



FAQs about consultant pay in Northern Ireland



BMA

FAIRNESS FOR THE **FRONTLINE**



Dear member

We are currently waiting for the Doctors and Dentists Review Body (DDRB) to make their 2021 recommendation on consultant pay to the Northern Ireland Government.

This year we called on the DDRB to recognise the significant pay erosion of consultant salaries over the past decade and award at least a 5% pay uplift for consultants.

This is against the backdrop of the Government in England floating a so-called “offer” of a 1% pay rise this year in recognition of the work of their consultants during the pandemic. This was widely interpreted as insulting and at variance with public opinion. I would hope that the Government in Northern Ireland will not follow suit, and the BMA will continue to lobby the Minister on this issue on your behalf.

COVID-19 has taken a significant toll on frontline consultants. Working around the clock, under intense pressure, has left consultants mentally and physically exhausted. And this is before the lockdown fully lifts and the thousands of patients who have had their treatment delayed will hope to be seen as soon as possible. It is clear this will be impossible.

It is only right that the efforts of consultants in Northern Ireland are recognised properly, and that fairness is put back into their pay after years of cuts. More than any other group of healthcare workers, NHS consultants have been hit hardest by years of below inflationary pay “rises” from successive governments.



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Probably you feel that you have been working harder and longer, with more complex cases in a much more challenging environment but your pay no longer reflects this responsibility. You might have begun to wonder 'is this worth it'?

It is not just our pay that is being cut. Our pensions too are coming under attack from Ministers who have chosen to freeze the pension lifetime allowance, which will potentially force more consultants to take early retirement – when we need them the most – as a result.

In this booklet we explain how inflation and other factors such as increased pension contributions reduced the real-terms value of our pay by nearly one third between 2008/09 and 2019/20. While we use some data from England, we fully anticipate that the pay information from Northern Ireland, if available, would be worse due to the lack of new clinical excellence awards (CEAs).

The pay award this year is critical. Please read this booklet so you understand why. We will be participating in a survey to get your views once we know what the percentage uplift will be, around late July. Watch out for this so you can help determine how we should respond if the pay award is not at an acceptable level.

Yours,

John D. Woods,
Chair, BMA NI consultants committee

Question: Who are the DDRB: why are they important for consultants pay in Northern Ireland?

The Review Body on Doctors' and Dentists' Remuneration (DDRB) is the independent body that recommends annual uplifts for doctors pay in the UK. The recommendations from the DDRB are informed by a variety of stakeholders, including the BMA, who submit evidence annually. This year we have asked for a pay uplift of at least 5% for consultants.

The DDRB announce its recommendations in June/July, and the four governments of the UK usually respond by accepting the DDRB recommendations. However, the Northern Ireland Government has also consistently delayed its announcement on whether they accept the recommendations from the DDRB, resulting in lengthy delays of 12 or 18 months in this being paid to you.

Question: Given the state of the public finances, won't a few years of pay restraint have little impact?

Answer: The allocation of public spending reflects the priorities of the government. Imposing pay restraint on doctors is a political decision. It is true that public finances have suffered during the COVID-19 pandemic but, having endured severe pay restraints after the government bailout of banks in 2008, consultants cannot be expected to suffer further pay cuts to subsidise the support given to other sectors whilst consultants risked their lives caring for patients during the pandemic.

The impact of pay restraint on consultants is cumulative and its effects are compounded over time. Worryingly, the impact is still felt in retirement. The majority of consultants still have a final salary link, hence a reduction in final salary pay will devalue the whole amount of accrued pension in the 1995/2008 schemes. For example, as a direct result of the pay restraint since 2008/09 and the increased employee pension contributions, a consultant who reached the top of the pay scale and turned 50 during 2010/11, will face an astonishing loss to pay and pension of around £650,000 over their lifetime. This figure does not include the increased costs incurred as a result to changes in pension taxation.



Around £650k – the amount of lost lifetime pay and pensions since 2008/09 as a result of pay restraint and increases to pension contributions for a single consultant

Question: I earn more now than I did in 2008/09; why is the BMA saying my pay has fallen by nearly 30%?



