Autumn Budget 2024: BMA member briefing

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Context

On the 30th October 2024, Chancellor Rachel Reeves gave her Autumn Budget on the government's economic policy, and the OBR (Office of Budgetary Responsibility) published its forecasts of the economic outlook for the next five years. This briefing sets out key details and highlights the implications of the government's most recent decisions on tax and public spending for BMA members.

Summary

The budget largely focused on investment, while criticising the record of the previous government. The Chancellor outlined her government's commitment to change, claiming that the Conservative austerity 'broke our NHS' and that this government have inherited broken public services, not just broken public finances.

The Chancellor underlined her focus on investment and growth by announcing new fiscal rules which unlocked increased potential for investment and capital spending, stating that the government will invest £100bn in capital spending over the next five years. She announced a £22.6 billion increase in day-to-day spending for the Department of Health and Social Care (DHSC) spread over this year and the next, as well as an additional £3.1 billion for capital spending and investment.

She also announced that there would be no change to employee income tax or national insurance contributions, VAT or Corporation Tax – but made changes to other forms of taxation, such as Capital Gains Tax. She also made major changes to employer national insurance contribution thresholds and allowances, while increasing the contribution rate by 1.2 percentage points to 15%. She also announced increases to the minimum wage, benefits and the state pension, which will come into effect in April 2025.

Contents

Key points for health services **3**

Key points for individual doctors **5**

Key points for GP practices **7**

Key points for population health **9**

Key points for healthcare innovation **12**

Key points for international aid budget **13**

Tackling structural discrimination **14**

BMA Council Chair's Response to the Autumn Budget **15**

Key points for health services

- **The promise of additional revenue and capital funding is positive and will go some way to supporting the NHS to improve services, facilities, and productivity**
- **Likewise, the "biggest ever funding settlement for devolved nations" will see £6.6 billion distributed through the operation of the Barnett formula in 2025-26 (although it is up to the nations how much of this is spent on health).**
- **But the extra capital funding in particular is simply not enough to address the scale of need and must only be the start of greater and more consistent investment**

Additional revenue spending has been promised for 2025/26

The Government has announced that resource (revenue) spending for DHSC will increase by £22.6 billion from 2023/24 to 2025/26, representing an average annual real-terms DHSC budget growth rate of 3.4%. Although this is below the 6.7% annual increase in 2025/26 the BMA called for in its representation to the treasury, it is a positive and is a welcome recognition of the fact health budgets have failed to keep track with costs or the demand facing the NHS – something the BMA consistently pointed out. It is worth noting that a not insignificant portion of this additional funding will be used to offset the increases to employer national insurance contribution, as well as the additional cost incurred due to the rise in the national living wage. This will affect the pay of hundreds of thousands of NHS staff, both by directly increasing the cost of employing staff on the NLW, but also uplifting other payscale points accordingly to maintain separation between pay bands.

It is absolutely essential that this money is used to invest properly in the workforce, to ensure the NHS has the staff it needs to make best use of investment in services. This means taking further steps towards achieving full pay restoration in the future, and making sure staff are properly remunerated for additional work. Likewise, it is essential that General Practice is adequately supported and receives the funding it needs from this additional spending.

Funding for devolved nations

The chancellor announced that there will be an additional £6.6 billion distributed to the devolved nations through the operation of the Barnett formula in 2025-26. This includes £3.4 billion for the Scottish Government, £1.7 billion for the Welsh Government and £1.5 billion for the Northern Ireland Executive. The government says this funding will enable substantial investment into schools, housing, health and social care.

This may have substantial health implications for the devolved nations as it allows for increased health spending as well as other public spending, creating jobs and reducing poverty, thereby creating the conditions to improve public health. We will better understand the potential health impact of this funding once the devolved nations set out how this money will be used.

