

Focus On: Welsh GMS Contract Financial Uplift 23/24

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1. Introduction

The Welsh Government, NHS Wales and GPC Wales were engaged in tripartite negotiations for the GMS Contract 2023-24 from September 2023. The beginning of negotiations was delayed at Welsh Government's request due to the significant budget challenges they encountered in summer 2023.

The ongoing [BMA Cymru Wales Save Our Surgeries](#) campaign clearly outlines general practice's longer-term challenges, and the need for a wider debate about the key asks of the campaign.

We acknowledge that this year's negotiations have been undertaken within extremely challenging Welsh and UK financial and operational contexts, with significant constraints on Government and NHS budgets and broader pressures across the health system. However, it must be also recognised that the final offer from Welsh Government to the medical profession was the lowest across the UK, and below the DDRB's recommendations.

Despite our campaign calls for resource restoration to General Practice through increased investment, the Welsh Government did not present what we considered a credible offer. As such, negotiation meetings ended without agreement in October 2023.

While our view remained unchanged, zero-investment for the 23-24 financial year into GMS would be irreversibly damaging to practices. This impasse, where Welsh Government had not released any uplift to practices for the current financial year, could not continue indefinitely without further exacerbating the sustainability challenges being faced by Welsh practices across the country.



As outlined in the [Ministerial Statement of 7 February 2024](#), this was acknowledged by the Minister and her officials, and we mutually decided to conclude negotiations for this year without a negotiated contract agreement.

Consequently, a sum of £20 million, which the Minister maintains to be the maximum available financial offer, has been invested into the GMS contract for 2023/24. To put this into perspective, this quantum of £20 million pounds represents 4.4% of the GMS Contract value of £450 million.

There have been no associated contractual changes.

This investment includes a 5% pay uplift for all staff working in General Practice and will be backdated to April 2023. This staff pay uplift follows previous arrangements, outlined in the amended [Statement of Financial Entitlements \(SFE\)](#) that passing on a minimum uplift of 5% to all existing staff is mandatory.

While acknowledging that the offer will not wholly address the budgetary challenges faced by practices, the Minister has made it clear that it is the maximum available financial offer in the current environment.

Our position remains that this quantum of money is sub-inflationary, inadequate in terms of unavoidable expense pressures, and does not meet the recommendations of the DDRB. We are under no illusions that this will address the financial challenges practices face, but this pragmatic outcome will avoid further uncertainties and delays for GPs and their staff, providing at least some immediate relief to practices – albeit inadequate and not solving the serious sustainability concerns for primary care in Wales

Our campaign makes it clear that Welsh General Practice is facing existential challenges that must be addressed as a matter of urgency. We welcome the acknowledgement of the strength of our campaign by the Welsh Government and NHS Wales. There is a mutual recognition of the need for a wider debate about the priorities for Welsh general practice in future and we look forward to these discussions in earnest, in particular around resource restoration to Welsh General practice.

The Welsh Government cannot continue to expect us to provide more for less.

2. Financial Changes

The funding uplift arrangements for 2023-24 have been invested by Welsh Government into the GMS contract as outlined in Table 1, which also illustrates the consequent change to the Global sum.

Table 1

| Contract Element | £ (m) |
|--|-----------|
| GP Pay Uplift (To 38.6% of contract value) | 8.7 |
| Staff uplift to staff portion of 39.3% (Being 64.1% of the remaining 61.4% of contract value) | 8.9 |
| <u>Total Pay Uplifts (NB: Rounding)</u> | 17.6 |
| Other Expenses | 2.4 |
| OVERALL INVESTMENT INTO GMS CONTRACT | 20 |

| Global Sum | Per weighted patient |
|---|----------------------|
| Global sum 22/23 | £111.40 |
| New global sum for 2023/24 (Backdated to 01/04/2023) | £117.48 |

Methodology

Historically, uplifts to the global sum have been applied using the average Expenses to Earnings Ratio (EER) calculated through [NHS Digital's analysis of average GP earnings](#). Until recent years the adopted EER has been GP pay at 40% and practice expenses (which includes staff costs) at 60% of the contract value, i.e. 60 : 40. However, the EER has gradually increased over last 10 years with rising practice expenses and a changing skill mix in practices. Using the most recent NHS Digital evidence, published September 2022, the uplift has been calculated according to an EER of 61.4 : 38.6.

