

NHS Pharmacy Contract: Indicative Income Tables

The following tables illustrate the income levels that could be expected by an average pharmacy in £ (sterling) for Essential Services provided under the national contract. These figures are based on the arrangements for **October 2010** and are outlined in relation to dispensing volume.

Notes about the figures used in this guide:

- Income relating to ETP/IT and Advanced Services is not included.
- Special fees and allowances have been distributed in proportion to monthly items for illustrative purposes only. In practice, individual pharmacy income will vary according to the mix of products dispensed.
- Special arrangements apply for Essential Small Pharmacies (ESPS and ESPLPS arrangements). This guide does not cover those arrangements.

Table 1: Indicative **monthly** income in £ for national contract Essential Services by item band as at **October 2010**.

| Items per Month | Total Income from Fees and Allowances | Estimated Average Buying Profit | Indicative Total Income per Month | £ per item |
|-----------------|---------------------------------------|---------------------------------|-----------------------------------|------------|
| 1,000 | 1,169 | 590 | 1,758 | 1.76 |
| 1,100 | 1,824 | 649 | 2,473 | 2.25 |
| 1,600 | 2,561 | 943 | 3,504 | 2.19 |
| 2,300 | 5,984 | 1,356 | 7,340 | 3.19 |
| 2,600 | 6,574 | 1,533 | 8,107 | 3.12 |
| 3,000 | 7,325 | 1,769 | 9,094 | 3.03 |
| 4,000 | 9,028 | 2,358 | 11,386 | 2.85 |
| 5,000 | 10,730 | 2,948 | 13,678 | 2.74 |
| 6,000 | 12,433 | 3,537 | 15,971 | 2.66 |
| 7,000 | 14,136 | 4,127 | 18,263 | 2.61 |
| 8,000 | 15,839 | 4,717 | 20,555 | 2.57 |
| 9,000 | 17,541 | 5,306 | 22,848 | 2.54 |
| 10,000 | 19,244 | 5,896 | 25,140 | 2.51 |
| 11,000 | 20,947 | 6,485 | 27,432 | 2.49 |
| 12,000 | 22,650 | 7,075 | 29,724 | 2.48 |

Table 2: Indicative **6 monthly** income in £ for national contract Essential Services by item band based on fees and allowances payable in **October 2010**.

| Items (6 months) | Total income from fees and allowances (6 months) | Estimated Average Buying Profit | Indicative Total Income (6 months) |
|------------------|--|---------------------------------|------------------------------------|
| 6,000 | 7,012 | 3,537 | 10,550 |
| 6,600 | 10,944 | 3,891 | 14,835 |
| 9,600 | 15,365 | 5,660 | 21,025 |
| 13,800 | 35,905 | 8,136 | 44,041 |
| 15,600 | 39,443 | 9,197 | 48,641 |
| 18,000 | 43,949 | 10,612 | 54,562 |
| 24,000 | 54,166 | 14,150 | 68,316 |
| 30,000 | 64,382 | 17,687 | 82,069 |
| 36,000 | 74,599 | 21,224 | 95,823 |
| 42,000 | 84,815 | 24,762 | 109,577 |
| 48,000 | 95,032 | 28,299 | 123,331 |
| 54,000 | 105,248 | 31,837 | 137,085 |
| 60,000 | 115,465 | 35,374 | 150,839 |
| 66,000 | 125,681 | 38,912 | 164,593 |
| 72,000 | 135,898 | 42,449 | 178,347 |

Table 3: Indicative **monthly** income in £ from **fees and allowances** for Essential Services by item band as at **October 2010**.

| Items per month | Item fee | Establishment payment | Special fees and allowances | Repeat dispensing set up fee | Transitional allowance | Practice payments (including contribution for DDA) | Total income from fees and allowances pcm | £ per item |
|-----------------|----------|-----------------------|-----------------------------|------------------------------|------------------------|--|---|------------|
| 1,000 | 900 | - | 79 | 125 | 15 | 50 | 1,169 | 1.17 |
| 1,100 | 990 | - | 87 | 125 | 22 | 600 | 1,824 | 1.66 |
| 1,600 | 1,440 | - | 126 | 125 | 30 | 840 | 2,561 | 1.60 |
| 2,300 | 2,070 | 1,940 | 182 | 125 | 37 | 1,631 | 5,984 | 2.60 |
| 2,600 | 2,340 | 2,016 | 205 | 125 | 44 | 1,843 | 6,574 | 2.53 |
| 3,000 | 2,700 | 2,092 | 237 | 125 | 44 | 2,127 | 7,325 | 2.44 |
| 4,000 | 3,600 | 2,092 | 316 | 125 | 59 | 2,836 | 9,028 | 2.26 |
| 5,000 | 4,500 | 2,092 | 395 | 125 | 74 | 3,545 | 10,730 | 2.15 |
| 6,000 | 5,400 | 2,092 | 474 | 125 | 89 | 4,254 | 12,433 | 2.07 |
| 7,000 | 6,300 | 2,092 | 553 | 125 | 104 | 4,963 | 14,136 | 2.02 |
| 8,000 | 7,200 | 2,092 | 632 | 125 | 118 | 5,672 | 15,839 | 1.98 |
| 9,000 | 8,100 | 2,092 | 711 | 125 | 133 | 6,381 | 17,541 | 1.95 |
| 10,000 | 9,000 | 2,092 | 789 | 125 | 148 | 7,090 | 19,244 | 1.92 |
| 11,000 | 9,900 | 2,092 | 868 | 125 | 163 | 7,799 | 20,947 | 1.90 |
| 12,000 | 10,800 | 2,092 | 947 | 125 | 178 | 8,508 | 22,650 | 1.89 |