Extra capital funding has been allocated to elective recovery

The budget statement reiterated the Government's promise to reduce waiting lists and restore the 18-week performance standard (92% of patients treated within 18 weeks of referral, for non-urgent care), with an additional £1.5bn in capital funding allocated to support this work. Specifically, the Government says money is intended to deliver additional beds, more than 1.25 million more diagnostic tests, and capacity to provide over 30,000 NHS procedures.

This new funding is important and reflects the BMA's longstanding arguments about the need for additional beds and diagnostic capacity in particular. However, as above, we are committed to ensuring that the workforce delivering elective recovery are properly supported and renumerated for their additional work. Furthermore, as the BMA has stressed, General Practice needs to be supported alongside wider elective recovery programmes, to ensure that it is able to support patients awaiting treatment.

Very little money is being invested to mitigate the enormous NHS maintenance backlog

An additional £1 billion of capital investment was announced, to help address the highest risk elements of the maintenance backlog and the removal of RAAC (Reinforced Autoclaved Aerated Concrete). The BMA has been arguing for urgent capital investment to help address the backlog for several years, so the promise of additional funding is welcome. Unfortunately, due to persistent underinvestment over the last 14 years, the promised £1 billion is a fraction of the money needed to genuinely address the maintenance backlog.

The latest (provisional) data on NHS estates was published this October and found that the total maintenance backlog had reached a staggering £13.8 billion – more than the total cost of running the entire NHS estate in 2023/24. The high-risk portion of the total backlog – which the new capital investment is intended to help resolve – sits at over £2.7 billion. The allocated £1 billion would, therefore, represent less than a tenth of the investment needed to adequately tackle the backlog as a whole and less than half of the high-risk backlog. Further capital investment into NHS estates is urgently needed and the £1 billion announced in the budget should only be the start of a wider programme of greater and more consistent investment. We await further detail from DHSC on the outcome of their review into the New Hospitals Programme, which will be published in the new year.

The BMA's effective lobbying has resulted in commitments to pandemic preparedness and IT investment, as well as the appointment of a Covid Corruption Commissioner

£460 million will be invested in strengthening the UK's pandemic preparedness and health protection to address the risk posed by future health emergencies and implement the lessons learnt from COVID-19. This includes replenishing personal protective equipment, vaccine and medicines stockpiles, and investing in critical health protection infrastructure such as high-containment laboratories. The BMA has repeatedly stressed the importance of strengthening the NHS' pandemic preparedness and so this commitment is welcome.

Additionally, the Chancellor announced the impending appointment of a Covid Corruption Commissioner, who will lead work to recover public funds from companies that took unfair advantage of government schemes during the COVID-19 pandemic. The BMA welcomes this news, and calls for any funds recovered to be re-invested into the NHS and public health.

Over £2 billion will be invested in NHS technology and digital to run essential services and drive NHS productivity improvements, to free up staff time, ensure all Trusts have Electronic Patient Records, improve cyber security and enhance patient access through the NHS App. In implementing the settlement, DHSC (including the NHS) will deliver 2% productivity next year. Better technology can help to improve productivity, but this is by no means guaranteed and investment in the workforce is essential, too – even the best equipment will achieve little without the staff needed to use it, or the infrastructure to ensure it works as well as it can.

Key points for individual doctors

- **There will be no changes to the rates of personal income tax, National Insurance or VAT in England and Northern Ireland (Scotland and Wales can set their own Income Tax rates)**
- **Personal income tax and National Insurance thresholds will remain frozen until 2028.**
- **The state pension will increase by 4.1% in April 2025.**
- **No further detrimental changes to pension taxation rules were announced, but also no helpful reforms to the annual allowance or tapered annual allowance were announced.**
- **The inheritance tax threshold has been frozen at £325,000 until 2030 and inherited pensions (i.e. defined contribution pots) will be eligible for inheritance tax from April 2027.**
- **Capital gains tax will increase, as will stamp duty land tax on second homes**

