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19 AUG 2010

*Dear Ron,*

It was very good to meet you, and Gillian Morris, on 22 July 2010. I found our discussion very helpful and was grateful to you for raising the issues on which you sought clarity in taking forward the role of the Review Body on Doctors' and Dentists' Remuneration (DDRB) during the pay freeze.

I am pleased that the Chief Secretary to the Treasury, Danny Alexander, in his letter of 26 July 2010 to you and to other Pay Review Body Chairs, has clarified many of these matters as well as setting out the Government's approach to public sector pay in England in 2011/12. Like Danny, I am very grateful for the independent and expert work the independent review body undertakes and I am sure this is shared by both employers and staff side representatives.

I am aware that the DDRB makes recommendations for the whole of the United Kingdom. It is for each of the devolved administrations to make their own decision on their approach to this year's pay review round and to communicate this to you. My officials have been closely in touch, and remain closely in touch, with their counterparts in the other countries and will do all they can to support you in handling the consequences of any different approaches taken by each country.

With regard to England, we will send to you as much information as possible by the end of October in time for your planned first DDRB meeting in November. However, as you will understand, we are currently in a very challenging spending review cycle and this will not be completed until 20 October 2010. This will mean that information on the financial situation for the NHS in 2011/12 will follow later. We will do all we can to ensure that the information you require is with the Review Body by mid-November at the latest. My officials will work closely with your secretariat to finalise the details.

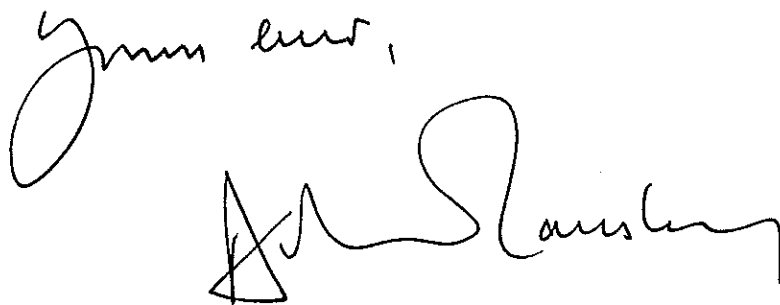
On the specific question of GPs and GDPs which we discussed, I have decided:

- based on the financial and economic position; and
- the continued need for reduction in public sector expenditure (including the 2-year pay freeze already announced by the Chancellor in the budget for all workers earning over £21,000 a year);

that it will not be necessary for the DDRB to make any recommendations on the need for any earnings or contract uplifts for independent contractor GMPs and GDPs in England. The Government will make the decisions on any gross uplift, based on the efficiency assumption that we wish to apply and the evidence on non-staff expenses. I have therefore concluded that there is no requirement to ask DDRB to play a role in the remuneration of independent contractor GMPs and GDPs for financial years 2011/12 or 2012/13.

We believe we have everything necessary from your past recommendations on the formula to take forward discussions with relevant professional bodies. We remain determined to secure continued efficiencies from the investments in independent contractor GMPs and GDPs, and therefore, will reach our decisions based on the progress we can make in those negotiations.

I am copying this letter to Nicola Sturgeon, Edwina Hart, Michael McGimpsey and representatives of the BMA, BDA and NHS Employers.

A handwritten signature in black ink, appearing to read 'Andrew Lansley', written in a cursive style.

**ANDREW LANSLEY CBE**