

Joint staff-side union
Pay Review Body submission
2022/23



It's time to
VALUE
our NHS staff

WITH NHS
STAFF

#WithNHSStaff

“I can announce today that public sector workers will see fair and affordable pay rises across the whole spending review period”

“The public sector pay freeze is over”

Rishi Sunak MP, Chancellor of the Exchequer 27th October 2021

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Introduction

This submission to the NHS Pay Review Body is made on behalf of the 14 NHS Trade Unions which collectively represent the non-medical staff in the NHS.

The joint staff side sees mounting evidence of a healthcare staffing crisis which, without urgent intervention, looks set to become a permanent feature across the NHS.

Our assessment is that the most urgent action required by Government is to prevent more immediate workforce losses. The NHS Trade Unions are calling for an urgent retention package to be put in place, with a decent pay rise at its heart.

This submission sets out the vital role that a decent pay rise would play in stemming the tide of staff leaving the health service over the next year and gives our assessment of the minimum expectations a pay rise must meet.

About this evidence

This evidence was compiled in December 2021 and January 2022. Though the implications of the Omicron variant of Covid-19 were yet to be fully understood, the impact on staff, on the NHS and the wider health system were already clear.

Staff absences caused by Covid-19 isolation are exacerbating the strain in the system, with a number of NHS Trusts declaring “critical incidents” as their ability to deliver safe and effective care is challenged.

This highlights the fragility of the current system, with staffing levels already stretched to breaking point and no capacity in the system to respond to external pressures.

Although 2021 NHS staff survey data will not be available until after the submission deadline for written evidence, we would expect that the PRB will want to analyse the latest staff survey data when it becomes available, particularly as it relates to stress, burnout and work-related ill health.

UK Context

The urgent retention package described in this document will underpin trade union positions through the different routes through which pay for Agenda for Change (AfC) staff is settled across the UK, including in the direct bargaining route established in Scotland. At the time of writing, the NHS PRB has a formal remit for AfC staff in England and Northern Ireland.

Trade Unions have commissioned an analysis of key economic factors specific to Northern Ireland and will share this with the NHS PRB for consideration as evidence supplementary to this main document.

Whilst the trade unions will respectfully comply with the PRB process (including deadlines), it is our strong view that political interference and inaction has damaged confidence of health workers in the PRB as an effective mechanism for settlement of NHS pay this year. It is noted that, due to late decision-making and remit-setting, it is impossible for a PRB recommended pay rise to be implemented before June at the earliest and that this will have an impact in exacerbating exits from the service.

The trade unions will therefore continue to urge the Westminster Government to use their powers to agree the urgent retention package set out in this evidence so that the NHS stands the best chance of using a decent pay rise, paid from 1 April, as a lever to tackle the workforce crises blazing across the health service.

In submitting evidence to the Review Body to substantiate and show the benefits of the joint union position, we have used data and referred to policy initiatives in this document relevant to the workforce in England.

“I can assure you that this Government will do whatever it takes to give you the support you need”

Rt Hon Boris Johnson MP letter to NHS staff, December 2021¹

¹ <https://twitter.com/BorisJohnson/status/1470808110206009345?s=20>

Staff-side summary position

The joint staff side sees mounting evidence of a healthcare staffing crisis which, without urgent intervention, looks set to become a permanent feature across the NHS.

Our assessment is that the most urgent action required by Government is to prevent more immediate workforce losses. The NHS trade unions are calling for an urgent retention package to be put in place, with a decent pay rise at its heart.

The annual pay rise for NHS Staff

In advising on the appropriate level for a pay rise for all NHS staff, we ask that the pay increase is set at a level which will retain existing staff within the NHS and recognises and rewards the skills and value of health workers.

In order to do this, the increase must:

1. Deliver an inflation-busting increase so that NHS staff can cope with rising and rapidly fluctuating costs which may change significantly over the pay year
2. Absorb the impact of increases to pension contributions
3. Benchmark the bottom of the structure against the real Living Wage

The value of NHS wages has been held back over a long period of time as a matter of government policy. Unions therefore seek a commitment that the value of NHS pay scales will be restored over a clear timetable and that the 2022-23 pay rise will be a significant 'down payment' as part of that pay restoration.

Additional measures for an urgent retention package

We ask for full use of the Agenda for Change agreement to retain existing staff, giving priority to measures that will:

1. Ensure banding outcomes reflect job content
2. Reward additional hours fairly
3. Prevent burnout by limiting excess hours

4. Support progression and career development
5. Encourage employers to use RRP to retain staff where shortages are a risk to staff wellbeing and quality of care

It is our view that addressing these issues could – alongside a decent pay rise - reduce preventable resignations from the service over the next 12 months.

Timing

Whilst pay outcomes arising from direct talks may be announced in time to implement new pay rates from the due date of 1 April, the Review Body has been clear that the delay in issuing the formal remit means a recommendation from the NHS PRB will not be with ministers until May at the earliest. We ask that the impact of a delay to implementing the pay rise is considered as an additional risk to the retention of staff and remind Government that – while we will participate fully in processes for the 2022-23 pay round - unions stand ready to undertake discussions on applying an earlier settlement in response to the growing NHS staffing crisis. Specifically, we would like to remind the UK Government of its power to act outside of the NHS Pay Review Body process and allow an urgent retention package to be put in place as soon as possible.



Section 1: Worrying macroeconomic picture for NHS staffing

UK economy is volatile but strong

Covid-19 has had a profound effect on the UK economy, with the last two years seeing unprecedented levels of volatility in economic activity and performance. This has been largely driven by the impact of Covid-19 and the policy response to it, but has also been exacerbated by the continuing impact of Brexit and unforeseen challenges in global supply chains. Whilst the economy is strong it remains volatile as the impact of the latest wave of coronavirus and restrictions impact.

Despite this volatility, the UK compares well against similar-sized economies. In December the OECD upgraded its economic forecasts for the UK economy estimating it will expand 6.9 per cent in 2021, 0.2 percentage points higher than previously expected, according to the Organisation for Economic Development's (OECD) latest forecasts for the global economy.

Analysis of ONS data published in January 2022 showed the UK economy grew to above its pre-pandemic level for the first time in November 2021 which was much higher than the 0.4 per cent forecast by economists polled by Reuters and the highest rate since June. The increase took gross domestic output, or GDP, to 0.7 per cent above its level in February 2020, before the first Covid-19 restrictions, indicating that the economy had fully recovered the ground lost during the pandemic.

This makes the UK the fastest-growing G7 economy in its recovery from the economic shock of 2020. Going forward the OECD predicts that UK will maintain this position to be the fastest-growing G7 economy in 2022, with estimated growth of 4.7%².

