

# Renegotiating the consultant contract

The government wants to renegotiate the consultant contract, and “heads of terms” have now been agreed with the BMA. **Helen Jaques** looks at what’s on the table should a new consultant contract be negotiated

The contract governing pay and conditions for NHS medical and dental consultants has come in for considerable criticism since it was negotiated in 2003 (box), and the government has now said it wants to renegotiate the contract.

NHS Employers, which is acting on behalf of the government, and the BMA have agreed the scope of what they might bargain over should both sides decide to go ahead with negotiations.<sup>1</sup> Pay progression, clinical excellence awards, and seven day services are all under consideration in the non-binding “heads of terms” agreed by the two organisations.

## Pay progression

At present, consultants move up through the first five points of the eight point pay scale annually during their first few years in the job. They then progress through points six to eight with each subsequent five years of service. In 2012, the Review Body on Doctors’ and Dentists’ Remuneration (DDRB) proposed limiting “satisfactory” consultants to the first five points of the pay scale (up to £83 829) and introducing a high paying “principal consultant” grade for the top 10% of consultants.<sup>3</sup>

The heads of terms agreed by the BMA and NHS Employers doesn’t explicitly mention the possibility of the consultant pay structure being reformed like this, and neither organisation seems especially keen on the idea of a principal consultant role.

Bill McMillan, head of medical pay and workforce at NHS Employers, says employers generally believe that the consultant job might need some stratification to allow new consultants to have more support when they come out of training.

However, the BMA is concerned that any layering of the grade will simply introduce a subconsultant grade through the back door. “We believe that a principal consultant grade is a misnomer,” says Tom Kane, deputy chair of the BMA’s consultants committee. “What they’re actually saying is that there will only be 10% of people called consultants and everyone else will be called a subconsultant.”

The document does agree to look at how to link pay progression with consultants’ contribution to the NHS, rather than their length of service, as well as to thrash out fair and objective job based criteria to judge the thresholds for pay progression.



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## WHY A NEW CONTRACT?

In 2003, the government and the BMA agreed a single contract that encompassed all medical and dental consultants in the United Kingdom. The goals of this contract included getting a better handle on how consultants spent their time and making sure they prioritised NHS work over private work. However, that contract has come under considerable criticism since its introduction, largely for failing to secure value for money from NHS consultants. Last year, the report on clinical excellence awards from the Review Body on Doctors’ and Dentists’ Remuneration (DDRB) said that consultant pay mechanisms and incentives reward length of service more than performance.<sup>2</sup> The body suggested that pay and incentives for consultants should be more closely linked to appraisal and performance.<sup>3,4</sup>

Earlier this year, a review by the National Audit Office concluded that, although the 2003 consultant contract had met many of its aims, it had considerably increased the cost of employing consultants.<sup>5</sup> Between 2002-03 and 2003-04, total earnings per full time consultant increased by 12% in real terms, it reported, with an increase of 24% at the bottom of the pay scale and 28% at the top. It added that NHS trusts were paying over the odds to get consultants to do additional work outside their job plans, and consultant productivity was continuing to decline, albeit at a slower rate than before the contract was introduced.

MPs on the Commons Public Accounts Committee went further and said that the 2003 contract provided a “dreadful” return on public money.<sup>6</sup> The committee’s subsequent report called on the government to make sure that consultant pay and incentives were much more closely linked with performance.<sup>7,8</sup>