Dealing with pay progression

This section of the handbook applies to 2003 contract holders only. The 2003 consultant contract makes provision for a salary that rises through a series of pay thresholds over a 20 year period. For consultants whose first appointment as an NHS consultant was on or after 31st October 2003 the thresholds occur at the end of years 1, 2, 3, 4, 9, 14 and 19. For those consultants whose first appointment precedes 31st October 2003, there is an accelerated pay progression scheme. Passing through the threshold is not automatic, specific criteria have to be met, although progression will still be the norm. Failure to meet these criteria in any one year delays the pay progression process by one year.

Within the Terms and Conditions of the new contract pay thresholds and pay progression is evidenced in:

- Schedule 3.21 (Job planning – job plan review)
- Schedule 4.1 (Mediation and appeals)
- Schedule 13.15 (Salary for consultants appointed before 31.10.2003)
- Schedule 14.7 (Salary for consultants appointed on or after 31.10.2003)
- Schedule 15 (Pay thresholds).

The criteria that are reviewed annually for pay progression purposes are listed in the box opposite.

The consultant has to have:

1. made every reasonable effort to meet the time and service commitments in the job plan
2. participated satisfactorily in the appraisal process
3. participated satisfactorily in reviewing the job plan and setting personal objectives
4. met the personal objectives in the job plan, or where this is not achieved for reasons beyond the consultant’s control, made every reasonable effort to do so
5. worked towards any changes identified in the last job plan review as being necessary to support achievement of the employing organisation’s objectives
6. taken up any offer to undertake additional programmed activities that the employing organisation has made to the consultant in accordance with Schedule 6 of the Terms and Conditions (i.e. private professional services provisions) and
7. met the standards of conduct governing the relationship between private practice and NHS commitments set out in Schedule 9 of the Terms and Conditions.

So what do consultants need to do to achieve the annual pay progression requirements?

First, consultants need to have participated satisfactorily in the appraisal and job planning processes. This does not mean that they are required to have achieved everything they set out to do. It means that they have played an active part and have done their best to achieve the objectives that were agreed in both the appraisal and job planning sessions. If they fail to meet one of the objectives there has to be an adequate reason that is outside their ability to control or influence.
For example:

- anticipated resources may fail to materialise
- clinics or operating sessions may be cancelled because of lack of support staff
- the service may have been withdrawn or
- the way in which the service is provided may have changed.

Secondly, consultants must have done their best to work to the agreed job plan. This does not mean that they should watch the clock, or count the hours, but it does mean that if a consultant has agreed to undertake a specific activity, then it should be done, unless there has been a prior agreement not to do it. The job plan is meant to be flexible, but the flexibility is by agreement. A good relationship between consultants and clinical managers, built at the time of the job plan review, should allow some give and take.

Thirdly, consultants need to comply with the Schedule 6 of the Terms and Conditions provision for agreeing to perform up to one additional paid programmed activity per week if they wish to undertake private professional services (also referred to as private practice). The definitions at the front of the Terms and Conditions provide a useful reference. The term ‘private professional services’ excludes fee paying services which are described in Schedule 10 of the Terms and Conditions.

Fourthly, consultants need to have complied with the Code of Conduct for Private Practice and also Schedule 9 of the Terms and Conditions. These describe the relationship between NHS work, private practice and fee paying services. In essence, the consultant is responsible for ensuring that the provision of private professional services or fee paying services for other organisations does not result in detriment to NHS patients or service and that it does not diminish the public resources available for the NHS.

If all the above is agreed, then the consultant should receive pay progression for that year. This is the norm. Failure to achieve one or more of the criteria will lead to failure in pay progression for that year. However, where an individual has failed to meet one or more of the criteria for reasons such as personal illness, the chief executive has the discretion to decide that pay progression be awarded.

So how is the decision made?

During the annual job plan review the consultant and the clinical manager should discuss all the criteria. The annual job plan review will be, in part, informed by the outcome of the appraisal discussions. Topics and issues that should be considered could include the following:

1. factors affecting the achievement or otherwise of objectives
2. adequacy of resources to meet objectives
3. any possible changes to duties or responsibilities, or the schedule of programmed activities
4. ways of improving management of workload
5. the planning and management of the consultant's career.

It is during this review that compliance with private practice and fee paying service issues will be discussed.

Following the annual job plan review, the clinical manager will inform the chief executive, via the medical director, whether or not the criteria in Schedule 15 of the Terms and Conditions for the purposes of pay progression have been met, a copy of which should be sent to the consultant. If the consultant disagrees with the outcome, the mediation and appeals procedures are available.

It is important to remember that the first four thresholds of the pay scale are annual, but to meet each of the remaining three thresholds consultants must have achieved the annual pay progression requirements five times for each. If the annual pay progression requirements in one or more years are not achieved, the pay threshold is delayed by the equivalent number of years.
For example: A consultant has reached pay threshold 4 and has established a flourishing private practice. During the annual job plan review the employer asks for one additional programmed activity per week to be undertaken as additional levels of service are required and under Schedule 6 of the Terms and Conditions, the employer has the right to ask for such. The consultant refuses on the grounds that it will detract from his/her private practice. Pay progression would therefore not be awarded and the salary will be based at threshold 4 until such time as the consultant reconsiders his/her decision.

The pay progression process

Many organisations will wish to link the job plan review process with the business planning process. The implication of this is that job planning becomes concentrated into the late autumn. It cannot sensibly be scattered throughout the year. Consultants, therefore, may have pay progression dates that are removed in time from the job planning dates.

For example: Many consultants will have 1 April as their pay progression date, but the job plan review may occur in October/November. What, therefore, is the process for the job plan review informing pay progression?

The job plan review should be used to inform the next pay progression date. So, using the example above, a successful job plan review in October 2005 would allow passing the pay progression step on 1 April 2006. However if there are any changes in the circumstances outlined in the seven criteria listed at the start of this section, (see box on page 23), pay progression may be affected.

An adverse review in October 2005 would stop pay progression for the year starting 1 April 2006.

Date of first consultant appointment

On or after 31 October 2003

A consultant whose first appointment as an NHS consultant was on or after 31 October 2003 start on pay threshold one. Schedule 14.5 and 14.6 of the Terms and Conditions give the exceptions to this rule. These are based on consultant-level experience prior to appointment, flexible training and dual qualification.

Table 1, in Appendix 3, gives in detail the progression through the pay threshold scheme. Salaries are based on 2004/5 levels.

Pre 31 October 2003

Schedule 13 of the Terms and Conditions describes in detail the transition arrangements that apply to those whose first appointment as an NHS consultant was before 31 October 2003. For the purposes of this chapter, only pay progression is being considered. There is an accelerated progress through the pay threshold time scale that depends on the seniority of the consultant on transfer to the new contract. Seniority is defined in Schedule 13.5, 13.6 and 13.7 of the Terms and Conditions but is, in essence, the sum of:

- the number of whole years completed as an NHS consultant
- plus the point on the salary scale when appointed (on a scale of 1 to 5, not 0 to 4)
- plus any additional seniority in whole year to reflect non-NHS consultant experience or flexible training.

Table 2, in Appendix 3, describes how progression through the pay threshold scheme works for each starting level of seniority. This table combines, and simplifies, the two tables in Schedule 13 of the Terms and Conditions. Salaries are based on the 2004/5 rates.