

BMA Scotland
Pay Evidence 2024-25
Consultants and SAS doctors

Approach to consultant and SAS pay in 2024

After seeking views from members and extensive discussions, Scottish consultants and SAS committees decided not to submit evidence to the DDRB for the 2024 pay round. Instead we are seeking direct pay discussions with Scottish Government, given our concerns about the sub-inflationary DDRB awards in recent years and the loss of confidence in the DDRB as an independent body.

We have raised with the Cabinet Secretary for Health & Social Care our wish to see reform of the DDRB, and if that was to happen at a UK level then both consultants and SAS would be happy to reconsider participation in any future reformed process. However, if reform of the DDRB is not going to be possible on a pan-UK basis then it was made clear to the Cabinet Secretary that we would be looking for an alternative structure for pay negotiations, ideally with a properly independent pay review body.

Recognising that reform of DDRB or establishment of an alternative body may take some time, both consultants and SAS doctors have asked for direct pay negotiations with the Scottish Government for 2024.

Key asks of Scottish Government

When considering a pay uplift for 2024 for consultants and SAS doctors, we are calling on SG to acknowledge pay erosion for senior hospital doctors and establish a process towards meaningful recovery in the level of pay. The recent period of very high inflation has had another significant impact on real terms pay, in addition to the many years of sub-inflationary awards since 2008 which has contributed to pay erosion.

As we noted in our evidence to the DDRB in 2023, a significantly above inflation uplift will be required in multiple successive years to fully address entrenched real terms pay erosion and to prevent further decline in pay in future years.

Pay survey results

BMA Scotland again ran a survey of members over the summer following the announcement of the pay award for 2023. We had the highest ever response from both consultants and SAS doctors this year.

More than 2300 consultants and SAS doctors responded, with 87% saying the DDRB recommendation and actual uplift was too low. 68% said it had further decreased morale and 50% felt as a result that they were more likely to leave the NHS. 80% felt that the award did not recognise their contribution to the NHS. When asked what members believed the uplift should have been, the median was 12%.

Pay erosion

Since the financial crisis in 2008, doctors have experienced real terms pay detriment, with repeated pay freezes, pay caps and sub inflation pay uplifts, all at a time when inflation has run much higher.

Figure 1 below shows the stark comparison of consultants compared to other health workers and other sectors.

