48.2 hrs p.w.	Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000-01 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ³⁹⁷
Ratio of direct to indirect time on/in: patient-related activity operating theatre	1:0.35 1:2.17	Assuming 68 per cent of consultant time spent on patient-related activity and 29 per cent in theatre. ³⁹⁸ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact.
London multiplier	1.14 x (A to E); 1.27 x F	Allows for the higher costs associated with London compared to the national average cost. ³⁹⁹
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁷
Unit costs available 2002/2003 (costs including qualifications given in brackets)		
£66 (£82) per hour; £210 (£260) per hour operating; £90 (£111) per patient-related hour (includes A to F).		

³⁹³ NHS Executive (2002), Advance letter (MD) 1/02.

³⁹⁴ 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.

³⁹⁵ Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

³⁹⁶ 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.

³⁹⁷ Consultants survey, BMA. Health Service Journal (February, 2002).

³⁹⁸ Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

³⁹⁹ Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

Schema 14.6 Consultant: psychiatric

Costs and unit estimation	2002/2003 value	Notes
A. Wages/salary	£68,959 per year	Average salary for a consultant psychiatrist based on the April 2002 scale midpoint including £8,235 corresponding to the third discretionary point. ⁴⁰⁰ The sum also includes £424 to reflect the national level of distinction award payments. It does not reflect payments for London allowances.
B. Salary oncosts	£9,376 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£24,399 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ⁴⁰¹ See schema 7.5 for further details on training for health professionals.
D. Overheads	£26,970 per year	Comprises £6,007 for indirect overheads and £20,963 for secretarial staff costs.
E. Ongoing training	£1,430 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£3,272 per year	Based on the new build and land requirements of NHS facilities. ^{402/403} Includes shared use of consultation and examination areas, and designated secretarial office 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 £5,048.
Working time	41 wks p.a. 48.2 hrs p.w.	Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000-01 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ⁴⁰⁴
Ratio of direct to indirect time on: face-to-face contacts patient-related activity	1:2.17 1:0.37	Assuming 29 per cent of consultant time spent in face-to-face contact and 67 per cent on patient-related activity. ⁴⁰⁵ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact.
London multiplier	1.14 x (A to E) 1.27 x F	Allows for the higher costs associated with London compared to the national average cost. ⁴⁰⁶
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁷
Unit costs available 2002/2003 (costs including qualifications given in brackets)		
£66 (£82) per hour; £91 (£113) per patient-related hour; £210 (£260) per hour patient contact (includes A to F).		

⁴⁰⁰ NHS Executive (2002), Advance letter (MD) 1.2.

⁴⁰¹ 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.

⁴⁰² Building Cost Information Service (2003) *Surveys of Tender Prices*, February, BCIS, London.

⁴⁰³ 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.

⁴⁰⁴ Consultants survey, BMA. Health Service Journal (February, 2002).

⁴⁰⁵ Watson, J.P. (1985) *Psychiatric Manpower and the Work of the Consultant*, Bulletin of the Royal College of Psychiatrists, Vol. 9, September.

⁴⁰⁶ Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.