Prime Prints ove happy with this. The main general point is that the proposals do not involve any extra I total cost. Are you content?

PRIME MINISTER

DOCTORS' AND DENTISTS' REVIEW BODY : SUPPLEMENT TO THE NINTH REPORT

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You will recall that I wrote to you on 18 June, following the acceptance by the Government of the Review Body's Ninth Report, indicating the professions' reaction to the Report. You have now received the Supplement to the DDRB's Ninth Report, which they have prepared in the light of evidence submitted by the Government and the professions arising from the objections of the professions to the pricing of the newly agreed emergency recall system for hospital consultants and the parallel emergency rota arrangements for community physicians. The purpose of this minute is to seek your agreement to publication and acceptance of the Report.

- 2. The previous Government reached an agreement with the professions to pay consultants a separate fee for individual emergency recalls. Since this work was already paid for in the consultant's salary, the view taken by our predecessors was that the fees should be funded from the money which the Review Body would otherwise have judged it right to include in basic salary. The Review Body accepted this view in their Ninth Report, but the professions objected because they had wanted extra money to be made available for these fees, and because they regarded the recommended level of fees as "derisory".
- 3. The professions asked that we should abandon the agreement to pay emergency recall fees and approach the Review Body jointly with evidence recommending that the fees should be re-absorbed into basic salaries, and consequent adjustments made to those salary rates which were linked directly or indicated to those of consultants. In the interim, all grades would be paid the basic salaries recommended by the Ninth Report. We agreed to these proposals, and the Review Body have now submitted their further recommendations.
- 4. The <u>community physicians</u> senior medical staff concerned with community health and medical administration had also negotiated a parallel scheme for emergency rota allowances (ERAs) for those among them

with out-of-hours emergency responsibilities. Again the Review Body accepted the Government view that these allowances should be funded from the money which would otherwise have gone into the basic salary, and again the profession objected to their recommendations. The pay of this group is directly linked to that of the hospital consultants, and we therefore agreed to ask the Review Body to re-integrate these allowances also into basic salaries in parallel with the salaries of consultants.

- 5. The profession also objected to the levels of allowances recommended for out-of-hours duties for community doctors and trainees who were not of consultant status, and the Department agreed to support the profession in asking the Review Body to look at them again in view of the importance of maintaining morale in and recruitment to community medicine, and in the light of the decision not to proceed with the agreement on emergency rota allowances for community physicians. Insofar as these allowances are all inter-related, the change for community doctors of consultant status did indeed make a general review inevitable. My private secretary has already sent to yours a separate note about the Review Body's comments on this issue.
- 6. The Review Body has accepted the requests of the profession and the Government, and has recommended new salary scales that include elements for the recall and on-call schemes, and maintain differentials and relationships where appropriate. There are two main points which call for comment.

(a) Finance

The Review Body indicate that no additional cost arises from the adjustments made in the Report as compared with the sums recommended in their Eighth Report brought up-to-date on the basis described in the Ninth Report. There are therefore no additional costs involved in accepting the Report; indeed, given that some of the variable elements have been removed, the ability of health authorities to control earnings is slightly improved.

(b) The position of the Review Body itself

The DDRB are manifestly annoyed with the course of events this year, and make a number of criticisms of the profession (and to a certain extent of Government). There is nothing here of which we need make an issue, but the

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(but not worth reading!)

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professions may react unfavourably when the Report is published, and it may increase their desire to see changes in the Review Body system. I have recently met the leaders of the professions to listen to their ideas about this and shall consult colleagues on any changes that may seem sensible or necessary.

Conclusion

- 7. Since no additional costs would follow from accepting the supplementary report, and since consultations at official level have shown agreement that the Report should be published and accepted by the Government, it did not seem to me that discussion in E Committee would be necessary. We are, as you know, committed to implement the recommendations of the Review Body unless there are "over-riding reasons" not to do so. I therefore suggest that the Government accepts the Review Body's latest recommendations so that the revised scales, back-dated to 1 April, can be implemented as soon as possible. It would be helpful if the announcement could be made next week, in view of the pressure we are always under from the professions to handle DDRB reports expeditiously.
- 8. I am copying this minute to the Chancellor of the Exchequer, the Lord President, the Secretaries of State for Defence, Employment, Scotland and Wales, and Sir John Hunt.

12. Othler 1979

P.J.