



Review Body on Doctors'  
and Dentists' Remuneration

# Review Body on Doctors' and Dentists' Remuneration

Forty-Eighth Report 2020

*Chair:* Christopher Pilgrim

## Review Body on Doctors' and Dentists' Remuneration

The Review Body on Doctors' and Dentists' Remuneration was appointed in July 1971. Its terms of reference were introduced in 1998, and amended in 2003 and 2007 and are reproduced below.

The Review Body on Doctors' and Dentists' Remuneration is independent. Its role is to make recommendations to the Prime Minister, the Secretary of State for Health and Social Care, the First Minister and the Cabinet Secretary for Health and Sport of the Scottish Government, the First Minister and the Minister for Health and Social Services of the Welsh Government and the First Minister, Deputy First Minister and Minister for Health of the Northern Ireland Executive on the remuneration of doctors and dentists taking any part in the National Health Service.

In reaching its recommendations, the Review Body is to have regard to the following considerations:

- the need to recruit, retain and motivate doctors and dentists;
- regional/local variations in labour markets and their effects on the recruitment and retention of doctors and dentists;
- the funds available to the Health Departments as set out in the Government's Departmental Expenditure Limits;
- the Government's inflation target;
- the overall strategy that the NHS should place patients at the heart of all it does and the mechanisms by which that is to be achieved.

The Review Body may also be asked to consider other specific issues.

The Review Body is also required to take careful account of the economic and other evidence submitted by the Government, staff and professional representatives and others.

The Review Body should also take account of the legal obligations on the NHS, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.

Reports and recommendations should be submitted jointly to the Prime Minister, the Secretary of State for Health and Social Care, the First Minister and the Cabinet Secretary for Health and Sport of the Scottish Government, the First Minister and the Minister for Health and Social Services of the Welsh Government, and the First Minister, Deputy First Minister and Minister for Health of the Northern Ireland Executive.

The members of the Review Body are:

Christopher Pilgrim (*Chair*)  
David Bingham  
Helen Jackson  
Professor Peter Kopelman  
Professor James Malcomson FBA  
John Matheson CBE  
Nora Nanayakkara  
Jane Williams

The Secretariat is provided by the Office of Manpower Economics.

## Executive summary

### The DDRB's remit group

1. The Review Body on Doctors' and Dentists' Remuneration provides advice to ministers in the governments of the UK on the remuneration of doctors and dentists employed by, or providing services to, the National Health Service.
2. The DDRB's remit group is complex. It is made up of over 140,000 Hospital and Community Health Services (HCHS) medical and dental staff (of which there are approximately 60,000 consultants, 10,000 staff grade, associate specialist and specialty (SAS) doctors and dentists and 70,000 doctors and dentists in training), 50,000 general medical practitioners (GMPs) and 30,000 general dental practitioners (GDPs).

### Our remits

3. For this pay round we received remits from all four UK countries. The remits differed slightly, reflecting the different priorities of each government, as well as the multi-year pay deals that are in place for some groups within our overall remit.
4. The Secretary of State for Health and Social Care did not ask us for recommendations for independent contractor GMPs and doctors and dentists in training since both groups are currently subject to multi-year pay deals in England. The Welsh Minister for Health and Social Services, Scottish Cabinet Secretary for Health and Sport, and Minister for Health in Northern Ireland sought recommendations for all staff groups.
5. The remit letter for England also requested that our recommendations be informed by progress being made in contract reform negotiations for the SAS grades. The remit letter for Wales indicated that the Welsh Government had joined the contract reform talks for SAS doctors and dentists that were taking place between the British Medical Association and government and NHS bodies in England.
6. We received written and oral evidence from the Department of Health and Social Care (England, DHSC); the Welsh Government; the Scottish Government; the Department of Health (Northern Ireland); NHS England/Improvement; Health Education England; NHS Employers; NHS Providers; the British Medical Association; the British Dental Association (BDA); and the Hospital Consultants and Specialists Association. As part of our evidence gathering process, we went on a programme of visits, during which we spoke to local health service leaders and members of the remit group from across the UK. Our report this year has been completed during the coronavirus (COVID-19) pandemic and we are extremely grateful to all the parties for providing oral evidence to us during this immensely challenging time.

### Context for our report

7. The evolving context of COVID-19, within which our report has been written, has had a major impact across the whole of society, as well as the NHS and health and social care and those working in this sector. Many of those in our remit group have played a crucial role at the front line of the UK's response. COVID-19 has placed extraordinary demands on members of our remit group, and we are highly sensitive to the fact that some have been made seriously ill and have lost their lives caring for patients during the pandemic.

