

Memorandum of Evidence to the Review Body on Doctors' and Dentists' Remuneration

January 2019



Response to 46th DDRB Report and Overarching Position

- The Royal Commission on Doctors’ and Dentists’ Remuneration was set up as an independent body to avoid ‘recurrent disputes about remuneration [...] between the medical and dental professions and the government’. In the original documentation, it was clearly stated that doctors’ and dentists’ pay should not be used as a regulator of the national economy, and it must not be held back for fears that others might follow. In addition, it was stated that doctors’ and dentists’ remuneration ‘will be determined, in practice by a group of persons of standing and authority and not committed to the Government’s point of view’. However, despite the BMA repeatedly expressing concerns, over recent years the DDRB has showed a complete lack of independence by accepting government policies on pay caps in the public sector and abiding by remit letters. As a result, the medical profession has lost almost all faith in the DDRB process. For this to be restored, the BMA has repeatedly called for the DDRB to return to its founding principles and re-establish its independence rejecting any future attempts by governments to control the process.
- Therefore, we were shocked and angered to see that the DDRB in its 46th report has yet again conformed with the unacceptable and unnecessary remit imposed by the HM Treasury and DHSC to consider targeting in specific areas and to recommend what are contractual changes outside of collective bargaining, without seeking or gaining agreement with the BMA. Whilst recommended pay uplifts for GPs and SAS doctors were closer to inflation, recommended uplifts for other doctors were significantly below inflation. This approach continues to ignore the real terms pay cuts that all doctors have faced over the last ten years and the resultant impact that selecting a few will have on the morale and motivation of the wider medical workforce.
- We were also incensed that the DDRB once again clearly overstepped its remit and interfered in contractual issues by supporting in its report the introduction of a new specialty premium for histopathology trainees in England. The Review Body also stated its intention to review existing flexible pay premia, with the prospect of expanding their scope into incentives for recruitment to certain regions, despite recognising the lack of evidence on their effectiveness and without seeking or gaining agreement with the BMA.
- At a time when all doctors are working longer and harder than ever without adequate recognition or reward, targeting pay will only lead to adverse results and exacerbate the anger our members feel. We call on the DDRB to value and recognise all doctors for their outstanding contribution to the health service across the UK and to support our call for a long-term comprehensive workforce strategy in order to address issues relating to workforce planning.
- To compound anger amongst the medical profession, the already insufficient recommendations of the DDRB have been largely rejected in England and Scotland and were accepted in full only in Wales (there still has not been an official announcement in Northern Ireland). We are extremely concerned that governments are able to arbitrarily reject the DDRB’s recommendations, as it completely undermines the value and purpose of an independent pay review body, reinforces our members’ perceptions that participation in the DDRB process is futile, and intensifies the calls to the BMA to withdraw from the DDRB.
- Furthermore, national governments once again failed to abide by agreed timeframes and submitted evidence well beyond the DDRB deadlines causing significant delays to the implementation of the uplifts.
- To add insult to injury, some groups of doctors did not have their pay awards backdated to April 2018. This is an unacceptable action which essentially halves the value of the awards for many of our members in that year and completely undermines the principle of the DDRB reviewing doctors’ pay annually. Consequently, many doctors were, in effect, singled out as the only public sector workers still subject to a pay cap in 2018-19, with effective uplifts of less than 1 per cent.
- We therefore demand that the DDRB formally expresses its anger that its recommendations have been ignored and that it acknowledges that not backdating to April 2018 for the majority of doctors in the UK was not appropriate.