Personal Taxes

The Chancellor honoured Labour's manifesto commitments and did not increase income tax or employee National Insurance contributions. She announced that the freeze on personal income tax and National Insurance thresholds will end in 2028, despite widespread rumours that she would keep these frozen until 2030. From 2028/29 onwards these thresholds will now be uprated in line with CPI inflation. However, this means that workers will still be subject to fiscal drag until 2028, meaning that they will move into higher tax brackets as average incomes increase and hence pay a higher effective rate of tax on average. The Resolution Foundation has calculated that over the next few years, as tax thresholds remain frozen, the overall effective tax rate on wages and salaries will rise from 36% pre-pandemic to 44% in 2028/29. No change was announced to the tapering of the income tax personal allowance, which since its initial application in 2010/11, has meant that people with adjusted net income above £100,000 have their personal allowance reduced by £1 for every £2 earned above this.

Pensions

Members already retired or about to retire will be pleased that the Government has kept their commitment to the Triple Lock. This means they will continue to increase the **state pension** each April in line with whichever of these three measures is highest: CPI inflation (for September of the previous year, 1.7% for September 2024 CPI), the average increase in wages across the UK (4.1%), or 2.5%. This means that, in April 2025, state pensions will increase by 4.1%, which means pensioners will receive up to £230.25 a week. NHS pensions for those receiving benefits are increased annually by the above consumer price index (CPI), as laid down by HM Treasury every year, outside of the Autumn Statement.

Members will be pleased that no further detrimental reforms to pension taxation rules were announced, which the BMA had warned would prevent doctors from taking on additional work, force them to reduce their workload, or in the worst case, leave the NHS entirely.

Disappointingly, the Government has ignored our calls and warnings to remove financial barriers to doctors taking on additional work. No doctor should be in the position where they are effectively paying to work. The poorly designed tapered annual allowance means £1 extra in earnings can trigger a tax charge of up to £22,500 on hypothetical pensions growth.

This is why the BMA called on Government to scrap the tapered AA or reintroduce an Annual Allowance compensation scheme, if applied across the whole UK and available to all of those working in the NHS (as well as doctors in other public sectors, such as universities, local authorities, and the armed forces). However, the Government did not make any such helpful reforms to the tapered annual allowance.

Similarly, the Annual Allowance (AA) tax threshold for pensions[i] itself was again not uprated to account for inflation. The AA was increased to its current level of £60,000 by the previous Government for 2023/24, which while welcome at the time, was not a long-term fix. This means that doctors' wage increases may result in some having to pay more tax on their pension savings, if their in-year growth in NHS pension scheme's value exceeds this threshold. The BMA had called on Government to index the Annual Allowance with inflation or remove the AA from public sector defined benefit schemes altogether.

Other taxes

Capital gains tax (CGT) will increase UK-wide. This tax is charged on profits which are made from selling assets, including shares in businesses. The lower rate of CGT will rise from 10% to 18%, and the higher rate from 20% to 24%. Additionally, the government will increase the stamp duty land surcharge for second homes, from 3% to 5% effective immediately.

The inheritance tax (IHT) threshold has been frozen at £325,000 UK-wide until 2030 and inherited pensions (i.e. defined contribution pots) and certain lump sum death benefits will be eligible for inheritance tax from April 2027. However, because the NHS pension scheme is not a discretionary scheme, which means that lump death benefits will be paid to legal spouse, registered civil partner or qualifying partner, unless the member has nominated someone else, this reform represents no change, as such benefits payable to those other than a spouse or civil partner were already subject to IHT. The reform does not bring dependents pensions into scope of IHT or change the general IHT principle that any amounts left to a spouse or civil partner are exempt from IHT.

Childcare

The BMA called on Government to remove the eligibility threshold for free childcare hours and tax-free childcare, which creates yet another cliff-edge financial barrier for parents at the point that their income exceeds £100,000, and they face extremely high marginal tax rates. The Chancellor has not done this. Instead, she has invested in more welfare counter-fraud staff in HMRC to tackle fraud and error in child benefit and tax-free childcare from April 2025.