8. While recognising the immediate impact of COVID-19 on doctors and dentists in our remit group, we have endeavoured to consider the remits in our usual way through our evidence-based process. In future years, we will seek to understand the short-term and longer-term impacts of COVID-19 on the recruitment, retention and motivation of doctors and dentists as more data becomes available.
9. COVID-19 has, however, served as a significant reminder of the critical importance of our remit group to society and its health and well-being, and highlights the continuing need to ensure that medical and dental careers remain attractive and motivating, both for prospective students and for those already in the workforce.
10. We are in an unprecedented position at the time of this report, at the start of a period that will have significant impacts on the economy, labour market and public finances. The data and information to understand many of the effects may take some time to emerge. That said, it is clear that the UK economy will contract significantly in the short term, and many of the economic indicators will reflect this.
11. Gross domestic product was estimated to have fallen by 10.4 per cent in the three months to April 2020, with a 20.4 per cent fall in April 2020 alone.
12. The latest inflation figures, for April 2020, showed increases in CPI at 0.8 per cent, CPIH at 0.9 per cent, and RPI at 1.5 per cent over 12 months. Inflation is expected to fall further this year, with the Bank of England predicting that CPI inflation will fall to zero at the end of 2020.
13. Short-term indicators suggest that the labour market took a sharp downturn at the end of March. Average weekly hours of work fell from 31.6 to 24.8 in the last two weeks of March, while the number of people claiming unemployment-related benefits increased by 856,000 between March and April 2020. The Bank of England expects the unemployment rate to rise to nine per cent in the second quarter of 2020, which would be the highest rate recorded since 1994. Average weekly earnings growth has fallen back to 2.4 per cent in the three months to March 2020, from a peak of 4.0 per cent in mid-2019. Early HMRC/ONS estimates for April 2020 suggest that median monthly pay was 0.9 per cent lower than a year earlier.
14. There have been developments this year with issues that had concerned us in previous reports. The issue of pensions taxation featured extensively in the evidence we received this year. Changes that apply across the UK were made in the 2020 Budget and, consequently, the majority of senior clinicians will not have their annual allowance tapered. We welcome this. However, we note that pensions taxation, particularly through the lifetime allowance, will remain an issue for many doctors and dentists. Likewise, we note the risk of a long-term impact from this; during our visits programme several consultants told us that, after reducing their workloads to avoid pensions taxation charges, they were now enjoying an improved work-life balance and did not intend to return to previous working patterns. The lasting impact of pensions taxation issues as a result of the changes of behaviour and bad feeling they precipitated may continue to be felt going forwards. This could lead to shortages amongst the most senior doctors.
15. Looking forward, the UK has now exited the EU, though the future relationship between the UK and the EU is yet to be settled. Uncertainty as to the impact on the medical and dental workforce therefore remains, particularly in relation to international recruitment and retention. This may be compounded by the effects of COVID-19 on resourcing, leading to shortages of doctors and dentists to the detriment of the services they provide and ultimately patient care.

## **Productivity and affordability**

16. We have set out in our report our views on productivity and affordability. Productivity is an issue we have considered carefully. Measuring it is important but not straightforward. As we said last year, the data we currently receive relates only to the service as a whole and tells us little about the productivity of our remit group. As such, they provide only a broad and imperfect indication of the affordability constraints that might inform pay recommendations.
17. Much of the messaging about productivity from within the NHS stresses that greater productivity is delivered through multi-disciplinary team working. This would imply that productivity measurements based on the work of individual doctors are unlikely to be very helpful. Productivity is a system-wide imperative, and it is likely to be aided, or impeded, by the general levels of commitment, morale and motivation within the NHS, including our remit group. Productivity enhancements would be best addressed through contract negotiations in which specific groups can be rewarded financially for changes in their working practices.