² <https://www.oecd.org/economy/united-kingdom-economic-snapshot/>

Economic forecasting has proven incredibly challenging

Economic modelling has been tested to its limits as the UK has sought to map out its economic recovery whilst trying to predict consumer and business behaviour within the context of a constantly changing global economic picture. Over the last two years, economists have struggled to accurately forecast how the economy will react as restrictions on economic activity have been imposed and then lifted in response to the Covid-19 pandemic, not just in the UK but around the world.

In 2020, GDP as a whole fell by 9.9%, the largest annual fall in 300 years. This led economists to forecast that growth wouldn't return to pre-pandemic levels until the end of 2022.

However, as restrictions were lifted and consumer and business confidence returned, the economy significantly outperformed these forecasts growing by 5.5% in the second quarter of 2021 alone, with economists forecasting 5% growth for 2022.

In fact, the whole economy output was only 3.3% below its pre-crisis peak by June 2021 compared to the 7.9% shortfall expected in the Office for Budget Responsibility's (OBR) March 2021 forecast just a few months earlier.

The UK labour market is experiencing significant stress

Whilst the underlying economy is strong, across the world and across all sectors we are seeing very high levels of volatility in labour markets. This global phenomenon has been described as "the great resignation" and is evident in all sectors of the economy.

Analysis of the Nov 2021 UK Labour Force Survey (LFS) by the Office for National Statistics³, showed resignations and job-to-job moves in the UK are at the highest level in 20 years.

The LFS showed that 1.02 million people moved to a job from another between July and September 2021, and 391,000 of these were resignations, the highest spike of both in the LFS's

³ <https://www.ons.gov.uk/releases/uklabourmarketnovember2021>

record. The number of total job-to-job moves, and the number of resignations, are both up by a third on the previous quarter, and on the same period in 2019, pre-pandemic.

There is ongoing research and debate around the drivers for this increase in resignations with a range of factors highlighted:

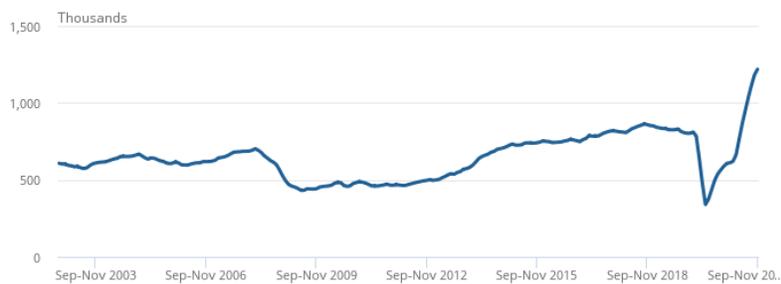
- A collective reevaluation of life priorities following the upheaval and stresses of the last few years
- A response to new more virtual ways of work, and the ability to live and work differently
- A release of a pent-up desire to change jobs that had been latent in the labour market during the economic uncertainty over the last two years

Further research on the exact drivers for this phenomenon will be needed and specific work will be necessary to understand the impact on the NHS workforce. We explore this further in our evidence below where we set out the picture emerging from our collective members.

Labour market vacancy rates are the highest on record

Figure 1: Vacancies rose to a new record 1,219,000 in September to November 2021

Number of vacancies in the UK, seasonally adjusted, September to November 2002 to September to November 2021



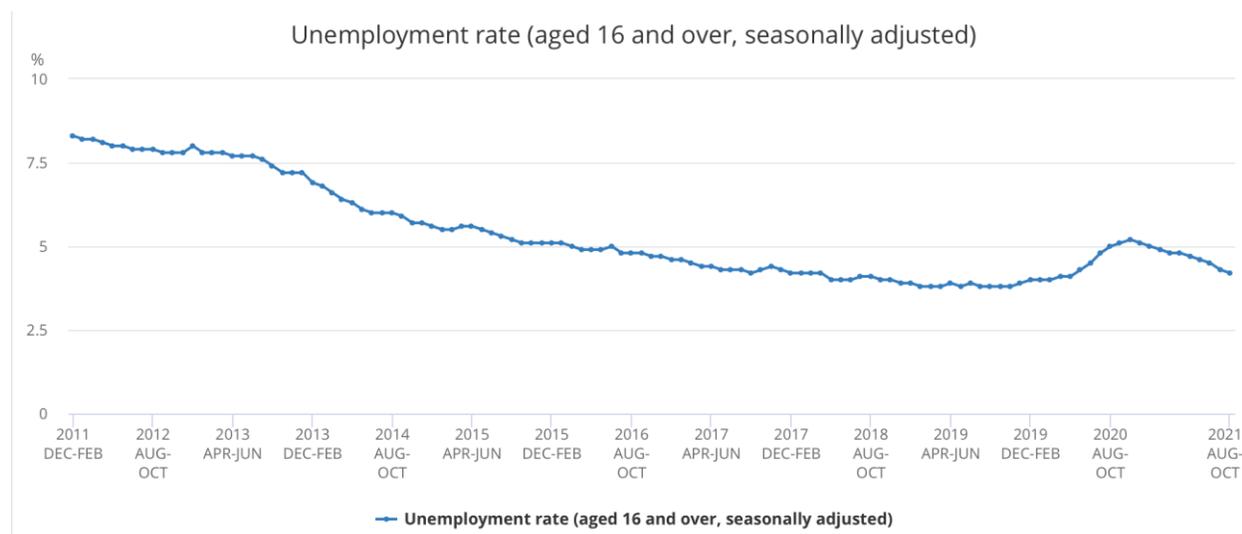
Source: Office for National Statistics – Vacancy Survey

A high level of labour market activity is evident when we look at the ONS Vacancy Survey⁴ which showed that the number of job vacancies in September to November 2021 continued to rise to a new record high of 1,219,000; this was an increase of 434,500 from its pre-Covid-19 pandemic level (Jan to March 2020), with 13 of the 18 industry sectors showing record highs.

Whilst in the wider economy the rate of growth is slowing, from September to November 2021 vacancies rose by 184,700 (17.9%) (down from a 270,300 or 35.4% increase the previous quarter). **The largest quarterly increase was seen in human health and social work at 26,000 (15.2%).**

Unemployment is reducing

Alongside the unprecedented high levels of intention to change jobs, actual resignations and the number of vacancies in the labour market, unemployment levels across all sectors are falling back down towards pre-pandemic levels and show consistent long term decline over the past five years.