- At a time when across all branches of practice doctors are feeling demotivated and disempowered as a result of workforce shortages, the 2018-19 pay round further damaged the profession's declining morale. The strength of feeling from our members, who have for years borne the brunt of a cost-cutting agenda from all four governments, was made absolutely clear in a recent BMA survey following the announcement of the pay awards. The vast majority (88.1 per cent) of respondents stated that as a result of the pay offer the value they feel working as a doctor in the NHS was reduced and 88.4 per cent of respondents felt that their level of morale has worsened.
- It is clear, therefore, that the DDRB process has been modified beyond recognition and no longer gives the medical profession 'some assurance that their standards of living will not be depressed by arbitrary government action'. The BMA wrote to the DDRB in September 2018 calling for reform of the pay review process for doctors in the UK, on the basis of the following principles:
 - Restitution of the DDRB's independence and return to its original purpose.
 - Revision of its terms of reference to narrow the DDRB's focus purely on pay uplifts rather than making recommendations on wider contractual matters.
 - Clear timetables for submission of evidence and publication of the report and an undertaking that governments must not fetter the parameters of the DDRB's recommendations.
 - Re-establishment of the undertaking that governments will respect and implement the DDRB's recommendations.
- As we have yet to receive from the UK Government and the Review Body credible reassurances and the necessary commitment that the process will be reformed along the four principles, the BMA is in the process of reviewing its engagement with the DDRB. Therefore, we have purposefully kept our evidence submission for this year brief, as we feel that previous detailed submissions have largely been ignored.
- Similar to last year, the BMA is submitting for this pay round evidence for the whole of the UK and is seeking a common recommendation for all doctors regardless of their branch of practice or place of work.
- Doctors have been unfairly punished by governments with continual real losses in earnings and increasing cost pressures for over a decade. Some groups of doctors have seen their pay fall by up to 30 per cent against RPI. We believe it is time for the DDRB and governments to recognise the value of doctors and the disastrous effect that repeated sub-inflationary pay uplifts have had on morale. This is not dissimilar to problems with the judiciary and we note that the SSRB demonstrated its independence in its recommendations. We ask for a recommendation to uplift the pay of all doctors across the UK at least in line with RPI for 2019 plus a mechanism to address the up to 30 per cent real terms pay cut that doctors have experienced since 2008.
- The impact of the DDRB's recommendations and the governments' decisions regarding them also have an impact on medical academics, public health doctors and doctors in the Defence Medical Services whose pay is set against that of the NHS. We also know that medical academics and public health doctors face similar day to day pressures to doctors who work in the NHS, resulting from the ongoing recruitment and retention problems and increased workloads.
- The ongoing decline in the medical academic workforce will mean that the NHS will be less able to replenish its pool of doctors through increasing medical student and trainee doctor numbers. The decline in the public health workforce, especially in local government, puts hard fought gains in health prevention and promotion at risk, ultimately leading to greater pressures on the NHS. We believe that a commitment to pay parity with the NHS for all these groups is, therefore, essential to avoid a further decline in numbers and future workload pressures on NHS doctors.
- We welcome the Review Body's recommendation in its previous report to uplift the GP trainers' grant and rate for GP appraisers and we ask that the fee is adjusted annually in line with DDRB's recommendations.

Pay erosion

Since the start of the last recession in 2008, doctors have experienced a prolonged pay freeze and cap at a time when inflation has run much higher. According to the ONS, the rate of CPI (consumer prices index) inflation is currently 2.2 per cent (November 2018), whereas RPI (retail prices index), which we believe better reflects the costs facing doctors, currently sits at 3.2 per cent (November 2018) and is predicted to rise and stay high over the coming years. As a result, doctors have faced an unprecedented cut in their average real terms income after tax and pensions deductions (up to 30 per cent for hospital-based doctors and 29 per cent for GPs in the UK), which we have charted below in both nominal cash and real terms since 2008-9 (Figures 1-3). In addition, changes to the NHS pension scheme in 2015 significantly increased contribution rates despite the NHS pension already agreeing to a rise in contribution rates in 2008. This has further suppressed take home pay and Brexit is expected to intensify these inflationary pressures, accelerating the erosion in doctors' living standards and impeding the ability of the NHS to recruit and retain adequate levels of staffing.

