BMA

Scotland

BMA Scotland evidence to the DDRB 2025/26 pay round

December 2024

British Medical Association
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BMA

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Introduction

This evidence submission covers consultants and GPs working in Scotland. It supplements evidence submitted by the BMA on a UK basis and highlights matters particular to these groups of doctors in Scotland.

BMA Scotland wrote to the DDRB on 20 November 2024 setting out our position on submitting evidence for the 2025/26 pay round. This included the situation for each of our branch of practice committees, progress in pay negotiations for 2024/25, and the lack of a Scottish Budget or DDRB remit letter.

Since writing to you, SAS doctors have received a pay offer from Scottish Government. The offer does not meet all our negotiating aims but is the best we have been able to achieve to this point with Scottish Government. It is being put neutrally to the profession for a consultative vote in January 2025. While the offer includes a requirement that SAS doctors in Scotland participate in the DDRB process, we remain of the view that it is not appropriate to submit evidence for this group of doctors until pay is settled for 2024/25.

We want to remind you that Resident Doctors in Scotland are not participating in the DDRB process. The pay agreement with Scottish Government for 2023/24 included direct pay negotiations until 2026/27. Pay information for Resident Doctors in Scotland will be published on the BMA website early in the new year.

BMA Scotland wants to highlight that direct pay negotiations with Scottish Government have proved a viable path towards our aims of pay restoration for doctors in Scotland. We are hopeful that a reformed DDRB will fundamentally address BMA's longstanding concerns and deliver pay recommendations to establish a credible path to pay restoration. The 53rd DDRB report and recommendations on doctor's pay will be heavily scrutinised by our members in Scotland and determine our approach to engagement in future years.

BMA Scotland is not making a separate ask of the DDRB this year, instead we point to the UK submission that calls **for a significantly above inflation pay uplift, in RPI terms, to restore doctor pay to 2008/09 levels**.

Consultants

Consultants in Scotland were clear in their response to the BMA Scotland pay survey last year that they found the recent DDRB recommendations unacceptable and had lost confidence in the process. On that basis we pursued direct pay negotiations with Scottish Government for 2024/25. Direct negotiations between Scottish Government and the BMA Scottish consultants committee reached a pay deal for 2024/25, following acceptance by members in a consultative vote. Eligible BMA Scotland consultant members voted 95.8% to accept the offer (with a turnout of 70.9%).

The pay deal consisted of a total investment of £124.9m (11%) in pay, made up of:

- an uplift of 10.5% to all pay points on the pay scale
- increase in the value of discretionary points from £3,204 to £3,600 (12.35%)

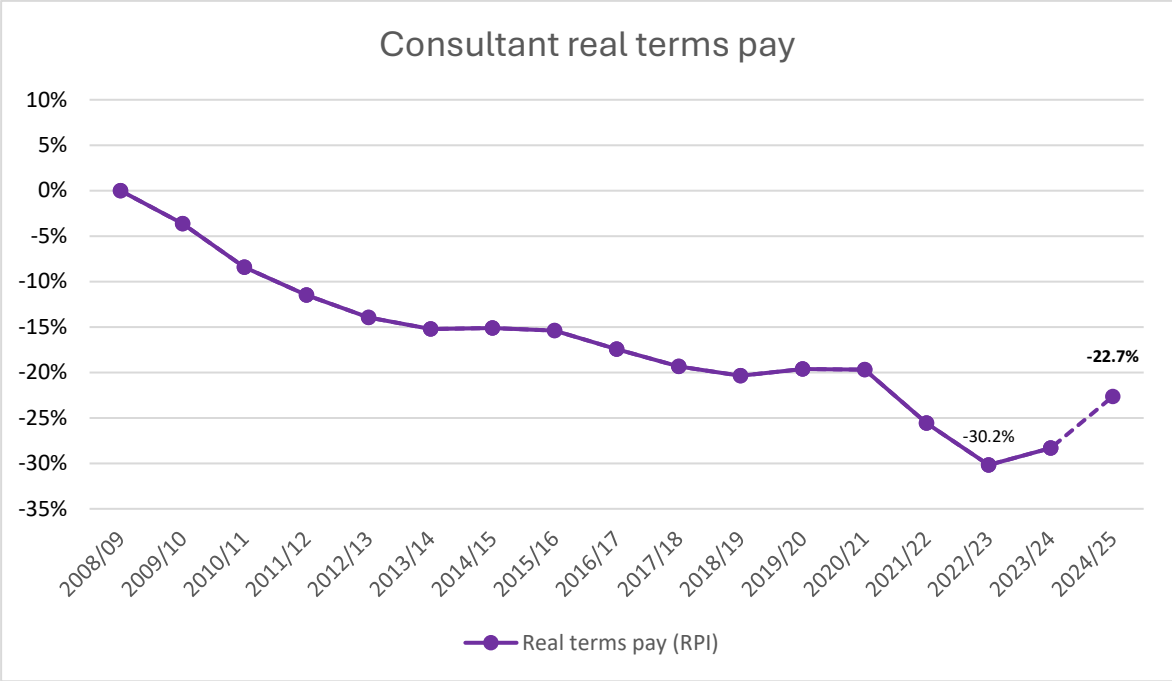

Figure 1 *– Real terms pay for Consultants in Scotland between 2008/09 and 2024/25. The value for 2024/25 is estimated based on OBR forecasts for RPI inflation to April 2025.*

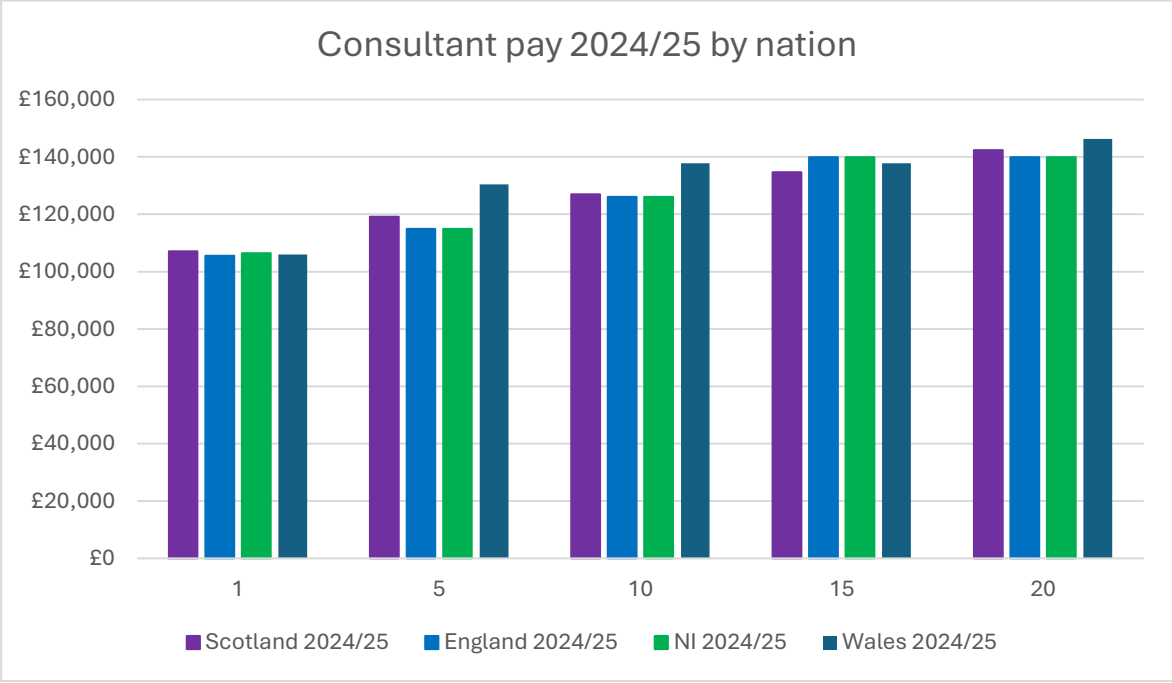

Figure 2 *– Consultant pay scales (at selected years as a consultant) in 2024/25 by nation.*

This year's pay uplift is a substantial real terms improvement in pay and accelerated progress towards pay restoration. However, pay erosion for consultants in Scotland remains considerable at -22.7% compared to 2008/09. Future year pay uplifts will need to match 2024/25 to deliver the BMA's policy of achieving full pay restoration by 2027/28.

