

Review Body on Doctors' and Dentists' Remuneration 2019/20 pay round

Written evidence from NHS Providers

About NHS Providers

NHS Providers is the membership organisation and trade association for the NHS hospital, mental health, community and ambulance services that treat patients and service users in the NHS. We help those NHS foundation trusts and trusts to deliver high-quality, patient-focused care by enabling them to learn from each other, acting as their public voice and helping shape the system in which they operate.

NHS Providers has all trusts in membership, collectively accounting for £84 billion of annual expenditure and employing over one million staff.

Our submission

We welcome the opportunity to submit evidence to the Doctors' and Dentists' Remuneration Review Body (DDRB), on behalf of NHS trusts and foundation trusts to inform the 2019/20 pay round. For the purposes of this submission, we have drawn on several information sources including:

- A survey of NHS HR directors in December 2018. The survey results are in Annex A.¹
- Our November 2017 report, **There for us: a better future for the NHS workforce**.
- **Our response** to Health Education England's draft health and care workforce strategy from March 2018.
- National workforce data (NHSI, NHS Digital)

Key messages

- Workforce pressures are among the most pressing challenges facing NHS providers. The sector is facing significant recruitment and retention challenges, with 9,300 recorded vacancies for doctor's posts and a significant proportion of doctors aged over 55, with a majority of those looking to reduce their hours.²

¹ Survey of NHS Providers member trust HR directors undertaken during November/December 2017. 56 responses were received from HR directors representing 25% of provider trusts. Results should be treated as indicative only.

² RCP (April 2018), <https://www.rcplondon.ac.uk/projects/outputs/late-careers-stemming-drain-expertise-and-skills-profession>

- A fair and meaningful pay award for doctors is an important element of supporting the recruitment and retention of a motivated medical workforce. A majority (52%) of HR directors surveyed were in support of a pay rise for doctors of 3% or above.
- However affordability challenges are also top of mind for the provider sector. The cost pressure of the unfunded pay rise for doctors in 2018/19 was significant and we urge the Pay Review Body to take account of affordability in any recommendation they make for the 2019/20 pay round. It will be essential that any pay award is fully funded and that additional cost pressures resulting from a pay award are not passed on to trusts.
- While the NHS long term plan acknowledges the significant workforce challenges facing the sector and commits to increasing the NHS workforce, it is disappointing that the national workforce strategy has been further delayed. The success of the NHS long term plan and the sustainability of the NHS are reliant on having sufficient staff numbers, access and funding for training and continuing professional development, and importance placed on the culture and staff wellbeing.
- There is a lack of appetite among trusts for the government to introduce a new contract without agreement from the British Medical Association (BMA). Ongoing uncertainty over future terms and conditions for consultants is doing little to help local planning and morale among senior doctors, and as such, we feel an agreement in 2019 should be among the government's priorities for workforce reform.
- The closed associate specialist doctor grade provides trusts with greater flexibility around skills mix, deployment of staff, as well as providing flexibility for doctors to work less than full time. Of HR directors responding to our survey, 61% said that they would be in favour of reintroducing this grade, and there may be scope for this grade to alleviate some of the pressures on workforce planning and career development for middle grade doctors.

DDRB Remit for 2019/20

In his letter to the DDRB, the Secretary of State for Health and Social Care states that pay for doctors and dentists will be set against the backdrop of the NHS long term plan and 2019 comprehensive spending review. Recommendations from the DDRB “will have to be considered within the context of NHS England’s affordability assumptions... and the importance of making planned workforce growth affordable.”³

The government has asked the DDRB to account for “the need for workforce growth and improved productivity”. The letter adds that both productivity improvements and “planned workforce reform” will influence the nature of pay awards.

We note that the DDRB has been asked to provide views and make recommendations around the targeting of funds for pay in 2019-20, with a request to describe how this would support productivity, recruitment and retention.

³ DDRB (November 2018), <https://www.gov.uk/government/publications/pay-review-body-remit-letters-2019-to-2020>

We also note the government specifically highlighting what it sees to be a “direct trade-off between pay and staff numbers”, given the NHS budget has been set for the next five years.