Figure 1: Hospital doctor pay erosion 2008/9 – 2017/18

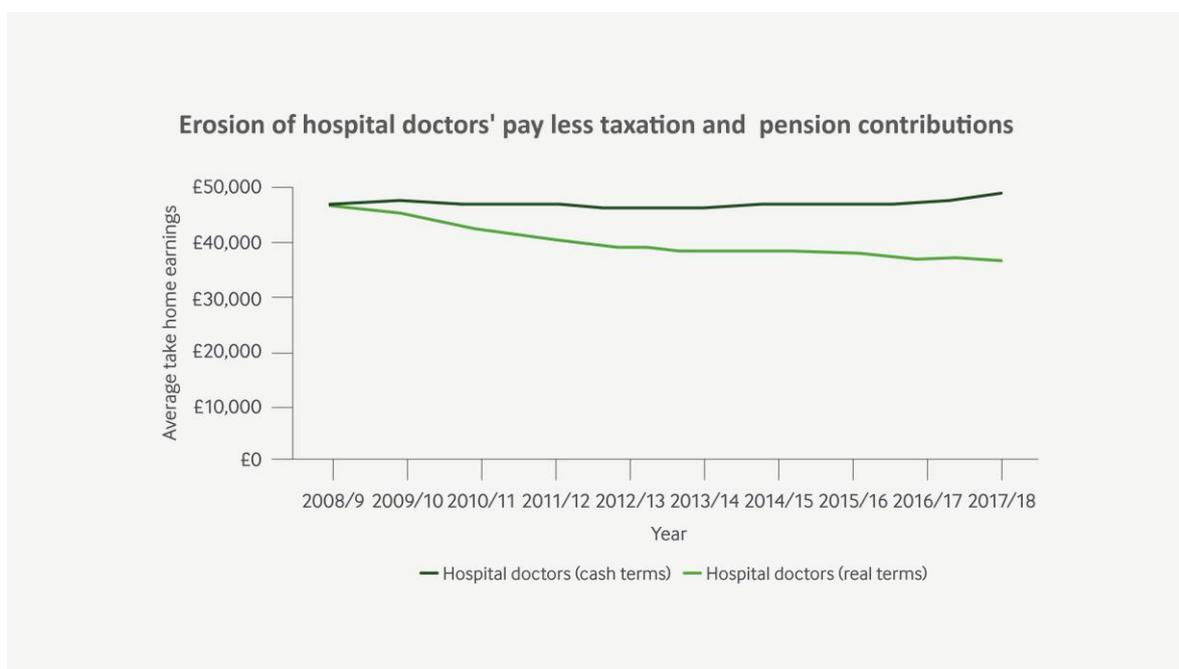
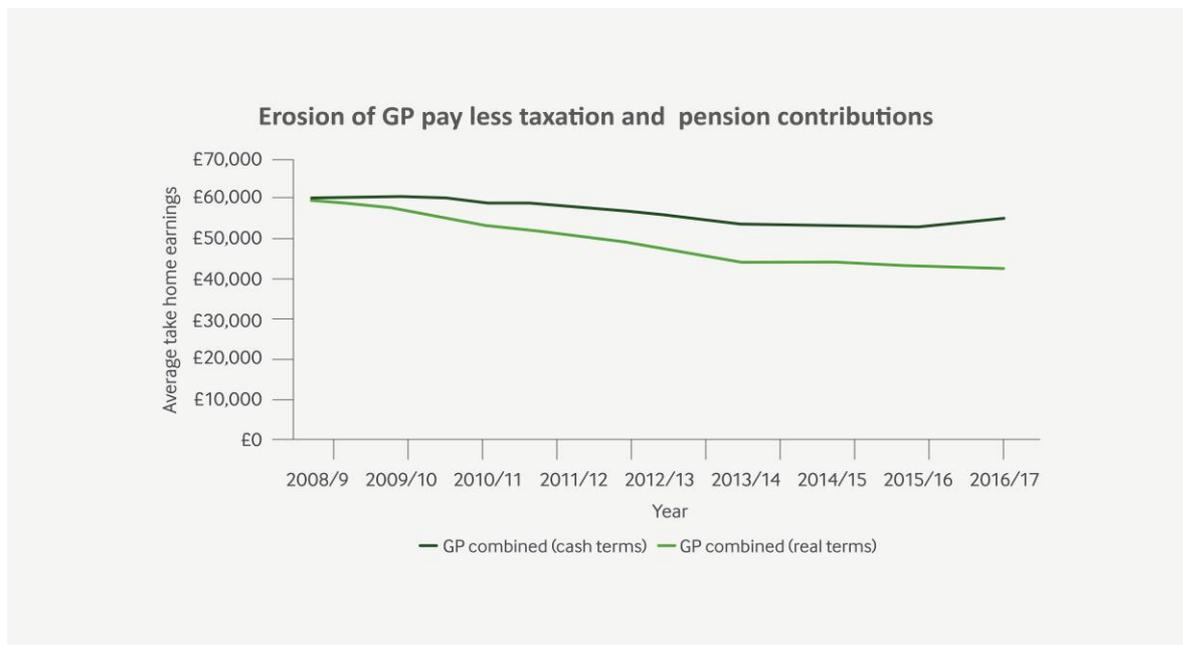
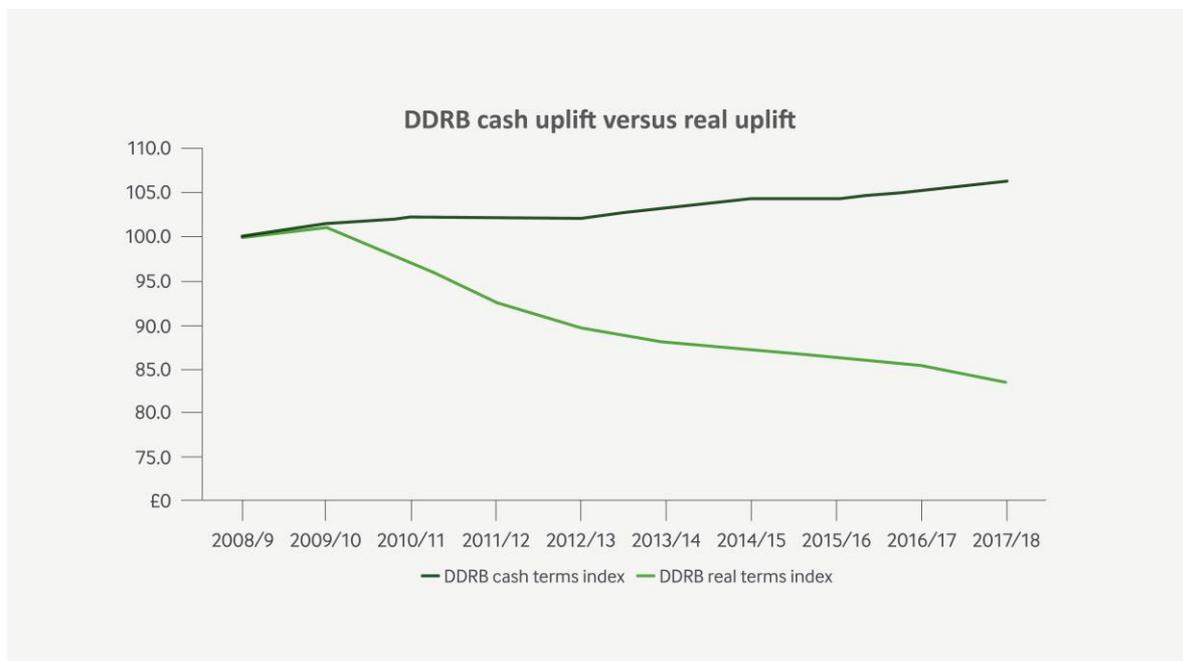


