

## **The GP Earnings and Expenses Enquiry Provisional Report 2009/10**

The following information has been produced for LMCs to provide context for the GP Earnings and Expenses Enquiry Report 2009/10. Some of the information presented below may help with national and local press stories arising from these figures. The BMA's press office will be happy to help LMCs with local press work where necessary. Although this briefing has not been produced with the intention of wide circulation, LMCs may wish to share all or part of the resource with local GPs where this seems appropriate.

The Information Centre has now published the GP Earnings and Expenses Enquiry Report (EEQ) for the financial year 2009/10. The report was produced by the Technical Steering Committee (TSC) which includes representatives from the four UK health departments, NHS Employers and the GPC. In previous years, there has been a provisional and final report. However, for 2009/10 onwards, all results are presented in one report.

The headline EEQ figures relate to earnings, expenses and income derived from all self-employed sources, as reported on tax returns. The figures therefore *include* private as well as NHS work and *exclude* earnings assessed under Schedule E (most salaried employment). As a guide to NHS/private income proportions, the average NHS superannuable income for GPMS contractor GPs in 2006/07 was 91.4% of total earnings. The estimates presented in the report *exclude* employer's superannuation contributions. Results relate to both full-time and part-time contractor GPs.

The EEQ report also includes income averages for salaried GPs as well as contractors. Figures for salaried GPs relate to earnings, expenses and income derived from all employed and self-employed sources, as reported on self-assessment tax returns. They therefore include private as well as NHS work. The results for salaried GPs also include full and part-time GPs.

The data source for the survey is HM Revenue and Customs' (HMRC's) tax self-assessment database.

## **What the 2009/10 GP Earnings and Expenses Enquiry shows**

### ***Contractor GPs***

The EEQ for 2009/10 states that for contractor GPs in the UK, average net profit was:

- o **£100,400** for GMS GPs (an increase of 1.2% since 2008/09)
  - o **£97,300** for GMS non-dispensing GPs (an increase of 1.4% since 2008/09)
  - o **£117,000** for GMS dispensing GPs (an increase of 0.4% since 2008/09)
  
- o **£115,300** for PMS GPs (a decrease of 0.8% since 2008/09)
- o **£113,000** for PMS non-dispensing GPs (a decrease of 0.8% since 2008/09)
- o **£131,100** for PMS dispensing GPs (a decrease of 0.8% since 2008/09)

**£105,700** for all GPMS GPs (an increase of 0.8% since 2008/09)

The GPMS expenses to earnings ratio (the proportion of an individual's gross turnover that is consumed by business expenses) was 59.8% in 2009/10. This is an increase of a further 0.5 percentage points on the 2008/09 expenses to earnings ratio of 59.3%, reflecting that expenses have increased further while earnings have continued to decrease.

Average net profit for contractor GPs in 2009/10 by country was:

- o **£109,400** in England (a decrease of 0.1% since 2008/09)
- o **£91,400** in Northern Ireland (an increase of 1.9% since 2008/09)
- o **£89,500** in Scotland (an increase of 3.5% since 2008/09)
- o **£93,500** in Wales (an increase of 3.1% since 2008/09)

### ***Salaried GPs***

For all UK GPMS GPs identified as being salaried in 2009/10 (having more employed income than self-employed income) average pre-tax earnings from all sources of income reported were **£58,000**, (compared

to £57,300 in 2008/09). We hope that the increased figure reflects practices paying salaried GPs the DDRB recommended rate of increase. It is also worth noting that on average contractor GPs work more hours than salaried GPs. Contractor GPs have additional responsibilities, covering clinical, organisational, operational, financial and personal responsibility for provision of services not borne by salaried GPs.

### **Comparisons with the 2008/09 Earnings and Expenses Enquiry**

Having fallen for three successive years, GP income rose slightly between 2008/09 and 2009/10. The expenses to earnings ratio increased further. For 2009/10 the Doctors' and Dentists' Review Body's recommendation for contractor GPs was an increase in total of 2.29% (including an increase of 1.5% to take account of expenses rises). The increase was allocated to the different major components of the contract using a ratio formula agreed in negotiations.

### **Important points to note**

The media need to be made aware that, although GP income rose very slightly in 2009/10 by 1.2%, this was after three successive years in which GP income had fallen. The increase failed to deliver the DDRB's recommended increase of 1.5% to meet the increasing cost of expenses and thus the earnings to expenses ratio increased further.

The distribution of the increase has led to a reduction in the differentials between GP income in England and the three devolved nations, with GPs in England having a decrease, while GPs in Scotland, Wales and Northern Ireland all had increases.

As with last year's EEQ results, commentators should be aware that the figures for GP income include non-NHS income. GPs' income from NHS sources only is lower than that derived from all sources.

New work continued to be expected of GPs in the form of changes to the Quality and Outcomes Framework and DESs.

It is worth pointing out that income varies between different types of GP. When asked for typical income levels, the BMA normally refers to that for GMS non-dispensing GPs, which in this case would be **£97,300**. The headline figures do not take account of salaried GPs who receive substantially less than this.