



Pay Modernisation: Consultant Contract

Why we are doing the study

1. Hospital consultants are highly trained senior doctors whose decisions go a long way to determining how resources are used in the NHS. In December 2003 an amended contract was introduced for consultants in Wales with the following intended benefits:
 - to improve the consultant working environment;
 - to improve consultant recruitment and retention; and
 - to facilitate health managers and Consultants to work together to provide a better service for patients in Wales.
2. Significant sums of money have been involved in implementing the contract in Wales through set up costs, additional session payments to consultants and funding a Consultant Outcome Indicators project, which has now been discontinued.
3. Effective job planning for consultants underpins the implementation of amended contract. In 2004, the Audit Commission in Wales was commissioned by the Welsh Assembly Government to review the implementation of the consultant contract, with a focus on the job planning process. That work demonstrated that the Trusts which existed in Wales at that time had put a lot of effort into establishing sound job planning processes, although practices did vary, and in some Trusts auditors identified a number of concerns.
4. Since the Audit Commission in Wales work in 2004, the Assembly Government has monitored implementation of the contract through an annual reporting process which ended in 2009. However, no independent external audit work has been done to examine whether the intended benefits from the amended contract are being achieved, and in particular whether job planning is now fully embedded as an organisational tool in NHS bodies to help define and review consultants' contribution to service delivery.
5. It is therefore timely to undertake a more detailed look at how the intended benefits of the Consultant Contract are being delivered; how robust job planning is in practice; and whether it is acting as a driver for change and a tool to support service modernisation.



Our audit approach

6. Our audit work will aim to answer the question '*Are the intended benefits from the amended Consultant Contract being realised?*'. To answer this question, auditors will:
 - review the effectiveness of the job planning process in health boards and trusts;
 - seek views from consultants and NHS managers on the impact that the contract has had on service modernisation and improvement, and on consultants' working environment;
 - examine how the pattern of Direct Clinical Care (DCC) and Supporting Professional Activity (SPA) sessions undertaken by consultants has changed since the contract was introduced and how these patterns vary within and between NHS organisations; and
 - look for evidence of the contract being a stimulus to more effectively engaged consultants with service modernisation.
7. Audit work in each health board and trust will be organised around a fixed fieldwork period. The fieldwork dates for individual NHS organisations will be discussed and agreed at initial set up meetings.
8. The audit will be delivered by performance audit specialists with a sound working knowledge of NHS pay modernisation and the consultant contract.

The outcome of our work

9. Our work will provide NHS organisations with an independent and objective assessment of the efficiency and effectiveness of the job planning process. Where they exist, opportunities for improvement will be identified and supported by sharing examples of best practice across Wales.
10. The audit will also provide an analysis of DCC and SPA sessions within and across specialties and provide benchmark comparisons across health boards and trusts.
11. Our reports will identify the key issues that NHS board members need to focus on to ensure that the contract and its associated job planning arrangements are effective tools in supporting the modernisation agenda within NHS Wales.



Reporting our findings

12. A local report will be produced for each Health Board and Trust where the audit takes place. NHS organisations will be fully involved in the discussion of draft findings with auditors before local reports are finalised.
13. We also expect to publish a national report which summarises our findings across Wales. The national report will be considered by the National Assembly's Public Accounts Committee, and potentially other subject Committees.
14. The good practice we identify will be shared with the service through our reports, via the Wales Audit Office Good Practice Exchange and, if appropriate, through shared learning seminars.

Stakeholder engagement

15. In developing this audit the Wales Audit Office has worked closely with external stakeholders and reference partners, including the Welsh Assembly Government's Pay Modernisation Unit. The audit methodology has also been piloted at Abertawe Bro Morgannwg University Health Board.

Wales Audit Office contacts

16. Further information on the audit can be obtained from either David Thomas (Project Director) or Malcolm Latham (Project Manager). Their contact details are:
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