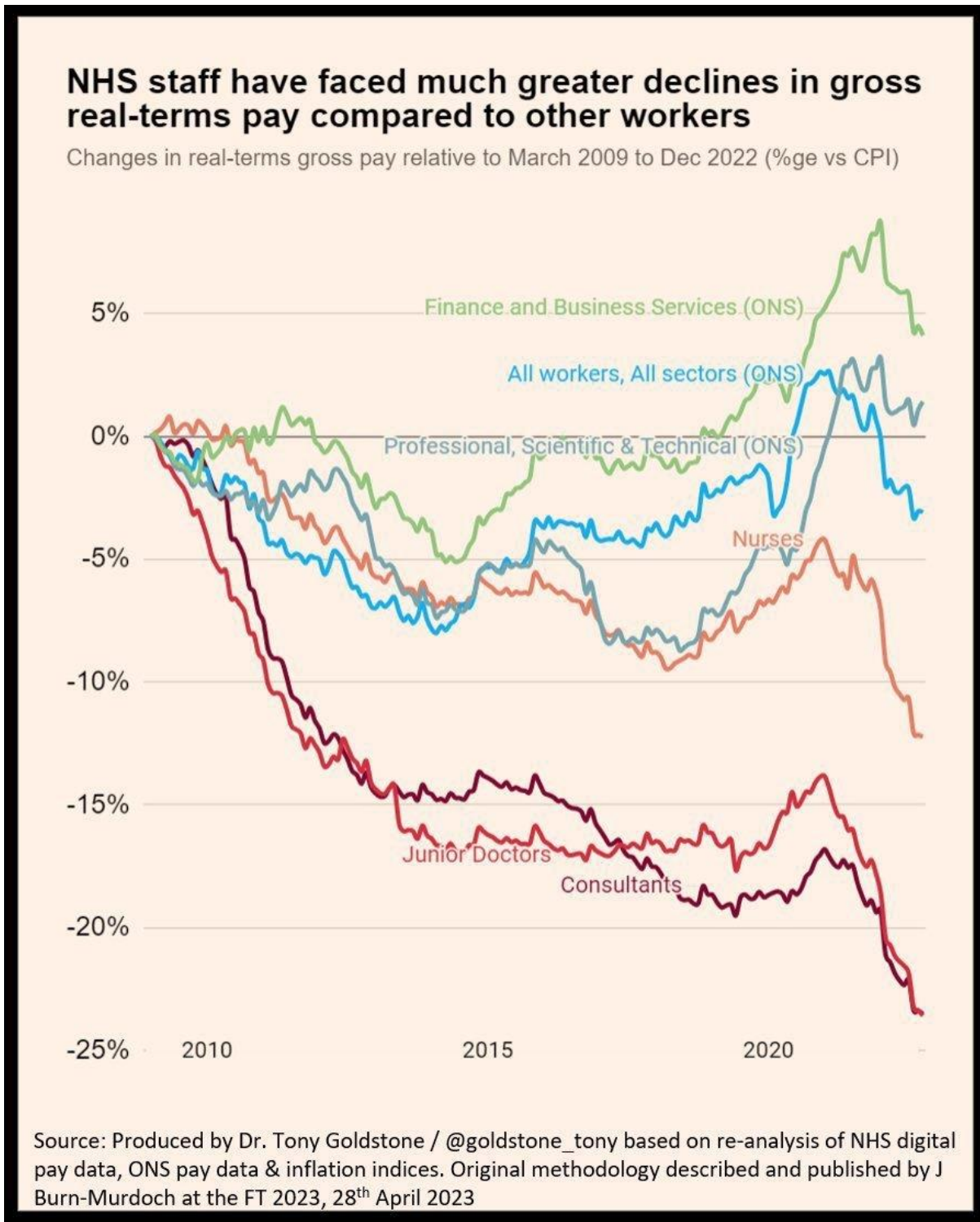


Figure 1

Senior doctors in Scotland continue to face an unprecedented decline in their real terms pay. The representative examples below showing pay erosion, cover the period between 2008/9 and 2022/23, using both Retail Price Index (RPI) and Consumer Price index (CPI) as the measure of inflation, and highlight the significant extent of the real terms pay decline in pay for doctors.

- For consultants, the real terms pay cut using CPI is **20.2%** (based on a consultant on point 6 with 3 discretionary points) and 31.4% using RPI. The pay erosion for consultants with discretionary points is worse due to the value of DPs having been frozen since 2009 (representing a significant saving to Scottish Government over the period). The value of a discretionary point (DP) has remained frozen at £3,204 since April 2009; if the value had kept pace with CPI would now be worth £4,893 (£5,069 RPI).

Consultant on point 6 with 3 discretionary points in Scotland

		Actual 2022/23	Real Pay Erosion
Total pay (cash terms)	2008/9 £97,517	£117,957	
Total pay (real RPI - April 2023 value)	£171,888	£117,957	-31.4%
Total pay (real CPI - April 2023 value)	£147,863	£117,957	-20.2%

- For Specialty Doctors the real terms pay cut is **17% (CPI)** and 28.6% RPI, based on point 7 of the 2008 specialty doctor pay scale

SD (2008) on point 7 (10 years of experience) in Scotland

		2022/23	Real Pay Erosion
Total pay (cash terms)	2008/9 £57,535	£72,418	
Total pay (real RPI - April 2023 value)	£101,414	£72,418	-28.6%
Total pay (real CPI - April 2023 value)	£87,239	£72,418	-17.0%

New SAS contract – update

The new contracts for Specialty Doctors and Specialists were introduced in December 2022. A significant proportion of existing Specialty Doctors have transferred to the new 2022 contract, with 60% having transferred as at the end of July 2023 and it appears likely that the final figure will be closer to 80% once all the remaining offers have been worked through. This is higher than the numbers transferring in the rest of the UK, particularly in England, and possibly reflects the successes achieved in the negotiations for higher pay points and the retention of the existing out of hours arrangements in Scotland.

The creation of the new Specialist grade as part of the contract negotiations was welcome but it remains a significant disappointment that there is no mechanism for existing Specialty Doctors, particularly those at the top of the pay scale, to transfer to the new Specialist grade but who will have to apply in open recruitment processes. NHS Boards have been slow to start using the new Specialist contracts and creating these roles locally. We are keen to work with employers and

Scottish Government to ensure there is consistency in approach in the creation of these posts and appointment to them and remain hopeful that the Specialist role will provide a potential route for career progression for experienced Specialty Doctors.

International comparisons

When considering what level of salary might be expected, it is useful to look at other countries where UK trained doctors are in demand.

