

GP Contract in Wales: Mythbuster

We communicated to members recently that GP contract negotiations between Welsh Government, NHS Wales and GPC Wales ended without resolution. As anticipated this generated many concerns and queries from members as to what this means for practices, their staff, and patients. This mythbuster seeks to clarify the situation and the next steps.

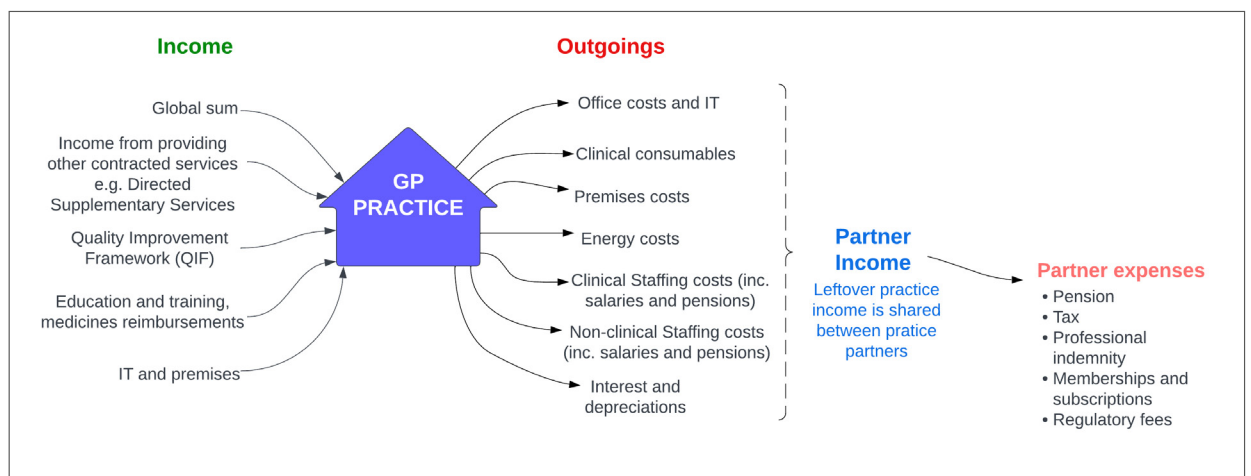
How are GP practices funded?

As you know, the majority of GP practices in Wales are run by independent partnerships of GP who are contracted by the Health Boards to provide medical services according to the General Medical Services contract (GMS contract).

The GMS contract payment mechanism is complex, but fundamentally based upon the number of patients registered at a surgery.

The Global Sum, the amount paid to the practice per patient, reflects the majority of a practice's income. The global sum payment for each practice is based on a weighted sum for every patient on the practice list. The Carr-Hill formula is used to apply these weightings, which account for factors such as age, rurality and gender. The global sum amount is reviewed quarterly to account for changes to the practice's patient population.

There are other funding sources, but practices have a huge range of outgoings as part of the daily operation of their business. Much like any other business, what is left is what pays the GP partners. This is summarised in the diagram below:



What is the Unified GMS Contract?

There has recently been an announcement of a new Unified Contract for GP services in Wales. This had been negotiated and agreed over a period of 2 years and came into effect in October of this year with the passage of the NHS (Wales) GMS Contract Regulations 2023. This is the biggest update to the legislative framework behind GP contracts in Wales since 2004.

The new regulations set out in detail, what each Practice is expected to deliver and, in many ways, simplifies the bureaucratic focus of previous contract agreements. This is not a 'Big-Bang' moment as practices will already have been working in ways that are in accordance with the new contract, as many of the changes have been already introduced in annual contract agreements over the last few years. The new regulations formalise these ways of working in one place.

We have published a Focus On document explaining the composition of the unified contract and what this means for practices. [This is available on the BMA website.](#)

What has happened with the 23/24 GMS contract negotiations?

Alongside this wider legislative update, GPC Wales negotiate annually with NHS Wales and Welsh Government on any changes to the contract which includes the associated financial elements. The total value of the contract on an all-Wales basis is around £450m.

These in -year negotiations look at any services changes that may be required as well as the financial context including the unavoidable expenses of running a GP practice (e.g. rent and electricity), practice staff pay uplifts, and GP pay uplifts.

We have been unable to agree with Welsh Government and NHS Wales what we consider an adequate GMS contract deal for this current year. The financial settlement on offer from Welsh Government did not match our reasonable expectation of an uplift to the contract value that would help to counter the damaging impact of soaring inflation on practice costs and staffing expenses.

The 'offer on the table', announced by the Health Minister on [BBC Live](#) on 26 October 2023, centred around a '5% GP pay award' and a '5% staff pay uplift'.