The uplift to the pay scale largely achieved parity of basic pay with the other UK nations[i], although, as noted in the section on tax and pensions below, the higher income tax rates and much lower threshold for the higher rate compared to the rest of the UK mean that take home pay is less in Scotland. This may continue to limit recruitment and retention in Scotland and will need to be carefully monitored by the Scottish Government and the DDRB.

As part of their 2023/24 pay deals (in 2024) the other nations reduced the length of their pay scales bringing improvements in pay progression and lifetime earnings. BMA Scotland sought a similar approach in negotiations, but the Scottish Government was unable to supply adequate workforce and pay information to enable accurate modelling of proposals to reduce the length of the pay scale. We will want to re-examine this in future, but Scottish Government will need to make significant improvements to their workforce and pay data to ensure that such adjustments can be fully assessed and ensure no detriment to any particular group.

The 12.35% uplift to the value of Discretionary Points (DPs) was a significant step in the overall compensation package for consultants. DPs had not been uplifted since 2010 and had therefore fallen significantly in real terms value. They now bring an average benefit to each consultant of £7,500. We are planning to undertake work to understand the distribution of awards across the country and to identify any marked regional variation in practices. We have already received EDI information from some health boards that provides reassurance around the processes from point of application but plan to ensure this information is widely provided by all boards and produce guidance to ensure that all eligible consultants are encouraged and feel well-supported in submitting applications.

As evidenced by the pay agreement for consultants, Scottish Government was supportive of BMA Scotland's aim to increase the value of Discretionary Points. Any future DDRB award that does not include an uplift to DPs in Scotland will be inconsistent with the principles established for the 2024/25 pay uplift. We therefore call on the DDRB to recommend an uplift to DPs for 2025/26.

There were two additional important elements of the pay deal reached: a commitment to negotiate a national rate for internal short-term cover; and discussions with employers on the balance of different elements of a consultant job plan. We are expecting both workstreams to start early in 2025 and will be looking for a conclusion in a reasonable timeframe. Agreeing a national rate for short-term cover has the potential to encourage consultants to undertake more of this extra contractual work but relies on the rate being attractive. If this is successful it could reduce the heavy reliance on external locums being recruited at significant cost – in 2023/24 the bank and agency spend for medical and dental staff was £129.6 million, an increase of 8% on the previous year.[ii]

The Boards with the highest spending on agency locums include Grampian at £21.5 million, up 17.5% from 2023 (£17.6m); Highland at £18.5m, an increase of 14.9% from 2023. Smaller geographical Board areas also saw an increase, with Forth Valley agency spend doubling from 2023 (up 105.8% to £4.8m). NHS Fife agency spend increased 21.5% from 2023 (£13.4m) to £16.3m. Lanarkshire again saw an increase from 2023, which was already at a high level, and increased 28.2% in 2024 to £13m from £10.1m in 2023.

[i] In Wales commitment awards were rolled in to the pay scale increasing the value of each pay point.
[ii] https://turasdata.nes.nhs.scot/data-and-reports/official-workforce-statistics/all-official-statistics-publications/03-september-2024-workforce/dashboards/nhs-scotland-workforce/?pageid=12370

However, an attractive rate of pay for short term cover is not the only obstacle in reducing agency/bank spending and significant workforce shortages in some specialties, notably psychiatry, are a large part of this spending. The failure to recruit to shortage specialties places additional stress on existing staff and affects patient care resulting in a vicious cycle where existing staff take on additional work, but this results in increased stress of taking on heavier workload and leads some to resign their posts – worsening the existing crisis. A recent report in the Guardian[iii] highlighted the crisis in psychiatry services and high cost of agency locum spending. Unless other measures are put in place across the range of specialties to make consultant posts in Scotland attractive, recruitment and retention will continue to be challenging.

Workforce, recruitment, and retention of consultants

The demographic characteristics of the workforce are important to understanding the current and expected future challenges. Scotland's ageing population raises many challenges and increases the demand for specific specialties.

The workforce distribution by age group and sex for NHS Scotland consultants (whole-time equivalent) on 30 June 2024 shows that 22.2% of the consultant workforce are over 55 years of age; 45.1% are female and 54.9% male.[iv]

As reported in previous years, we have undertaken research that demonstrates the vacancy rate for consultant posts is higher than the figures captured in the official Scottish Government statistics. We have been making Freedom of Information (FOI) requests to NHS Boards since 2020 to more accurately measure the consultant vacancy rate. The FOI requests have repeatedly shown a vacancy rate more than double that of the official statistics (15.2% via FOI in 2020 compared to 6.3%; 14.3% via FOI in 2022 compared to 6.2%, and in 2023 the FOI result was 17% compared to 6.9%). We have repeated our FOI request in October 2024 for data from Boards on 30 September and at the time of writing we are waiting for responses, but we do not expect any significant change in the difference from the official statistics evidence in previous years. We will include this information in supplementary evidence.

The Scottish Academy annual report on External Advisors for consultant appointments for 2023[v] shows 10% fewer requests for external advisers and 10% fewer interviews arranged compared to 2022. Between 2022 and 2023, the number of requests for an EA fell from 705 to 662 and consultant appointments fell from 521 to 469.

The report also highlights that there were fewer interviews when more than one candidate was appointed in 2023 (63) compared to 2022 (94). The fall in the number of consultant appointments will need to be monitored to see whether this will become an ongoing trend. Given the long elective waiting lists and pressures on urgent care in today's NHS Scotland, a sustained fall in recruitment of senior decision makers would be undesirable.

[iii] https://www.theguardian.com/society/2024/oct/07/scottish-nhs-boards-pay-up-to-837-an-hour-for-locums-amid-psychiatry-crisis#:~:text=Annual%20spending%20by%20Scotland's%2014,Note:%20Not%20adjusted%20for%20inflation
[iv] https://turasdata.nes.nhs.scot/data-and-reports/official-workforce-statistics/all-official-statistics-publications/03-september-2024-workforce/dashboards/nhs-scotland-workforce/?pageid=12370
[v] https://www.scottishacademy.org.uk./sites/default/files/2023%20Annual%20Report_1.pdf

There were 663 panels held in 2023, of which 406 made a total of 469 appointments (compared to 521 appointments in 2022 and 533 in 2021). The year 2023 continued a trend of a reducing number of panels which made more than one appointment (109 in 2019 and 63 in 2023). There were an additional 257 panels cancelled in 2023 (306 in 2022). In 91% of cancellations, the cause was applicant related: no applicant in 160; no suitable applicant in 52; and applicants withdrew from 22 posts. This trend has been consistent over recent years and is a worrying indicator that consultant posts in Scotland are not proving attractive to applicants.

The impact of vacancies on staff should not be underestimated: in the 2023 census[vi] from the Royal College of Physicians, 59% reported vacancies in their department (up from 55% in 2022). Vacancies and rota gaps impact on patient care but also on the ability of consultants to supervise and train others.

General Practitioners

Contractor GPs

2024/25 funding uplift

Following the DDRB's recommendation for 2024/25 and the subsequent Scottish Government pay award, the BMA surveyed GPs in Scotland on their attitudes to the award. Just 4.2% of the 1,107 respondents indicated that they were satisfied or very satisfied with the DDRB's recommendation, while 89.7% indicated that they were dissatisfied or very dissatisfied.

