



Llywodraeth Cymru  
Welsh Government

PUBLICATION, DOCUMENT

# Pay award for specialty doctors: integrated impact assessment

Considering whether to merge the pay award for doctors on the top pay point of the 2008 Specialty Doctors Contract for April 2022.

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# Section 1. What action is the Welsh Government considering and why?

In narrative form, please describe the issue and the action proposed by the Welsh Government. How have you applied /will you apply the five ways of working in the Well-being of Future Generations (Wales) Act 2015 to the proposed action, throughout the policy and delivery cycle?

The Welsh Government is considering consolidating the 2022 to 2023 pay award for those doctors who are on the top pay point of the 2008 Speciality doctor contract and who have a 4.5% non-consolidated award.

## Description of issue

In NHS Wales there are two employment contracts for specialty doctors and specialist grade doctors (SAS doctors). SAS doctors are those who have at least four years of postgraduate training, two of which are in a relevant specialty. SAS doctors are a group with a wide range of skills, experience and specialties.

The first employment contract was introduced in 2008 (the 2008 contract), the second employment contract was introduced in 2021 (the 2021 contract), which was developed in negotiation between NHS employers, the British Medical Association (BMA) and the Governments in Wales, England and Northern Ireland.

The 2021 contract made changes to terms and conditions of the 2008 contract to ensure the SAS grade is seen as a positive career grade which values hard work and dedication.

A contractual reform scoping event was held (prior to negotiations taking place) in partnership with BMA Cymru Wales to gather the views and generate

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discussion between NHS employers and SAS doctors. This event reinforced the need to reform the terms and conditions of service and development opportunities available to this group of staff who, on the whole, it was understood, felt undervalued and disengaged in their roles and career prospects.

The mandate for contract reform negotiations set out the Welsh Government’s expectation for joint proposals for collective agreement, including consideration of the ambitions of A Healthier Wales, as well as any relevant recommendations from the [Gender Pay Gap in Medicine review](#). Joint proposals should also recognise that not all doctors want to progress straight through a formal training programme to become a consultant or a GP and so should offer additional pathways for a career in medicine which support flexible career options and continued development for doctors at all stages of their career.

As part of the 2021 contract, a multi-year pay deal was agreed. The multi-year pay deal consisted of the following:

2021 contract – multi-year pay deal 2021 to 2024.

## 2021 contract – multi-year pay deal 2021 to 2024

Years of experience point	2020 to 2021	Year 1 2021 to 2022	Year 2 2022 to 2023	Year 3 2023 to 2024	New pay point structure in 2023 to 2024
0	£41,360	£45,345	£50,620	£51,000	1
1	£44,896	£45,345	£50,620	£51,000	1
2	£49,494	£49,989	£50,620	£51,000	1

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<b>Years of experience point</b>	<b>2020 to 2021</b>	<b>Year 1 2021 to 2022</b>	<b>Year 2 2022 to 2023</b>	<b>Year 3 2023 to 2024</b>	<b>New pay point structure in 2023 to 2024</b>
3	£51,957	£56,061	£57,182	£58,756	2
4	£55,506	£56,061	£57,182	£58,756	2
5	£59,044	£58,756	£58,756	£58,756	2
6	£59,044	£63,285	£64,550	£65,500	3
7	£62,658	£63,285	£64,550	£65,500	3
8	£62,658	£63,285	£64,550	£65,500	3
9	£66,276	£66,939	£72,003	£72,500	4
10	£66,276	£66,939	£72,003	£72,500	4
11	£69,894	£70, 593	£72,003	£72,500	4
12	£69,894	£70, 593	£75,730	£80,000	5
13	£69,894	£70, 593	£75,730	£80,000	5 - top
14	£73,510	£74,245	£75,730	£80,000	5 - top
15	£73,510	£74,245	£75,730	£80,000	5 - top

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Years of experience point	2020 to 2021	Year 1 2021 to 2022	Year 2 2022 to 2023	Year 3 2023 to 2024	New pay point structure in 2023 to 2024
16	£73,510	£74,245	£75,730	£80,000	5 - top
17	£77,126	£77,897	£79,144	£80,000	5 - top

The new pay system in the 2021 contract increased the starting pay for SAS doctors from £41,360 to £51,000 by the end of the three year deal, and significantly reduced the pay points from 11 to 5, also reducing the length of time from 18 years to 12 years to progress to the top of the scale, increasing career average earnings and supported observations made on how to reduce the gender pay gap with pay structures.

This multi-year deal was agreed and implemented in April 2021, before the cost-of-living crisis, and was based on average pay rises from previous years to encourage people to move over from the 2008 contract to the 2021 contract.

