

UK General Practice 2025: A Financial Guide





UK General Practice 2025: A Financial Guide

The past decade has been marked by sustained turbulence for the UK GP sector. Amid growing political pressure to curb NHS spending, general practice has increasingly been sidelined, with its share of NHS funding falling to an eight-year low in 2024.

While demand for GP appointments has continued to rise, workforce growth has failed to keep pace. The number of qualified and trainee GPs has stagnated since 2015, and the number of GP partners leading practices has declined sharply, compounding pressures across the sector.

This report provides a financial snapshot of general practice as it stands in 2024/25. The analysis draws on [IBISWorld's detailed market research](#) alongside proprietary data from our extensive work supporting GP partnerships. Unless otherwise stated, all figures referenced are sourced from these combined datasets.



Revenue & Profit

The financial health of UK general practice continues to face significant challenges. A whirlwind combination of pandemics, inflationary pressures, industrial disputes and temporary funding settlements over the past five years has led to a complex picture where positive signals compete with clear evidence of deep structural strains.

Total GP sector revenue in 2024/25 was projected to hit £16.1 billion, representing a comparatively modest decline of 0.5% year-on-year since 2020. But some perspective on this is given by the fact that gross profits - forecast to reach £484m in the last financial year - are up a massive 19.5% since 2020, a result of the huge turbulence caused by the pandemic.

Looking at the shorter-term trends and the data from our own clients, in 2024/25, average gross practice revenue rose year-on-year from £174.75 per patient to £185.14. Calculated per full time equivalent (FTE) partner, average revenue climbed from £642,117 to £683,962.

However, this apparent growth has not translated into greater profitability. Even though the average profit of our clients is significantly higher than the national average, the average profit per FTE partner has declined from £231,525 to £225,569 year-on-year, while profit per patient dropped from £63.11 to £61.12. This can be explained by expenses continuing their upward trajectory, increasing from £111.64 to £124.02 per patient - an 11% increase in a single year.

Despite modest revenue growth in UK general practice, rising expenses have eroded profitability, with average profit per GP partner and per patient declining amid ongoing financial pressures, inflation, and unstable funding.



Some positives – The 2025/26 NHS Funding Settlement

A significant factor in the post-COVID volatility seen in GP finances was the fact that a five-year NHS funding agreement was struck in 2019. The deal originally projected a 2.1% real-terms funding uplift by 2023/24. Instead, due to the pandemic and the inflationary shocks of 2022, the settlement came to represent a 5.1% real-terms decrease.

Matters weren't helped by the fact that, with an election due in 2024, the long-term structural funding plan for the entire NHS was left up in the air, meaning no new settlement for GP practices. The offer of a 2.2% increase in 2024/25 - below the level of inflation - led to [historic industrial action by GPs](#) as practices were forced to dip into reserves to cover costs or reduce reinvestment.

The pressure paid off and [a revised funding package for 2025/26](#) was agreed in February 2025. The new contract includes a total investment of £13.176 billion, featuring £969 million in fresh funding. This represents a cash growth of 7.2%, or 4.8% in real terms, and includes support for salaries, operational pressures, and complex case management.

Financial performance by practice type

Traditionally, dispensing surgeries (those that supply medication directly to patients) have been seen as more lucrative and profitable than surgeries that only issue prescriptions that have to be taken to pharmacies.

There is some debate over this. While it's true that, even factoring in the higher expenses associated with buying pharmaceutical stock, dispensing surgeries often appear to get a better funding deal than non-dispensing practices, it's also argued that many dispensing practices provide an important service, for example in rural areas where there might not be any local pharmacies, and would often not be profitable at all without dispensing medication.

What our latest figures show for the first time is that dispensing surgeries performed worse financially in the last financial year than non-dispensing practices. This is in part due to the ever decreasing margins on drug reimbursements, increasing staff costs, and too many instances of poor controls resulting in lost opportunities and over ordering. Measured on a per-patient basis, gross practice incomes for dispensing surgeries were marginally up year-on-year from an average of £248.96 to £254.97. But measured per FTE partner, average gross income fell by 8.36% from £826,814 to £757,661.



Non-dispensing practices have markedly lower revenues. But measured per patient, their gross income grew 7.76% in the last financial year from £158.96 to £171.29, and measured per FTE partner, it leapt 14.33% from £577,924 to £659,895.

The pattern is repeated in profitability. Despite a slight per-patient increase in profit margin (from £85.29 to £87.43), dispensing surgeries saw profit per FTE partner dip 8.28% year-on-year (from £283,269 to £259,818). Non-dispensing surgeries, meanwhile, saw a very small rise in profitability, from £213,541 per FTE partner to £214,284.