Disappointingly, the Welsh Government chose not to follow the DDRB's recommendation of 6% for GP pay uplifts for 2023-24 and have chosen to apply a 5% uplift to the GP Pay element of the total GMS contract value. This uplift is valued at £8.7m.

There is also an uplift of 5% to the Staffing portion of the expenses element, which equates to £8.9m.

The staffing expenses element of the NHS Digital data reflects the total gross cost of staff pay. Therefore, the 5% uplift to the quantum includes an uplift covering the employers on-cost contributions.

Impact upon pay and expenses

We are aware that this quantum does not cover the true increase in expenses relating to staff wage increases. This 5% uplift in staff expenses will only partially offset the impact this year of a 6% salaried GP uplift as recommended by DDRB¹, National living wage increases, and the consequent increases required to maintain a staff differential. The gap between the quantum awarded for the staff pay award uplift, and the true impact upon practice expenses will unfortunately be funded from the GP pay uplift element.

During negotiations many other pressures on GMS expenses were identified and discussed, such as rising inflation in the last few years, NI contribution increases and energy costs.

It is clear from our calculations, informed by survey data from your practices, that a general expenses uplift of £2.4m does not reflect the true impact of unavoidable expenses on practices.

This means that GP partners will not see anywhere near the pay increase the DDRB intended. In real terms, GP partner income will drop by the equivalent rate of inflation.

We have been clear with Welsh Government that sub-inflationary pay uplifts and inadequate general expense awards will have a detrimental effect on the sustainability and indeed viability of many practices.

¹ See Chapter 7 Paragraph 1.2 (p25) of the [BMA Salaried GP Handbook](#)

3. Passing on the staff pay uplift

Recognising the vital role all practice staff play in the delivery of services and the desire for a fair and equitable pay uplift to be made to those existing staff, funding has been made available, mandated to ensure **all existing practice staff** receive a 5% uplift to their gross pay.

The requirements are as follows:

All staff that were in post at 1 April 2023 should receive a pay increase of 5 % for 2023/24, backdated to 1 April 2023.

- Where practices have already awarded staff an in-year pay increase, they must now uplift that increase to 5%, if it was previously a lower figure (e.g. staff already awarded 4% must now also get the additional 1% backdated to 1st April and applied to the rate payable on 1st April - not the uplifted rate)
- This will include any staff that may have left practice employment since 1st April 2023 and practices should make reasonable attempts to contact those staff that have left.
- New staff that started in post after 1st April 2023 may be subject to specific clauses in their practice employment contracts in their first year of employment. Practices will need to make a judgement on these on an individual basis. Practices will be required to complete a self-declaration to their Health Board, as in previous years, to confirm that they have paid all eligible staff a 5% pay rise.

The updated Statement of Financial Entitlements (SFE) states:

2.4A. £2.71 of the figure of £117.48 in paragraph 2.3 is to account for the agreed 5% increase in annual remuneration to practice staff employed by the GMS contractor and which GMS contractors must reflect as at least a 5% pay increase for those staff beginning with 1 April 2023. The LHB may recover this amount from a GMS contractor in accordance with section 19 if it becomes apparent that the GMS contractor has not increased the remuneration of their practice staff by at least 5% for the financial year 2023/2024.”

In addition to the SFE requirements as outlined above, the BMA Model Contract for Salaried GPs contains an expectation that an uplift is received annually in line with the DDRB pay recommendation². Practices will need to consider this factor if salaried GPs are employed under these terms and conditions.

² See Chapter 7 Paragraph 1.2 (p25) of the [BMA Salaried GP Handbook](#)

4. Industrial Action

General practice represents 'Value for Money' to NHS Wales. We cannot stand by while Welsh Government devalues our true worth with their current offering.

The organising and holding of Industrial Action (IA) is governed and regulated by trade union legislation. The legislation includes strict requirements around balloting workers, i.e. those who may be called to take industrial action, and the calling of workers out on industrial action, i.e. organising and executing the action.

For example, a trade union that calls workers out on IA without having conducted a ballot according to the strict rules in the legislation, including having complied with specific notice requirements, will be acting unlawfully and could face legal action. If a trade union follows the rules before calling workers out on IA and complies with the requirements around conducting the IA, it will be immune from legal action.

The legislation aims to regulate industrial relations between employers and unions (and their members), balancing each side's rights and obligations. In the case of GP contractors, the relevant commissioning body, i.e. the Health Board, would be regarded as the employer.