Figure 2: GP income erosion 2008/09 – 2016/17¹



Over the same period of time, the DDRB, through its recommendations and by conforming with government pay policies, has failed to fulfil its original purpose as outlined in the findings of the Royal Commission on Doctors’ and Dentists’ Remuneration in 1960. As shown in figure 3, the DDRB’s pay recommendations consistently fell below inflation, which means that even if the recommendations were implemented in full, hospital doctors would still have seen a significant decrease in real income. In cash terms over the decade, the Review Body’s recommendations would have summed to a 6.3 per cent pay increase; when inflation is taken in account, the pay recommendations equate to a 16.5 per cent cut to hospital doctors’ real pay.

Figure 3: DDRB uplift recommendations against inflation



¹ The only reason GP income appears increased in 2016-17 is the ongoing GP workforce crisis and the falling GP numbers which mean that GPs have to work unpaid overtime just to cope with demand.

Workforce, workload and morale

At a time when understaffed and under-resourced hospitals and primary care services are having to manage unprecedented levels of patient demand, a decade of real terms pay cuts has had a catastrophic impact on the morale of frontline NHS staff. There are currently chronic shortages and rota gaps across the NHS and the difficulties with recruiting and retaining staff are a major challenge and show no sign of improvement. The overall percentage of UK medical students applying to the UK Foundation Programme has continued to decrease from 94.8 per cent in 2015 and 94.1 per cent in 2016 to 92.6 per cent in 2018.

The challenges of delivering safe, high quality patient care in a system under pressure combined with these large cuts in doctors' pay, are having a significant impact on doctors' willingness and ability to keep working. Doctors are increasingly seeking to work more flexibly, to achieve a healthier work-life balance, which has implications for workforce planning.

Data show significant numbers of medical vacancies across the UK, with a worrying number of posts left unfilled for six months or more:

- Results from the BMA's UK quarterly tracker survey show that 47 per cent of GPs taking part report a doctor vacancy in their practice. Of these, 73 per cent said that at least one vacancy had gone unfilled for six months or more.
- A recent survey of BMA members found that two-thirds of hospital-based doctors had been asked to act up into more senior roles or cover for more junior colleagues, while eight in ten said that individuals at their hospital were encouraged to take on the workload of multiple staff.
- 91 per cent said that staffing levels are inadequate to deliver quality patient care.
- Almost three-quarters reported that staffing levels have worsened in their main place of work in the past 12 months.