In the Republic of Ireland, clinician salaries for consultants appointed to the Public Only Consultants' Contract 2023¹ is on an incremental scale: €214,113 - €257,193 per annum pro rata (approx. £182,568 to £219,302 based on exchange rate at 2 February 2024) on a six-point scale plus on call allowances. In addition, up to €12,000 (approx. £10,232) annual expenses can be claimed for continuous medical education and up to €8,000 per annum (approx. £6,821) will be made available for support for innovation projects.

In Australia doctors are generally paid more than their counterparts in the United Kingdom. Income depends on location, experience, and specialisation. Public sector work varies between states and salaries are based on fixed Government rates². For a consultant the salary range can be between AUD\$ 150,000 to 350,000 (approx. £77,344 to £180,470) with overtime and on-call adding a further 15 to 30%. CME budgets are also significant ~AUD\$29,000 per year³ (£14,953) and paid long-service leave accrues at a rate of 6.5 days per year (giving 26 weeks after 15 years continuous employment)⁴.

In Canada, the average pay for a Physician Consultant is CAD\$359,513 a year – approximately £210,458 (with the average salary range between \$230,807 and \$483,904 – around £135,114 - £283,276)⁵.

NHS Scotland pressures and backlog of care

The continuing backlog of medical care in Scotland post-pandemic has a severe impact on the medical workforce and the services they deliver. The pressures on NHS Scotland are at a crisis point and it is taking an unbearable toll on the medical workforce. BMA Scotland has recently published further analysis of the pressures in NHS Scotland⁶

Prior to the pandemic Scotland's NHS carried out approximately 274,000 inpatient/day cases and approximately 1.1 million outpatient appointments each quarter. The most recent figures (to June

¹ <https://www.publicjobs.ie/en/medical-consultants>

² <https://www.workplacedoctors.co.uk/page/doctors-guide-to-working-in-australia-workplace-doctors>

³ <https://www.westernhealth.org.au/Careers/Documents/Awards/Medical%20Officers%20-%20Doctors/Medical-Specialists-VPS-Health-Sector-AMA-Victoria-ASMOF-Single-Interest-Employers-Enterprise-Agreement-2022-2026.pdf> - page 133

⁴ <https://amavic.com.au/news---resources/stethoscope/leave-entitlements-are-important-for-your-wellbeing-as-a-doctor>

⁵ <https://www.erieri.com/salary/job/physician-consultant/canada>

⁶ <https://www.bma.org.uk/advice-and-support/nhs-delivery-and-workforce/pressures/nhs-under-pressure-scotland>

2023)⁷ show that the number of inpatient/day cases being seen has reduced from pre-pandemic levels to 993,247 outpatient attendances with 251,299 hospital admissions.

There were around 1.1 million admissions to hospital in 2022/23 – a 3% increase on the previous year⁸. Around one third (31%) were repeat admissions. The average length of stay for inpatients was 7.1 days in 2022/23, compared to 6.4 days in 2021/22. There was a 6% increase in procedures performed in acute hospitals – around 1 million in 2022/23.

The reduced capacity of the NHS means that patients are waiting longer. At 30 September 2023, there were 525,654 patient waits that were still ongoing, an increase (+2.2%, +11,267) compared to the end of the previous quarter. There has been an upward trend in this statistic since COVID-19 began to impact on planned care in March 2020. The total waiting list size is now 10.5% higher than September 2022 and has increased more than two-fold (+269,237) since 31 March 2020⁹.

Workforce, recruitment and retention

We continue to monitor the vacancy rates in NHS Scotland. For many years we have been highlighting that the official Scottish Government vacancy figures fail to capture the true extent of consultant and SAS vacancies across the country. Since 2020 we have been making Freedom of Information requests to NHS Boards to try to capture more accurately the consultant vacancy rate and since 2021 we have included SAS doctors in our FOI request.

In September 2020, the overall consultant vacancy rate for Scotland from the FOI was 15.2%. Yet the official Scottish Government figures for consultant vacancies for the same date put the vacancy rate at just 6.3%. In September 2022, consultant vacancies in our FOI data were 14.3%. This was still more than double the official rate of 6.2%.

In late 2023 we submitted a request to all NHS Boards asking for a breakdown of their consultant and SAS vacancy figures as at 30 September 2023. The FOI showed a vacancy rate of 17% for consultants and just under 24% for SAS doctors.