Source: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/timeseries/mgsx/lms>

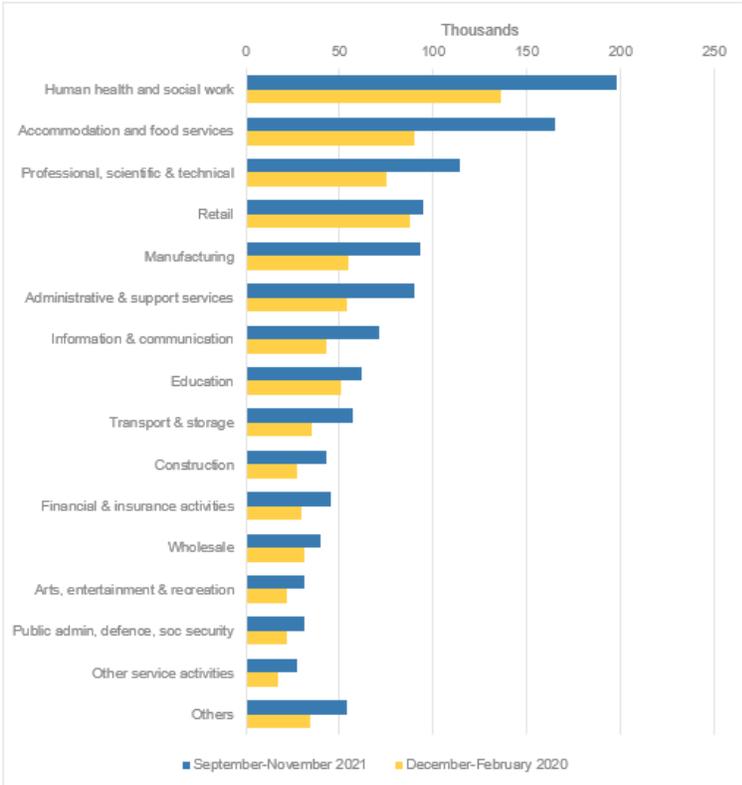
This means there is a reducing the pool of available labour to fill the record number of vacancies in the economy. The impact of Brexit and Covid-19 is also making it hard to recruit labour from overseas, and employers are reporting skills shortages across a wide variety of sectors of the economy.

⁴ <https://www.ons.gov.uk/surveys/informationforbusinesses/businesssurveys/vacancysurvey>

There are significant skills shortages across the economy

The lack of available workforce is particularly acute in some sectors, which is contributing to supply chain disruption but also driving pay inflation.

Figure 6: Vacancies by industry, pre-crisis and latest data



Source: ONS Vacancy Survey

Pay is rising in the private sector

The combination of high vacancy rates and labour shortages are inevitably beginning to drive up wages. Whilst we recognise that there is a data lag in official labour market statistics. The data from the HR and recruitment sector is very clear.

- Research for staff side unions by Income Data Research found employers offering signing-on bonuses of £1,000, enhanced overtime rates, incentive bonuses and even retention payments of various sorts

- We are starting to see rises in starting salaries particularly for in-demand roles, e.g, care staff, IT workers, HGV drivers
- The shortage of HGV drivers was estimated to be more than 100,000 by the Road Haulage Association in October 2021, which has led to a 10% increase in average driver pay in the nine months to October 2021⁵.
- Pay rates are increasing, over the past few weeks, we have seen major UK retailers increase pay including Tesco, Sainsburys, Aldi, Lidl.
- Similarly in the hospitality sector, the CGA business confidence survey found three quarters of employers say they are increasing pay to attract staff as a worker shortage continues to hamper the sector's recovery.
- In November 2021, UK Hospitality the industry body for the hospitality industry in the UK said there were 200,000 current vacancies across the sector which has led to 76% of employers increasing pay to attract staff⁶.
- In January 2022, Pret a Manger announced it was increasing pay for the second time in two months, and implemented the biggest pay and benefits increase in the company's 36-year history.

There are also long-term attitudinal shifts to work

What is unclear is whether this represents a longer-term cultural shift in the propensity to change jobs. What we do know is that long term labour market shifts show that workers are changing jobs more often, and are more demanding of employers.

Those born between 1980 to mid 2000s, colloquially known as millennials, have also been dubbed by some academics "the job-hopping generation" and much has been written about the role of millennials in driving employee turnover across all sectors of the economy.

Individuals and their relationship with work is changing and the NHS needs to better understand how cultural changes driven by the changing world of work are likely to impact on the ability to recruit and retain staff in the future.

⁵ <https://www.bbc.co.uk/news/business-59542794>

⁶ <https://www.independent.co.uk/business/three-quarters-of-hospitality-firms-hiking-wages-amid-staff-shortages-survey-b1931594.html>

Section 2: There is a cost of living crisis and pay is being eroded

Pay stagnation and rising inflation continues to erode wages

The rising cost of goods, services and energy has seen inflation hit its highest level in a decade, and high inflation is forecast to persist throughout 2022.

Inflation in the UK is being driven by a variety of factors - global energy prices are at record levels, goods and skills shortages are driving up prices and wages and Government support during the pandemic (such as temporary relief on VAT for hospitality) being withdrawn.

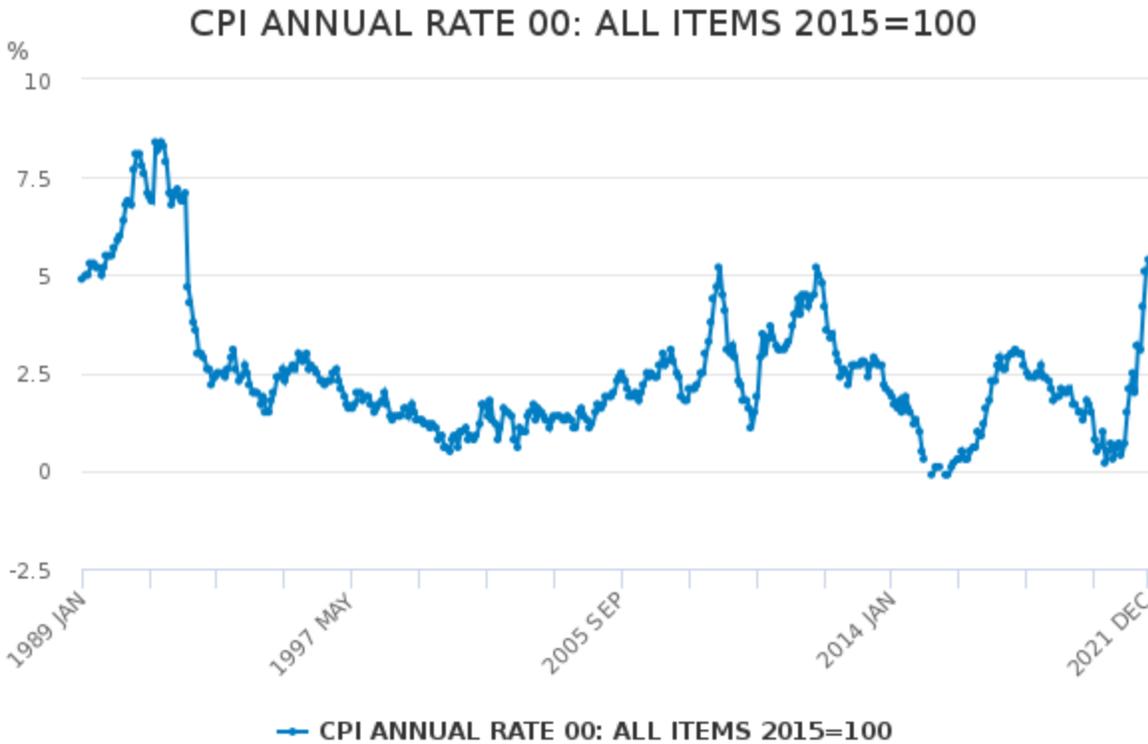
One of the most significant drivers of inflation has been the unprecedented rise in wholesale energy costs. A rise in demand for natural gas globally, weather patterns in Europe and Asia, and low gas storage balances have resulted in wholesale natural gas prices rising by 471% and 422% in the year to September in Europe and Asia, respectively.