Vacancies are directly linked to increased workloads and consequently negatively affect doctors' wellbeing, morale and motivation. The BMA's recent survey found that relatively few doctors in the UK work only the hours they are contracted for. Conversely, more than half of doctors work significantly beyond their contracted hours (more than 10 per cent more than their contracted hours).

The GMC echoed our concerns in its recent report on the state of medical education and practice in the UK. Specifically, the report found that at a time when demand is soaring both in volume and complexity, staffing shortages put the medical workforce under undue pressure. The report recognises that doctors are delivering good care against all odds, but highlights that the stress is pushing doctors to reduce the amount they work or to retire altogether. Most importantly, the GMC acknowledges that doctors are 'reaching the limit of what can be done,' completely negating calls for productivity improvements.

Doctors from all branches of practice also report that their workload is increasing in intensity and complexity. Health and social care services are caring for an increasing number of older people with long-term conditions. Their more complex and long-term health care needs are placing new demands on the NHS and as a result activity continues to rise across the NHS.

Doctors are working in a system which is under pressure due to chronic underfunding, workforce shortages, and rising patient demand, which is affecting their mental and physical wellbeing. Intense workloads, understaffed rotas, and long hours are leaving doctors at risk of illness and burnout. A recent GMC survey found that nearly a quarter of doctors in training and just over a fifth of trainers are burnt out because of their work. As a result, around a third of the current training population has taken a break in the past five years. In addition, breaks immediately after completing the Foundation Programme are increasing, from 30 per cent in 2012 to 54 per cent in 2016. The latest BMA quarterly tracker survey found that 42 per cent of respondents described their morale as low or very low, with only 22 per cent describing it as high or very high.

Pension taxation and impact on income growth

Doctors are very concerned about the inherent unfairness in the current NHS pension scheme. This results in many doctors paying significantly higher pension contributions (14.5 per cent) than other public-sector workers. In addition, they are unfairly hit by the changes to the lifetime and, in particular, the annual allowance. As a result of the NHS pension scheme being a 'defined benefit' scheme with nationally determined pay scales, the ability of a doctor to manage their pension growth is severely limited. Furthermore, due to any pension growth being multiplied by a factor of 16, even modest rises in pay can result in very large tax charges, often many times higher than the original pay rise. The tapering of the annual allowance for high earners results in further problems. Doctors who are members both of the 1995/2008 and the UK Government-imposed 2015 scheme are even more adversely affected; the annual allowance is calculated separately for each scheme, making it more likely that they will breach the annual allowance than if they were only a member of either scheme.

Doctors have become acutely aware of these issues and have realised that taking on additional work, covering vacancies or receiving rewards for excellence might actually cost them money through double taxation via income tax and annual allowance breaches. In a recent BMA survey, 6 out of 10 respondents indicated that they are planning to retire early and 5 in 10 have reduced or are planning to reduce additional programmed activity/additional roles as a result of the lifetime and annual allowances. At a time of severe workforce shortages, this perverse taxation is undermining the ability of doctors to do additional work and encouraging them to retire early, exacerbating the ongoing problems with recruitment and retention. Urgent reform is, therefore, required to avert the deepening of the NHS staffing crisis.

Conclusion

The derisory 2018-19 DDRB recommendations and (with the exception of Wales) the failure of governments to implement those recommendations has completely shaken the confidence of our members regarding the independence of the pay review process. As a result, our members have been singled out as the only public sector workers who are still subject to a pay cap with some receiving effective uplifts of less than 1 per cent in 2018.

We have repeatedly called for urgent reform of the DDRB in line with its founding principles and revision of its terms of reference to narrow its focus purely on pay uplifts rather than making recommendations on wider contractual matters. We wrote to the DDRB and the UK Government in September 2018 but to date have not received sufficient reassurance that this reform will take place. The GMC was clear: 'the medical profession is at the brink of a breaking point in trying to maintain standards and deliver good patient care'. Doctors, who are facing unprecedented increases in demand amidst severe workforce shortages, need to be recognised and valued if the NHS is to maintain its ability to recruit and motivate. We ask for a recommendation to uplift the pay of all doctors across the UK at least in line with RPI for 2019 plus a mechanism to address the up to 30 per cent real terms pay cut that doctors have experienced since 2008.