The BMA also called on Government to review the High Income Child Benefit (HICBC) charge, which has failed to fully even keep pace with inflation. However, the Chancellor has merely committed to technical reforms to make accurate payment of this charge simpler, not reformed the rules under which the charge is calculated, and the Chancellor will not proceed with reforms to base HICBC on household incomes, which would have resulted in fairer treatment for single parents.

[i] This restricts the amount of pension savings or savings growth you are allowed each year before tax charges apply, depending on the pension scheme.

Key points for GP practices

- **The chancellor announced that National Insurance contributions made by employers will rise from 13.8% to 15%.**
- **In addition, the threshold at which businesses start paying National Insurance on a workers' earnings will be lowered from £9,100 to £5,000.**
- **The National Living Wage was raised to £12.21 per hour for those aged 21 or above, and from £8.60 to £10 for those aged 18-20 as the government moves towards a single minimum wage rate for all UK adults**
- **Corporation tax rates will remain unchanged for the duration of this parliament at 19% and 25%**
- **A dedicated capital fund will deliver around 200 upgrades to GP surgeries across England, supporting improved use of existing buildings and space, boosting productivity and enabling delivery of more appointments.**

Practices will have to pay more in Employer National Insurance Contributions

The Chancellor announced two key changes to Employer National Insurance Contributions (ENICs) in the Budget. The first of these increased the rate of the contribution by 1.2 percentage points to 15% of an employee's eligible income. The second increased the amount of an employee's income which becomes subject to ENICs by reducing the Secondary Threshold from £9,100 to £5,000 until 5th April 2028 (after which it will rise with CPI inflation).

These measures mean that practices will pay a minimum of an additional £615 per employee earning over £9,100 per year[ii] due to the drop in the Secondary Threshold, as well as paying an additional 1.2 percentage points in ENICs. Unlike the NHS, which is receiving additional funding to mitigate against this increase, general practices are being left to cover these costs out of pocket. The BMA is calling for this decision to be urgently reversed, and asking members to write to their MPs via this tool.

The National Living Wage was raised to £12.21 per hour for those aged 21 or above

The decision to raise the National Living Wage (NLW) from £11.44 to £12.21 per hour in April 2025 is good news for those struggling with the cost of living (see below). Furthermore, the 16.3% increase in the minimum wage of workers aged 18 to 20 (from £8.60 to £10) is a significant step towards the government's goal of a single minimum wage for all UK adults. It is hence likely that future minimum wage rises for this age group will outstrip increases in the NLW, reducing the cost incentive to hire younger workers.

These changes may incur additional costs for GP practices employing staff on the NLW, if they are having to pay the difference out of pocket. This, coupled with the changes to ENICs, mean that practices can expect to pay over £49 in extra costs per week for every full-time employee on the NLW.[iii]. Ensuring that GPs receive the money required to fund this increase will be a priority for the BMA in upcoming negotiations. The NLW increase will also likely put pressure on community and

[ii] 15% of the additional £4100 of income per employee earning £9,100+ which will now be subject to ENICs due to the fall in the Secondary Threshold

[iii] Based on an employee 21+ years old working 37 hours per week, including additional cost incurred through employer's National Insurance and pension contributions.

social care service providers, who employ a high proportion of low-paid staff, both by directly increasing the cost of employing staff on this wage, but also uplifting other payscale points accordingly to maintain separation between pay bands.

Corporation tax rates will remain unchanged until 2029

The chancellor announced that she would not raise the rates of UK corporation tax over the course of this parliament. This means that the small profits rate, charged on companies with profits up to £50,000 will remain at 19%, and the main rate charged on companies with profits over £250,000 will remain at 25%, with the marginal relief rate between them remaining the same. This is welcome news for GP practices operating in a limited company structure, as it means they will not face any additional corporation tax burden over the rest of this parliament.

