Review Body on Doctors' and Dentists' Remuneration

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Forty-Ninth Report 2021

Chair: Christopher Pilgrim

CP 478

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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 Social Care 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 Social Care 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

The Secretariat is provided by the Office of Manpower Economics.

Executive summary

1. We are conscious that we have prepared our report and are making our recommendations in the context of the coronavirus (COVID-19) pandemic, which has had a major, and in many cases deeply personal, impact on millions of people across the UK and beyond. The pandemic has served as a timely reminder of the value of our remit group to society.

The DDRB's remit group

2. 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, public health services across the UK. Our terms of reference are reproduced in full on page iii.

3. 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 speciality doctors and associate specialists (SAS) and 70,000 doctors and dentists in training), 50,000 general medical practitioners (GMPs) and 30,000 general dental practitioners (GDPs).

Introduction

4. 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.

5. The Secretary of State for Health and Social Care's remit letter for England did not ask us for recommendations for independent contractor general medical practitioners and doctors and dentists in training since both groups are currently subject to multi-year 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 each sought recommendations for all staff groups.

6. The remit letters for England and Wales also requested that our recommendations be informed by progress being made in contract reform negotiations for the SAS grades. In April 2021 the BMA and NHS Employers wrote to us confirming that contract reform packages had been approved in referenda of BMA members in England and Wales, and it was subsequently announced that similar approval had been given by BMA members in Northern Ireland. They added that they no longer expected us to make recommendations for SAS doctors and dentists who chose to move onto the new contracts, but recommendations were still sought for those who chose not to.

7. We received written and oral evidence from the Department of Health and Social Care (England); the Welsh Government; the Scottish Government; the Department of Health (Northern Ireland); NHS England and Improvement; Health Education England; NHS Employers; NHS Providers; the British Medical Association; the British Dental Association; and the Hospital Consultants and Specialists Association. We are grateful to all the parties for working with us during this challenging and uncertain time, though as we discuss in Chapter 1, the late submission of written evidence from some of the parties caused significant delays to the review body process.

Wider context

8. The pandemic has had a significant impact on the economy, labour market and public finances, and on doctors and dentists. Economic output in the UK was estimated to have fallen by 9.9 per cent in 2020. However, the most recent trends are towards recovery. After having fallen to below 1 per cent at times in 2020, the latest inflation figures, for April 2021, showed CPI inflation at 1.5 per cent, CPIH inflation at 1.6 per cent, and RPI inflation at 2.9 per cent, each over 12 months. Employment fell by 529,000 (1.6 per cent) over the year to March 2021 but grew by 84,000 over the three months to March 2021, to reach 32.48 million. Unemployment rose by 258,000 over the year to March 2021, but fell by 121,000 in the three months to March 2021, to 1.62 million. In the three months to March 2021, average weekly earnings growth was strong across the public and private sectors. Year-on-year average weekly earnings in March 2021 were 4.0 per cent higher across the whole economy. According to IDR, the median pay award across the economy in April 2021 was 2.0 per cent.

9. The pandemic has had a direct impact on both overall demand for healthcare services and the availability of and access to specific services. It has also caused care backlogs that will mean that demand is likely to remain at challenging levels for years to come. Medical and dental staff have had to work flexibly and in unfamiliar settings and specialties, often putting themselves in danger as they delivered front-line care. Patient throughput in dentistry has also been significantly reduced.

Productivity and affordability

10. 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.

11. DHSC said to us that any recommendation above 1 per cent would require reprioritisation of resources, as the pandemic had disrupted ongoing work to improve productivity in the NHS. The Scottish Government said that we should view their public sector pay policy[1] as an anchor when making recommendations, rather than an absolute position. The Welsh Government said that Boards already had funding for a 1 per cent increase for doctors and dentists in their allocations for 2021-22, and more money could potentially be available to fund a larger award. The Department of Health (Northern Ireland) said that plans had been made on the basis of 2 per cent pay growth for their medical and dental workforces and that therefore an award of 2 per cent was affordable, and that a higher award than this would require additional funding from the Department of Finance.

The case for a pay award

12. As we discuss in Chapter 3, we do not view the 1 per cent affordability envelope presented to us by the UK Government as a limit on what our recommendations can be for England. We similarly do not view the Scottish Public Sector Pay Policy or the 2 per cent that the Department of Health (Northern Ireland) said they had budgeted for pay awards as limits on what our recommendations can be for Scotland and Northern Ireland.