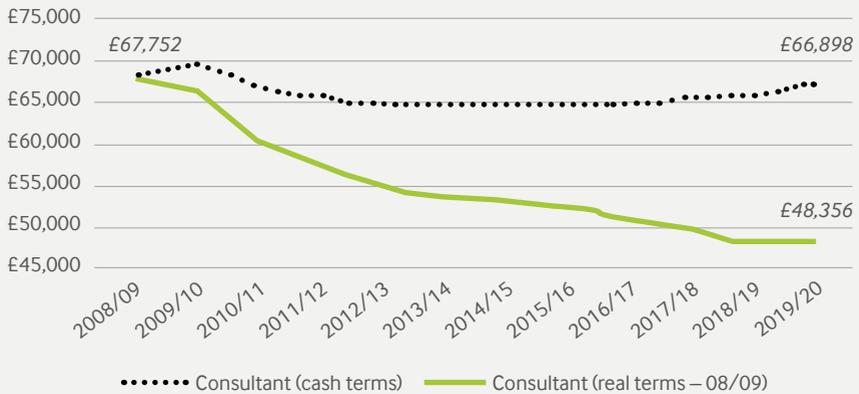
28.6% fall in real terms estimated take-home pay for the average consultant in England. For consultants in Northern Ireland this is likely to be higher due to the lack of new CEAs being awarded since 2009.

Answer: Consultants have a complex contractual pay system with 8 incremental pay rises intended to reflect progressive expertise and increased value in the role. It takes 19 years to reach the top of the pay scale. The pay scale was originally constructed to work with a final salary pension scheme with a retirement age of 60. Incremental progression does not mitigate the necessity for the pay scale itself to be uplifted at least in line with inflation. Without these increases, the overall value of consultant pay will erode over time. For example, the bottom of the consultant pay scale in Northern Ireland in 2019/20¹ was £80,253.00 and the top of the pay scale was £108,200.00. Had the consultant pay scales kept pace with RPI (retail price index), they would be £21,296k and £28,709k higher.

In addition to recurrent sub-inflationary pay awards, significant increases to pension contribution rates have further eroded consultant pay. To put this into context, the estimated take-home pay for the average consultant in England (accounting for tax and pension contribution changes) has declined in real value by 28.6% from 2008/09 to 2019/20. This figure does not account for the increased costs incurred through changes in pension taxation.

1 <https://www.health-ni.gov.uk/sites/default/files/publications/health/HSC-TC8-1-2020.pdf>

Figure 1: Real decline in value of estimated take-home pay for average consultant (England) using RPI.



Source: BMA analysis of NHS Digital's NHS Staff Earnings Estimates in England²

Question: What is the impact on consultants in Northern Ireland due to the lack of new CEA awards? Why is this important?

In 2009/10, approximately 50% of the consultant workforce in Northern Ireland held either local or national CEAs,³ on which employers spent nearly £14 million. The BMA NI has collected data from all HSC trusts in NI to estimate the number of CEA award-holders remaining in 2019/20.⁴ This suggests that only 16% of the consultant workforce currently hold an award. This means that many consultants are not being recognised or rewarded for demonstrating excellence in their field of medicine and ultimately benefitting patient care.



Consultants in Northern Ireland have now missed out collectively on nearly £24 million in gross CEA pay in 2019/20.⁵

- 2 Some of the data relates to England as Northern Ireland does not have comparable data. We expect the situation to be similar here if not worse.
- 3 BMA analysis of NI Health and Social Care Workforce Census data and the Nominal roll of consultants
- 4 BMA NI-collected data from HSC trusts in NI
- 5 NI Assembly question on CEA spending, includes employer costs – <http://aims.niassembly.gov.uk/questions/printquestionssummary.aspx?docid=248705>.

Question: All workers in the UK have suffered similar levels of pay restraint. Why should doctors be different?

Answer: The work of a consultant is different to other occupations. Consultants' work entails the unique responsibility for human life but also the unique added risks involved with being a medical practitioner, which were made all too apparent during the pandemic with doctors risking not only their lives but also the lives of their loved ones whilst caring for patients. The nature of what consultants are expected to do has significantly changed as a result of the pandemic but even before that, the increased demand on the HSC in Northern Ireland, coupled with poor investment in infrastructure saw doctors' working lives becoming markedly more challenging. Consultants had to respond to significant increases in workload, including more work outside of their 'standard' hours in addition to having to pick up work that would formerly have been covered by other team members in supporting roles.