Existing SAS doctors in Wales had the option to choose if they would like to remain on the 2008 contract or move to the 2021 contract.

## 2022 to 2023 pay

For the 2022/2023 financial year, all doctor groups were awarded a 4.5% pay award due to the cost-of-living crisis. However, if this was applied to the 2008 contract, the top salary point would remain higher than the 2021 contract top salary point. This is because at the time, the top salary point on the 2008 contract was £296 more than the 2021 contract (as at the end of March 2022).

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Therefore, for 2022 to 2023 the Minister for Health and Social Services decided that the top salary on the 2008 contract should be frozen to maintain the integrity of the 2021 contract and its pay scales, in order to ensure that those SAS doctors who have moved onto the 2021 contract, or are in the process of transferring to it, would not be discouraged to do so solely from a pay perspective.

To mitigate the negative impact for those SAS doctors currently on the top pay point of the 2008 contract, the minister agreed that they would receive an ongoing non-consolidated payment of 4.5% to ensure they received a pay award.

## **2023 to 2024 pay**

The Minister for Health and Social Services made a written statement on the 24 August 2023, in which they announced an award for medical and dental staff. This consisted of a 5% pay increase for 2023/24 for those employed in the NHS on medical and dental terms and conditions, which covers consultants, doctors and dentists in training, and the SAS doctors on the 2008 contract.

### **Impact of the 2023 to 2024 pay award**

Those who were already on the top pay point of the 2008 contract received an on-going 4.5% non-consolidated award for 2022 to 2023. However, any SAS doctor who has moved to the top pay point of the 2008 contract in the 2023 to 2024 financial year onwards, is currently not eligible to receive the ongoing 4.5% non-consolidated payment unlike their peers who were at the top of pay point before the start of 2023 to 2024 financial year.

The non-consolidated payment is worth £3,575 pa in addition to the salary of £84,664 pa.

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With regard to those SAS doctors on the 2008 contract who are not currently entitled to the 4.5% non-consolidated award, there will be a range of individuals comprised in this group with protected characteristics as defined within the Equality Act 2010, some of whom may be impacted more positively or negatively than other groups of people. An Equality Impact Assessment has been completed to consider the impacts on those with protected characteristics.

## Proposed action

This impact assessment considers the impact that the 2022 to 2023 pay award has had on SAS doctors who reached the top pay point of the 2008 contract from 1 April 2022.

The Welsh Government is considering consolidating the 4.5% pay award from April 2022 which will mitigate the equalities issues, that have recently come to light, caused by some doctors getting a 4.5% non-consolidated award from 2022 to 2023 and others not.

Consolidating the 4.5% pay award will mean all doctors on this pay point will receive the same pay. However, the Welsh Government may also consider paying the same 4.5% non-consolidated payment to those who reach the top pay point from 2023 to 2024 onwards.

The benefits and disbenefits of consolidating the pay award, as opposed to non-consolidating the pay award have been considered and the Minister has been advised on the financial implications. Save for the obvious financial implications on the Welsh Government budget and unless expressly identified within this impact assessment, the considerations and impact of the 4.5% pay award on SAS doctors who reached the top pay point of the 2008 contract from 1 April 2022 onwards, whether consolidated or non-consolidated, are the same. This impact assessment should therefore be read accordingly.

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Should the Welsh Government choose not to take any action or stop the non-consolidated payment, it is likely to have a negative impact on industrial relations and the equality issues would remain.

In producing this impact assessment, officials have considered a range of options available to the Minister to address or mitigate the issues raised. In particular, officials have considered the viability of (a) doing nothing, where the status quo would remain (b) stopping the current non-consolidated 4.5% payment in its entirety, which would mean that all recipients of the payment would not receive the payment. These options have not been recommended to the Minister and consequently have not been impact assessed.

## **The Five Ways of Working of The Well-being of Future Generations (Wales) Act 2015**

The seven well-being goals, the well-being objectives and the five ways of working under the Sustainable Development Principle of the Well-being of Future Generations (Wales) Act 2015 have been considered in compiling this impact assessment. In particular, consideration has been given to whether this decision can maximise the contribution across the seven Well-being Goals and the Welsh Government's well-being objectives.

Given the limited nature of this decision in terms of people affected, it is acknowledged that the contribution to all of the well-being goals and objectives will be relatively limited. However, in particular it is noted that this decision will contribute strongly to the following well-being goals (a) a more equal Wales and (b) a Wales of cohesive communities. It is considered that there is no negative impact to the other five well-being goals.

Officials have considered the potential impacts and long-term consequences of the proposals with a view to preventing further problems occurring in respect of the 2008 contract in future or disparities increasing. The BMA has brought this

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issue to the attention of officials and, on the back of this collaboration, officials have liaised with a wider range of colleagues internally and within the Shared NHS Services to verify the evidence and consider the impact.