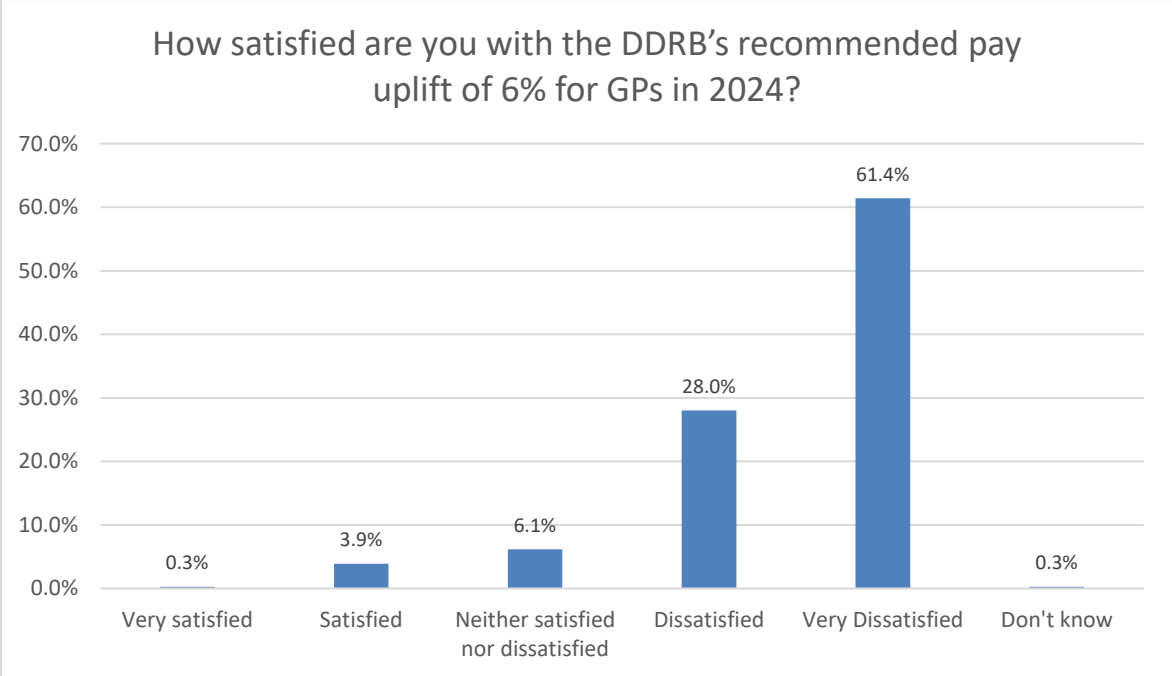

Figure 3 *– BMA Scotland 2024 GP pay survey results on satisfaction with the 2024 DDRB recommendation of 6% for GPs.*

[vi] https://www.rcp.ac.uk/improving-care/resources/snapshot-of-uk-consultant-physicians-2023/

As a result of the pay award, 65.6% of respondents indicated that they were now more likely to cease working in the NHS while 86.1% of respondents indicated that the pay award had decreased their morale.

In all, 99.1% of respondents indicated that they felt that the pay award for 2024/25 was too low and the average figure that respondents indicated they believed would have been appropriate was 12.2%.

This response was undoubtedly influenced by the near-simultaneous announcement of pay awards of 11% for consultants and resident doctors in Scotland, adding to the perception amongst GPs in Scotland that they are valued less than secondary care doctors by the Scottish Government.

An additional question was asked of respondents whether they were confident that the reforms to the DDRB's terms of reference would lead to an acceptable pay recommendation for GPs in Scotland this year. In total, 83.4% of respondents said that they were somewhat or very unconfident that this would happen, while just 2.9% said that they were somewhat confident, and no respondents stated they were very confident.

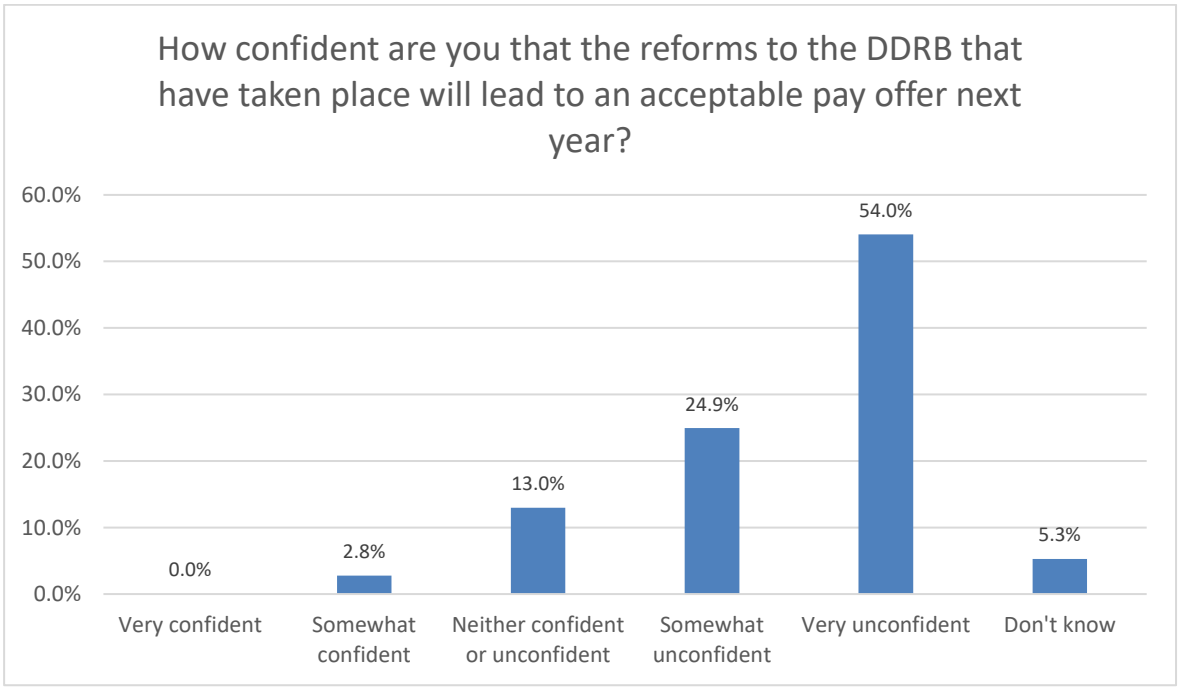

Figure 4 *– BMA Scotland 2024 GP pay survey results on confidence in the DDRB reforms.*

GPs in Scotland were also asked whether they were prepared to take industrial action that would substantially impact on services to patients, such as practice closures or extreme capping of workload, in response to this year's uplift. In response, 65% of respondents indicated that they would be prepared to take highly disruptive industrial action, 18.2% of respondents said that they would not and 16.7% said that they were not sure or would prefer not to say.

Contractor GP earnings

In our previous two submissions to the DDRB, we warned of the unacceptable decision by Scottish Government in 2022/23 and 2023/24 to deviate from agreed uplift arrangements and

underfund the uplift to GP practices for those years. We warned that the effect of this was that GP contractors were the only group of doctors in Scotland not to receive at least the DDRB recommended uplift in either of those two years and that the DDRB should be prepared to act when difficulties caused by high inflation or inadequate expenses uplifts are anticipated, but data is not yet available. On 29 November, Scottish Government announced £13.6m of additional GP contract uplift in 2024, which we believe is intended to address inadequate uplifts in previous years. We have asked Scottish Government to set out the details of this additional funding, but to this point that has not happened, so we are unable to judge the impact that this announcement will have on practice funding.

The considerable lag between decisions on GP funding and the availability of data on their impact via NHS Digital's GP Earnings and Expenses reports continues to be a significant challenge. However, the publication of data for 2022/23 has now confirmed the impact of that year's underfunding. This is consistent with concerns we highlighted in previous submissions. Despite a DDRB pay recommendation of 4.5% for that year, the average headcount income before tax of GP contractors in Scotland grew by just 0.4%, from £119,500 to £120,000, this is a substantial real terms pay cut in a period of high inflation. The gap between GP contractor actual pay and inflation adjusted pay is now considerable and expected to widen substantially in future years unless pay and contract uplifts are considerably increased.