This has already translated into a 12% increase in the energy price cap for consumers in the UK introduced in October 2021, with further significant rises expected to be introduced in April 2022. More than 2 million additional households have slipped into fuel poverty compared to the start of 2021 according to energy charity National Energy Action, up to a total of 6m or 22% of all households across the UK, with that number forecast to “skyrocket” in April⁷.

It has also meant spiraling costs for business customers, whose prices are not capped, with 70% of small business owners saying that the cost of their energy bill impacts the growth of their business⁸. In turn, we have seen the cost of goods, services and transport costs increase as business owners pass on increased costs to their customers, further contributing to inflationary pressures.

⁷ <https://www.theguardian.com/society/2022/jan/01/6m-homes-uk-pay-energy-bills-price-hike-fuel-poverty>

⁸ <https://www.energylivenews.com/2021/10/27/soaring-energy-prices-have-an-impact-on-business-growth-smes-say/>



Source: <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>

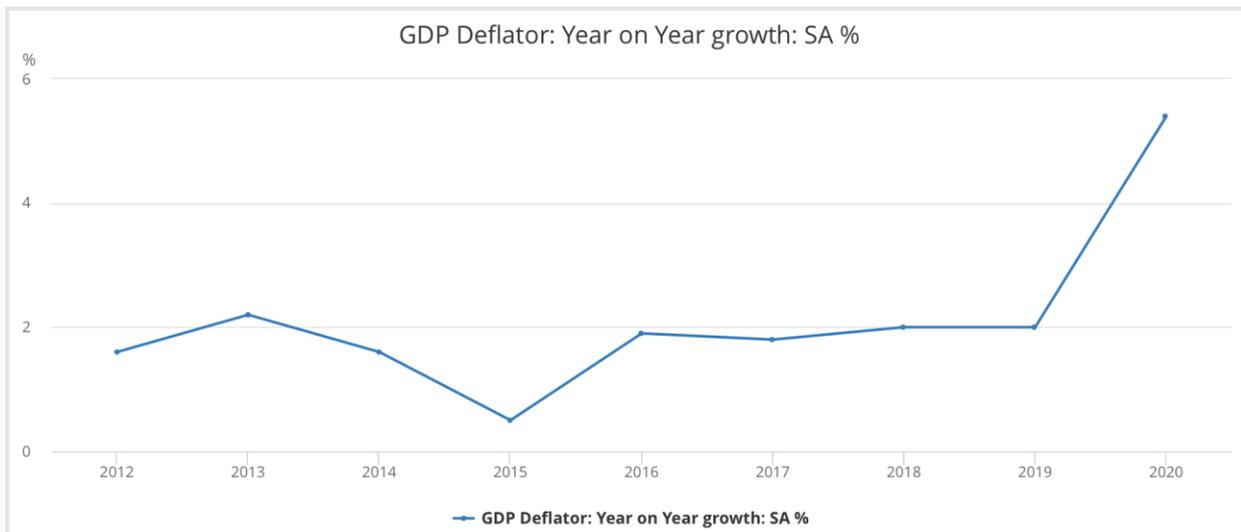
The Office for National Statistics (ONS) show that the Consumer Prices Index (CPI) measure has risen from 0.7% in January 2021 to 2% in July to 3.2% in August, the biggest monthly jump since records began, and rising every month, with the latest figures showing at 5.4% by December 2021. This is the highest CPI 12-month inflation rate since the 1990's. It is now widely predicted that inflation will hit 6%, three times higher than the Bank of England target.

The GDP deflator is a much broader price index than the Consumer Price Index (CPI), Retail Price Index (RPI) or Retail Price Index excluding mortgage interest payments (RPIX), which only measure consumer prices. This is because it reflects the prices of all domestically produced goods and services in the economy.

The GDP deflator also includes the prices of investment goods, government services and exports, and excludes the price of UK imports. The wider coverage of the GDP deflator means it is often considered more appropriate for deflating public expenditure series.

At 6.7% for FY 2020/21 the GDP deflator shows ever higher price growth than the CPI measure.

2000-01	62.791	1.99
2001-02	64.101	2.09
2002-03	65.460	2.12
2003-04	67.125	2.54
2004-05	69.117	2.97
2005-06	71.166	2.96
2006-07	73.277	2.97
2007-08	75.325	2.80
2008-09	77.556	2.96
2009-10	78.775	1.57
2010-11	80.088	1.67
2011-12	81.298	1.51
2012-13	82.937	2.02
2013-14	84.837	2.29
2014-15	85.815	1.15
2015-16	86.347	0.62
2016-17	88.278	2.24
2017-18	89.798	1.72
2018-19	91.551	1.95
2019-20	93.748	2.40
2020-21	100.000	6.67



