

Copied  
to Cabinet  
Office

Prime Minister

To note. This is a  
sitrep. Mr Jenkins is to  
discuss the doctors' objections  
to the Review Body's recommendations  
with them; he is not  
asking for any new decisions.

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PRIME MINISTER

Doctors' and Dentists' Review Body

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At the meeting on 1 June, E Committee agreed to accept the Ninth Report of the Doctors' and Dentists' Review Body (DDRB), including its recommendations for pricing the new form of contract for hospital consultants and medical assistants. The purpose of this minute is to let you know how matters have developed since the Government announced its acceptance of the award.

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19/6

As you will no doubt have seen from the press the Central Committee for Hospital Medical Services (CCHMS) have rejected the pricing of the new consultant contract as inadequate - the Committee will not even be putting the issue to their members in a ballot. Whilst it was always possible that the profession would decide to repudiate the pricing of the contract, the strength of feeling expressed about this and other aspects of the report has surprised me. There are two main causes for their dissatisfaction. They consider the general level of sessional and other fees and allowances to be too low (although, as you will recall, the Review Body recommended 'extra' money over and above that intended for updating consultants' salaries on a comparability basis). And they object in particular to the "insulting level" of fees for emergency recalls to hospital (ERFs) and to the DDRB's decision to finance those fees by redistribution from basic salaries.

The consultants' leaders came to see me the other day. They made three requests. First, that the ERFs should be scrapped and the money allotted for them by the DDRB put back into basic salaries. Secondly, that consultants should retain their existing form of contract but that one of its main features, the 'maximum part-time option', whereby consultants who want to do private practice give up part of the salary enjoyed by a whole-timer, would be eased so that the financial 'penalty' for private practice would in future be less. They also want whole-timers to have limited rights of private practice.

Thirdly, the consultants' leaders expressed discontent with the present membership of the DDRB and, to some extent, with its working methods. They succeeded in persuading the CCHMS not to pass a no confidence vote in the membership, but they would like discussions with the Government on how the Review Body system could be 'improved' to command the profession's confidence.

The first of these requests presents no difficulty for us: there is no reason to force ERFs on the consultants if they now decide that they don't want them. It will be necessary to consult the DDRB on how basic salaries should be adjusted to take account of the removal of ERFs but no extra expenditure will be involved.

The second issue is more complex. The profession's proposal has immediate attractions: it is of course our policy to encourage private practice, and it must remain our objective to improve morale in the profession. It is also clear that the cost of agreeing to these proposals would be very much less than the cost of the new contract would have been. There are however some possible hazards which need careful study, and I therefore propose to go no further than to offer discussions on an entirely 'without prejudice' basis so that the wider implications can be fully examined. I shall of course consult colleagues before any decisions are taken.

Similarly, any proposals from the profession for changes to the Review Body system will have to be studied very carefully - not least because they might have implications for the other two Review Bodies. But it is strongly in our interest that the medical and dental professions should remain within the review body system; and I therefore propose to discuss their ideas with them, but strictly on a 'without prejudice' basis. Colleagues will be kept closely in touch at all stages.

The doctors' Annual Representative Meeting opens in Liverpool on 25 June. It is important that we should make a constructive response to the consultants before then, to reduce the danger of precipitate action on their part at the meeting, eg. a motion to reject the Review Body in principle. I therefore propose to see their leaders this week and put to them the views expressed in this minute.

I am sending copies of this minute to the members of E Committee, the Secretary of State for Defence and the Secretaries of State for Scotland and Wales.

PJ

18 June 1979

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