Furthermore, while all doctors must study and train for an extended period this is particularly true for consultants who face exceptionally long and arduous training processes. Doctors also bear the ever-increasing cost of this training, including mandatory costs involved in college enrolment fees, examination costs, GMC fees, all of which have been steadily increasing above inflation.

Moreover, pay rises in the private sector have run ahead of the public sector for the vast majority of the last decade. While the pay freeze was in place across the public sector (2011/12), the private sector saw average rises around 2.5%, and the private sector continued to outpace the public sector – by at least double the public sector rate – during the ensuing period when the 1% public sector pay cap was in place (2013-17).

Indeed, in their 2020 report,⁶ the Doctors and Dentist Review Body, identified that consultant median earnings were now “substantially lower” than comparator groups across the tax and accounting, legal and actuarial sectors, despite consultant pay being higher than these groups in 2009.

6 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902451/CCS0320352414-001_DDRB_2020_Web_Accessible.pdf

Question: Given the state of the UK finances, would the public support a pay rise for consultants?



60% of the UK public believe doctors should get a pay rise
75% of those believe the pay rise should be 3-5% or higher

The COVID-19 pandemic has shone a brighter light than ever on how important our doctors are to society and the unparalleled work they do. This has always been the case but repeated below inflation pay awards have not recognised this. Indeed, the English Government's recent suggestion that a 1% (below inflation) pay rise was all that they could afford for NHS workers was met with fierce criticism. When asked, more than 60% of the general public believes that consultants should get a pay rise in recognition of the risks they have faced during the Covid-19 pandemic, with nearly three-quarters of those believing that such a rise should be 3-5% or more.⁷

⁷ <https://www.bma.org.uk/bma-media-centre/public-say-doctors-deserve-more-as-bma-launches-pay-campaign-for-fairness-for-the-frontline>

Question: My workload is unmanageable, how will a pay rise address this?



40% increase in use of BMA mental health and wellbeing support services over March, April and May 2020

Answer: Poor working conditions – including chronic shortages, rota gaps, being pressured to work longer hours and more intensely than ever – are damaging to consultants emotional and physical wellbeing, as well as their morale and rates of retention. Effective pay cuts over time have only exacerbated this. Although more work is needed to improve workloads and conditions, we firmly believe that appropriate remuneration will help ensure that doctors feel valued for the work they do. In addition, this would compensate for the personal sacrifices they make and help to recruit and retain consultants, which is vital to ensure we have enough doctors to provide the care that patients need.



40% of doctors in a recent NHS staff survey report being ill due to work-related stress



Nearly **60%** of BMA members recently report higher than normal levels of exhaustion and fatigue

Question: Isn't my reduced pay offset by the very generous NHS pension?



43% overall lifetime earnings = total cost of pension at state pension age

Answer: The NHS pension scheme used to be a generous benefit and it was a major recruitment incentive. While in general it remains a valuable scheme, successive changes both to the scheme and to pension taxation have significantly reduced pensions benefits. Indeed, subject to individual financial advice, consultants affected by both the lifetime allowance and annual allowance may be left with no option but to opt out of the scheme, reduce the amount of work they do or consider voluntary early retirement.



Nearly **threefold** increase in voluntary early retirements amongst consultants since 2008



6% point increase in employee's pension contribution since 2012/13.

Modelling undertaken by the BMA and our actuarial partners has compared the cost of purchasing £1 of pension over the course of the working career for a foundation year 1 doctor starting in 2020 and working to state pension age and compared this with other NHS workers. Assuming they remain in the scheme throughout their career, the modelling demonstrates that the doctor will pay nearly 10 times more per £1 of pension than a band 2 Agenda for Change (AfC) worker. For the doctor, this equates to a gross cost of £11.45 for every £1 of pension (when normalised to a 40/80th final salary pension), compared to £1.66 for the AfC band 2 worker. Indeed, as a proportion of lifetime earnings, doctors pay a net rate of 43% of their earnings for their pension compared to a 4.48% for a band 2 AfC worker.

Furthermore, if retiring at the age of 60, rather than receive a pension that is approximately half of final salary, the actuarially reduced pension is around 1/3rd of final salary.



As a result of increasing costs, final pension received is now around 1/3rd as a proportion of final salary as opposed to the previous 50% final salary pension



BMA Northern Ireland

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