Source: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/ihys/>

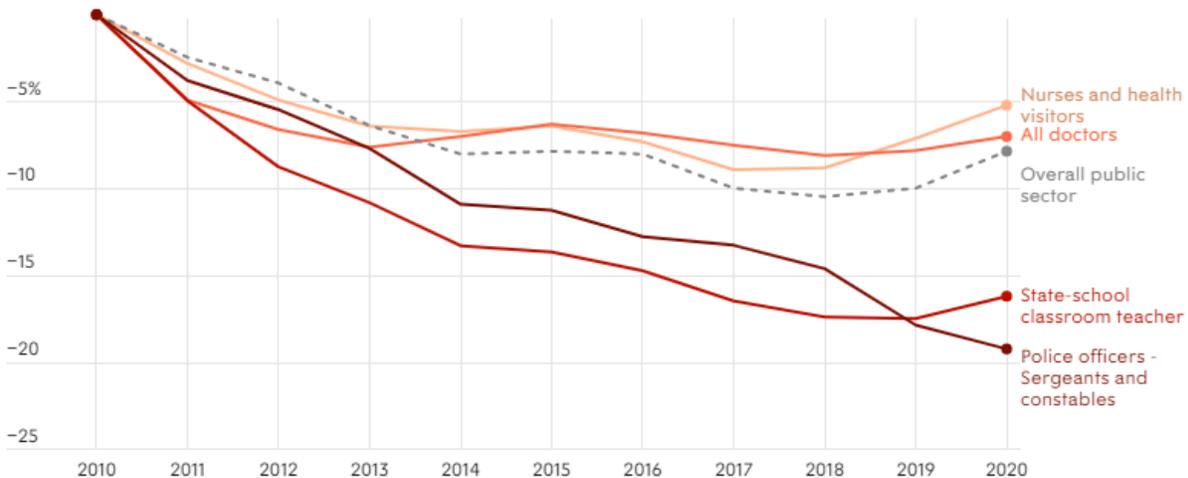
The GDP deflator measures also allow us to make comparisons over time, with a clear trend towards significant growth over the past few years despite the Covid-19 pandemic.

Long term lack of wage growth vs cost of living

These inflationary pressures are already creating a cost of living crisis which is only set to grow in 2022. The origins of the cost of living crisis, however, date back many years and are rooted in wages not keeping pace with costs over a sustained period.

Public sector pay is still far below 2010 levels

Real-terms median salary as a percentage of 2010/11 salary, by role



Note: Adjusted to 2020 prices using the Bank of England inflation calculator

Source: DfE: School workforce in England / Nuffield Trust real-terms NHS staff pay / Police Remuneration Review Body ⁹NEW STATESMAN

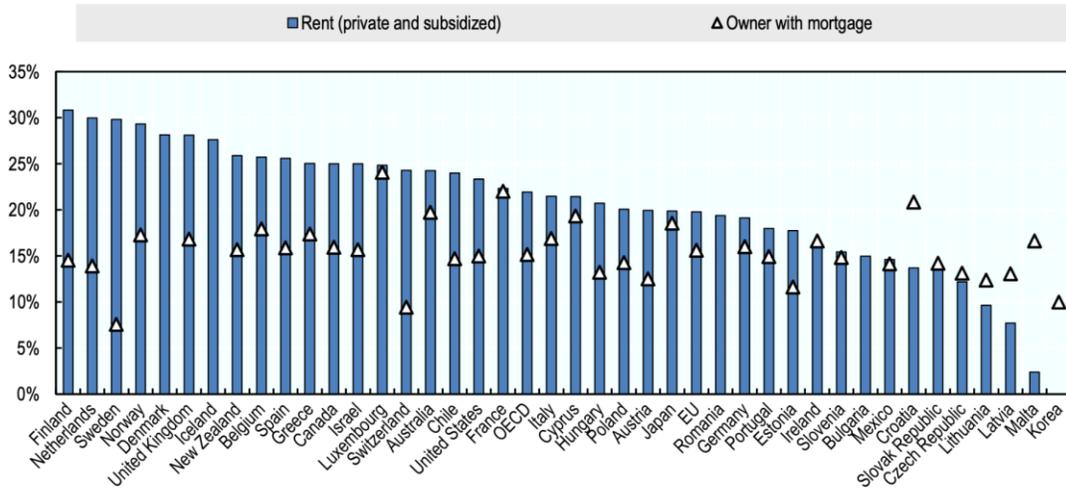
For most people, their largest monthly expenditure will be on housing and those costs have been outstripping wage growth for years.

According to the Office for National Statistics (ONS), private renters could expect to spend 23% of their income on a median-priced rented home in England, rising to almost 38% in London⁹.

According to the Organisation for Economic Co-operation and Development (OECD), this makes the UK the 6th most expensive market in the world for housing relative to income:

⁹ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalaffordabilityengland/2012to2020>

Median mortgage burden (principal repayment and interest payments) or rent burden (private market and subsidized rent) as a share of disposable income, in percent, 2019 or latest year available ^{1 2}



Source: <https://www.oecd.org/els/family/HC1-2-Housing-costs-over-income.pdf>

Other significant areas of expenditure such as transport and food and drink have also seen significant increases over time. The cost of public transport since 2011 has increased more than 75% for buses and more than 37% for rail according to research from the RAC Foundation¹⁰, whilst annual food price inflation reached a 14-month high of 2.1% in October 2021¹¹.

As the temporary VAT-relief measures introduced by the Government during the pandemic are tapered back, we have seen the costs for hospitality increase. The Food and Drink Federation estimate inflation in the hospitality industry is running at somewhere between 1% and 18%¹².

Increased tax and pension contributions are contributing to wage erosion

In addition to inflationary price increases, there are further factors eroding wages that are due to be introduced in 2022 that will exacerbate the cost of living crisis people are facing and raise the tax burden to over 35.5% of GDP by the end of the current parliament. The highest level since 1948¹³.

¹⁰ <https://www.express.co.uk/life-style/cars/1444497/driving-car-travel-costs-public-transport-fees-rac>

¹¹ <https://www.theguardian.com/business/2021/nov/09/crisps-soft-drinks-uk-food-prices-inflation-rises>

¹² <https://www.theguardian.com/business/2021/oct/19/restaurants-and-hotels-facing-terrifying-18-inflation-mps-told>

¹³ <https://www.thetimes.co.uk/article/britains-tax-burden-will-rise-to-highest-in-70-years-qsr0wxxw>

- In April 2022, **National Insurance contributions** will rise by 1.25% to a total of 13.25%, which will have a disproportionate impact on younger people and lower earners. This means an employed basic rate taxpayer earning the median basic rate taxpayer's income of £24,100/year in 2022/23 would contribute £180/year, while a higher rate taxpayer earning the median higher rate taxpayer's income of £67,100/year in 2022/23 would pay £715/year¹⁴.
- In the NHS, changes to **pension contributions** are currently being consulted on that will be introduced in April 2022 that will "flatten the contribution model" but will lead to a reduction in take-home pay for a number of salary bands:

Current tiers	Pensionable earnings (rounded down to nearest pound)	Current rate	Rate from 1 Apr 2022	Rate from 1 April 2023	Proposed tiers
-	-	(WTE pay)	(Actual pay)	(Actual pay)	-
Tier 1	Up to £13,231	5.0%	5.1%	5.2%	Tier 1
Tier 1	£13,232 to £15,431	5.0%	5.7%	6.5%	Tier 2
Tier 2	£15,432 to £21,478	5.6%	6.1%	6.5%	Tier 2
Tier 3	£21,479 to £22,548	7.1%	6.8%	6.5%	Tier 2
Tier 3	£22,549 to £26,823	7.1%	7.7%	8.3%	Tier 3
Tier 4	£26,824 to £27,779	9.3%	8.8%	8.3%	Tier 3
Tier 4	£27,780 to £42,120	9.3%	9.8%	9.8%	Tier 4
Tier 4	£42,121 to £47,845	9.3%	10.0%	10.7%	Tier 5
Tier 5	£47,846 to £54,763	12.5%	11.6%	10.7%	Tier 5
Tier 5	£54,764 to £70,630	12.5%	12.5%	12.5%	Tier 6
Tier 6	£70,631 to £111,376	13.5%	13.5%	12.5%	Tier 6
Tier 7	£111,377 and above	14.5%	13.5%	12.5%	Tier 6
-	Expected yield	9.8%	9.8%	9.8%	-

Responses from health unions¹⁵ to the formal consultation have highlighted both the risk that increased cuts to take home pay will have on retention of staff over the year ahead, and the risk to long-term stability of the scheme if those facing the bigger increases chose to opt out in greater numbers.

14 https://www.moneysavingexpert.com/news/2021/09/_--rise-in-national-insurance-contributions-will-come-into-force/

15 <https://www.gov.uk/government/consultations/nhs-pension-scheme-proposed-changes-to-member-contributions/nhs-pension-scheme-proposed-changes-to-member-contributions-from-1-april-2022#member-contributions>

- **Local government finances** have also been significantly impacted by the pandemic and as such we are likely to see 2% increases in council tax for most households, with councils responsible for social care allowed to add an additional 1%. But even 3% increases might not be the true figure, the Institute for Fiscal Studies (IFS) has said that under current Government spending plans, council tax bills will need to rise by at least 3.6 per cent a year just to keep services running¹⁶.
- **Interest rates are rising and there are more rises are on the horizon.** The Bank of England Monetary Policy Committee implemented a 0.25% interest rate rise in December and economists expect further rises over the coming months to help combat inflation.

Households have reducing disposable income

The combination of inflation and wage erosion is prolonging the significant restrictions of household disposable income that we have seen since the Covid-19 pandemic.

At the October 2021 Budget, the Office for Budget Responsibility (OBR) estimated that real household disposable income would only return to pre-pandemic levels in the latter half of 2023¹⁷, and that was based on an inflation forecast of 4.4% for 2022 which is considerably lower than the current forecast of the Bank of England of 6%¹⁸.

According to the Institute for Fiscal Studies (IFS), this contraction of disposable income has led to a 10% reduction in spending across social categories since the start of the pandemic and may be contributing to a “protracted period of reconfiguration” which could put a dampener on economic recovery¹⁹.

The combination of all of these factors means that NHS Staff are really feeling the impact of the cost of living increases

¹⁶ <https://ifs.org.uk/publications/15674>

¹⁷ <https://obr.uk/efo/economic-and-fiscal-outlook-october-2021/>

¹⁸ <https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-report/2021/november/monetary-policy-report-november-2021.pdf>

¹⁹ <https://ifs.org.uk/publications/15691>

Section 3: Recruitment and retention is system critical

The NHS Staffing crisis

The NHS is undoubtedly in the grip of a crisis, whilst the impact of Covid-19 is a symptom of the broader issues, arguably it is a historic lack of workforce planning which is at the heart of the current crisis. There is now an unprecedented amount of consensus around the importance of addressing workforce issues in supporting the NHS to function effectively, and deliver excellent patient care.

The idea that the NHS could simply rebound after the immense pressures of 2020 has been proven to be false. The Covid-19 pandemic is not a crisis that we need to get through, but a serious new infectious disease that we need to learn to live with. As the country learns to live with endemic Covid, so must the NHS. This will mean continued pressure on staff for the foreseeable future.

Workforce shortages are the “key limiting factor”

As the UK battles with a fourth wave of the Covid-19 pandemic, the NHS is struggling with a tidal wave of the usual winter pressures and attempting to catch up with the backlog of the last 18 months which has seen far too many patients suffer delays in urgent treatment.

In September 2021, 5.8 million²⁰ people were on waiting lists in England alone, the highest figure in almost 25 years. Of those, approximately 2 million were waiting more than four and a half months to be seen. With bed occupancy surpassing the 85% international standard across the NHS England area in the final week of November 2021, and at 92.9% falling just short of the 95% level assessed as dangerous by NHS England & Improvement.

²⁰ NHS England data

The most recent report from the Health and Social Care Select Committee on “clearing the backlog caused by the pandemic” published in December 2021, took evidence from across the sector the concluded that:

“During our inquiry, we heard many times that workforce shortages were the “key limiting factor” on success in tackling the backlog. Without better short and long-term workforce planning, we do not believe the 9 million additional checks, tests and treatments will be deliverable.”

And made the following recommendations:

“That the Government undertake an urgent review of short-term recruitment and retention issues within the health and care workforce, including productivity improvements, sharing of best practice through data, removal of professional demarcation, use of technology, additional training places and additional immigration measures. This should be published before the arrival of the funding due in early 2022.”

“Investing resource in our health and care workforce will ultimately save money—for example through reduced locum and agency fees over time—and help build a better, safer health service. It will also give hope to staff—who are feeling increasingly desperate and who face yet more challenges on top of those posed by the early phases of the pandemic”.

“We call on NHS England to demonstrate its ongoing commitment to staff wellbeing by publishing a refreshed People Plan to cover the financial year 2022/23 as soon as is practicable.”

On New Year’s Eve 2021 more than 110,000 NHS staff or nearly one in 10 were absent, with almost half of that number isolating because of Covid-19²¹. Absence had already hit 8% in the week before Christmas 2021, up 3% on usual levels at this time of year. By the first week of January 2022, seven hospital trusts had declared a critical incident owing to staff shortages and rising pressures associated with Covid-19, with more expected to follow suit.

²¹ <https://www.thetimes.co.uk/article/nhs-struggles-as-sickness-takes-out-1-in-10-staff-x29mwv5rw>

These pressures, together with the ongoing battle with Covid-19 are pushing the workforce to their limits. It is unsurprising that the CEO of NHS Providers declared in a Twitter thread in December 2021:

*'This week's NHS statistics show two things happening at the same time. Frontline NHS staff are working flat out and delivering very high levels of activity despite being very tired. But, given scale of demand, performance is under huge pressure and deteriorating...'*²²

NHS staff have had no respite from the pandemic, or its consequences such as the care backlog. Indeed, even the Christmas message from NHS Chief Executive Amanda Pritchard paid tribute to staff who are “drained after such a gruelling period”²³.