[1] Scottish Government (24 March 2021). Public sector pay policy 2021 to 2022. Available at: https://www.gov.scot/publications/scottish-public-sector-pay-policy-2021-2022-revised/pages/2/

13. Whilst we recognise the pay and affordability proposals put to us by the parties, our pay recommendations must also recognise the need to recruit, retain and motivate doctors and dentists. Health services have been put under major strain by COVID-19 in the past year and the likelihood of continuing waves of the virus, as well as the pressing need to address care backlogs, mean that health services will remain under pressure for the foreseeable future. In this context, and as services continue to change to meet new challenges, it is crucial that health services support their medical and dental workforces, retaining staff. Doing this requires them to feel valued and motivated and pay is an important contributor to this. Under the current circumstances, given the pressures placed on doctors and dentists by the pandemic, ensuring a sense of value and motivation is maintained is particularly important.

14. While we welcome many of the positive trends in recruitment through the pandemic, it is not yet clear whether these improvements are temporary consequences of the pandemic or will be sustained in the medium and long term. At the same time, all of the parties have expressed concern that the pandemic may precipitate issues of retention. Given the demands of the pandemic, many medical and dental staff will have worked above and beyond their normal working patterns, often in unfamiliar care settings, at personal risk and wearing essential but cumbersome personal protective equipment. This has been reported to have led to widespread fatigue, exhaustion and stress and, given the scale of care backlogs and the likelihood of continuing waves of the virus, is likely to continue to do so, leading to pressing issues of retention as exhausted doctors and dentists leave or decrease their working hours.

15. This has the potential also to interact with and exacerbate a number of existing concerns around retention. These include, but are not limited to:

    - The potential for issues related to pensions taxation, which we discuss in Chapter 4, exacerbating the phenomenon of increasing numbers of senior clinicians deciding that it is in their interest to retire or reduce their commitment. Voluntary early retirements for consultants were at an all-time high in 2019-20.
    - Issues of retention and progression for doctors and dentists in training, including stepping out of training on completion of the foundation programme, which we discuss in Chapter 5.
    - Issues associated with diversity and inclusion, including gender and ethnicity pay gaps, which we discuss in Chapter 4 and elsewhere in the report.
    - Continued change in the composition and demographics of the general practice workforce, which we discuss in Chapter 8.
    - Stagnant take-home pay and structural change to the dental workforce, alongside what the BDA told us about increasing numbers of dentists being attracted to doing private work, which we discuss in Chapter 9. These concerns may also be associated with issues of access to NHS/HSC dentistry that we discuss there.

16. There are also a number of issues of motivation that remain a concern to us. NHS Staff Survey results in England paint a picture of declining job satisfaction, and the results of the Dental Working Hours Motivation and Morale surveys from across the UK paint a troubling picture, with results both low in absolute terms and having fallen consistently in recent years.

Pay uplift

17. **After considering all the evidence, we recommend a general uplift of 3 per cent from the start of April 2021.**

18. This recommendation applies to the national salary scales, pay ranges or the pay element of contracts for all groups included in our remits from the governments this year, namely:

    - Consultants
    - SAS doctors and dentists in Scotland, as well as those who do not move onto the reformed contracts in England, Wales and Northern Ireland
    - Doctors and dentists in training in Scotland, Wales and Northern Ireland
    - Independent contractor GMPs in Scotland, Wales and Northern Ireland
    - The pay range for salaried GMPs
    - The GMP trainers' grant and GMP appraisers' grant
    - Independent contractor GDPs
    - Associate and salaried GDPs including Community Dental Service practitioners

19. This recommendation would add £234 million to the consultant pay bill in England, against a total DHSC Resource Departmental Expenditure Limit in 2021-22 of £169.1 billion, of which £22 billion is additional COVID-19 funding. It would add £50 million to the pay bill for salaried medical and dental staff in Scotland, £33 million in Wales, and £15 million in Northern Ireland.

20. While we welcome the progress that has been made in reforming the National Clinical Excellence Awards (CEAs) scheme that covers England and Wales, reformed consultant reward schemes are not yet in place anywhere in the UK. As we discuss in Chapter 7, issues of equity and effectiveness for these schemes remain across the UK. The Gender Pay Gap in Medicine Review's findings in relation to these schemes in England further strengthened the case for reform. **Given our concerns, we once again do not feel we can make a recommendation for an uplift to CEAs, Distinction Awards, Discretionary Points and Commitment Awards this year, though we will revisit this issue next year as reforms are completed.**

21. We would expect that pay awards would be appropriately funded in order that there would not be a negative impact on service provision.

22. We have not made a targeted recommendation for any part of our remit group this year. Last year, we said that we would revisit the issue of the extra one per cent for SAS doctors and dentists that we recommended in 2019 and had not been implemented anywhere in the UK. We are pleased that reformed contracts are now in place in England, Wales and Northern Ireland, and the BMA and NHS Employers wrote to us confirming that this additional 1 per cent was part of the envelope for contract reform. We therefore consider this matter closed in England, Wales and Northern Ireland. In Scotland, we would similarly expect this additional 1 per cent to be included in any contract reform envelope, and we will revisit this again next year as necessary.

