



Association of British Dispensing Opticians
Association of Optometrists
British Medical Association
Federation of Ophthalmic and Dispensing Opticians

Optometric Fees Negotiating Committee

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Dear Alette,

GOS fees and associated payments for 24/25

Thank you for your letter of 26th January 2024 proposing GOS fees and associated payments 24/25.

While it is reassuring to hear that the inflationary pressures that are being faced by optometry have been recognised, it is bitterly disappointing that this is only reflected in a derisory proposal of a 1.68% uplift in fees. Last week the national media were full of reports of aspirations for optometry to do more to tackle the NHS ophthalmology backlog, yet there is seemingly no intention by government to invest in optometry in the same way as other parts of the NHS.

At the request of NHS England, we provided a reasoned bid, based upon the time and cost taken to conduct a sight test, including the time spent by support staff, as without them, the time spent with the optometrist would have to be substantially longer. Our modelling shows that even the most efficient providers, with large efficiencies of scale, incur costs of £43 to provide a sight test.

This places a burden on all practices that is becoming unbearable. We fear that many smaller practices will have no choice but to close, as they will be unable to continue to make ends meet in the face of rising costs. One of the most pressing of these is the 31% increase in minimum wage rates since 2020, which in turn drives other staff wages higher to maintain the responsibility differentials which underpin the high quality of the NHS service. This also indirectly increases contractor pension contributions.

Since 2020 non-domestic gas and electricity costs have risen by 54.8% and 58.4% respectively, fuel costs for domiciliary providers have risen by 22% and vehicle insurance has risen by 73%. These costs will be visible across the whole of the NHS, which is why it should be apparent that they will have the same impact on optometry practices. The costs of borrowing to upgrade practices and equipment have also risen significantly. In March 2020 the Bank of England base rate was 0.1%, in January 2024 it sits at 5.25%.

It is staggering this year to be told that the GDP deflator will be used to determine the rise in fees when, in previous years, our ask for a rise to match inflation on the same basis has been

rejected. It seems that when inflation does not favour the NHS it cannot be used but that, at a time when the forecast is more favourable to the NHS, it is to be relied upon.

We also note from NHS England's published accounts that, in 2015/2016, GOS represented 0.53% of the total operating expenses, while in the latest published accounts that figure had fallen to 0.34%, underlining the consistent under-investment in optometry and our status as the poor cousin in the primary care family.

Research conducted by the GOC showed that around 2600 practices had a turnover of less than £200k. Many of these practices are in tertiary locations serving deprived communities. If they are lost, they will not be replaced, meaning patients will be faced with the familiar scenario of decreased NHS availability. For those who offer home visits as an adjunct to their main practice, normally to provide continuity of care for their own patients when they become vulnerable, it will soon be uneconomic to continue to provide this service.

Finally, the decision to freeze the training grants is bizarre. The CPD grant was already frozen in 2023/24 at a time of rapidly rising costs. At the same time, the country is implementing a once in a generation overhaul of optometric education and training. The whole sector is working hard to maintain training places through this transition, now is not the time to cut the already low training grant by not reflecting inflation. Many contractors are already questioning their ability to offer training placements, if they are unable to do so, this will soon lead directly to workforce shortages.

In summary we cannot accept this proposal on behalf of an already underfunded service, the profession and our patients and would ask NHS England and DHSC to think again and revise the offer.

Yours sincerely,

Paul Carroll
Chair OFNC