Staff need recognition urgently if burnout, high vacancy rates and staff exits are to be meaningfully addressed. It is also critical that future resilience and crisis preparedness is better developed in order to ensure that overstretching staff doesn't become the permanent backstop for dealing with crises and associated pressures.

Increasing numbers of staff are leaving

We are starting to see data showing that increasing numbers of staff are leaving. NHS Electronic Staff Record data – prepared to support the NHS People Promise - demonstrate that the NHS' physiotherapy leaver rate increased throughout 2021 from a low-point of less than 5 per cent recorded in March, and stood at 6.5 per cent as of December 2021.

This leaver rate is back to the levels seen pre-March 2020, and now surpasses both the all-AHP leaver rate, and the aggregated leaver rate for nursing and midwifery staff.

²² <https://twitter.com/ChrisCEOHopson/status/1469926186520387585>

²³ <https://www.england.nhs.uk/2021/12/nhs-chief-hails-extraordinary-team-effort-in-face-of-omicron/>

NHS Vacancies are increasing

Data from NHS England & NHS Improvement demonstrates that vacancies are increasing throughout England. The most recent data released in September 2021²⁴ showed that overall vacancy rates in England had soared from 5.9% in March 2021 to 7.6% at the midpoint in the financial year. This is a difficult place from which to deal with normal winter pressures, much less the ravages of a global pandemic and the associated backlog.

As of December 2021, there were 93,000 vacancies across the NHS²⁵, with shortages in every specialism and more than £6bn per annum being spent on locum doctors and agency nurses to fill gaps. Efforts to recruit retired medics back to the profession to help with the pandemic response were held back by onerous requirements for registration, with only 5,000 of 47,000 volunteers actually returning to work²⁶.

Vacancy figures illustrate a system under pressure, but what they don't tell us is the personal cost of the system being so stretched. In a healthcare setting, specialisms are of critical importance, and their absence to a ward or hospital or entire trust can be devastating leading to the cancellation of operations, routine treatments and delayed or permanently compromised recovery.

Part of the reason that vacancy rates in the NHS are high and rising is the ability of the private sector to offer a more attractive package for both experienced staff and new graduates. The starting salary for a nurse in the NHS is £25,655 whereas in the private sector it is £37,500²⁷.

There is some emerging anecdotal evidence to suggest that private health providers are targeting NHS staff and successfully attracting talent at all stages of their careers. This is creating additional pressure for NHS employers who are now competing with each other for an increasingly scarce pool of applicants as demand is driven higher.

²⁴ <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey/april-2015---september-2021-experimental-statistics>

²⁵ <https://www.ft.com/content/8f177676-4496-4aff-a726-74ef3210c905>

²⁶ <https://www.dailymail.co.uk/news/article-9097533/Red-tape-blamed-5-000-40-000-retired-NHS-workers-volunteered-given-jobs.html>

²⁷ <https://www.totaljobs.com/salary-checker/average-private-healthcare-salary>

Staff are burnt out and morale is low

High vacancies rates are contributing to the pressure being placed on existing staff, leading to burnout and low morale and in turn, contributing to people leaving their jobs.

According to the latest publicly available data from the 2020 NHS Staff Survey published in February 2021²⁸ morale has remained relatively stable, but this data is now considerably dated having been collected via fieldwork that took place during October and November 2020, between the first and second Covid-19 waves and before the third national lockdown from January to March 2021.

We hope that the PRB will consider 2021 NHS staff survey data when it becomes available, particularly as it relates to stress, burnout and work-related ill health. A Unite survey from January 2022, found 77% said that morale/motivation in their workplace was worse or a lot worse, compared to a year ago.

Even in the 2020 data, we can see concerning statistics emerging, with 44% of respondents reporting feeling unwell as a result of work-related stress in the last 12 months and 46% of staff said that they had gone to work in the last three months despite not feeling well enough to perform their duties.

A subsequent June 2021 report from the House of Commons Health and Social Care Committee described workforce burnout as an “emergency” that is creating an “extraordinarily dangerous risk to the future functioning of” the health service²⁹, citing “chronic excessive workload” as a key driver.

Analysis by London South Bank University has suggested that absences could continue to climb to 17% of the workforce, even after the current wave of Covid-19 has passed³⁰.

²⁸ <https://www.nhsstaffsurveys.com/static/afb76a44d16ee5bbc764b6382efa1dc8/ST20-national-briefing-doc.pdf>

²⁹ <https://committees.parliament.uk/publications/6158/documents/68766/default/>

³⁰ <https://www.independent.co.uk/news/health/burnout-nhs-staff-sickness-tripling-b1982032.html>

We can also see the pressure manifesting in different ways, with the chair of the charity Doctors in Distress describing a “catastrophic” effect on frontline staff with more than 700 medics a month seeking mental health support³¹.

There are rising levels of unpaid overtime

Unpaid overtime has been a significant challenge for the NHS for many years. The 2020 NHS staff survey showed 55%, well over half of staff, continue to work additional unpaid hours on a weekly basis:

- **RCN:** The RCN Employment Survey³² found that 77% of members said they work beyond their contracted hours at least once a week, and more than half (53%) of nursing staff reported the additional hours were unpaid
- **UNISON:** More than half (57%) regularly work beyond their contracted hours. One in five (21%) do so two or three times a week, and 14% put in extra hours on every shift.
- **CSP:** 66% of physiotherapy respondents to the 2020 NHS staff survey reporting regularly working unpaid overtime in their NHS role, with this figure rising to 71 per cent for physiotherapists based in the community.
- **Unite:** Over half of respondents to a Unite survey (Jan 2022) said that they regularly worked through their lunch breaks (55%) and worked beyond their contracted hours (53%).
- **GMB:** Results from a GMB survey show that 75% of respondents said they regularly worked additional hours above their contract.

Staff intention to leave is growing

The NHS is not immune from pressures in the wider labour Market, and whilst many staff that work in the NHS are motivated by and feel a sense of pride in the value of their work, they face the same inflationary pressures as everyone else. As the cost of living crisis really starts to bite, we expect to see staff looking seriously at how to increase their take-home pay rather than accept a lowering of their living standards.

³¹ <https://i.news.co.uk/news/health/nhs-frontline-staff-mental-health-crisis-700-medics-month-now-seeking-professional-help-1366223>

³² <https://www.rcn.org.uk/news-and-events/news/uk-rcn-releases-results-of-member-employment-survey-301221>

The 2020 NHS Staff Survey, which was conducted before the cost of living crisis, and before the impact of “the great resignation” found that over 18% of staff are looking to leave the NHS, either to retire, move into the private healthcare sector or leave the healthcare sector altogether. Given the staff-side member surveys we would expect this figure to increase in the forthcoming survey.