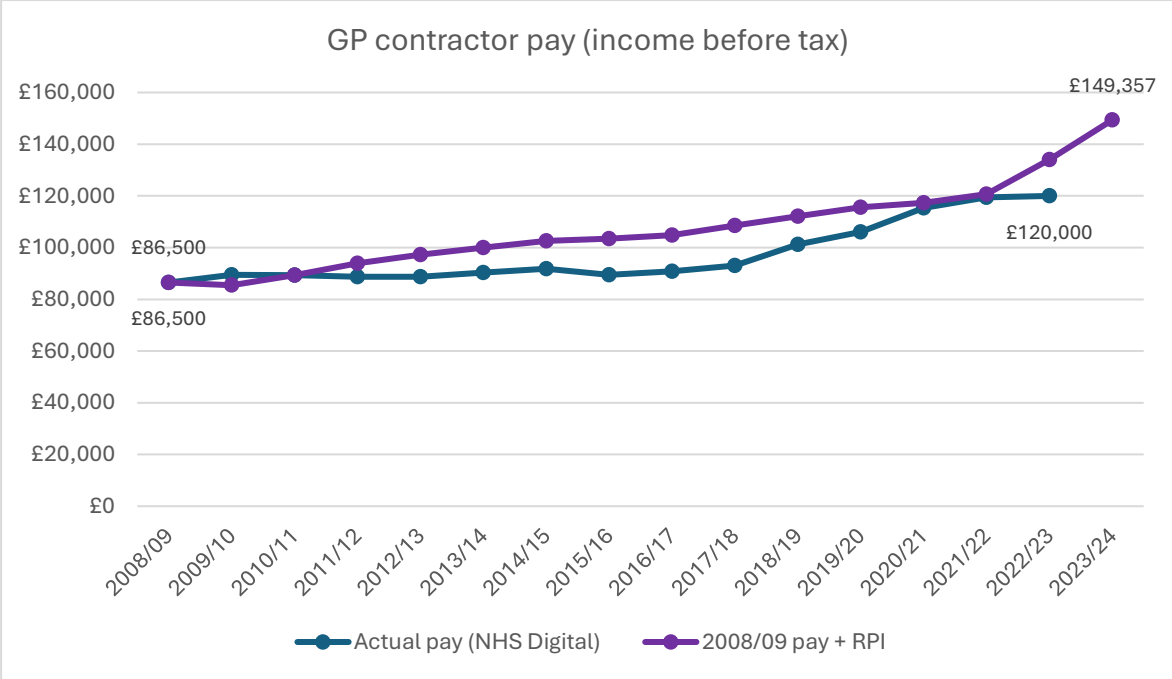

Figure 5 *– GP contractor pay - comparison of NHS Digital reported actual pay compared to inflation adjusted pay.*

To try to compensate for the lack of whole-time equivalent (WTE) information contained in the NHS Digital GP Earnings and Expenses figures, we have sought to apply the headcount to WTE ratios from the GP Workforce survey to each year's NHS Digital figure on income before tax to establish an estimated WTE earnings figure.

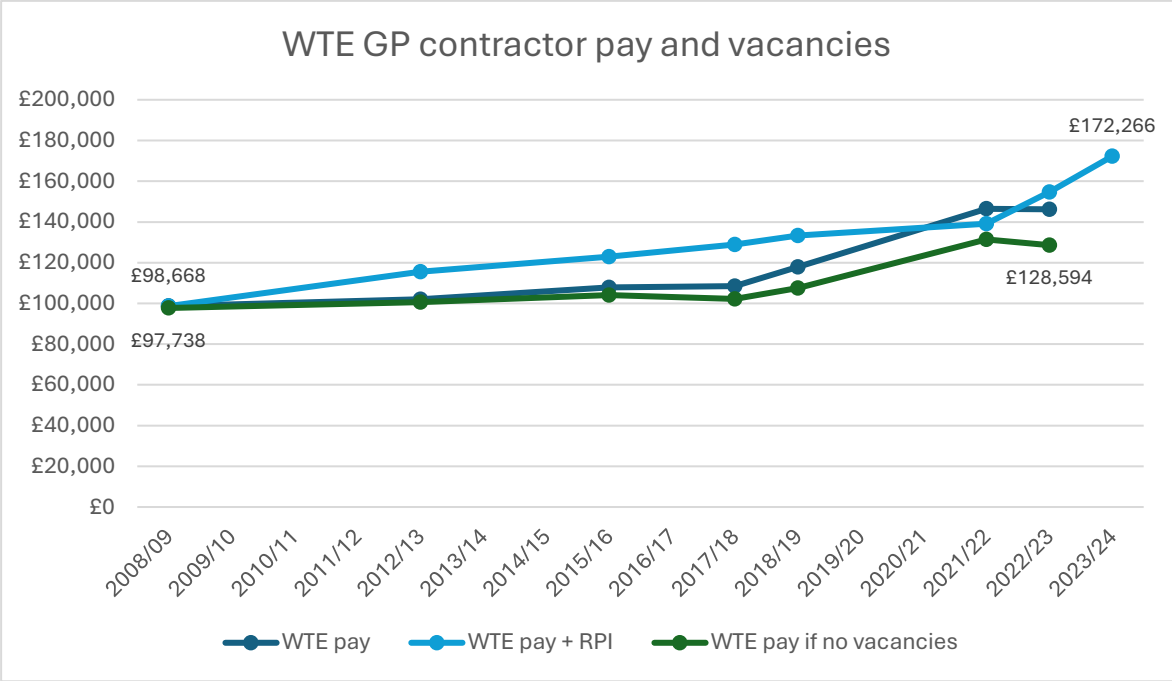

***Figure 6** – Projected WTE GP contractor pay – comparison of WTE projected pay, inflation adjusted WTE pay, and WTE pay if all GP vacancies were filled.*

This shows that even the limited increase in GP contractor headcount earnings between 2021/22 and 2022/23 becomes a cash terms reduction when converted to projected WTE figures, from £146,450 to £146,214 in 2022/23. It also shows that it continues to be the case that GP contractor earnings are being maintained by the declining number of WTE GPs available to divide resources between. If all vacancies as of 2022/23 were filled, projected GP WTE earnings would have been £128,594, This is neither sustainable nor desirable and is a symptom of a lack of funding to general practice that is creating an unhealthy imperative on practices to reduce WTE GP numbers and therefore services to patients.

While we will not know until the next set of NHS Digital figures are published in summer 2025, it is inevitable that GP earnings growth for 2023/24 will similarly have fallen short of the DDRB's recommendation that year. The impact of such underfunding is not just restricted to a single financial year. Underfunded uplifts have a cumulative effect, so that the scale of the gap between what GPs actually earn and what they would be earning if DDRB recommendations had been delivered grows each year in the absence of action to redress that gap. Without specific action, the gap between consultant and GP earnings will grow year to year even if both groups of doctors receive the same headline uplift because of the cumulative effect of underfunding and that gap will of course further widen by the substantially higher pay award consultants in Scotland received for 2024/25.

Fundamentally, the ability of GP contractors to receive intended pay awards hinges significantly on whether funding uplifts are sufficient to meet a practice's other expenses. At the time of submission, this may be a significant challenge for the 2025/26 pay award as practices face bills of tens of thousands of pounds to cover the increase in Employer National Insurance Contributions. Unless specific additional funding is provided to practices in Scotland, the only options for practices will be to either erode earnings increases for employed staff or partners or to reduce their staff complement and the services they provide to patients.

Uplift process in Scotland

We are aware that the DDRB has asked for further information as to how funding uplifts for GP practices are calculated. The process below is the methodology that had been applied consistently in Scotland for a number of years prior to Scottish Government's decision to deviate from the expenses arrangements in 2022/23 and 2023/24.