Our views on the 2019/20 pay awards

NHS Providers 2017 report, *There for us; a better future for the NHS workforce*, found that workforce had surpassed finances as the greatest concern for trusts, with two-thirds of chairs and chief executives telling us that it was the most pressing challenge to delivering high-quality healthcare at their trust.⁴

Our engagement with trust leaders throughout 2018 has only shown this concern to be increasing, with members growing frustrated by the slow pace of progress, following the publication of Health Education England’s highly anticipated draft health and care workforce strategy in March 2018, and the delay in publishing a final strategy, now pushed back to later in 2019.

Pay restraint has been a key factor exacerbating workforce concerns for trusts over the past decade, with the basic pay of doctors declining by 8% in real terms between 2008/09 and 2015/16.⁵ In its recently published review of the state of medical education and practice in the UK, the General Medical Council found that over half of doctors (56%) are considering leaving the NHS or reducing hours, with one in five of those considering a move to seek an increase in pay.⁶

In our submission to the DDRB last year, we welcomed the government’s move away from its pay restraint policy while expressing disappointment that it chose not to commit additional funding for doctors to match the Agenda for Change pay uplift announced earlier this year.⁷

The new five year funding settlement for the NHS, including an additional £20.5 billion in real-terms spending growth provides a measure of opportunity for the government to offer fair, appropriate and affordable pay awards for doctors of all grades.

Our survey of HR directors in December 2018 found trusts to be overwhelmingly in favour of pay increases above inflation for doctors, with 52% calling for an increase at 3% or above and 32% saying that a 2% rise would be appropriate to support improved recruitment, retention and morale.

⁴ NHS Providers (November 2017), <https://nhsproviders.org/a-better-future-for-the-nhs-workforce>

⁵ The Health Foundation (April 2017), <http://www.health.org.uk/publication/short-supply-pay-policy-and-nurse-numbers>

³ General Medical Council (November 2018), <https://www.gmc-uk.org/somep2018>

⁶ Ibid.

⁷ NHS Providers (December 2018), <https://nhsproviders.org/resource-library/submissions/written-evidence-to-the-review-body-on-doctors-and-dentists-remuneration>

Affordability and implementation

Any pay awards offered by the Department of Health and Social Care must be fully funded to trusts and affordable within the additional £20.5bn funding and the context of all delivery requirements set for providers through the NHS long-term plan.

In 2018/19, a 2% pay rise for most doctors – implemented without backdating from 1 October – was not accompanied by any additional funding for trusts, resulting in an additional cost pressure on existing budgets. Specifically, the 3% rise for SAS doctors has required trusts to find additional funding from within existing budgets: a difficult task in the context of a total provider sector deficit rising above £1 billion through the first two quarters of 2018/19.⁸

We understand from DHSC that pay awards for doctors in the next financial year will be funded via the national tariff from within the additional £6 billion announced for the NHS in 2019/20.

In order to ensure the necessary level of funding for all trusts, the Department of Health and Social Care must undertake a rigorous modelling exercise to capture the most up to date information from providers on the size and structure of their staff teams. It is essential that funding for an uplift in doctors pay accounts for any workforce growth projections which may be outlined within the forthcoming long-term plan.

Our concurrent submission to the NHS Pay Review Body for 2019/20 provides evidence on the impact of inaccurate modelling and associated underfunding of year one of the new Agenda for Change pay agreement on the provider sector.

In particular, the government was unable to accurately reflect the funding required for all staff on agenda for change terms and did not provide additional money to cover higher pay for new staff filling vacant posts. The challenges for trusts are explored in greater detail in the [NHSPRB submission](#).⁹

Providers are concerned by the potential for similar issues to affect implementation of increased doctors' pay: 92% of HR directors predicted affordability issues to be the greatest difficulty associated with the award of any pay rises for doctors.

We join the government in urging DDRB to take account of affordability in making its recommendations for doctors pay in 2019/20. We ask that it also underlines the importance of ensuring a robust process within government to correctly measure and fully implement the award of any pay rises for all affected doctors.

⁸ NHS Improvement (November 2018), <https://improvement.nhs.uk/resources/quarterly-performance-nhs-provider-sector-quarter-2-201819/>

⁹ NHS Providers (January 2019) <https://nhsproviders.org/resource-library/submissions/nhs-providers-submission-to-the-pay-review-body-201920-pay-round/>

Targeting measures and productivity

The majority of respondents to our survey (59%) supported the continuation of nationally agreed targeting between medical professional grades in line with the 2018/19 pay awards, constituting a 1.5% rise for consultants, 3% rise for SAS doctors and a 2% rise for junior doctors. Around a third (34%) did not support the continuation of this targeted approach, citing concerns about the need for a fair and equitable approach across medical grades, the risk of it being divisive and result in industrial relations disruption.