Around 200 GP practices will receive upgrades – to help deliver more appointments

The new investment and revenue spending set out in the budget includes a pledge to establish a dedicated £100 million fund to deliver upgrades to around 200 GP practices. These upgrades are intended to support the improved use of existing space and buildings, to enhance productivity and deliver more appointments. However, details of this fund and the support on offer are currently unavailable, therefore it is unclear which practices will receive upgrades or what those upgrades could entail. Moreover, while investment in GP practices is seriously overdue – and therefore welcome – the scale of need is significantly greater than upgrades for 200 practices. The BMA has repeatedly called for serious investment to improve GP premises and address critical issues like insufficient space for staff and RAAC, therefore, we hope that this new fund is just a starting point.

Key points for population health

- **There was no uplift to the Public Health Grant announced in the budget.**
- **£460 million will be invested in strengthening the UK's pandemic preparedness**
- **Universal Credit will rise by 1.7% in April 2025 (equal to the CPI inflation rate in September 2024), and overall cap for universal credit deductions has been reduced from 25% to 15% of the standard allowance, benefiting over 1 million low-income households by £420 on average**
- **The tobacco duty escalator of RPI inflation +2% will be renewed for the remainder of this parliament, and there will be a separate one-off increase on tobacco duty in 2026 to maintain the financial incentive to choose vaping over smoking.**
- **The duty on tobacco for hand rolled cigarettes will increase by an additional 10% above the tobacco duty escalator, thereby increasing by RPI +12%**
- **There will be a flat rate duty on vaping from 1st Oct 2026 of £2.20/10ml of vape fluid**
- **The government will invest £115m in 2025-26 to support individuals with disabilities or health conditions into work.**

No announcement on the Public Health Grant

Disappointingly, the Chancellor made no mention of the public health grant, which has been cut in real terms by £24.74 per person since 2015/16. This is intended for preventative services, such as sexual health clinics, help to stop smoking, and children's health services. These services provide a vital aspect of reducing health inequalities and help to significantly reduce the demand for NHS services. We will be reiterating the ask we made of the government in our pre-budget representation to the treasury, calling for the public health grant to be restored to 2015/16 levels in real terms at the very least.

As mentioned earlier in this briefing, £460 million will be invested in strengthening the UK's pandemic preparedness and health protection to address the risk posed by future health emergencies and implement the lessons learnt from COVID-19. This includes replenishing personal protective equipment, vaccine and medicines stockpiles, and investing in critical health protection infrastructure such as high-containment laboratories. The BMA has repeatedly stressed the importance of strengthening the NHS' pandemic preparedness and so this commitment is welcome.

Tobacco, Alcohol and Vaping

The Chancellor decided to renew the Tobacco Duty escalator of RPI+2% for the remainder of this Parliament and increase duty by a further 10% on hand-rolling tobacco this year to help reduce accessibility and appeal of tobacco products. Increasing the price of tobacco products and vaping products is welcome as an incentive for people to stop using these products, especially children and young people who are the most price sensitive.

A new Vaping Products Duty will be introduced from 1 October 2026 at a flat rate of £2.20 per 10ml vaping liquid, accompanied by an equivalent further one-off increase in Tobacco Duty to maintain the financial incentive to switch from tobacco to vaping. The BMA supports this rise in Vaping Products Duty to help address the vaping epidemic that is currently taking place, particularly among children and young people. It is crucial that efforts are made to drive down the appeal and accessibility of vapes and vape products to younger people. This age group are particularly price

sensitive and increasing the cost of vapes through a products duty would help to reduce the number of young people vaping.

Whilst these announcements are welcome, they alone will not be enough to address smoking and vaping rates across the country. It is crucial that government urgently progresses with proposals to restrict tobacco access and regulate vape use, particularly in children and young people, by publishing the awaited Tobacco and Vapes Bill[iv] and commits to long term substantial funding for smoking cessation services.