These findings are reinforced by the Scottish Academy report on External Advisors for 2022¹⁰. Despite the highest ever number of requests for external advisors for consultant appointment panels (705 in 2022), there were 521 consultants appointed in 2022 (compared to 533 in 2021). 42% of appointment panels were cancelled, mostly due to no applicants, no suitable applicants or the applicant withdrew; this was similar to 2021 when 43% of interview panels were cancelled. This is a continuing and extremely worrying trend – since 2015 over 80% of all cancelled panels have consistently been due to either no applicants or no suitable applicants putting themselves forward for these consultant posts. Potential candidates from England may be being put off by a lack of

⁷ <https://publichealthscotland.scot/publications/acute-hospital-activity-and-nhs-beds-information-quarterly/acute-hospital-activity-and-nhs-beds-information-quarterly-quarter-ending-30-june-2023/data-summary/>

⁸ <https://publichealthscotland.scot/publications/acute-hospital-activity-and-nhs-beds-information-annual/acute-hospital-activity-and-nhs-beds-information-annual-year-ending-31-march-2023/>

⁹ <https://publichealthscotland.scot/publications/nhs-waiting-times-stage-of-treatment/stage-of-treatment-waiting-times-inpatients-day-cases-and-new-outpatients-quarter-ending-30-september-2023/>

¹⁰ https://www.scottishacademy.org.uk/sites/default/files/External%20Adviser%20Service%20Annual%20Report%202022_0.pdf

CEAs (clinical excellence awards and their higher equivalent in Scotland, distinction awards) and higher personal taxation.

The impact of vacancies on staff is profound: in the 2022 census¹¹ from the Royal College of Physicians, 55% reported vacancies in their department. The biggest barrier to recruitment was felt to be that the post would not be attractive to applicants.

At a time when vacancies are rising and recruitment is getting increasingly difficult, signs are pointing to an ever-growing number of doctors who are considering leaving the profession or reducing their hours of work. The RCP census showed that 56% of Scottish consultants said that they wanted to work fewer PAs in future, and although the normal retirement age is increasing to 67 the average age respondents intended to retire was 61.

Disillusionment with the job, struggles with work/life balance and impact on personal health and well-being have all been stated as reasons for early retirement. In an effort to better understand this, in 2023 BMA Scotland, NHS Scotland Employers (MSG) and the Academy of Medical Royal Colleges and Faculties in Scotland jointly commissioned an independent study¹² undertaken by the University of Dundee. The results show that nearly half of senior hospital doctors aged 50 or over in Scotland plan to retire early or reduce their work commitment. Doctors experiencing significant disillusionment, burnout, and lack of engagement in their jobs are seeking to withdraw from full-time work or exit the profession entirely. The survey highlights the urgent need for better retention and engagement policies for the NHS in Scotland to fulfil their longer term ambitions to recruit and retain new generations of doctors into the profession.

Figures from NHS Education for Scotland TURAS data¹³ shows that medical locum agency spend remains significant and increasing, with a total cost of £119.6M across NHS Scotland in the year to 31 March 2023, an increase of 16.8% on 2022. This reflects a concerning picture of NHS Boards in Scotland struggling with vacancies. One way to reduce spend on locums would be to increase pay for doctors to make recruitment to substantive posts more attractive.

The Boards with the highest spend on agency locums include Greater Glasgow & Clyde with £17.1M (up from 12.8M in 2022) and Grampian with £17.6M (compared to £15.1M in 2022). Highland saw a huge increase in spending on agency locums, up to £16.2M from £10.5M. Smaller geographical areas such as Fife and Lanarkshire also spent a staggering sum on agency locums (£13.4M and £10.1M).

BMA Scotland conducted its own snap survey of members early in December 2023, with doctors providing feedback on the levels of safe staffing in their workplace. Of the 610 responders, just 1% said they felt their department was well-staffed beyond safe levels – with 80% saying they believe staffing of both doctors and their wider multi-disciplinary support team is either sometimes (49%) or regularly (31%) unsafe. The survey also revealed:

¹¹ <https://www.rcp.ac.uk/projects/outputs/uk-2022-census-consultant-physicians>

¹² <https://www.dundee.ac.uk/corporate-information/senior-hospital-doctors-intentions-retire>

¹³ <https://turasdata.nes.nhs.scot/data-and-reports/official-workforce-statistics/all-official-statistics-publications/05-december-2023-workforce/dashboards/nhs-scotland-workforce/?pageid=10601>

- 72% of those who responded think medical staffing has worsened – decreased relative to patient demand – over the last two years.
- 62% are worried or very worried there won't be enough doctors in Scotland's NHS to meet patient demand this winter.
- 76% are worried there aren't enough doctors to meet patient demand in the longer-term and ahead of next winter.
- 83% do not believe there is a proper medical workforce plan in place to improve the recruitment and retention of doctors in Scotland in the long-term.