Others felt that the current approach to targeted pay rises did not reflect the current recruitment and retention challenges. The majority of respondents (78%) felt that doctors in specialities with the most difficult recruitment and retention should be targeted first and foremost, and some survey respondents felt that some of the greatest recruitment challenges lie at the consultant grade and that targeting pay towards these areas had the potential to relieve these pressures.

There is a need for greater clarity on the implications of targeting funds to support productivity for NHS staff pay. Given the broad array of factors influencing productivity in the NHS out of the control of frontline staff it would not be appropriate to penalise doctors for changes in productivity. This is unlikely to be an effective incentive towards productivity increases given the already significant efforts of provider trusts to do more with less.

More broadly in terms of staff productivity, there is an increasing mismatch between the resources and workforce available and what staff are being asked to do. Not only does this have an impact on staff experience but it also impacts on productivity – a pay review alone does not address the full range of issues which feed into workforce productivity including staffing. When asked what factors would best enable greater workforce productivity when their trust, HR directors overwhelmingly felt that greater use of staff in new roles (i.e. physicians associates, nursing associates and advanced clinical practitioners) was a key factor (91%) as well as improved use of technology (89%).

Further proposals to introduce restrictions on agency and bank staff spending need to be underpinned by a long term workforce strategy to support the fulfilment of vacant posts with substantive staff. Reductions in the usage of agency and bank staff will contribute to the improved financial sustainability of trusts' workforce bill, but cannot be a substitute for an effective strategy addressing the wider issues impacting on staffing so that patient safety is not compromised due to restrictions on trusts' ability to fill vacant shifts.

Pay versus staff numbers

Focusing on pay while underinvesting in recruitment and retention, or vice versa, is unlikely to provide a sustainable long- or short-term solution to workforce challenges in the NHS, and there is a need for a wider strategy which takes account of all of the factors which influence recruitment, retention and staff morale for both current and future staff. Ensuring a healthy supply of medical staff as well as ensuring a sustainable rate of pay are both key to supporting the NHS workforce. Ultimately the question of pay versus staff numbers is one of affordability and choice, and as such is one for the government to decide.

Our assessment of the other workforce pressures facing the NHS

Pay and reward needs to be viewed alongside the other workforce challenges facing the sector. We believe that improved pay offers to doctors of all grades must be supported by immediate action to improve recruitment and retention and staff experience within the NHS, before the impact of the long-term plan begins to take hold.

Recruitment and retention

The shortage of medical staff is a significant concern for the NHS in 2018. While a greater recruitment focus is placed on non-medical staff – mainly reflecting relative workforce size – trusts have faced persistent issues attracting doctors within certain specialities and an overarching challenge responding to the large-scale retirement of senior doctors.

NHS Improvement's latest quarterly vacancy data shows over 9,300 unfilled employed doctor posts, though we note there has been a small improvement over the past year, with just over 10,000 vacancies recorded at the conclusion of Q2 in 2018/19.¹⁰

Emergency medicine and psychiatry remain stubbornly difficult specialities to recruit into. HEE acceptance and fill rate data from 2017 shows an 8-10% rate of unfilled training posts in acute and emergency medicine training programmes, and a 35% rate of unfilled posts in core psychiatry training.¹¹ Concerns about the psychiatry workforce are exacerbated by major retention issues, with one-third of consultant psychiatrists working outside the NHS within five years of completing specialist training.¹²

The age profile across the medical workforce is presenting a challenge for trusts, with 23% of consultants aged over 55¹³ and a majority of those seeking to reduce their working hours.¹⁴ Retention programmes have been put in place across the NHS – both at national and local level – and there is a hope the long term plan will consolidate some of the national programmes while introducing genuine flexibility within employment terms that enable return and retain initiatives to work for both trusts and medics.

The significant and lasting shortage of staff in general practice is concern for all stakeholders within the NHS and a legitimate threat to patient access and quality of care across the country. Trusts are increasingly concerned by a lack of workforce capacity to treat patients in the community and its impact on hospital admissions.