Soft drinks industry levy will be increased and rise with CPI inflation each year

The SDIL (Soft Drinks Industry Levy) to be uprated in line with CPI inflation (and further indexed to CPI in the future). The government will also review the current SDIL sugar content thresholds and the current exemptions for milk-based and milk substitute drinks.

We welcome this action to strengthen the SDIL to incentivise the food and drink industry to make these products healthier. Action to remove added sugar and salt from our food is vital to help deal with preventable illness from obesity and dietary-related diseases.

Alcohol duty

The Government also announced changes in alcohol duty rates. The duty rates on non-draught alcoholic products are set to increase in line with RPI inflation from 1 February 2025, while the alcohol duty rates on draught products below 8.5% ABV will be cut by 1.7 percentage points.

We know that alcohol is causally linked to over 60 different medical conditions, and there is conclusive evidence that the affordability of alcohol drives consumption. While the BMA welcomes the increase in duty on non-draught alcohol, the Government should introduce an automatic uprating system that keeps all alcohol duties at least in line with inflation year on year, and ideally higher. We also believe that a MUP (minimum unit price) - as already introduced in Scotland and Wales - is needed to specifically target the cheapest, high-strength drinks.

There was an uplift in funding for local government, with a large proportion earmarked for social care

Core local authority spending power was increased by around 3.2% in real terms in 2025-26, thanks to £1.3 billion of new grant funding including at least £600 million earmarked for social care. This does not come close to what is needed to meet the growing demand for social care services from an aging population. For example, it has been estimated that an additional £8.3 billion per year could be needed by 2032/33.[v]

Furthermore, as mentioned above, the living wage increase and changes to ENICs will also likely put pressure on community and social care service providers. These organisations employ a high proportion of low-paid staff, and the aforementioned changes will directly increase the cost of employing staff, as well as the minimum wage hike resulting in uplifts to other payscale points accordingly to maintain separation between pay bands. Ultimately, the net impact of this additional

[iv] The bill has now been published, and can be found here: Tobacco and Vapes Bill - Parliamentary Bills - UK Parliament

[v] https://www.health.org.uk/publications/long-reads/social-care-funding

funding is likely to be much smaller than the £600 million figure, and is unlikely to drive significantly improved results or care in the sector.

There will be changes to benefits, affecting poverty and health equality

The government will uprate all working age benefits from April 2025 in full, by the September 2024 CPI rate of 1.7%. This will benefit population health by protecting people against poverty, however it is lower than hoped due to the September CPI being the lowest inflation figure since 2021, and with inflation forecast to rebound back above 2%. This will provide 5.7 million families on Universal Credit with an average annual increase of £150 in 2025-26, but it is unlikely to lift many out of poverty. (Note: these changes do not apply to Northern Ireland, where social security is a fully devolved matter).

As described above, the triple lock on pensions will be maintained, meaning those eligible for a state age pension will also be more protected from poverty than if the lock had not been maintained. This means that, in April 2025, state pensions will increase by 4.1%, which means pensioners will receive up to £230.25 a week, with the increase worth up to £470 per year. The Pension Credit Standard Minimum Guarantee will also increase by 4.1% from April 2025, meaning an annual increase of £465 in 2025-26 in the single pensioner guarantee and £710 in the couple guarantee.

There was a focus on getting people with disabilities and long-term health conditions working

The government will invest £115m in 2025-26 to launch Connect to Work, a new supported employment programme designed to match individuals with disabilities or health conditions to job vacancies and help them succeed in their roles. Starting in 2026-27, this initiative will support nearly 100,000 people annually. Local authorities will have the flexibility to tailor the delivery of Connect to Work to meet their specific needs.

The chancellor also confirmed that the government will follow in the footsteps of the previous administration by reforming the Work Capability Assessments (WCA). While it is unclear what these reforms will be under Labour, the previous proposals from the Conservatives meant that more people with limited mobility and mental health conditions will need to be regularly assessed and more people may be deemed fit for work. If these reforms are carried out as previously planned, it is estimated that the Department of Work and Pensions (DWP) would strip benefits from over 450,000 claimants, while the Office for Budget Responsibility (OBR) forecasted that just over 15,000 of those would actually likely move into work.