Dispensing practices saw their expenses rise at a significantly lower rate than non-dispensing surgeries - just 2.34% per patient after reimbursement (£163.87 to £167.54) versus 11.46% (£100.05 to £111.52).

On the other hand, dispensing surgeries can be subject to variances in funding sources outside the GMS and PMS contracts, more so than non-dispensing surgeries. Income from both of these fell for dispensing practices in the last year, by 10.77% per FTE partner for other NHS funding sources (£136,520 to £121,813) and 19.4% from non-NHS sources (£42,705 to £34,419).

What's clear is that, even with the new two-year funding settlement, revenue streams for GP practices are under pressure. And even where they look resilient, given rising operational costs, higher gross income often skewed by things like additional ARRS funding, doesn't necessarily equate to healthier margins.



Employment

Workforce trends within the UK GP sector are showing tentative signs of improvement, but significant challenges remain beneath the surface.

Overall headcount is on the rise. Encouragingly, the sector has regained the ground lost during the sharp COVID-induced dip, returning to a trajectory of steady, if modest, long-term growth. Total employment across general practice was projected to reach 183,000 by the end of the 2024/25 financial year, a 1.7% increase compared to 2019/20. The average number of employees per practice now stands at 26, up 2.4% over the same period.

Looking at year-on-year changes, too, the average number of FTE GPs per practice has risen from 4.65 in 2023/24 to 5.56 in 2024/25.

Yet this growth is not enough to turn around a persistent shortfall in fully qualified FTE GPs that stretches back pre-COVID, and which in recent years has been exacerbated by a worrying rise in younger doctors leaving the profession. NHS Digital figures showed that 10.5% of GPs aged 40 and under exited the sector in the year to March 2023.

At the same time, patient numbers have been on the rise - although the average number of patients per FTE GP has fallen from 1,875 to 1,767 in the year to April 2025. But this hasn't been reflected in appointments. In 2023/23, GPs delivered 5.3% more appointments than they did in 2019/20, before COVID hit.

The combination of fewer doctors and rising demand has hit both patient satisfaction and revenue. In 2023, just 24% of UK residents were satisfied with the care received through the NHS, the lowest figure since data first started to be collected in 1983 ([National Centre for Social Research](#)). Revenue per employee fell to £88,085 in 2024/25 - 2.2% lower than in 2019/20. Short-staffing is also having a tangible impact on patient care and practice profitability.

Comparing figures by practice type, dispensing practices remain better staffed relative to their patient numbers, showing that ARRS funding is having an impact. Both dispensing and non-dispensing surgeries have very similar numbers of patients on average (1,747 vs 1,772). But dispensing surgeries have an average of 6.22 FTE GPs and Advance Clinical Staff per practice, compared to 5.41 in non-dispensing practices.



GP Sector Financial Snapshot

	Dispensing Stats	Non-dispensing Stats	Combined Stats
1. Average Registered Patient List - Raw	10,173	9,943	9,985
Average Registered Patient List - Weighted	10,869	9,588	9,821
2. Average Number of FTE GPs - Partners	3.66	2.49	2.70
Average Number of FTE GPs - Salaried	2.56	2.92	2.86
	6.22	5.41	5.56
3. Average Patients per FTE GP (excluding salaried)	2,972	3,852	3,636
4. Average Patients per FTE GP (including salaried)	1,747	1,772	1,767
5. Gross GMS/PMS Income per patient			
- Global sum/MPIG (after opt-outs)	£102.04	£106.73	£104.06
- PCO Administered payments	£0.00-	£0.10	£0.08
- Enhanced Services	£15.45	£10.61	£11.39
- Quality and outcomes	£12.61	£12.56	£12.36
- Premises	£10.42	£14.12	£13.16
- Dispensing and Drug costs	£61.20	£4.58	£15.71
	£201.72	£148.70	£156.76
6. Gross PCN and other NHS Income Per Patient	£40.99	£18.79	£22.87
7. Gross other Non-NHS Income Per Patient	£12.26	£3.81	£5.51
8. Gross Practice Income Per Patient	£254.97	£171.29	£185.14
9. Expenses Per Patient (after reimbursement)	£167.54	£115.64	£124.02
10. Profit Per Patient	£87.43	£55.65	£61.12