We will illustrate below what this means in reality and why we could not endorse this offer to our members. The financial elements of the contract must cover:

Staff pay uplift

- This element of the contract covers all staff, including salaried GPs employed in practices. [NHS Digital](#) analysis of average earnings and expenses for GP contractors in Wales outlines that 60.2% of the contract value is taken up by expenses, with staffing costs accounting for the vast majority of this proportion. The 5% uplift therefore applies to about 40% of the total contract value.
- The offer does not match the 6% increase in wages that is recommended to all UK salaried GPs from the DDRB recommendation. Neither does it cover unavoidable increases in staff pay due to the National Living Wage increases in 2023/24.
- Our agreements in recent years have ensured that the increase in staff pay has rightly been passed on to all staff with practices being required to submit a signed declaration they have done so. The proposed pay uplift is however well below inflation and insufficient to cover the real-life increases in staff pay needed.

General expenses

- The remaining proportion (20%) of the expenses element of the contract is accounted for from general expenses such as heating, lighting and standard business requirements such as insurance etc. These are directly affected by high rates of inflation in recent years (CPI 8.7% at April 2023).
- We have estimated, using CPI and data from our recent practice surveys, that a non-staff pay expenses award of circa £9m is required to allow practices to 'stand still'.

GP pay uplift

- Any pay uplift applies to the remaining proportion of the contract value once expenses are accounted for therefore around 40% of the total contract.
- The proposed 5% award is sub-inflationary and indeed below the 6% recommendation of the independent DDRB pay review body for doctors.
- Without an appropriate uplift for both staff pay rises and rising general expenses, any GP pay uplift is immediately eroded as contractors will need to fund the shortfall directly. Any realistic GP pay award is therefore diminished.

Other key considerations

- GMS GPs and practice staff were excluded from the consolidated and non-consolidated pay enhancement awards (both 1.5%) that were given to all other NHS Wales staff in 2022/23.
- Unless this is immediately rectified, this income deficit will be compounded year on year and GP staff will forever be paid at a lower rate than hospital colleagues.

The financial shortfalls outlined above must also be considered alongside the effects of any service changes in the contract. Welsh Government and NHS Wales have sought a number of changes to the GMS contract this year which in our view would create a workload shift into General Practice.

It has been GPC Wales' long held position **that any shift in cost requires a commensurate shift in resource**. Allowing these changes to become embedded into Core Unified Services, without appropriate remuneration or resource will create a further unsustainable burden of expense upon practices.

What are the implications?

As set out in our [Save Our Surgeries report \(June 2023\)](#), between 2013 and 2022, 84 GP practices in Wales have closed, which represents 20% of our surgeries. Recently released Welsh Government data reveals that a further 5 practices have closed their doors since that report was published.

Our key calls from our Save Our Surgeries campaign are for Welsh Government to:

- Commit to funding General Practice properly
- Invest in the workforce of General Practice to allow safe and high-quality service delivery
- Produce a workforce strategy to ensure that Wales trains, recruits and retains GPs
- Address staff wellbeing

Without adequate resources, GPs will be unable to recruit staff, there will be insufficient GPs, services provided at GP surgeries will reduce, and there will be longer waits to get these services. All of this has an effect on staff wellbeing, and we are hearing of examples of extreme burnout and low morale. Unfortunately, we foresee that the trend of surgery closing their doors will continue to worsen.

Over a period of months, Welsh Government have publicly announced the enormous predicted financial overspends of each of the Health Boards, citing factors such as increased demand, expanding staffing costs, inflationary pressures and rising energy bills.

These exact same factors have an impact upon each and every GP Practice, who unlike Health Boards lack the ability to run a budget overspend which can be rectified at year end by Welsh Government investment.

What does this mean for patient care?

We have been clear in our messaging, that practices and patients will suffer because of this situation. Many hard working staff have not received a pay uplift since April 2022 and this will lead to practices losing staff. This will mean longer waits for patients at reception and on the telephone, as well as longer waiting times to see any health professionals in Welsh General Practice.

Much of the ongoing commentary related to General Practice revolves around access. However, access is merely a symptom of the real issue, which is capacity.

The current inadequate capacity in the face of unrelenting demand is a product of longstanding workload, workforce, and well-being issues, which correlate to the longstanding underfunding of general medical services.

We know that patients are frustrated by difficulties in accessing services. GPs and our exceptionally hard-working staff are equally frustrated by the difficulties of providing safe and timely services.

But the consequence of this inadequate contractual offer is that the underfunding of general medical services will continue to worsen, workforce (in terms of full-time equivalents not headcount) will continue to decrease, workload increase, services will be cut, waiting times for these services will lengthen, and the well-being of staff within the system will deteriorate.

Please refer to our [Safe Workload guidance for GPs in Wales](#) including our [template workload control letters](#).

Could contract be forced on surgeries anyway?

Yes, the contract could be forced upon surgeries. Although Welsh Government have never forced through a whole contract imposition, there is precedent in other parts of the UK.

The Minister has also suggested the possibility of the current financial offer being withdrawn to offset other NHS Wales financial deficits. We are clear that this move would be devastating for General Practices in Wales and could trigger an exodus of GPs from the profession. Above all this would be actively damaging to patient care in Wales.

We still hope a realistic contract uplift can be negotiated and GPC Wales remains open to discussion with Welsh Government should they have a credible new proposal that provides security and sustainability for practices and patients alike. Inaction is not an option if General Practice in Wales is to survive.

BMA

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