The expansion and funding for support programmes are welcome. However, the reforms also included stricter conditions and tougher sanctions for benefit claimants. For example, for some sanctioned people, the right to free prescriptions may be removed. This risks being counterproductive: it is likely to keep them unwell for longer, heaping further pressure and expense on health services and extending the time people are unable to work.

Key points for healthcare innovation

- **The government will allocate £70m in 2025-26 for the new Life Sciences Innovative Manufacturing Fund**
- **Some of the support and funding announced will benefit research into health and healthcare innovation.**
- **There will be an increase to the budget of the National Institute for Health and Care Research (NIHR)**

It will become easier to access R&D tax relief, and there is new funding for R&D in the life sciences sector

The government will allocate £70m in 2025-26 for the new Life Sciences Innovative Manufacturing Fund, as part of a longer-term funding commitment totalling up to £520m. This will support manufacturing investments and build resilience for future health emergencies.

An increase in real terms to the budget of the National Institute for Health and Care Research (NIHR) will be part of over £2bn in R&D funding. This investment will support life sciences innovation and accelerate the achievement of health and growth missions. The government will allocate at least £25m in 2025-26 to initiate a new multi-year R&D Missions Programme. This initiative aims to address specific challenges and attract private and third sector investment.

The Government will look to capitalise on the opportunities presented by AI, especially its applications in the public sector

The government will shortly publish the Artificial Intelligence Opportunities Action Plan setting out a roadmap to capture the opportunities of AI to enhance growth and productivity and better deliver services for the public. Though none of it seems earmarked for healthcare applications specifically, AI innovations will likely shape the way healthcare is delivered in the future.

They will also create a new National Data Library to unlock the full value of our public data assets. This will provide simple, ethical and secure access to public data assets, giving researchers and businesses powerful insights that will drive growth and transform people's quality of life through better public services and cutting-edge innovation, including AI. Any access to health data must comply with the existing high ethical, as well as legal, standards of confidentiality. We would expect assurances that healthcare data is only used in ways that benefit the public.

Key points for international aid budget

- **The government has committed 0.5% Gross National Income (GNI) to international aid for 2024-2025 and 2025-2026 which is simply not enough to meet the significant humanitarian and development needs facing fragile states today.**
- **It aims to reduce asylum costs in the UK but has not clarified whether funding to support these groups will be drawn from elsewhere in government.**
- **The government has indicated that it plans to restore Official Development Aid (ODA) spending to the UN-recommended 0.7% level as soon as fiscal circumstances allow.**

The BMA is concerned that failing to promptly reverse the 2020 cuts to overseas aid spending from 0.7% to 0.5% GNI will adversely affect funding for UN programmes and other aid organisations that provide critical services in low-resource countries and settings facing urgent humanitarian and development challenges.

Disappointingly, the aid budget is set to decline from £15.3bn (0.58% of GNI) in 2023 to £13.3bn in 2024-2025 and £13.7 bn in 2025-2026 (0.5% of GNI), representing a substantial real-terms reduction in UK aid. Moreover, while the government asserts its commitment to reducing asylum costs in the UK, it is not clear whether it will end its use of the overseas aid budget for these expenses and there is also no sign that it plans to supplement the development budget to offset the costs associated with supporting asylum seekers. This further reduces the funding pot available for fragile states to address the impacts of wider determinants of health including climate change, conflict, and poverty, while hindering investment in health systems, disease prevention, and peace – a critical step towards our collective future health security and prosperity.

The BMA strongly urges the government to source funding essential for supporting asylum seekers from a separate, designated budget and to establish a concrete plan to urgently restore ODA levels to the UN benchmark of 0.7% GNI. This is vital for a government that has pledged to supporting vulnerable communities, rebuilding its global relationships, and restoring Britain's reputation as reliable international development and global health partner and leader - particularly with international summits like the G20 and COP29 swiftly approaching.