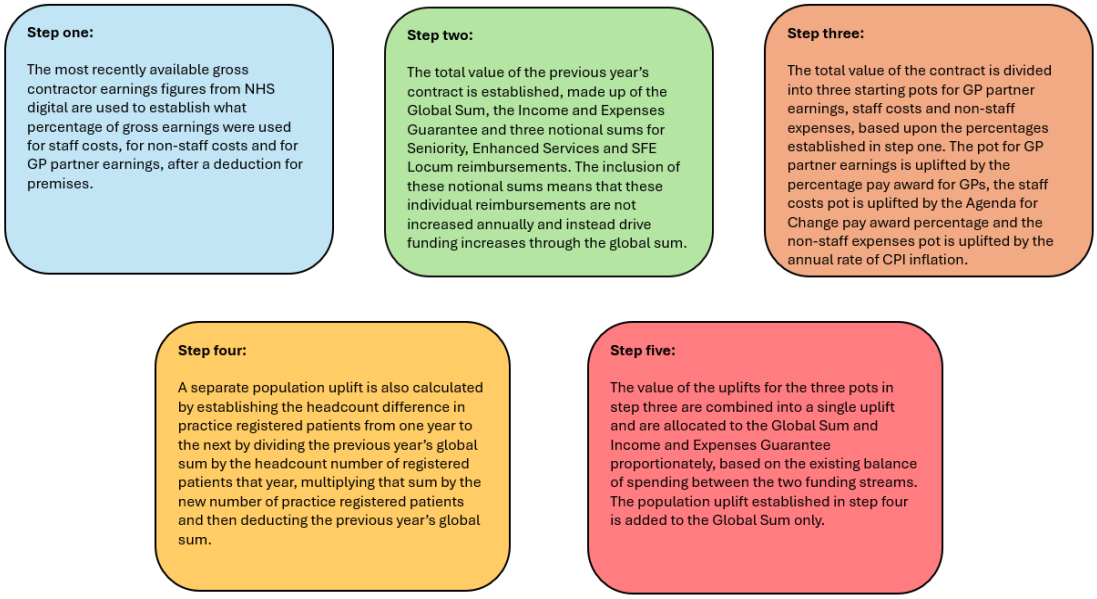

Figure 7 *– GP contract uplift process in Scotland.*

In 2022/23, Scottish Government applied a 5% uplift to staff expenses instead of the 7.5% that Agenda for Change staff in Scotland received and a 4.5% uplift to non-staff expenses instead of the rate of CPI inflation which at the time was around 9%. In 2023/24 and 2024/25, Scottish Government again applied the DDRB pay uplift recommendation to the non-staff expenses uplift instead of the rate of CPI inflation. In 2023/24 this uplift was below the rate of inflation, though in 2024/25 it was above the rate of inflation and was therefore a small benefit to practices that year.

2018 GMS contract reforms

The 2018 GMS contract was intended to improve the sustainability of general practice in Scotland by rebalancing workload, reducing financial risk and making general practice a more attractive career option for current and future doctors.

Phase one of the contract was intended to see services that could reasonably be delivered by other professionals transferred from GP practice responsibility to direct delivery by Health Boards, freeing up GPs to spend more time as Expert Medical Generalists, managing the growing workload associated with more complex patients.

Phase two of the contract which was due to be implemented by 2021 was intended to reduce the financial risks of GP partnership by directly reimbursing practice expenses and ensuring that GPs would be able to earn a comparable income to consultants in Scotland, removing relative earnings as a disincentive to recruitment.

While nearly 5,000 new members of the MDT have been recruited, phase one of the contract is years behind schedule, and it is now clear that the aspirations of wholesale transfer of services cannot be delivered with the available workforce, and it will not be underpinned by Regulations as originally intended because Scottish Government is not sufficiently confident in MDT service delivery. BMA Scotland believes that additional funding and that further pursuit of phase 1 and additional expansion of Health Board MDT would not be good value for money.

Meanwhile, after six years, negotiations on phase two of the contract have not progressed to any significant degree.

The BMA's view is that it is time to draw a line under the implementation phase of the contract, to find a level of service that can be consistently delivered by the now recruited MDT, and to pursue a model of improved reimbursements to practices, centred around reimbursement of certain non-staff expenses rather than also including mechanisms around staffing. We will be taking forward discussions with Scottish Government on this basis in the months ahead.

Salaried GPs

The DDRB has asked for evidence as to whether salaried GPs are receiving the pay awards recommended by the DDRB. In Scotland, the GMS regulations include a requirement that practices must offer terms and conditions no less favourable than those set out in the model salaried GP contract, which includes a requirement to receive Scottish Government pay awards following their consideration of the DDRB recommendations.

As with GP contractors, there is limited data available as to the WTE earnings of salaried GPs in Scotland and that which is published by NHS Digital comes after a considerable lag. However, the headcount data on Salaried GP gross employment earnings in Scotland shows that while there have been individual years where average salaried GP earnings growth has fallen short of the DDRB's recommendations, the cumulative trend indicates that salaried GP earning growth in Scotland has been greater than DDRB recommendations.

Without data on WTE employment earnings, it is difficult to know whether years where salaried GP earnings did not at least match the DDRB recommended uplift are driven by changes in workforce rather than practices not passing on pay awards.

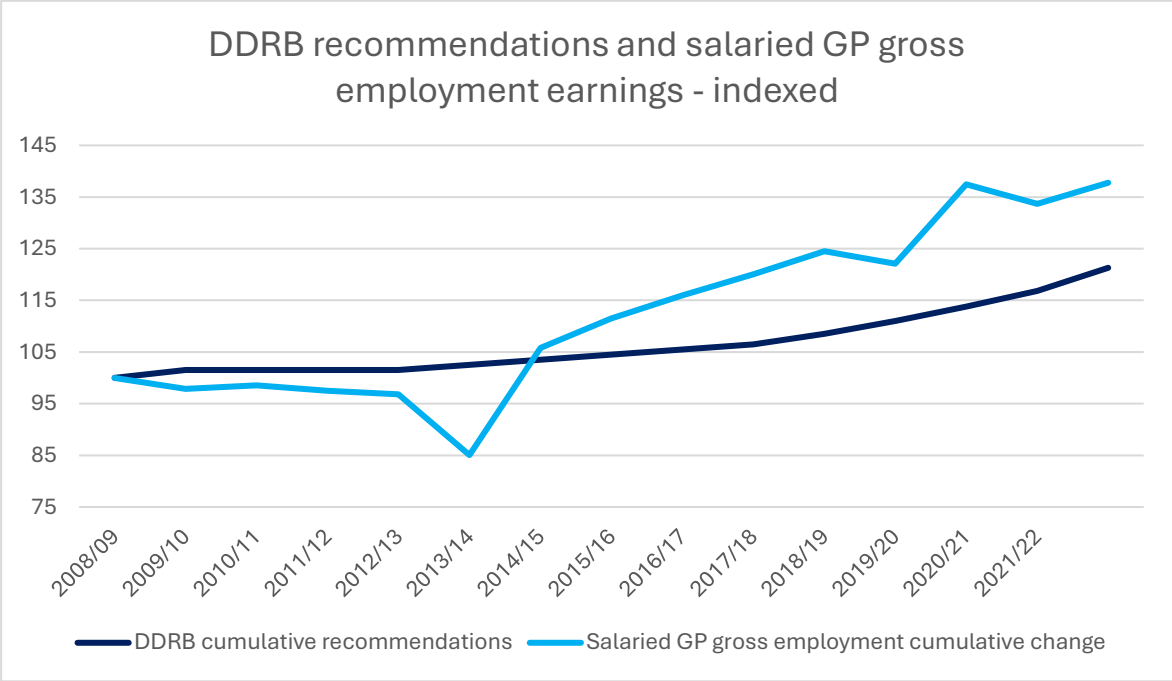

***Figure 8** – Salaried GP pay – comparison of indexed cumulative DDRB recommendations for salaried GPs compared to actual salaried GP pay (gross employment earnings).*

While changes to salaried GP gross employment earnings in Scotland have tracked above DDRB recommendations over the last decade, it is undoubtedly the case that they have been behind trends in inflation throughout most of that period. The long lead in time to NHS Digital figures being published means that the full picture of the recent years of high inflation is only starting to become clear and show that while salaried GP gross employment earnings did increase in 2022/23, they lost ground relative to inflation.

