

To: All Practices in Surrey and Sussex LMCs

6 October 2021

Dear Colleagues

General Practice Pay Transparency Guidance

I am writing to all colleagues to provide further information regarding the, colleagues may feel, somewhat disingenuously entitled guidance about the pay declaration arrangements introduced into the GP Contract from October 2021. The Regulations are being amended to make this process a mandatory one, for GMS, PMS and APMS contract holders.

Your practice accountant will be able to advise further on this issue.

The intention is to require GMS/PMS/APMS contractors, or those subcontracted to deliver primary medical services on behalf of the contractor, which would include locums, to declare NHS earnings over £150k in the financial year 2019/20.

This will be an annual process, with an uplift applied to the ceiling each year. For 2019/20 this declaration must be made by 12th November; thereafter it will need to be made by 30th April in the financial year beginning immediately after the next financial year, for example, self-declaration of earnings for financial year 2020/21 will need to be made by 30th April 2022.

The enclosed guidance refers to two scenarios.

- **A contractor who is either an individual medical practitioner, or a member of a partnership.** For GMS contractors, this refers to members of a partnership holding a GMS Contract. For PMS Contract holders this refers to all named parties to the PMS Contract. I
- **A clinical sub-contractor who is an individual, or a member of a partnership (as above).** This would include a clinical locum. Contractors are required to use reasonable endeavours to ensure that existing subcontracts are amended to reflect this self-declaration requirement. This requirement does not apply to locums engaged without a direct contract with the GP Contractor, for example via a third party.

The information to be declared is the name, job title, and :

- Earnings for the relevant year
- The organisation(s) from which those NHS earnings were drawn. These earnings must be aggregated, if drawn from more than one source.

The definition of NHS Earnings for this purpose mirrors the definition of practitioner income in Schedule 10 of the NHS Pension Scheme Regulations 2015 **plus** any income from any NHS salaried

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position they hold (excepting paras 3 and 7 which refer to dental and locum practitioner income respectively).

The HMRC pensionable earnings cap does not apply.

Locums must use Para 7 of Schedule 10 above, **plus** any earnings which would be treated as income under Schedule 10.

Other individuals must self-declare if their NHS income, which would have been treated as practitioner income under Schedule 10 above, exceeds £150k, 2019/20, or above the increased ceiling in future years.

The declaration of this/income will be made via the NHS Digital Strategic Data Collection DSDC Service. Individuals will need to register with the DSDC, and create an account, which can then be used to self-declare. The attached guidance gives full details of this process.

NHS Digital will publish this information on an annual basis; this will include name, job title, earnings (in incremental £5k bands) and the name of the primary source of their NHS income, together with the number of other organisations from which NHS earnings were drawn in the given year.

The above is drawn from NHS England guidance and should be passed to your practice accountant.

The background to this imposed contractual term is the proposal included within the 2019/20 multi-year GP Contract Agreement. However, at that point NHS England said that it would be introduced when it was applied to other contractor groups, that is, dentists, community pharmacists, and general ophthalmic providers [opticians]. The Government has now decided to impose this without including these other groups, which touches on one of the points being raised, whether this is discriminatory.

It is self-evident this type of disclosure has the potential to cause significant problems: one does not need to have much imagination to construct the Daily Mail (and other newspapers) headlines, and this will be linked with other GP negative publicity, such as F2F consultation rates, and perceived access difficulties. It could be used to cause significant reputational damage and further undermine morale. In addition, of course it may discourage GPs from taking on more NHS sessions, both in practice and OOHs. This has already started to happen in relation to the Pension Lifetime and Annual Allowance and tax rate changes.

However, there are a number of other issues; although I have not seen the source figures, I understand around 3% of GPs will be affected. Clearly if NHS profits rise, as I understand some accountants are predicting in relation to the Covid Vaccination Programme, this may increase by more than the year-on-year uplifting ceiling. However, 95% plus of GPs are likely to be unaffected and there was a perceived risk at the BMA General Practitioners Committee that substantive publicity about this issue would be negatively received by the public, and there may not be support for this approach amongst GPs themselves. I appreciate Surrey and Sussex LMC area is likely to include a higher proportion of colleagues earning >£150k than across England. I also appreciate that many colleagues who do earn this sum and more do so because they have taken an entrepreneurial approach to developing their practices, often with mergers, and implementing

additional NHS Services from their practice or via other contractual vehicles. They have also often taken on other NHS commitments and worked beyond any contracted time when doing so. This is likely to benefit many patients and enable them to receive a better patient experience with more local care. However, this would be a challenge to explain to the public, given that the average Q1 2021 UK salary is £26193, so £150k is almost six times this, and the average 2020 part-time UK salary is £11234, noting the criticism of GPs being part-time in some quarters.

I understand GPC has taken legal advice. The data is already available, so it does not involve practices' accountants in any additional work. There may be an issue about privacy, but GPC have not used this to challenge the Government and I have not heard any discussion of a Judicial Review: the likelihood of success via a JR is a legal opinion, however, there are also the strategic issues I have noted above. I do not have any insight into the GPC Executives opinion here but if it was me, I would take these policy issues into account.

I hope this background is helpful, as you can imagine this is on the agenda of all five SSLMC Committees, where there is in fact a range of opinion reflecting some of the points I have noted above.

With best wishes

A handwritten signature in black ink, appearing to be 'JP', followed by a long horizontal line extending to the right.

Dr Julius Parker
Chief Executive