In an official ballot, only BMA members would be able to vote. The BMA may ask GPs to take industrial action if a future official ballot provides this mandate.

For GP contractors, depending on the specific recommended action (s), action could constitute deliberately breaching contracts, e.g. practice closures on one or more days (strike), closing patient lists without Health Board consent (disruptive) etc., or taking action short of contract breach, e.g. daily appointment capping per GP based on a clinical decision by GPs to preserve high quality and effective patient services.

It is essential to understand that, unlike salaried GPs, who would be protected from unfair dismissal if asked to strike or take action short of strike following a successful official ballot of members by their trade union, independent GP contractors would not be protected from action by their Health Board. If any remedial notice went unremedied, GP contractors could legally have their contract terminated by the commissioner, i.e. the Health Board.

The main point of organised collective action and bargaining is to improve working conditions and public services via strength in numbers and one voice. Still, it is impossible to remove personal risk for independent contractors taking industrial action.

GPC Wales is not currently in formal dispute with the Welsh Government. As such, there are no plans to ballot the profession in Wales in the short-term.

However, we will soon launch our GP members survey for 2024, which will include questions relating to your appetite towards action. We are considering all options in the fight to secure the future of General Practice in Wales.

5. What Next

Our communication strategy's combination of professional, political and public engagement has started to bear fruit. It continues to promote the BMA Save Our Surgeries Campaign narrative on all fronts.

Your letter-writing campaign to Members of the Senedd saw over 1,100 letters written to our 60 Members of the Senedd. Many of these letters created opportunities for engagement between GPs and their local politicians, which has led to numerous GP-related questions being made directly to the First Minister and Minister for Health and Social Services in Senedd plenary sessions.

We are planning for a Save Our Surgeries Phase 2 event in the Senedd later in the Summer so that we can again put General Practice requirements into the political and public spotlight.

The public petition for [Fair and Adequate Resourcing of General Practice in Wales](#) gathered 21.5k signatures. The petition has allowed the Welsh public to show their support and concern for the future of their local GP services. Although there can be day-to-day tensions among our patients, frustrated about issues such as access, the sheer number of signatories to the petition attests to the fact that there is continued strong public support for General Practice, who value your ongoing commitment to their care. Our campaign activity has gone some way to heighten the public's awareness of the root causes behind their difficulties getting an appointment – and certainly changed the narrative and discourse from our politicians in the Senedd.

Following consideration by the Senedd Petition's committee, we look forward to this debate being heard on the floor of the Senedd Chamber in the forthcoming months and contributing to these discussions.

We remain prepared to enter discussions on the 2024/25 GMS contract with Welsh Government and NHS Wales. We expect that the usual process of exchanging mandates will commence shortly, and we know that this year's challenging financial context will be no different in the year ahead.

It has long been the position of GPC Wales that pay and expense uplifts should not be tied to wider contractual change, despite the Minister's insistence upon all investment being contingent upon contractual agreement. This insistence has meant awaiting the DDRB recommendation prior to substantive discussions beginning thereby delaying negotiations. The experience of this year's impasse may be a catalyst for change in this regard.

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| <p>GPC Wales remains firm in our commitment to fight for the profession and we will continue to push for better for ourselves and our patients.</p> |
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Appendix A: Key resources

We have recently produced and distributed a number of documents which help to set the issues in context and also function as a source of support for practices. These are essential reading for all:

- The [Save our Surgeries Campaign](#) illustrates the immense pressures upon General Practice in Wales and asks the Welsh government to commit to a rescue package to provide GPs and their patients with the support they need.
- The [focus on Welsh unified GMS contract 2023/24](#) relates to the agreed legislative changes forming the new 2023 Unified Contract, effective from 1 October 2023.
- For support in maintaining workload safely, the [safer working guidance for GPs in Wales](#) can provide useful guidance to GPs and their practices.
- To tackle workload transfer and inappropriate requests, please refer to the [practice workload control letter templates](#) in order to reduce inappropriate work transfer from elsewhere in the health system.
- The [principles of maintaining practice profitability](#) document outlines practical steps that you can take within your practice help address the effects of rising costs.
- Before handing back your GMS contract to the health board, please [consider following these guidelines and advice](#) that informs practices of all options for help and support available.
- The [GMS contract myth buster](#) seeks to clarify the contract negotiation situation during Autumn 2023

Contact us

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