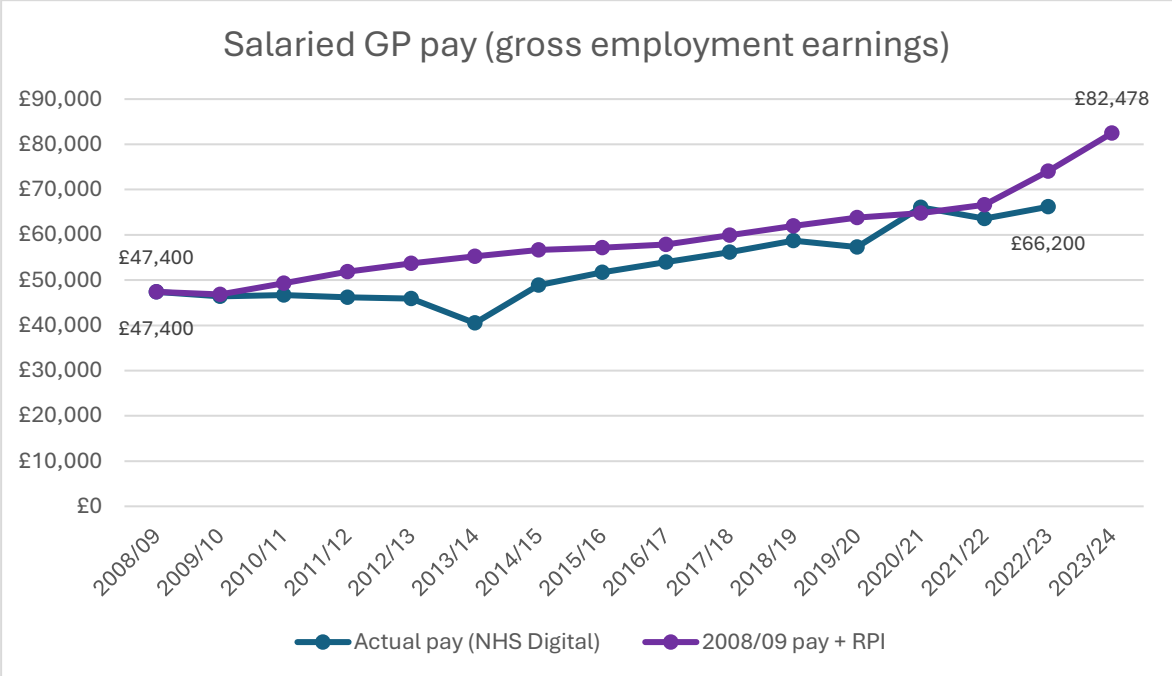

***Figure 9** – Salaried GP pay - comparison of NHS Digital reported pay (actual gross employment earnings) to inflation adjusted pay.*

GP workforce

The GP workforce survey in Scotland published by NHS Education Scotland is the only source of WTE workforce information for practices in Scotland. This is an annual snapshot and comes much later than the date practices are asked about (31 March) and the eventual date of publication (10 December).

The most recently published information from 10 December 2024 shows that as of 31 March 2024, the number of WTE GPs had declined by 0.7% in the last year, continuing a trend of decline in WTE GP numbers that should be of significant concern to Scottish Government. Since 2013, the number of WTE GPs in Scotland has fallen by 6% from 3,675 WTE GPs in 2013 to 3,453 WTE GPs in 2024.

That trend stands in stark contrast to the growth in secondary care consultants that has taken place over the same time-period and the even faster acceleration in registered patient numbers. In 2013 there were 4,526 WTE medical consultants compared to 5,962 in 2024.

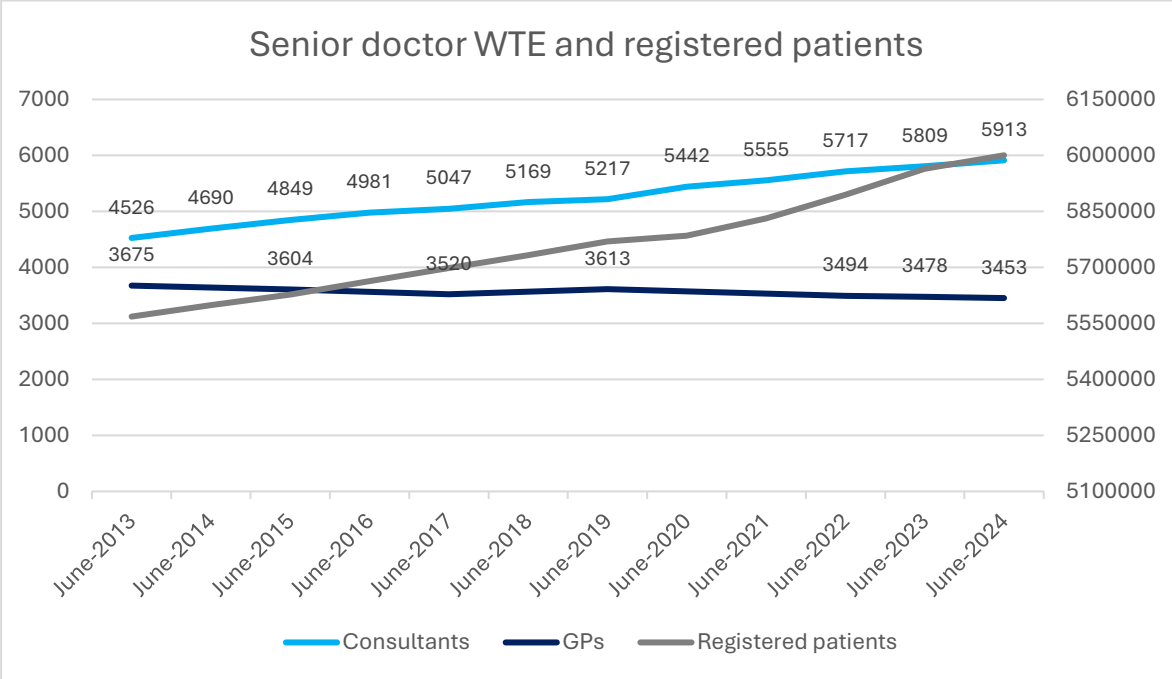

Figure 10 *– Senior doctor change in WTE numbers over time and growth in registered patients*

Within the last one to two years, the GP job market in parts of Scotland appears to have significantly changed. Availability of locum work, salaried GP positions and partnerships has markedly reduced leading to anecdotal reports of GPs struggling to find work largely in some urban parts of Scotland. Where previously it was the case (and in some parts of the country it remains so) that there were not enough GPs to fill vacancies, there are now GPs who cannot find sufficient work as GPs due to a lack of practice funding to create positions. The most recently published GP workforce survey shows a marked fall in GP vacancy rates from 10.9% in 2023 to 7.6% in 2024. This fall coupled with the reduction in GP WTE numbers is a clear indication that GP posts are being removed in response to inadequate funding.

Additionally, the same survey showed that the number of WTE locums required fell from 415 in 2023 to 390.1 in 2024. Meanwhile, locum fill rates increased from 82.4% in 2023 to 89.3% in 2024, indicating that practices are finding it easier to fill locum sessions when they do advertise them, likely because more locums are not otherwise engaged.

These trends are extremely dangerous for the future of general practice as it will disproportionately be recently qualified GPs who are affected by this and are therefore most likely to pursue careers in other specialties or as GPs in other countries.

As the number and proportion of independent contractor practices has declined, the proportion of the GP workforce that are partners has also eroded. In 2013 partners made up 84% of the GP workforce in Scotland compared to 69.9% in 2024. In whole time equivalent terms, GP partners made up 87.6% of WTE GP workforce in Scotland in 2012 compared to 73.9% in 2024.

Workload and practice sustainability

Over the last 10 years, the number of GP practices in Scotland has fallen by over 10%, from 988 in January 2015 to 888 currently. Meanwhile, 6.8% of practices are now 2C, meaning they are directly operated by the Health Board rather than independent contractors, compared to 4.5% in 2015. Practices that are directly operated by Health Boards are invariably significantly more expensive to operate than independent contractor practices and tend to rely on greater use of locums, providing reduced continuity of care. Both of these measures highlight the significant sustainability challenges that have faced practices in Scotland in recent years.

Alongside financial sustainability challenges, GPs have also seen a significant increase in their workloads, with the ratio of patients per WTE GP increasing by 17% from 1,480 patients per WTE GP in 2011 to 1,735 as of 2024.

