



Department
of Health

*From Dr Dan Poulter MP
Parliamentary under Secretary of State for Health*

*Richmond House
79 Whitehall
London
SW1A 2NS
Tel: 020 7210 4850*

POC5 882726

Professor Paul Curran
Chair
Review Body on Doctors' and Dentists' Remuneration
Office of Manpower Economics
Level 8, Fleetbank House
2-6 Salisbury Square
London
EC4Y 8AE

26th August 2014

Dear Paul,

I am writing as a follow up to the letter you received from the Chief Secretary to the Treasury, Danny Alexander, on 31st July 2014 confirming the Government's approach to the 2015/16 pay round.

I should first wish to add my own thanks to that of the Chief Secretary for the robust and independent advice that the Government receives from the Review Body on Doctors' and Dentists' Remuneration (DDRB). I can assure you that we value this advice very highly and attach considerable importance to the role of the DDRB, informed as it is by expert, impartial and independent judgement. This is true even where, as in the previous review round, the continuing need for pay restraint right across the public sector to support fiscal consolidation, together with the unprecedented financial challenge facing the NHS, meant that we are not able to accept your recommendations in full.

As the Chief Secretary signalled in his letter, following the Government's announcement of a two year pay settlement for employed doctors and dentists in England, the DDRB is not required to report or to make recommendations or observations for the 2015/2016 year on:

- the remuneration of employed doctors and dentists;
- the recruitment, retention and motivation of suitably able and qualified staff; and
- regional/local variations in labour markets and their effects on recruitment and retention of staff.

This two year settlement does not apply to independent contractors.

NHS England will shortly be commencing discussions with the BMA General Practitioners Committee on potential improvements to the 2015/16 General Medical Services contract, and with the BDA General Dental Practice Committee on potential improvements to the contractual framework for general dental services. Whilst it is always possible that such discussions may result in an agreed approach to uplift, we are proceeding on the assumption that DDRB will make recommendations on uplifts for both contractor groups. If that position changes as a result of negotiations, we will of course let you know as soon as possible.

The DDRB is, therefore, invited to make recommendations on appropriate uplifts for the two contractor groups. We would particularly welcome DDRB's recommendations on what allowance should be made for GPs' and dentists' pay and for practice staff pay, in the context of public sector pay policy for 2015/16. The Government will make the final decisions on the gross uplift for GMS and dental contracts in the light of the DDRB's recommendations and taking into account any efficiency gains obtained through the relevant contract negotiations.

As the Chief Secretary indicates, the case for continued pay restraint across the public sector remains strong. Whilst public finances are returning to a more sustainable position as the UK economy begins to grow again, we continue to face a considerable fiscal challenge. Pay restraint in the public sector remains a necessary part of the Government's consolidation plans, helping to ensure that public sector jobs are protected and that the quality of public sector services are supported.

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 England's independent primary care contractors. 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.

I look forward to receiving your report on independent contractors early next year.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Dan Poulter', with a long horizontal stroke extending to the right.

Dr Dan Poulter