

Deputy First Minister & Cabinet Secretary for  
Health and Wellbeing

Nicola Sturgeon MSP

T: 0845 774 1741

E: scottish.ministers@scotland.gsi.gov.uk

To:

All NHS Board Medical Directors

Copy to:

All NHS Board Chief Executives

All NHS Board Directors of HR

8 January 2010

Dear Colleague

Earlier this week, I wrote to the Prime Minister and the Health Ministers of England, Wales and Northern Ireland seeking their agreement to a four nations review of the Consultant Distinction Award scheme.

I wanted to write to you directly to outline my reasons for doing so.

At the outset, I would like to acknowledge, and record my appreciation of, the significant contribution that consultants make to the NHS over and above their day to day contractual duties. I believe that it is important that we continue to have a system in place in the NHS that appropriately recognises and rewards such contributions by staff. The Distinction Award scheme has performed this function for consultant medical staff since the inception of the NHS and, as a scheme that rewards merit, it is very different to the kind of bankers' bonus schemes that have become so discredited.

However, I strongly believe that the time has come to substantively reform the Distinction Awards scheme. I have come to this conclusion for two main reasons. Firstly, the NHS is a very different organisation today to the one that was established in 1948. As all of you know even better than I do, care is increasingly delivered by multidisciplinary teams. It is the case that many people working in the NHS make contributions that are above and beyond what is contractually expected of them. While these contributions will vary in nature and extent between different professional groups, it is, in my view, increasingly difficult to defend a system that restricts access to exceptional contribution rewards to one professional group only.

The second reason for reaching the view that I have relates very directly to the current economic and financial situation that we face as a country. Notwithstanding the Scottish Government's efforts to protect the health budget from the consequences of the recession, it is inevitable that budgets will be very tight for some time to come. In these circumstances, there will be much greater scrutiny of how money is being spent and also of the pay of those working in the public sector.

1 05 0 m

That makes it all the more important that any reward system is able to pass rigorous tests of fairness, cost effectiveness and alignment with our NHS objectives. If we embark on a proactive, sensible reform now, I believe that it is more likely that we will create a system that is sustainable for the future.

I appreciate that many of you will have a different point of view to me on this issue - and I am of course happy to hear what your views are. However, I hope you will understand the reasons that I believe reform is essential. I have made clear that a four nations review is required - notwithstanding our ability in Scotland to take our own decisions on these matters, I believe that UK wide action is necessary to ensure that no one country in the UK is less competitive than the others in recruiting consultants.

Finally, in the shorter term, I have asked the DDRB in its recommendations for 2010/11 to essentially freeze the budget for Distinction Awards next year - that would mean no uplift in the value of existing awards and no net increase in the overall number of awards available (the only new awards that would then be available next year would be those that can be funded by retirements/those leaving the service). Again, while I appreciate that this might be a disappointing outcome for many of you, I hope you will agree that it is in keeping with wider efforts to restrain higher public sector pay in these difficult times.

Thank you for taking the time to read this message and please accept my continued thanks and appreciation for the work that you do on behalf of all of us.

Best wishes.



**NICOLA STURGEON**