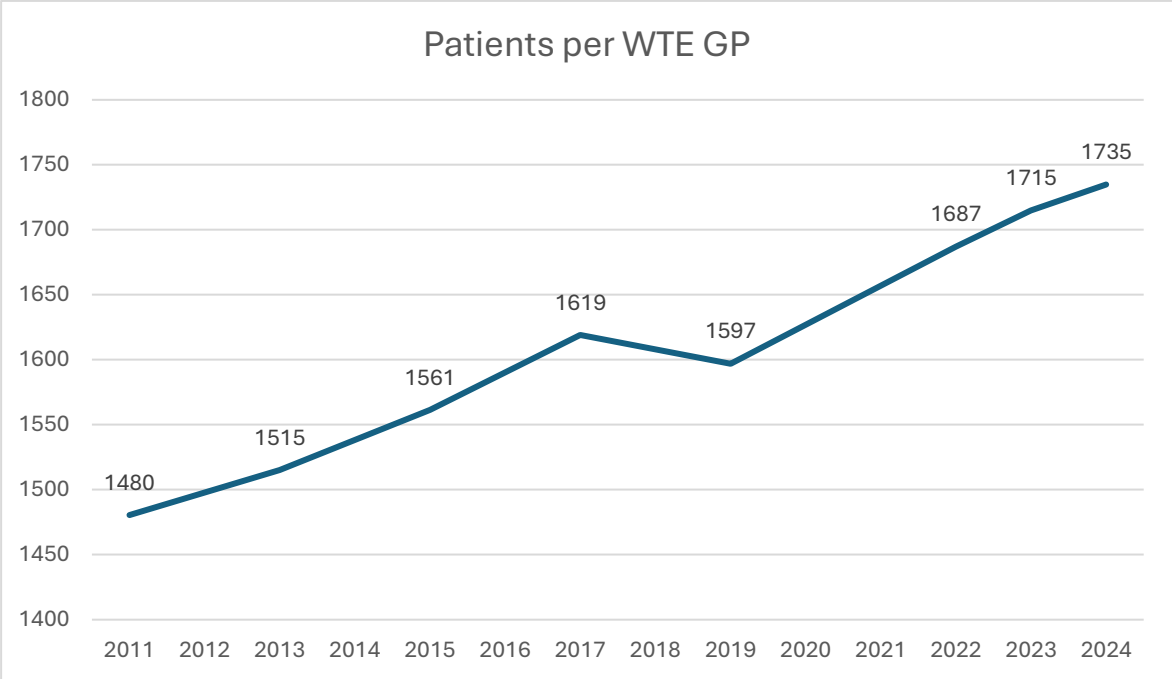

Figure 11 *– Change in number of patients per WTE GP over time*

This trend has been driven by a combination of falling GP WTE numbers and a growing practice population, with the number of registered patients in Scotland growing by 4.42% between 2018 and 2024. Over the same period however, the number of weighted patients grew by 6.63%. This means that due to an aging population profile and increasing multi-morbidities, the overall health needs of Scotland's population, as derived by the Scottish Workload Formula, are growing at a faster rate than the headcount number of registered patients, sharply increasing demands on practices. This is not reflected in practice funding population uplifts. The BMA estimates that the gap between actual population uplifts since 2018/19 and 2024/25 is a cumulative total of £16.3m. The lack of a mechanism to uplift practice funding to reflect the changing demographics of the population in Scotland means that practices have not been resourced for this additional work since the introduction of the last contract in 2004. The shortfall in funding will be many tens of millions of pounds.

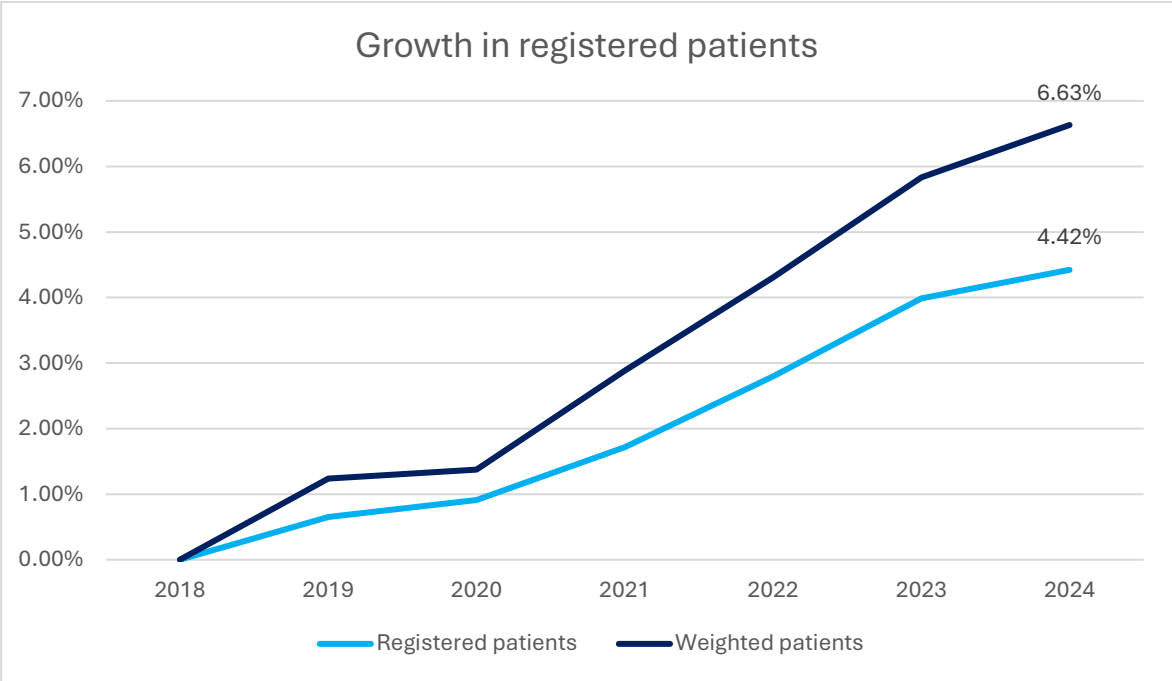

Figure 12 *– Comparison of growth in headcount numbers of patients registered with GP practices and weighted patients derived from the GP contract Scottish Workload Formula that adjusts patient weights based on their demographics.*

Morale

General Practitioners

Morale amongst GPs in Scotland is extremely problematic for the future of General Practice. GPs report feeling that they are significantly undervalued in comparison to secondary care employed doctors, a viewpoint exacerbated by the higher level of pay award received by Consultants and Resident Doctors in Scotland. There can be no doubt that steps must now be taken to restore the relative position of GP earnings to that of consultants if the current crisis of morale in General Practice is to be resolved.

In the BMA's survey in response to this year's pay award, 65.6% of respondents indicated that they were now more likely to cease working in the NHS while 86.1% of respondents indicated that the pay award had decreased their morale. In a separate survey in 2023, 28% of GPs in Scotland described their workload as unmanageable and 85% of GPs in Scotland said that they struggled to cope with work either some or all of the time and that this was impacting upon their mental or physical health. One in four GPs stated that they expected to leave their current practice within the next two years, pointing to the precarious position many practices find themselves in.

As Lord Darzi's recent independent investigation of the NHS in England made clear, general practices have the best financial discipline in the NHS[vii]. Yet GPs see other parts of the Health Service prioritised for investment while General Practice, the front door of the NHS, is left to wither. That cannot continue and this year's DDRB recommendations have a critical role to play in ensuring it does not.

Consultants

In the 2023 Royal College of Physicians census[viii], 69% of consultants said they were stressed by their work and 61% reported a decline in morale in their department. The top 3 factors negatively affecting wellbeing at work were reported as clinical workload, poorly functioning IT equipment and staff vacancies. The top 3 positive changes that would make a difference to wellbeing were suggested as well-functioning IT equipment, more administrative support and more capacity in social care to discharge patients in a timely manner.

NHS Scotland pressures

NHS Scotland undoubtedly continues to face unbearable pressures and a mounting backlog of care. Patients are struggling to access the services they need: there are fewer outpatient attendances than before the pandemic[ix], A&E waiting times continue to worsen[x], and while numbers of in person GP attendances have recovered significantly, they are still below previous levels[xi].

Audit Scotland's *NHS in Scotland 2024* describes the service as unsustainable and urgently recommends that Scottish Government reforms services to deliver better effectiveness and value for money, including reducing services that are of low clinical value.