Scottish Government needs to improve and protect the wellbeing of its medical workforce by providing suitable working conditions, contracts, flexibility and support. If we want to retain our doctors then we must change the way we do things, focusing on safe environments to work, train and innovate. This will require increased flexibility and putting an emphasis on allowing people to have the work life balance they need. Doctors must feel valued, and a fair pay award presents an opportunity to improve retention by providing greater incentives for NHS staff. A sustainable workforce relies on retention as well as recruitment. Higher pay for permanent staff will improve recruitment and retention and that in turn would reduce locum costs.

Reports of burnout rates have worrying implications for the medical workforce, the NHS and for patient care. In the 2022 census (op.cit.) from the Royal College of Physicians, 46% of Scottish consultants felt they had an excessive workload, 41% reported working excessive hours and 23% felt at risk of burnout.

Pensions and taxes

Although the reforms to pension taxation in 2023 resolved some of the issues facing doctors, there are still steps that could be taken to alleviate some of the burden that impacts on the total reward package. The temporary scheme introduced in October 2022 to recycle employer contributions (REC) was time limited until March 2023. Our preference would have been for this scheme to be maintained on an ongoing basis.

Contribution rates in the NHS pension scheme remain much higher than other public sector schemes and with much steeper tiering. Although new rates were brought in from April 2023, this was a year behind the change to rates elsewhere in the UK. The delay also meant that doctors in Scotland who worked less than full time, or were at the top of the contribution tiers, were paying significantly higher contributions than their colleagues elsewhere for that period. Although the change to paying contributions based on actual earnings rather than WTE is welcomed there is still far too much cross-subsidy of contributions and a much flatter structure is required.

The complexity of pensions taxation remains and it is completely unrealistic to expect doctors to manage the level of financial complexity involved in calculating their personal liabilities.

Other taxes in Scotland also have an impact on the ability to attract and retain doctors. Income taxes continue to diverge from the UK, with both lower tier thresholds as well as the higher and top rates of income tax in Scotland now 42% and 48% respectively. A new 'advanced' 45% rate has now been added for earnings in the £75,001 to £125,140 bracket. Combined with the loss of personal allowance

this means a marginal tax rate of 70%¹⁴, the second highest anywhere in the world¹⁵. This will have a serious impact on net take home pay for senior doctors. This is on top of a reduction in pay and erosion due to inflation. The six-tier rates of income tax in Scotland mean that at all stages of a medical career, doctors will pay more in income tax if they live in Scotland than elsewhere in the UK.

The following tables show the difference between take home pay for consultants and Specialist doctors in Scotland and England. For Specialty doctors in Scotland on the 2022 contract there is still a marginal positive differential for Scotland compared to England. However, for consultants and Specialist doctors (2022 contract) the tables illustrate that higher gross income in Scotland equates to lower take home pay compared to equivalent doctors in England, despite higher gross salaries in Scotland.

These tables are for illustration only and individual circumstances vary. There are various online calculators available to help individuals calculate their own take home pay (e.g. <https://www.gov.uk/estimate-income-tax> or <https://www.thesalarycalculator.co.uk/salary.php>). These figures may also change depending on any UK tax changes announced for 2024/5 in the March 2024 Budget.

Consultants – comparison of tax Scotland v England for 2024/25 (for illustration only)

	Scotland Point 1 of scale	England Point 1 of scale	Scotland Point 6 of scale	England Point 6 of scale	Scotland top of scale	England top of scale
Gross income	96,963	93,666	114,846	112,356	128,841	126,281
Taxable income	84,393	81,096	109,699	105,964	128,841	126,281
Tax	29,412	24,899	40,800	34,846	49,525	43,029
National insurance	4,703	4,638	5,062	5,012	5,341	5,290
Take home	62,847	64,130	68,985	72,499	73,975	77,961

Specialist doctor on 2022 contract (Scotland) or 2021 contract (England)- comparison of tax for 2024/25 (for illustration only)

	Scotland Point 1 of scale	England point 1 of scale	Scotland top of scale	England top of scale
Gross income	88,118	83,945	100,011	95,275
Taxable income	75,618	71,375	87,446	82,705
Tax	25,463	21,010	30,786	25,542
National insurance	4,528	4,443	4,765	4,670
Take home	58,196	58,491	64,460	65,063

¹⁴ <https://fraserofallander.org/scottish-budget-2024-25-initial-reaction/>

¹⁵ <https://worldpopulationreview.com/country-rankings/highest-taxed-countries>