Table 4: Indicative **6 monthly** income in £ from **fees and allowances** for Essential Services by item band as at **October 2010**.

| Items (6 months) | Item fee | Establishment payment | Special fees and allowances | Repeat dispensing set up fee | Transitional allowance | Practice payments (including contribution for DDA) | Total income from fees and allowances for 6 months | £ per item |
|------------------|----------|-----------------------|-----------------------------|------------------------------|------------------------|--|--|------------|
| 6,000 | 5,400 | - | 474 | 750 | 89 | 300 | 7,012 | 1.17 |
| 6,600 | 5,940 | - | 521 | 750 | 133 | 3,600 | 10,944 | 1.66 |
| 9,600 | 8,640 | - | 758 | 750 | 178 | 5,040 | 15,365 | 1.60 |
| 13,800 | 12,420 | 11,639 | 1,089 | 750 | 222 | 9,784 | 35,905 | 2.60 |
| 15,600 | 14,040 | 12,095 | 1,232 | 750 | 266 | 11,060 | 39,443 | 2.53 |
| 18,000 | 16,200 | 12,550 | 1,421 | 750 | 266 | 12,762 | 43,949 | 2.44 |
| 24,000 | 21,600 | 12,550 | 1,895 | 750 | 355 | 17,016 | 54,166 | 2.26 |
| 30,000 | 27,000 | 12,550 | 2,368 | 750 | 444 | 21,270 | 64,382 | 2.15 |
| 36,000 | 32,400 | 12,550 | 2,842 | 750 | 533 | 25,524 | 74,599 | 2.07 |
| 42,000 | 37,800 | 12,550 | 3,316 | 750 | 622 | 29,778 | 84,815 | 2.02 |
| 48,000 | 43,200 | 12,550 | 3,789 | 750 | 710 | 34,032 | 95,032 | 1.98 |
| 54,000 | 48,600 | 12,550 | 4,263 | 750 | 799 | 38,286 | 105,248 | 1.95 |
| 60,000 | 54,000 | 12,550 | 4,737 | 750 | 888 | 42,540 | 115,465 | 1.92 |
| 66,000 | 59,400 | 12,550 | 5,210 | 750 | 977 | 46,794 | 125,681 | 1.90 |
| 72,000 | 64,800 | 12,550 | 5,684 | 750 | 1,066 | 51,048 | 135,898 | 1.89 |

Illustration of monthly income from fees and allowances for new contract Essential Services for an average pharmacy dispensing **3,000 items** as at **October 2010**

| Income component | Expected average income pcm in £ | Calculation basis |
|--|-------------------------------------|--|
| Item fee | 2,700 | 3,000 items at standard 90p per item |
| Establishment payment | 2,092 | Monthly equivalent of maximum annual total of £25,100 |
| Special fees and allowances | 237 | 3,000 items at average 7.89ppi |
| Repeat dispensing set up fee | 125 | Monthly equivalent of £1,500 annual set up fee |
| Transitional allowance | 44 | Banded transition payment being 3000 items at 1.48 ppi |
| Practice payments | 2,127 | 3,000 items at standard 70.9p per item |
| Total income from fees and allowances pcm | 7,325 | |

Illustration of monthly income from fees and allowances for new contract Essential Services for an average pharmacy dispensing **5,000 items** as at **October 2010**

| Income component | Expected average income pcm in £ | Calculation basis |
|--|-------------------------------------|--|
| Item fee | 4,500 | 5,000 items at standard 90p per item |
| Establishment payment | 2,092 | Monthly equivalent of maximum annual total of £25,100 |
| Special fees and allowances | 395 | 5,000 items at average 7.89ppi |
| Repeat dispensing set up fee | 125 | Monthly equivalent of £1,500 annual set up fee |
| Transitional allowance | 74 | Banded transition payment being 5000 items at 1.48 ppi |
| Practice payments | 3,545 | 5,000 items at standard 70.9p per item |
| Total income from fees and allowances pcm | 10,730 | |

Illustration of monthly income from fees and allowances for new contract Essential Services for an average pharmacy dispensing **8,000 items** as at **October 2010**

| Income component | Expected average income pcm in £ | Calculation basis |
|--|-------------------------------------|--|
| Item fee | 7,200 | 8,000 items at standard 90p per item |
| Establishment payment | 2,092 | Monthly equivalent of maximum annual total of £25,100 |
| Special fees and allowances | 632 | 8,000 items at average 7.89ppi |
| Repeat dispensing set up fee | 125 | Monthly equivalent of £1,500 annual set up fee |
| Transitional allowance | 118 | Banded transition payment being 8000 items at 1.48 ppi |
| Practice payments | 5,672 | 8,000 items at standard 70.9p per item |
| Total income from fees and allowances pcm | 15,839 | |

For support, please contact the PSNC Information Team (info@psnc.org.uk / 01296 432823)