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Dear Paul

DOCTORS AND DENTISTS PAY REVIEW BODY

Review Body on Doctors' & Dentists' Remuneration – Remit 2014/15

I am writing as a follow up to the letter you received from the Chief Secretary to the Treasury, Danny Alexander, on 23 July 2013 confirming the Government's approach to the 2014/15 pay round.

Once again, I would like to thank you and your colleagues for the vital and independent expert work undertaken by the Doctors' and Dentists' Review Body (DDRB) in considering remuneration for doctors and dentists working for the NHS.

As always, while DDRB's remit covers the whole of the United Kingdom, it is for each administration to make its own decisions on its approach to this year's pay review round and to communicate this to you directly.

We continue to keep in close touch with our counterparts in the other countries and my officials will do all they can to support you in handling any consequences that may arise as a result of different approaches taken by each country.

This year, the Department will provide high level evidence focussing on the economic and financial (NHS funding) context and strategic policy. Separate detailed evidence will be provided by:

- NHS Employers – on recruitment, retention, motivation and morale for employed doctors and dentists;
- NHS England – on independent primary care contractors; and
- Health Education England – on education, training and workforce capacity.

The Department will work closely with all these organisations and the DDRB secretariat to ensure that, overall, the evidence meets the needs of the DDRB.

You will be aware that in the 2013 Spending Round, the Government announced that substantial reforms to progression pay will be taken forward or are already underway across the public sector.

The Government is clear that time served is no longer an appropriate rationale for pay progression for staff in the public sector. In his remit letter the CST states:

“.....in the 2013 Spending Review, the Government announced that substantial reforms to progression pay will be taken forward or are already underway across the public sector. The Review Body is therefore invited to consider the impact of their remit group’s progression structure and its distribution among staff in recommending annual pay awards”.

You will be aware that discussions with the representatives of medical and dental staff are underway about changes to the national contractual arrangements for consultants and doctors and dentists in training. However, since any changes will take time to be agreed, implemented and take effect, I would ask that the Review Body consider the existing progression structure for employed doctors and dentists and its distribution among staff when considering and recommending the annual pay award.

NHS England has begun negotiations with the BMA General Practitioners Committee on potential improvements to the 2014/15 General Medical Services (GMS) contract, and will be seeking comparable improvements from the contractual framework for general dental services. These negotiations will not cover the question of what gross uplift there should be in the value of GMS or dental contracts. DDRB is, therefore, invited to make recommendations on appropriate uplifts for these two contractor groups, in the context of public sector pay policy for 2014/15. We would also particularly welcome DDRB’s recommendations on what allowance should be made for GPs’ and dentists; pay and for practice staff pay, in

line with other sectors of the NHS workforce. The Government and NHS England will make final decisions on the overall gross uplift for GMS and dental contracts in the light of DDRB's recommendations and taking into account any efficiency gains obtained through the relevant contract negotiations.

As CST set out, the case for continued pay restraint across the public sector remains strong. The Government is clear that it is for each Pay Review Body to consider the evidence and affordability for each workforce. The Chief Secretary's letter also observes that:

"... there are unlikely to be significant recruitment and retention issues for the majority of public sector workforces over the next year".

"Affordability: Pay restraint remains a crucial part of the consolidation plans that will help to put the UK back onto the path of fiscal sustainability – and continued restraint in relation to public sector pay will help to protect jobs in the public sector and support the quality of public services".

"The Review Bodies will want to consider the evidence carefully in producing their report. In particular, what award is justified and whether there is a case for a higher award to particular groups of staff, relative to the rest of the workforce, due to particular recruitment and retention difficulties".

For the NHS, affordability and the level of incremental pay staff will receive, alongside recruitment and retention pressures, will be a critical element as the Review Body determines whether any award is justified.

I should be grateful if you would make recommendations for the basic pay of doctors and dentists working in the NHS. In doing so, you should consider evidence in respect of:

- the level of incremental pay staff that have not reached the top of their pay band will receive;
- the need to recruit, retain and motivate suitably able and qualified staff;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- the funds available to the DH, as set out in the Government's Departmental Expenditure Limits;
- the Government's inflation target;

- the principle of equal pay for work of equal value in the NHS; and
- 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.

I look forward to receiving your report on 2014/15 pay for your remit group in due course.

DR DAN POULTER