	Dispensing Stats	Non-dispensing Stats	Combined Stats
11. Profit Per Patient excluding Staff Costs – Medical	£116.89	£88.69	£93.87
12. Quality and Outcome Points – Achievement	618.55	575.30	583.17
13. Gross GMS/PMS Income Per FTE GP:-			
– Global sum/MPIG (after opt-outs)	£178,298	£189,132	£186,927
– PCO Administered payments	-	£183	£146
– Enhanced Services	£27,002	£18,798	£20,467
– Quality and outcomes	£22,029	£22,249	£22,204
– Premises	£18,207	£25,022	£23,635
– Dispensing and Drug costs	£106,941	£8,109	£28,218
	£352,477	£263,492	£281,598
14. Gross Practice Income Per FTE Partner (excluding reimbursement)			
– from GMS/PMS	£599,428	£572,860	£579,400
– from other NHS sources	£121,813	£72,376	£84,546
– from non-NHS sources	£36,419	£14,659	£20,016
	£757,661	£659,895	£683,962
15. Expenses per FTE Partner (after reimbursement)			
– relating to NHS sources	£497,842	£445,510	£458,393
– relating to non-NHS sources	-	-	-
	£497,842	£445,510	£458,393
16. Profit per FTE Partner			
– relating to NHS income	£223,399	£199,725	£205,553
– relating to non-NHS income	£36,419	£14,659	£20,016
	£259,818	£214,384	£225,569

	Dispensing Stats	Non-dispensing Stats	Combined Stats
17. Expenses per Patient (after reimbursement)			
- Staff Costs: Medical	£29.46	£33.05	£32.75
- Staff Costs: Admin	£62.21	£50.36	£53.35
- Medical Expenses	£54.28	£6.07	£15.69
- Premises	£10.28	£16.01	£15.08
- Administration	£5.69	£4.38	£4.69
- Financial	£5.41	£1.57	£2.35
- Depreciation	£0.21	£0.08	£0.11
	£167.54	£111.52	£124.02
18. GMS/PMS Income Profile Percentage (%)			
- Global Sum/MPIG	50.6	67.7	66.3
- PCO Administered Payments	-	0	0.1
- Enhanced Services	7.7	7.2	7.3
- Quality and Outcome	6.2	8.0	7.9
- Premises	5.2	8.6	8.4
- Dispensing and Drug Costs	30.3	8.4	10.2
	100.0	100.0	100.0
19. Expenses per Patient (after reimbursement)			
- Staff Costs: Medical	£29.46	£33.05	£32.75
- Staff Costs: Admin	£62.21	£50.36	£53.35
- Medical Expenses	£54.28	£6.07	£15.69
- Premises	£10.28	£16.01	£15.08
- Administration	£5.69	£4.38	£4.69
- Financial	£5.41	£1.57	£2.35
- Depreciation	£0.21	£0.08	£0.11
	£167.54	£111.52	£124.02

Conclusion

The financial landscape for general practice remains highly challenging. Tight budgets, rigid contractual frameworks, rising patient numbers, and ongoing workforce shortages continue to test even the most resilient practices. The lingering impacts of the COVID-19 pandemic have only added further complexity.

Successfully navigating this environment demands precision, insight, and sector-specific financial expertise. That's exactly what Xeinadin brings to GP practices. While you focus on delivering outstanding patient care, we focus on safeguarding your practice's financial health and helping you plan for sustainable growth.

With a deep understanding of the operational and financial realities you face, we are here to offer tailored advice and hands-on support to keep your practice secure, efficient, and future-ready.



Want to know more?

Get in touch with us today to learn how we can help you strengthen your practice for the years ahead.



Written by Daniel Tremain
Healthcare Partner at Xeinadin





A few practical steps

Managing a doctor's surgery, setting aside patient care for the moment, is relatively straightforward in principle, but that doesn't make it easy in practice. We understand that most partners simply don't have the time to delve into the figures, which is why one of our core objectives is to support the partners by empowering the practice managers.

There are many areas where we can assist, planning, training, support, and monitoring, to name a few. Each surgery has its own unique priorities, so it's impossible to offer a one-size-fits-all checklist.

That said, there are two key areas we always recommend reviewing and implementing:

1. Create and maintain a rolling financial plan

Surprisingly, many surgeries operate without a clear financial forecast outlining expected income and expenditure on a month-by-month basis. Having a rolling 12-month plan is essential. It enables you to track performance quarterly, identify discrepancies early, and make informed decisions when they matter most. We're here to support you in building and maintaining this kind of financial visibility.

2. Understand where your biggest areas of 'waste' are likely to be so they can be monitored carefully

- ✓ Communication – does every team member know their role and why they are doing it
- ✓ Too ready use of locums
- ✓ Poorly controlled coding of patient activity
- ✓ Lack of strategy – are partners and managers allocated roles as “champions” eg QOF, Dementia Care etc
- ✓ Lack of strategy and planning for Vaccinations
- ✓ Unfocussed integration with PCN to maximise benefits available
- ✓ Inadequate controls/systems for Personally Administered Items management and many more...

We offer bespoke training and are happy to lead “away days”.
We are happy to help in any way you wish.



We are
XEINADIN

xeinadin.com | hello@xeinadin.com

