

Gateway reference number 9734

Richmond House
79 Whitehall
London
SW1A 2NS

Tel: 020 7210 5142

Fax: 020 7210 5409

david.nicholson@dh.gsi.gov.uk

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Dear Colleague,

I am writing to let you know the recommendations of the Doctors and Dentists Pay Review Body for 2008/9 for a 2.2 percent award for salaried doctors and dentists have been accepted. These are:

- 2.2 percent for hospital doctors and hospital doctors and dentists in training.
- 3.4 percent increase in the gross earnings base for general dental practitioners (GDPs). This is intended to result in an increase in GDPs income of 2.2 percent after allowing for an increase in expenses.
- Increasing Global Sum payments to GP practices for providing core services by 2.7 percent which having taken account of the cost of expenses equates to a 2.2 percent increase in earnings. However, these are mostly offset by corresponding decreases in correction factor payments, which will mean most GP practices will maintain their income at the levels established by the Minimum Practice Income Guarantee. The balancing investment to deliver the guaranteed 1.5 percent investment offer will be invested to secure additional patient services. Guidance on implementing changes to current GMS and PMS contractual arrangements will be issued later this month.

A proposed three-year pay package for all NHS Agenda for Change staff has also been agreed, and will now be subject to consultation by union members. This proposed agreement is between Unison, the Royal College of Nurses, NHS Employers, and the Department of Health. The proposal includes:

- Acceptance in full of the 2008/09 NHS Pay Review Body's recommendations for a 2.75 percent pay rise for nurses and other healthcare professionals from 1 April 2008
- 2.4 percent headline award in 2009/10
- 2.25 percent headline award in 2010/11.

What happens next?

If the proposed multi-year agreement is formally accepted by the unions following consultation with their members, the Government will accept the recommendations of the independent NHS Pay Review Body in full. Nurses and other healthcare professionals will receive a 2.75 percent uplift in 2008/09.

If the proposed agreement is not accepted by union members, the Government reserves the right to review its response to the NHSPRB recommendations and decide whether to accept, stage or abate them in the context of a one year settlement.

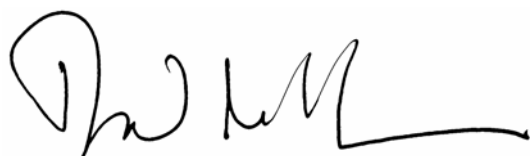
If the three year deal is accepted, we will implement the deal as soon as we can with pay backdated to 1 April 2008. Reaching agreement may take several weeks, but in the meantime it would be prudent for organisations to assume that these rates will apply and to review local financial plans accordingly.

I believe the proposed agreement represents a balanced deal that will be good for staff, for employers and for patients. In particular, it will provide a stable platform for future financial planning.

More information is available by going to
<http://nds.coi.gov.uk/Content/Detail.asp?ReleaseID=364706&NewsAreaID=2>

Information is also available on the NHS Employers website
<http://www.nhsemployers.org/aboutus/mediacentre-listing.cfm/pressrelease/758>

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Nicholson', with a long horizontal flourish extending to the right.

David Nicholson CBE
NHS Chief Executive