¹⁰ NHS Improvement (November 2017), https://improvement.nhs.uk/documents/3520/Performance_of_the_NHS_provider_sector_for_the_month_ended_30_Sept_18_FINAL.pdf

¹¹ Health Education England (August 2017), <https://www.hee.nhs.uk/our-work/medical-recruitment/specialty-recruitment-round-1-acceptance-fill-rate>

¹² Royal College of Physicians (April 2018), <https://www.rcplondon.ac.uk/projects/outputs/later-careers-stemming-drain-expertise-and-skills-profession>

¹³ RCP (June 2018), <https://www.rcplondon.ac.uk/projects/outputs/focus-physicians-2017-18-census-uk-consultants-and-higher-specialty-trainees>

¹⁴ RCP (April 2018), <https://www.rcplondon.ac.uk/projects/outputs/later-careers-stemming-drain-expertise-and-skills-profession>

In addition, 94% of HR directors responding to our survey said that the next comprehensive spending review includes additional funding for education and training to improve education and training in the NHS was either extremely important or very important, citing the need for a consistent pipeline of staff into specialist posts and securing a continuous supply of highly skilled staff.

We acknowledge the government's renewed focus on growing the GP workforce in recent years and are pleased to see record recruitment into the GP training programme this year.¹⁵ However, urgent and impactful measures must be taken to counter the sharply rising number of GPs preparing to retire. NHS digital data indicates the proportion of GPs retiring early has increased threefold over the past decade, and a recent survey from the Royal College of GPs found 31% of GPs planning to retire within the next five years.¹⁶

Overall, the state of vacancy data within both the provider sector and primary care is quite poor, with shortage information insufficient and only sporadically made available. We expect the NHS long term plan work stream on digital and technology to be developing tangible solutions to improve data accessibility within the provider sector.

It is essential for the provider sector to be closely consulted on any specific proposals to introduce national recruitment and retention premia (RRP). While RRP has traditionally been used to allow flexibility according to local labour market conditions, a national system would require careful consideration over appropriate incentive rates, the type of roles supported and affordability implications for trusts.

Staff experience

Pay reform is just one part of the array of reforms needed to support a better resourced and more satisfied workforce. Data from the NHS staff survey and recent workforce statistics paint a picture of significant pressures on staff satisfaction compounded not only by rates of pay but also staffing levels, poor staff morale and work-related stress or poor work/life balance.

Members have cited other priorities in respect of recruitment, retention, morale and work-life balance for staff, including supporting flexible working, improving working condition, and staff wellbeing. NHS Staff Survey statistics show that more than a third (38%) of staff have experienced work-related stress, and more than half reported working unpaid overtime.¹⁷

Provider trusts tell us that they are developing programmes to address bullying and harassment staff wellbeing and the importance of these issues in determining the experience of staff should be recognised,

¹⁵ GP Online (October 2018), <https://www.gponline.com/surge-gp-trainee-numbers-record-3473-recruited-2018/article/1496542>

¹⁶ Royal College of General Practitioners (December 2018), <http://www.rcgp.org.uk/about-us/news/2018/december/college-calls-for-greater-efforts-to-keep-existing-gps-in-the-profession-delivering-patient-care.aspx>

¹⁷ NHS England, (March 2018) <http://www.nhsstaffsurveys.com/Page/1056/Home/NHS-Staff-Survey-2018/>

and the decrease in staff engagement in the past year demonstrated by the NHS staff survey illustrates that despite the work provider trusts are doing to improve working conditions for their workforce, the increasing reliance on staff carrying out overtime due to chronic staff shortages is not sustainable in the long term, and work life balance is increasingly a primary reason for staff resignations in the NHS.¹⁸

Staff engagement correlates to productivity, staff turnover and sickness absence. The **Keogh review** of the quality of care and treatment provided by 14 hospital trusts in England recommended that all NHS organisations seek to understand the positive impact that happy and engaged staff can have on patient outcomes.¹⁹ Feedback from HR directors in our membership supports this, with many expressing concern that staff engagement has not been treated with serious concern among national leaders. An engaged workforce is consistently the most predictive measure of overall success and addressing the core issues impacting on staff engagement must supplement any focus on pay for NHS staff if it is to have maximum impact.

