Developing your local clinical excellence awards process

November 2018
Background

In March 2018, NHS Employers and the British Medical Association (BMA) agreed an amendment to the Terms and Conditions – Consultants (England) 2003 that from 1 April 2018, trusts will fund and run annual local clinical excellence awards (LCEAs) rounds.

The new arrangements were reflective of the views of the Review Body on Doctors’ and Dentists’ Remuneration (DDRB) to ensure that this element of the consultants’ remuneration package was fit for the current NHS.

New LCEA

The new arrangements seek to reward consultants for providing high-quality standards of service to patients, rather than acting as a discretionary incremental payment which was linked to consultants’ historical rather than current performance.

The interim agreement follows the same principles as its predecessor, such as the use of a standard application form using five domains. A citation from the consultant’s medical line manager may also be used to help assess applications.

However, it allows for some local variation by agreement with the joint local negotiating committee (JLNC) or equivalent, subject to certain essential features of the arrangements as defined in the published guidance.

Considerations

To maximise the potential benefits of the new scheme to patients and the service at both national and local level, it will be important for each organisation to consider how to best develop the management of LCEAs.

Employers may choose to exercise a degree of local discretion in defining the detail of the scoring criteria for each domain and the essential criteria required for an application to be considered.

Once any local guidance has been developed, it’s essential that all those involved in running rounds and making awards are provided with the appropriate information and training to enable them to apply the arrangements appropriately.

This will apply to members of the Employer Based Awards Committee (EBAC) and also medical line managers, should they be required to provide supporting citations. Medical line managers have a key role in placing a consultant’s application in context and confirming that the essential requirements have been met to make a valid application.

Their role is particularly important as many of the committee members will have little, if any, knowledge of an applicant’s work and will need accurate and objective information to make a valued judgement of a consultant’s application.
Awards process - options

Employers may wish to consider the following option in their awards process. The list is not exhaustive, and many employers will already be in the process of developing the system locally.

The options demonstrate that the scheme offers a degree of flexibility to employers that was not present in the previous system, and provides those highly engaged and high performing consultants with an appropriate level of reward.

Length of awards

The length of a new award can be between one to three years.

In the first few years, the amount of money available for new awards will be quite limited due to the value of money tied into old style recurrent awards. To increase the value of individual awards, they can be made for up to three years, however this should be a short-term measure with the norm being a one-year award.

Value of awards

Previously, awards were allocated on a points basis, with points awarded for levels 1-6 being of single value (£3,016) and points awarded for levels 7-9 being of double value (£6,032). Under the new arrangements the value of an award(s) can be determined locally.

Employers can choose to move away from a points-based approach and allocate awards of different value, for example, £5k/£10k but up to a value of around £30k. The value of the awards will determine the extent of the distribution of the available funding pot.

Spending the minimum investment funds

From 1 April 2018 to 31 March 2021, the minimum investment ratio for new LCEAs schedule has been set at 0.3 points per eligible consultant annually. The schedule states that this funding cannot be deferred and must be awarded in full each year, unless there is agreement with the JLNC (or any other appropriate consultant representative group where no JLNC exists) that any uncommitted funds will be carried forward and spent on awards in the following year.

Overspends or underspends might occur when insufficient quality applications are received (underspend) or where applications cannot be separated, or an award is made on appeal (overspend).
Essential entry requirements

The guidance makes a number of references to eligibility criteria beyond the core terms set out in Schedule 30. It confirms that providing there are no adverse outcomes for the applicant following disciplinary action by the employer, the General Medical Council or the General Dental Council, that a consultant has satisfactorily participated in the appraisal process and the job planning process, met contractual obligations and complied with the Private Practice Code of Conduct, they will be eligible to submit an application. Additional criteria can be applied where these were introduced prior to 1 April 2018, provided they comply with the terms of the revised 2003 contract. Any further variations to be applied post 1 April 2018 must be agreed with the joint local negotiating committee.

Other factors which could affect a consultant’s eligibility and could be considered further include:

- proven culpability in a significant incident or upheld complaints
- high absence rates
- non-involvement in relevant national audits or national initiatives, for example, GIRFT and STP.

The above list is not exhaustive, and it will be for each employer to consider what is appropriate in line with their organisation’s values and objectives as well as those of the wider NHS. Some criteria may be decided as not providing an absolute disqualification but could form essential requirements of the medical manager’s citation so that the EBAC can take them into consideration when assessing an application.

Although consultants who have not satisfactorily met the eligibility criteria are not eligible to apply for an award, they continue to contribute to the calculation used in determining the number of awards available in an employing organisation for that round.

Links to personal objectives

The committee members should be aware of the consultant’s agreed objectives when assessing an application. To facilitate this, the consultant should include a summary of their objectives in the job plan section of their application. If a management citation is used, this should also comment on the consultant’s progress towards achievement of their objectives.

Scoring of domains

It would be unusual for a consultant to provide truly exceptional performance across all five domains. Due to the nature of the post, or in the way that objectives are framed, a consultant might provide exceptional levels of performance in two domains but do little more than meet contractual requirements in others.

Employers may wish to consider how patterns of work and excellence do not unduly disadvantage consultants. To this end, they may consider not including the lowest scoring domain in the aggregate score or ensuring that such patterns are properly considered by the committee when it meets to discuss applications. As with all other issues any method must be open and transparent and non-discriminatory.
**Consultants’ participation in the process**

Only around 50 per cent of consultants received payment under the previous LCEA scheme and many consultants did not participate in the scheme at all. It is intended that all consultants should participate in the revised arrangements and employers should actively encourage this.

This could be achieved, for example, by stressing the link to current performance, the clearer link to a consultant’s objectives, and by widely promoting the process for the new scheme. Employers may also want to consider exploring the reasons for non-participation with groups of consultants as a further way of encouraging applications.

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**2018 DDRB outcome - Implications of the government’s response to the DDRB report on LCEAs**

In July 2018, the government published its *response to the 46th Doctors’ and Dentists’ Review Body (DDRB) report*.

For consultants, the government committed to a 1.5 per cent increase to basic pay from 1 October 2018, with 0.5 per cent of pay bill targeted on the new system of performance pay to increase the amount available for performance pay awards from 2019/20. The government also confirmed that there would be no increase applied to the value of either national or local clinical excellence awards.

The 1.5 per cent increase to basic pay from October equates to 0.75 per cent of the annual consultant pay bill. This leaves 0.25 per cent of the 1 per cent consultant pay bill uplift already included in the 2018/19 tariff (the tariff presumed a pay award in line with public sector pay policy of 1 per cent in 2018/19; see para 235 of *2017/18 2018/19 National Tariff Payment System*).

The government has stated that employers will be able to choose to use this as either:

- transitional funding to manage the costs of running the required 2018 CEA award round
- to increase the value of the investment pot for the 2018 CEA award round.

Employers are advised that they should review their plans for running 2018 award rounds and decide on how to best use this discretion.

The 0.5 per cent of pay bill to be targeted on the new system of performance pay to increase the amount available for performance pay awards from 2019/20 means that the investment in new CEA awards (as per the calculation set out in *Schedule 30 of the terms and conditions of service*) will be almost doubled.

We are currently exploring the mechanisms for ensuring that this takes place and will provide further detail in due course.
Further resources
The supporting LCEA guidance and further resources can be found on our website.