Tackling structural discrimination

Moving forward, more can be done to ensure that the budget does not have a disproportionately negative impact on different groups of people in the medical profession by their characteristics and circumstances.

Equality impact assessments of budget decisions at the point of implementation in each government department is essential to ensure groups do not face negative impacts because of the decisions made. The budget is a financial mirror of government policy and therefore must support the policies that have been agreed by the government, such as equal pay gap reporting for ethnicity and disability. To support this there must be more data and analysis of impact by protected characteristics (age, gender, sex, disability, ethnicity, religion, sexual orientation, etc) as well as carers, migration status, socioeconomic status and deprivation.

After years of austerity and underfunding of the NHS that led to greater inequalities in healthcare outcomes (e.g. based on ethnicity, deprivation, gender) there is an urgent need for 'equality responsive budgeting[vi] to ensure funding is adequate to achieve the policy aims of government. For example, tackling violence against women (set out in the manifesto) must be funded across all sectors, to be considered as a public health issue. The BMA's Sexism in Medicine report, which found sexism is prevalent in the medical profession, provides further evidence. We hope these areas will be adequately funded at a departmental level.

Labour's manifesto pledged to 'build an NHS fit for the future'. The funding allocated via the budget must invest in a workforce that needs greater flexibility in training and work environments, for doctors who have caring responsibilities and are disabled as well as supporting a workplace culture free from discrimination, bulling and harassment (including sexual harassment). Failing to adequately invest in the infrastructure of the NHS will delay on the long-term improvements needed in the healthcare system to tackle persistent societal inequalities rooted in structural discrimination.

[vi] Quinn, S; 2013; Equality responsive budgeting: an expert paper produced for the Equality Commission; Equality Commission for Northern Ireland

BMA Council Chair's Response to the Autumn Budget

Responding to yesterday's Budget, Professor Philip Banfield, BMA council chair, said: "It's welcome news that the Government has listened to our calls to begin re-investing in the health service. However, despite what seem like huge headline numbers, given the current precarious state of the NHS, this is not going to put the NHS back on its feet immediately - but it is a promising start.

"What is glaringly absent from today's Budget is a concrete plan to rebuild general practice. GPs are the front door of the NHS, and we asked the Government to increase their funding by at least £40 per patient per year – just 11p per day. Instead, the increase in employment costs will squeeze GP practices even further. We need to see immediate reassurance from the Government that it will provide additional funding to general practice to cover these costs.

"Funding general practice properly saves money. It leads to better patient care and fewer people needing to go to hospital, consequently reducing pressure on the already overstretched NHS.

"The promised 40,000 extra hospital appointments per week will, in the main be delivered by an under resourced workforce, often working in tired and crumbling buildings. The £1 billion allocated to tackle the backlog of repairs and maintenance to dozens of outdated hospitals is way below the £13 billion NHS England estimates it needs. The Health Secretary has already admitted the funding announced by the Chancellor is not enough to fix the NHS and we agree.

"It was sensible to see no further detrimental reforms to pension taxation rules. However, it's disappointing, at a time when we need all doctors' hands on deck to clear near-record backlogs in care and huge pressures across the NHS, that the Government has ignored our calls to remove financial barriers to doctors taking on additional work. No doctor should be in the position where they are effectively paying to work. The poorly designed tapered annual allowance means £1 extra in earnings can trigger a tax charge of up to £22,500 on hypothetical pensions growth. Similarly, the taper of the personal allowance and of childcare and child benefit discourages many doctors from taking on additional work, which disproportionally affects women. It will be impossible for the Government to deliver the additional 40,000 evening and weekend appointments each week to clear waiting lists, with doctors declining extra work or reducing hours because of these significant flaws in the tax structure.

"But overall, this signifies intent and will represent genuine progress once general practice costs are properly funded."