## **The case for a pay award**

18. In making our pay recommendation we have considered the pay and affordability proposals put to us by the parties, alongside the need to recruit, retain and motivate doctors and dentists, and the evidence provided to us on these matters.
19. It is welcome that more students are entering medical school, and that there are more applicants wishing to study medicine and dentistry at university. However, there is a need to ensure that groups across the remit feel there is sufficient incentive for them to either stay in or return to the workforce. As health services change to meet new challenges and demands, it is crucial that they achieve the most with their workforce. This requires doctors and dentists to feel valued and that their contribution to society is recognised appropriately. Retention and motivation must therefore also remain a priority.
20. There are a number of issues of retention and motivation that are a concern and need to be addressed to ensure that groups across the remit feel there is sufficient incentive for them to either stay in or return to the workforce:
  - It is now the norm for doctors in training to step out of training on completion of the Foundation Programme, so it is crucial they feel they have sufficient incentive to return to training and substantive positions in the NHS.
  - For GMPs and GDPs, there are continued signs that partner and providing-performer positions, once roles to which newly qualified doctors and dentists would aspire, are becoming less attractive, and there are a number of programmes in place across the UK to incentivise GMPs to become partners.
  - SAS doctors and dentists continue to be a crucial but undervalued part of the workforce in hospitals. They deliver critical services alongside the consultant workforce, and as the group with the highest proportion who qualified outside the UK, are most susceptible to international labour market movements – including restrictions on movement such as those that occurred during the COVID-19 pandemic.
  - As consultants become an increasingly prominent proportion of the workforce, their retention becomes ever more critical for patients. The persistently high proportion of voluntary early retirements, which have comprised more than a quarter of all retirements every year since 2014, are worrying. We welcome the changes made to the pensions tax annual allowance taper, and any consequent falls in such retirements given the importance of retaining consultants in the NHS and enabling them to contribute the maximum hours possible.

21. Across the whole remit group, there a number of issues that are affecting morale, some very serious. Staff survey results for England show that less than one-third of those responding believed that there were enough staff present in their organisation for them to do their job properly, and three-quarters reported working excess unpaid hours. The rates of those who had experienced harassment, bullying or abuse from patients, relatives or the public remain high and the rates of those who had felt unwell as a result of work-related stress continue to rise. The results from the most recent staff surveys for Northern Ireland and Wales both show high numbers having experienced harassment, bullying or abuse or feeling unwell as a result of work-related stress.
22. Members of our remit group are highly committed to their professions. However, over the last decade, average incomes have fallen in real terms (as measured against CPI inflation) and relative to earnings in the wider economy, especially at more junior levels. During our visits programme, we frequently heard from doctors and dentists who said that they felt less valued by employers, governments and society as a whole than they had been previously. Consultants, in particular, told us that they felt their pay had fallen relative to their private sector professional comparators, and that this impacted negatively on their sense of being valued.

### **Pay uplift**

23. We were struck this year, from both the evidence provided to us and from the conversations we had during our visits, at the strength of feeling in our remit group that their vocational commitment had been taken for granted and their contribution to society was not being recognised, and that their pay sat poorly relative to other professions.
24. We also note the pay uplifts already implemented for independent contractor GMPs and doctors and dentists in training in England, as part of multi-year agreements. Contractor GMPs' comprehensive contract deal includes significant investment in general practice and a new state-backed indemnity scheme. Doctors and dentists in training will receive base pay uplifts of two per cent per annum during the lifetime of the deal, and once reforms to the pay structure are taken into account, a total of three per cent will be invested in this staff group in 2020-21.
25. **After considering all the evidence, we recommend a general uplift of 2.8 per cent, to be applied across all groups included in our remits this year, from the start of April 2020.**
26. Applied to those in our remit in England, this would add £370 million to the pay bill in 2020-21, compared with what DHSC described as an envelope of £310 million for substantive HCHS medical and dental staff. For GDPs, it would add around £52 million compared to the DHSC-quoted envelope of £37 million. We have set these figures in the context of other NHS costs, such as agency expenditure of almost £940 million in 2018-19 on medical and dental staff in England, and the overall annual NHS Resource Departmental Expenditure Limit in England of over £120 billion.
27. We have not made a targeted recommendation for any part of our remit group this year. Last year, we recommended that SAS doctors and dentists should receive an extra one per cent, on the basis that it would be a cost-effective and justifiable investment in raising the profile and attractiveness of the SAS grades. Our recommendation has not been implemented by any of the governments, though we were told that the additional one per cent (which would have been an extra cost of £11 million in England) would be available to help fund contract reform in England and Wales. This followed our 2018 recommendation that SAS doctors and dentists should receive a 3.5 per cent increase in their national salary scales. Other than in Wales, this was not fully implemented.

