

The GP earnings report says that there are 3,900 dispensing contractor GPs in the UK in 16/17.

In 2006/07 GP earnings report said there were 5288 GP contractors in the UK, a decline of 27 per cent on comparable data. In non-dispensing land the decline has been 21 per cent.

However, in 2007 the PPD said there were 5,311 dispensing GPs (DD) in England alone. The same number in 2017 was 6,675. These figures will include salaried doctors.

If we take the former figures and crunch them with income per doctor to get total figures for all DDs and non-DDs.

|              | <b>Number of contractor doctors</b> | <b>Gross earnings</b> | <b>Total expenses</b> | <b>Income before tax</b> | <b>Global gross earnings</b> | <b>Global total expenses</b> | <b>Global income before tax</b> |
|--------------|-------------------------------------|-----------------------|-----------------------|--------------------------|------------------------------|------------------------------|---------------------------------|
| DDs 2007     | 5288                                | £338,499              | £213,334              | £125,165                 | £1,789,982,327               | £1,128,111,214               | £661,871,113                    |
| DDs 2017     | 3900                                | £402,200              | £285,100              | £117,100                 | £1,568,580,000               | £1,111,890,000               | £456,690,000                    |
| non-DDs 2007 | 28599                               | £231,935              | £127,842              | £104,093                 | £6,633,120,454               | £3,656,158,291               | £2,976,962,164                  |
| non-DDs 2017 | 22500                               | £292,300              | £188,900              | £103,400                 | £6,576,750,000               | £4,250,250,000               | £2,326,500,000                  |

Over 10 years, this equates to the following changes:

|              | <b>Change in global gross earnings</b> | <b>Change in global total expenses</b> | <b>Change in global income before tax</b> |
|--------------|--|--|---|
| DDs 2017     | -12%                                   | -1%                                    | -31%                                      |
| non-dds 2017 | -1%                                    | 16%                                    | -22%                                      |

Is the reduction in total gross earning and expenses for DDs is due to the reduction in the cost of drugs?

In 2007 England spent £796.3 million on drugs, 10 years later its £1.105 billion, a 39 per cent increase. Over the same time period there was a 10 per cent reduction in the number of dispensing patients.

However, in 2007 we were making a lot more purchase profit than our pharmacy colleagues: a bigger purchase profit would see lower expenses.

We can say that non-DDs global earning have been static in the last 10 years. Our reduction in global earnings is £221.4 million. It is hard to say whether this is all drug reimbursement.

The government has caused a huge increase in productivity. The number of patients has increased dramatically, and with it the amount of work.

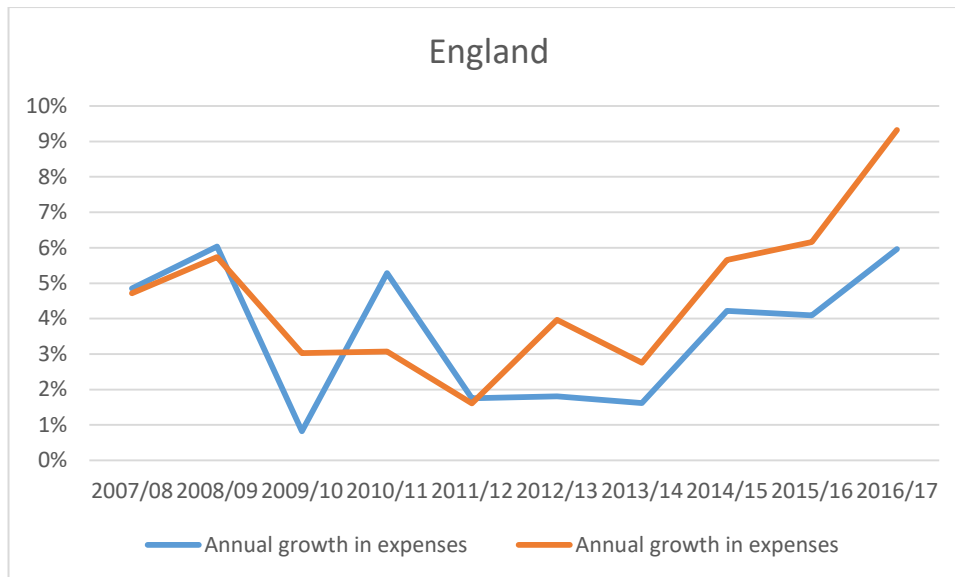
What we can say is that partner numbers are declining and, probably, the decline is accelerating. An article in [Pulse](#) says 30 per cent of GPs are now salaried.

Year-on-year, the increase in expenses for DDs and non-DDs has been similar - until now



Post 2011/12, non-DD expenses per doctor were slightly higher than DDs. In 2016/17, there is a sudden increase in non-DD expenses. Major cost is salaries. Are urban GPs getting more money and employing more salaried doctors?

If we look at England only we see bigger differential in expenses growth in favour of non-DDs. I would suggest that some of the difference is due to the squeeze on drug prices, which plays a significant part in DD expenses.



In 2014/15 the average DD basic price of drugs (does not equate to expenses because of clawback) was £72.6K per doctor. In 2017/18 it was £67K. However, this effect of £5.6K per doctor over three years is small within the context of an increase in expenses per year per DD of £11-16K.

In order to produce this above data I used population of DDs at NHS Prescription Services and this data will contain salaried dispensing doctors.

Some questions:

Are we starting to see changes in partner numbers in the data? Partner numbers have dropped 15 per cent in the past eight years. If partnership income is only rising slowly when the number of partners is falling, this suggests that a reduction in partner numbers is maintaining incomes, not better remuneration; the increase in expenses could also be a function of falling partner numbers.

In 2015/16 150 DDs earned more than £200K, the next year it was 200 DDs - 5 per cent of DD. Other key points:

- Only 2.5 per cent of non-DDs were making more than £200K
- Half DD earn more than £100K and half less
- Salaried doctors' income (from working within and without practices) has stayed stable at between £54-57K for the past 10 years.