Junior doctor contract review

Staff engagement and morale will be a key feature of the government's forthcoming discussions with junior doctor representatives within the review of the national contract for doctors in training. NHS Employers and the BMA issued a joint statement in August 2018 pledging to review the "efficacy" of the contract which was imposed by the government in 2016 following the industrial relations dispute.²⁰

The review will look mainly at issues outside of the core salary terms for juniors, including flexible working and training; safety and wellbeing; pay progression; and workforce issues.

We consider that junior doctors raised a number of legitimate concerns during the industrial relations dispute in 2015-16 and provider trusts have been working with their junior teams to address these over the past two years. In October 2017, together with the Faculty of Medical Leadership and Management and NHS Improvement, we published **Eight high impact actions to improve the working environment for junior doctors**.²¹ The resource sets out actions trusts can take immediately and examples of solutions.

We urge the Department of Health, NHS Employers, and the BMA to come to an agreement within the current review on lasting and meaningful measures to improve morale and reward for junior doctors.

¹⁸NHS Digital (March 2018), <https://digital.nhs.uk/data-and-information/find-data-and-publications/supplementary-information/2018-supplementary-information-files/reasons-for-leaving/staff-leaving-due-to-work-life-balance-by-staff-group-january-2017-december-2017>

¹⁹ NHS England, (July 2013) <https://www.nhs.uk/NHSEngland/bruce-keogh-review/Documents/outcomes/keogh-review-final-report.pdf>

²⁰ NHS Employers (October 2018), <https://www.nhsemployers.org/news/2018/10/junior-doctor-2018-review>

²¹ NHS Providers (November 2017), <https://nhsproviders.org/resource-library/reports/eight-high-impact-actions-to-improve-the-working-environment-for-junior-doctors>

Consultant contract negotiations

In our submissions to the DDRB in 2016/17 and 2017/18 we expressed hope and anticipation for a successful conclusion to consultant contract negotiations. Unfortunately, discussions between the BMA and NHS Employers have once again broken down, with little expectation of reconciliation in the short-term.

The Secretary of State has asked NHS Employers to continue “exploratory talks” with the BMA, but we note his candid view that “it seems unlikely these talks will bear fruit”.²²

Last year’s pay rise for consultants – while expressed as a 1.5% increase – was in effect a step backwards for senior doctors, with the government’s deciding not to backdate the pay uplift from an implementation date of 1 October.

Coming during a time of strain in negotiations between the BMA and NHS Employers, it is unsurprising this offer has deterred the union from engaging in further talks. The Secretary of State has said he would like to see a swift agreement on a multi-year contractual reform which “pays fairly, improves morale, (and) values doctors”.²³

This sentiment needs to be supported by a meaningful increase in basic pay above inflation for consultants in 2019/20 or – ideally – through a resolution to the contractual impasse born out of compromise on both sides. The majority of member trusts surveyed were in favour of a pay award of 3% or above (52%), and a third (32%) in favour of a 2% increase.

While we are not directly involved in negotiations, it is important we make clear the lack of appetite among trusts for the government to introduce a new contract without agreement from the BMA. Ongoing uncertainty over future terms and conditions for consultants is doing little to help local planning and morale among senior doctors, and as such, we feel an agreement in 2019 should be among the government’s priorities for workforce reform.

Associate specialist grade

The closed associate specialist doctor grade provides trusts with greater flexibility around skills mix, deployment of staff, as well as providing flexibility for doctors to work less than full time. Of HR directors responding to our survey, 61% said that they would be in favour of reintroducing this grade.

Some of the benefits of this grade cited by those in favour of reintroducing it include the greater value for money of the contract around direct patient care, flexibility to recruit to roles in hard to fill specialties where consultant posts are unavailable, and reintroducing capability for trusts to implement a diverse

²² DDRB (November 2018), <https://www.gov.uk/government/publications/pay-review-body-remit-letters-2019-to-2020>

²³ Department of Health and Social Care (October 2018), <https://www.gov.uk/government/publications/matt-hancock-writes-to-chair-of-the-bma>

career structure for junior doctors post-qualification and maintain motivation and retention of middle grade doctors.

Further information

We would be pleased to respond to supplementary questions from the DDRB and would welcome the opportunity to discuss our evidence further at an oral evidence session.

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