## Prevention

By amending the 4.5% non-consolidated pay award from 2022 to 2023 to become consolidated to the top pay point on the 2008 contract, this may encourage SAS doctors to remain working in NHS Wales as their consolidated pay scales will be comparable to their peers in England and Northern Ireland. This decision may also contribute to retention rates and therefore help local health boards retain skilled staff.

## Integration

The implementation of this proposal would align with the well-being objectives and goals notably to contribute to a more equal Wales.

## Collaboration

Through existing relationships close collaboration with partners and key stakeholders such as the BMA and NHS Wales employers will be required to highlight to the individuals on the top pay point that action has been taken on their pay. This includes raising awareness of the fact that some individuals may receive additional money that has been backdated and highlighting that this additional pay may become pensionable.

This collaborative approach would better support Welsh Government to reflect and respond to emerging issues, working closely with our key delivery partners to monitor and support proactively in order to address any issues that may arise

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during delivery.

## Impact

The proposal will have a positive impact on SAS doctors on the top pay point if they have an additional consolidated payment for future years and it will be pensionable. This in turn may have a positive impact on recruitment and retention rates for SAS doctors across Wales, which in turn will have a positive impact on the NHS and care delivery for the local community.

## Long term

This proposal demonstrates that the Welsh Government is acting in the long-term best interests of those SAS doctors as it puts all of them on an equal footing and provides the benefit of any additional consolidated payment for future years that is also pensionable.

In the long term it may also contribute to raising staff morale and an increased sense of allegiance to NHS Wales by demonstrating that the Welsh ministers support SAS doctors, recognise the contribution this doctor group make to NHS Wales and take appropriate and prompt actions in response to issues raised.

## Costs and benefits

The financial implications and the cost benefits of the options to consolidate the 4.5% pay award back to April 2022 as opposed to the non-consolidated award on the top pay point have been outlined in advice to the minister.

The overall benefit of the decision taken will be to address the equality concerns that have recently come to light.

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## **Mechanism**

Additional payments will be administrated through established pay process with NHS payroll within NHS Wales. No legislation changes are required for this decision.

## **Section 8. Conclusion**

(Please note that this section will be published)

### **8.1 How have people most likely to be affected by the proposal been involved in developing it?**

This specific proposal has not been consulted upon. Instead, the Welsh Government has previously engaged with the BMA who is the trade union that represents the views of SAS doctors across Wales. The discussions with the BMA have provided the necessary insight to allow the Welsh Government to formulate the proposal.

### **8.2 What are the most significant impacts, positive and negative?**

The most significant aspect of this proposal is that SAS doctors on top pay point of the 2008 contract will have a consolidated pay rise. This is likely to boost morale in this staff group and ensure that all those on the top pay point will have the same level of pay regardless of when they reached the top of the pay scale.

It will also address equality concerns in respect of the 2008 contract regarding

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the impact on sex/gender, age and race that are currently created by only those who were on the top pay point in 2022 to 2023 receiving the 4.5% non-consolidated payment, whereas those reaching the top pay point in subsequent years do not.

The most significant negative impact of this proposal is that this will put additional strain on the Welsh Government's budget in times of financial difficulty. The decision needs to be taken in the context of the current financial circumstances following the Cabinet decision of 1st August 2023 to identify savings during the financial year 2023 to 2024 with spending during 2024 to 2025 being constrained. There are significant financial pressures facing the 2023 to 2024 budget and work is continuing on preparations for the 2024 to 2025 budget round. This proposal will have implications for the negotiations for 2024 to 2025, particularly with regard to the 2021 contract when the multi-year deal ends as it will enhance the disparity between those on the top scale points of the 2008 and 2021 contracts. A further impact assessment will be conducted prior to a decision in respect of the pay award for the 2021 contract being taken for 2024 to 2025.

### **8.3 In light of the impacts identified, how will the proposal:**

- maximise contribution to our well-being objectives and the seven well-being goals; and/or
- avoid, reduce, or mitigate any negative impacts?

The most significant impact implementing a consolidated payment to those on the top pay point of the 2008 contract is that Welsh Government will have addressed the equality concerns currently created by paying a non-consolidated element to only those SAS doctors that reached the top pay point on the 2008 contract during or before 2022 to 2023.

This proposal will contribute to the following well-being goals (a) a more equal Wales and (b) a Wales of cohesive communities. It is considered that there is no negative impact to the other five well-being goals.

## **8.4 How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?**

Officials consider that ongoing monitoring and evaluation is not necessary in the circumstances as it is considered to constitute/represent a pay award within the confines of the 2008 contract and will be reviewed in line with standard procedure/practise.

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