NHS Scotland pressures continue to place a considerable burden on the medical workforce. Audit Scotland stated that 'vacancies remain unfilled and high levels of staff absences continue to put pressure on the staff and the wider system'.

BMA Scotland is currently surveying our members on the impact of winter pressures on their working lives and the care they provide. The survey responses will give important context to the pressures and provide direct evidence of the toll working in the NHS is having on doctors. We

[vii] Gov.uk - Independent investigation of the National Health Service in England
[viii] https://www.rcp.ac.uk/improving-care/resources/snapshot-of-uk-consultant-physicians-2023/
[ix] Public Health Scotland - Acute hospital activity and NHS beds information (quarterly)
[x] Public Health Scotland – A&E activity and waiting times
[xi] Public Health Scotland – General Practice In-hours Activity Visualisation (to October 2024)

will include information on this survey in our supplementary evidence to the DDRB when it is available.

NHS pressures are undoubtedly exacerbated by an inadequate NHS workforce to cope with patient need. In addition to specific information on consultant and GP workforce above, BMA Scotland continues to be deeply worried about the lack of comprehensive Scottish Government workforce planning for the NHS. For years Scottish Government has promised (including in their previous DDRB evidence submissions) a workforce planning tool which is able to project the required workforce given the changing population and demographics. BMA Scotland continues to call for wider stakeholder input to this process and has offered repeatedly to engage in this work. We will continue to press for improved workforce planning and publication of the workforce projection planning tool. It would be helpful if the DDRB could support this call.

Pensions and income tax in Scotland

The BMA UK submission sets out our position on the pension taxation system in general. In Scotland, stage two of the new pension contribution rates took effect from the beginning of October 2024. This was the second stage to further flatten the contribution structure, with the top rate now 12.7% (compared to 14.7% in 2022). This brings Scotland almost into line with the England & Wales scheme, albeit after a 12-month delay and still 0.2% higher due to our slightly different scheme membership. BMA Scotland continues to push the need for a flat 9.8% contribution structure with all new contributions going into the CARE scheme.

Annual Benefits Statements for all active scheme members have been on hold for years but should start being generated again for members not affected by Remedy.

Pensions Savings Statements (PSS) have also been put on hold due to Remedy. The pension input amounts for the 2015-2022 McCloud Remedy period must be recalculated by the pension scheme administrators. However, SPPA have not been able to complete the task in time for the statutory deadline of 6th October. This means that, at time of writing, only a tiny number of affected members in Scotland have received their Remedial PSS (RPSS). Last year HMRC were aware of the issue UK-wide and therefore determined that no AA entries had to be made on tax returns. However, this year we have not had the same clarity from HMRC, which is clearly unacceptable. Both SPPA and the BMA have written separately to HMRC regarding this issue.

As members will not be able to declare their AA tax liability for 2022-23 or 2023-24 until the RPSS is issued, a further extension will be required beyond 31/1/2025 for both tax years. Once the RPSS is issued then members will be able to go to an HMRC online portal to input the numbers and claim back any tax they have overpaid or work out how their scheme pays election needs to be amended. This issue has caused a significant level of confusion and distress for members.

Tiered employee pension contribution rates and income tax relief in Scotland

The BMA UK DDRB section contains an important section on employee pension contribution rates and income tax. BMA Scotland would like to particularly highlight this evidence and an

inherent unfairness that doctors in Scotland are denied tax relief that other NHS and non-NHS employees receive on their pension contributions.

The overall average member contribution yield for the NHS pension in Scotland is 9.8%, although most members currently actually pay either higher or lower rate than this. As illustrated in Table 1, an NHS employee on £75,000 pensionable pay in Scotland receives income tax relief at the higher rate (42%). This results in over £2K more income tax relief than what they would receive if they were only eligible for tax relief at the basic 20% rate. However, they are paying the highest employee contribution rate (12.7%). Therefore, compared to the overall average member contribution yield of 9.8% in the NHS, the member is paying nearly £2.2K more in pension contributions than they would if there was no tiered structure. Under a CARE scheme, all members, regardless of their earnings, accrue pension at the same rate. As higher earners are effectively paying proportionately more in gross terms for their pension, this in effect reduces the benefit of higher rate tax relief. In this illustration, the effective rate of income tax, "adjusted" for tiering in the NHS pension scheme, is 19.2% - less than basic rate relief. By contrast, a private sector employee on similar earnings would receive the full 42% higher rate income tax relief.

Table 1: Impact of tiered employee pension contribution rates on income tax relief (Scotland NHS 2024/25).

Full-time employee type	Pensionable pay (£)	Employee pension contribution rate (%)	Income tax relief on contributions (%)	Income tax relief below/above 20% basic rate received (£)	Employee pension contributions below/above 9.8% member contribution yield to pay (£)
Starter Rate	£14,000	6.4%	19.0%	-£9	-£476
Basic Rate	£25,000	6.4%	20.0%	£0	-£850
Intermediate Rate	£35,000	8.7%	21.0%	£30	-£385
Higher Rate	£75,000	12.7%	42.0%	£2,096	£2,175
Advanced Rate	£95,000	12.7%	45.0%	£3,016	£2,755
Top Rate	£160,000	12.7%	48.0%	£5,690	£4,640

Note: We assume pensionable pay is also gross pay (i.e. no non-pensionable earnings) and that the employee is a pension scheme member in the above illustrations, applying employer pension contribution rules in place as of October 2024 for full year.

Scottish income tax

Scottish income tax rates continue to diverge from the rest of the UK, which has a significant impact on take home pay compared to other nations, particularly for senior doctors. In their Budget presented on 4 December 2024, the Scottish Government proposed changes in the thresholds for the first 4 tax rates. These are yet to be confirmed.

Table 2: Scottish income tax rates and bands – 6 April 2024 to 5 April 2025[xii]

Taxable income 2024/25	Proposed thresholds 2025/26	Tax rate	Band
Up to £12,570	Up to £12,570	0%	Personal allowance
£12,571 to £14,876	£12,571 to £15,397	19%	Starter rate
£14,877 to £26,561	£15,398 to £27,491	20%	Scottish basic rate
£26,562 to £43,662	£27,492 to £43,662	21%	Intermediate rate
£43,663 to £75,000	£43,663 to £75,000	42%	Higher rate
£75,001 to £125,140	£75,001 to £125,140	45%	Advanced rate
Over £125,140	Over £125,140	48%	Top rate

Table 3: The income tax rates for 2024/25 in England, Wales and Northern Ireland are[xiii]:-

Taxable income	Tax rate	Band
Up to £12,570	0%	Personal allowance
£12,571 to £50,270	20%	Basic rate
£50,271 to £125,140	40%	Higher rate
Over £125,140	45%	Additional rate

The Personal Allowance (the amount of income before tax is payable) goes down by £1 for every £2 of income above the £100,000 limit. It can go down to zero and means there is no personal allowance for those with taxable income over £125,140.

The table below shows the estimate of net (take home) pay versus gross pay for a consultant in Scotland against England at similar points on the pay scale based on 2024/25 income tax rates. This does not take in to account any individual allowances or pension contributions and is based purely on gross pay for someone working full time. It demonstrates that although base consultant salaries are slightly higher in Scotland, a consultant at a similar pay point in England would have around £3,000 more take home pay.

Table 4: Estimate of net (take home) pay versus gross pay for consultants in Scotland compared to England in 2024/25.

	Scotland bottom of scale	England bottom of scale	Scotland point 9 (mid point)	England point 8 (mid point)	Scotland top of scale	England top of scale
Gross income p.a.	£107,144	£105,504	£119,170	£114,894	£142,369	£139,882
Taxable income p.a.	£98,146	£95,686	£116,185	£109,771	£142,369	£139,882
Tax p.a.	£35,600	£30,734	£43,718	£36,368	£56,018	£49,150
NI p.a.	£4,153	£4,121	£4,394	£4,308	£4,858	£4,808
Take home p.a.	£67,390	£70,648	£71,058	£74,217	£81,493	£85,924

[xii] https://www.mygov.scot/scottish-income-tax/current-income-tax-rates

[xiii] https://www.gov.uk/income-tax-rates