

Thursday, 21 July 2022

Via email Correspondence.Eluned.Morgan@gov.wales

The Baroness Eluned Morgan of Ely MS
Minister for Health and Social Services
Senedd Cymru
Cardiff Bay
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Dear Baroness Morgan

NHS dental contract uplifts - Expenses

I am writing, following the publication of the DDRB's report and its recommendation on pay of 4.5%, to raise the matter of the expenses elements of the contract uplift, which I expect will shortly be the subject of consultation with the BDA.

We refer specifically to paragraph 10.57 of the recently published 50th DDRB Report¹, where the Review Body makes clear their recommendations this year are net of expenses and do not take into account fluctuations in operating costs. They add that *'ensuring that dental practices' financial sustainability and dental earnings are not affected by such fluctuations is an important responsibility that lies with the governments, in agreeing expenses uplifts'*.

This is reiterated in paragraph 10.58 of the DDRB report: *'It therefore remains our view that expenses uplifts must be sufficient to both deliver dental services and protect dental incomes, ensuring that our pay recommendations are received by providing performers and associates alike, in order that they can address issues of recruitment, retention and motivation.'*

With inflation, as measured by RPI, running in excess of 11 per cent and having risen sharply over the course of this year, it is clear that an approach based on out-of-date inflation measures is not a viable approach to the expenses elements of the uplift for 2022-23.

The same inflationary pressures experienced across the economy are impacting on dental practices, with consequences for their ability to deliver care and recruit and retain dentists and staff. Implementing a real-terms cut will have a devastating impact on the morale and motivation of the dental profession at a time when many are already considering whether they have a future in the NHS.

¹ Review Body on Doctors' and Dentists' Remuneration 50th Report 2022 – CP 716 (publishing.service.gov.uk)

Our analysis of data from NHS Digital, the ONS and our own surveys has enabled us to estimate the inflationary pressures that dentists are facing. For example, we have found that lab bills are increasing on average by 15 per cent and that nearly one-fifth of dentists have seen their utility bills rise by more than 50 per cent.

Expense	Utilities ²	Lab costs ³	Car & travel (Fuel)	General ⁴	Other ⁵	Total
Weighting	4.54	49.6	2.33	15.84	27.69	100
Percentage increase	35%	15%	25%	11.7%	0%	11.15%

On the basis of this analysis, we propose that the Welsh Government apply an uplift of 15 per cent in relation to staff pay costs and 11.15 per cent in relation to other expenses. This approach will ensure that the funding provided to practices to deliver NHS services is not cut in real terms.

After more than a decade in which both practice owners and associate dentists' incomes have been cut by more than 35 per cent in real terms, the Welsh Government has a responsibility to ensure that dentists and dental practices have appropriate funding levels to deliver NHS care on a financially sustainable basis.

Yours sincerely,



Peter Crooks
Chair, Review Body Evidence Committee

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² Based on BDA survey information

³ Based on BDA survey information

⁴ RPI May 2022

⁵ Other includes interest, other premises costs, net capital allowances, bad debts, advertising costs etc where information was not available and therefore no change in cost calculated

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