23. We also remain particularly concerned about the trends in remuneration, motivation and morale amongst general dental practitioners. There seems to be evidence of issues of access to dentistry in certain areas across the UK. This may be related to what we heard from the BDA about dentists, and in particular younger dentists, increasingly being attracted to doing more private and less NHS/HSC work. We would welcome hearing more about this in evidence from the parties next year, and how these issues may interact with other trends in the composition and demographics of the dental workforce, including the fall in the number of providing-performers and the increasingly prominent role played by corporate dental providers. In this context it is difficult to know what role our recommendations play in the take-home earnings of associate dentists in particular, and we would also welcome evidence about this from the parties next year, in order to inform our recommendations.

24. Doctors and dentists for whom we have not been asked to make recommendations this year because they are on multi-year pay deals have also made significant contributions to the pandemic response. Our recommendations do not respond to the impact of the pandemic on recruitment, retention and motivation of these groups. Recognising the contribution they have made to the pandemic response in this context is extremely important, and we would urge ministers to consider this.

Looking ahead

25. There are a number of key issues and concerns that we would welcome hearing more from the parties about in evidence in future rounds.

Recruitment, Retention and Motivation

26. It will be important to understand whether and how the positive trends in vacancy rates and international recruitment that took place through the pandemic period will be sustained in future years.

27. There is a critical need to retain medical and dental staff in the context of exhaustion and burnout, significant treatment backlogs and the likelihood of continuing waves of the virus and the unknown impact of long COVID-19. Multiple parties have said that they are expecting an increase in retirements, particularly amongst consultants, during the coming year. There is a risk of a retirement spike over the next 12 months from people who have delayed retirement to support the pandemic response, or for whom COVID has led to a reassessment of their work-life balance. The risk of an increase in early retirements may additionally be exacerbated by issues around pensions.

28. We are concerned about the results of the NHS Staff Survey, which show a decline in job satisfaction compared to last year.

Diversity and Inclusion

29. We look forward to hearing about the work of the Implementation Panel following the publication of the Gender Pay Gap in Medicine Review in England, and what action is taken to address gender pay gaps. We would also welcome hearing about what action is taken to understand and address gender pay gaps in dentistry and in Scotland, Wales and Northern Ireland. We in addition await hearing what action will be taken to understand and address ethnicity pay gaps in the NHS following the roundtable with the Minister for Care that was announced alongside the Gender Pay Gap Review. We would welcome any insight from the parties as to what is driving this and other issues of diversity and inclusion in health services across the UK.

Pensions

30. We discuss in the report our concerns about the potential for issues of retention for the most senior doctors to be exacerbated by changes to the pensions taxation system, most recently the freezing of the Lifetime Allowance until 2025-26. We expect the parties to explain how they anticipate this and other changes to the pensions system to affect retention and what can be done to address this and help to improve retention amongst the medical and dental workforces. This includes changes to the employee contribution structure and the implementation of the remedy to the McCloud judgement. This may include making more timely and easy-to-understand information available to support clinicians' decision making.

Dentistry

31. The pandemic has caused major disruption to dental services, which is likely also to have an effect on oral health. This may exacerbate existing issues of access to NHS/HSC dentistry. In recent years, there has also been a significant change to the composition of dental workforces, as the number of providing-performers falls and the number of associates grows. At the same time, multiple parties told us that the proportion of NHS/HSC dentistry delivered by corporate providers has grown in recent years. Alongside this, further insight into what is driving trends in dental remuneration, including how our recommendations feed through into take-home pay for providing-performers and associates alike, would be helpful to us in determining our recommendations for dentists in future years. We would also expect progress to be made on contract reform in all four nations.

Consultants

32. Reforms to both the Local Clinical Excellence Awards scheme, which covers England, and the National Clinical Excellence Awards scheme, which covers England and Wales, are expected to be completed in the coming year. We expect that the reforms will address concerns about both schemes' equity and effectiveness that we and others, most notably the Gender Pay Gap in Medicine Review, have raised. We also expect governments in Scotland, Wales and Northern Ireland to set out their position on reforms to their consultant reward schemes.

33. We expect all four governments to continue to work towards wider contract reform for consultants. Given both the findings of the Gender Pay Gap in Medicine Review in relation to the length of pay spines, and what we heard during our visits programme and in written evidence about how the contract had performed through the pandemic, the case for contract reform has become clearer still this year. We discuss this in more detail in Chapter 7.

Salaried GMPs and Associate Dentists

34. The Gender Pay Gap in Medicine Review found that the unstructured way that pay is determined for salaried GMPs was an important contributor to gender pay gaps in general practice. We see no reason that these dynamics would be different in Scotland, Wales and Northern Ireland, and we consider that it is likely that the situation would also be similar for associate dentists. We hope that more is done to understand this issue across the UK. In this context, we would also hope to hear more about the dynamics of how pay uplifts are passed on by contractor GMPs and providing-performer dentists to salaried GMPs and associate dentists, and what could be driving any trends.