28. We welcome the SAS contract negotiations in England and Wales, which we have been told it is the intention to complete in time for implementation in April 2021. However, our 2019 recommendation for this important but too-often undervalued group of staff was not made dependent on contract reform. While we have not recommended a differential award this year, we will follow the progress of negotiations closely. We expect the contract to be in place for April 2021 and the savings from the extra one per cent to be added to the funding envelope. If the new contract is not agreed for April 2021, we will consider again next year whether there is a case for an additional award.
29. We have significant concerns about the equity and effectiveness of the Clinical Excellence Awards (CEAs), Commitment Awards, Distinction Awards and Discretionary Points systems for consultants in their current forms.
30. We have been waiting for reform of the award schemes since our review of incentives for consultants in 2012<sup>1</sup> and we also note our report in 2015<sup>2</sup>. We are not convinced that these awards, in their current form, necessarily reward all those who are currently contributing most towards the delivery of high-quality services and patient care. In particular, we consider that they are an exacerbating factor in pay equalities issues for consultants. As this review body has previously outlined, there is a gender and ethnicity pay gap in medicine with women and black, Asian and minority ethnic (BAME) doctors being disadvantaged. There is a disproportionately lower number of applications for these awards from women and BAME candidates. The increasing diversity of the consultant workforce including in relation to gender, ethnicity, and flexible working intensifies the problems with the award systems and the very slow pace of reform.
31. We recognise that work has started to reform these awards in England with planned changes to both the local and national CEA schemes, which DHSC has told us will be based on our 2012 proposals. **However, given our concerns, we do not feel that we can recommend an uplift to the value of Clinical Excellence Awards, Commitment Awards, Distinction Awards and Discretionary Points this year.**
32. It is too early for the review body to understand the full impact of COVID-19 on our remit group and our recommendations do not seek to take account of COVID-19. However, separately, we would urge governments to consider the role that members of our remit group have played and whether any additional recognition should be given to acknowledge this contribution.

## Looking ahead

33. The final part of our report looks ahead to some of the challenges facing our remit group and to what we would expect to see covered in evidence over the next few years. We have a number of priorities for additional evidence next year.
34. The Gender Pay Gap in Medicine Review, for England, is expected to be published soon. We particularly look forward to its publication and anticipate that its findings will have significant relevance for our considerations next year. We would welcome views from the parties in all the nations as to whether they intend to perform similar exercises to explore other pay and equalities issues in the medical and dental professions and across the four nations.

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<sup>1</sup> Review Body on Doctors' and Dentists' Remuneration (9 August 2013), *Review of compensation levels, incentives and the Clinical Excellence and Distinction Award schemes for NHS consultants*. Available at: <https://www.gov.uk/government/publications/ddrb-nhs-consultant-compensation-levels-2012>

<sup>2</sup> Review Body on Doctors' and Dentists' Remuneration (16 July 2015), *Contract reform for consultants and doctors and dentists in training – supporting healthcare services seven days a week*. Available at: <https://www.gov.uk/government/publications/contract-reform-for-consultants-and-doctors-and-dentists-in-training-supporting-healthcare-services-seven-days-a-week>

35. We welcome data from the parties on the short-term and long-term implications of the COVID-19 pandemic on the NHS and its workforce and workforce strategies, such as the forthcoming NHS People Plan for England. This will allow us to monitor its impact on recruitment, retention and motivation of the medical and dental workforces.
36. We look forward to hearing about the progress of contract reform for SAS doctors and dentists and the embedding of SAS charters across the UK.
37. This is the third consecutive year that we stress the widely differing pictures of dentistry presented by the parties. This needs a resolution. The BDA have again told us that NHS dentistry has reached crisis point due to pay and workload issues. However, these reports continue to contrast strongly with the assessments we receive from DHSC and NHS England/Improvement. It will become increasingly challenging for us to make a considered pay recommendation on the basis of such divergent positions. The trends in dentists' earnings are also a concern, and we would welcome an explanation for factors causing these trends, as well as a more detailed breakdown of dental earnings by working hours and by split between NHS/Health Service and private dentistry. We would urge progress on contract reform across the UK and for an update on developments to be provided to us next year.
38. We would find details of any emerging trends in retention of the consultant workforce valuable. This would include evidence as to whether there has been any longer-term impact of the issues associated with pensions taxation; data on the levels of senior consultants looking to reduce their commitments or take voluntary early retirement; and any renewed contract reform efforts. We would also welcome an update on the progress of the Government's planned reform of local CEAs in England and the ACCEA's forthcoming consultation on national CEAs in England and Wales, as well as any plans to reform the discretionary reward systems for consultants in Scotland, Wales and Northern Ireland.
39. There are other areas in which further data would be welcome, which are set out in our report. These include details of the impact of incentives for doctors to join GMP partnerships, given their decreasing appeal, data as to how our recommendations for salaried GMPs are ultimately reflected in their pay, and consideration within workforce planning of changing aspirations and ambitions of doctors and dentists in training in relation to work-life balance and flexibility.