- Among all respondents to the **RCN** Employment Survey working in the NHS, 19% reported they were actively planning to leave their job and a further 40% said they were thinking of leaving their job. The main reasons for thinking about leaving are feeling undervalued; feeling under too much pressure; low staffing levels; feeling exhausted and low levels of pay.
- An **RCM** survey conducted by the RCM during August 2021 found 57% are considering leaving their role as a midwife or MSW, of those considering leaving 57% are planning to do so within the next year, and 5% of respondents had already left. Results from the same survey filtered by those working five years or less in the NHS showed 96% of those working in the NHS for five years or less do not feel valued by the Government, 50% of these respondents are considering leaving and 46% of those considering leaving plan to do so in the next year.
- **UNISON**: A total of (57%) of health staff surveyed are thinking of quitting their jobs. Of these, 54% say they are actively looking to leave.
- **CSP**: Data from the latest available NHS staff survey indicated that a high number of physiotherapy staff were preparing to - or considering - leaving the profession as of 2020, with 24% of physiotherapy respondents reporting they often think about leaving their organisation; 20% that they would likely look for alternative roles in the next 12 months; and 11% that they would leave their organisation as soon as they find another job.
- **Unite**: Over the last 12 months 68% of respondents said that they had very seriously (38%) or fairly seriously (30%) considered leaving their current job.
- **GMB**: 71% of respondents had considered leaving the NHS in the last 6 months, with the most common reasons given were pay, stress, workloads, mental health and Covid. This compares with 61% in the last survey in December 2020.

Improved pay is critical for staff retention

With day to day costs noticeable rising and daily news reports of how much bills are rising, we are starting to see an increase in concerns around pay from our members.

A census survey of **NHS-employed CSP members** - run in Quarter 3 2021, to gauge NHS-employed members' reaction to the NHS' 2021 pay award - found that 91 per cent found the pay award to be unacceptable. Considering all respondents, including those that were satisfied by the award:

- 91 per cent of respondents indicated 2021's pay award would damage staff morale;
- 84 per cent expected the pay award to negatively affect recruitment and retention in the NHS; and
- 53 per cent stated the 2021 award had left them personally more likely to leave NHS employment.

In the latest RCM survey, of the respondents working five years or less in the NHS 94% said increased pay could encourage them to stay, this figure was 86% of all respondents. The RCM also surveyed members to ask how they felt about the 3% pay award. 95% of those members who responded said they were unhappy with the pay award for 2021/22

Additionally, 38% of respondents to the RCM survey said they could not see themselves returning to work in the NHS in the future, 17% could and 45% didn't know. Of those who had worked five years or less in the NHS, 22% could not see themselves returning to work in the NHS in the future, 23% could and 55% didn't know.

When Unite balloted its members over the recent pay settlement 90 per cent rejected it. In the latest Unite survey from January 2022, 78% said that they did not feel fairly paid for the work that they did.

A British Dietetic Association survey of its members showed that 41% ranked staff shortages as the number one reason for wanting to leave the health and social care sector, slightly behind the 33% who said pay was the primary reason for wanting to leave.

Inability to deliver quality of care is a driver of dissatisfaction

A primary driver of staff wanting to leave is the pressure that they feel at not being able to deliver the appropriate quality and standard of care. Across all staff side unions staff are not just frustrated, but often traumatized by their inability to deliver care at the level and quality that they are required to.

As in any employment, if you consistently are not able to do your job to the minimum standards that are set, and which you know are necessary to support patient care, you become frustrated and disillusioned. Staff are not just concerned about the impact on patient safety but also the impact on their personal professional standard and registration status.

A UNISON survey of its health sector members showed, more than four in ten (46%) NHS staff feel guilty that those using health services are not getting the quality of care they need and deserve. Four in ten (40%) health workers have had to take time off work for mental health reasons during the pandemic. A quarter (26%) sought help through their employer, but four in ten (46%) didn't feel they got the help they needed.

In the January 2022 Unite Survey, 74% of respondents said that they had frequently experienced staff shortages in their workplace over the last year and 66% had raised concerns about safe staffing levels in their working area or department. As a result of the Covid-19 pandemic 86% of respondents described their service as stretched (50%) or overwhelmed (36%).

Staff side analysis of reasons for leaving

The most up to date data we have on reasons for leaving are from NHS digital 2010-2019 ³³, although this data doesn't account for the impact of the Covid-19 or 'the great resignation' phenomenon of 2021/2022.

³³ <https://digital.nhs.uk/supplementary-information/2020/leavers-from-the-nhs-in-england-2010---2019>

We looked at voluntary leavers from the 4 quarters of 2018-19 together, which shows that the need for work/life balance was by far and away the most important factor driving staff to leave the NHS.

Staff side analysis of reasons for leaving from NHS 2018 - 19	
Voluntary Resignation - Work Life Balance	18,599
Voluntary Resignation - Health	4,479
Voluntary Resignation - Better Reward Package	5,304
Voluntary Resignation - Child Dependents	2,910
Voluntary Resignation - Lack of Opportunities	3,216
Voluntary Resignation - Incompatible Working Relationships	1,736
Voluntary Early Retirement - with Actuarial Reduction	1,501
Voluntary Early Retirement - no Actuarial Reduction	1,306
Voluntary Resignation - Adult Dependents	1,067
Total	40,118

Staff side analysis of NHS England data on reasons for leaving

Mandatory vaccinations will exacerbate the crisis

The staff side unions would like to sound a note of caution around making Covid-19 vaccinations mandatory for NHS staff. Whilst we strongly support the vaccination programme and have participated in promoting it, we have made the case repeatedly that mandating is the wrong approach. Implementing this policy is distracting managers and trade union representatives from operational priorities at a time of historic pressure.

The potential dismissal of tens of thousands of staff will increase pressure and could lead to services becoming increasingly unstable. In just one example of anticipated impact, a CSP survey conducted November 2021 found that NHS physiotherapy services could stand to lose a further seven per cent of physiotherapy staff due to the new legislation. In addition, 14% of physiotherapy students said they would not accept vaccination.

The staff side recruitment and retention plan

The NHS is in the midst of a staffing crisis and in the interests of the NHS, of NHS staff and the public, we must work together to put in place the best possible package of measures to support the recruitment and retention of NHS staff. Our staff side PRB submission sets out our joint position on the measures that we feel are essential to support the retention of existing staff and attract the workforce we need for the future.

A decent pay rise for all staff is critical

In advising on the appropriate level for a pay-rise for all NHS staff, we ask that the pay increase is set at a level which will retain existing staff within the NHS and which recognises and rewards the skills and value of health workers.

In order to do this, the increase must:

- Deliver an inflation-busting increase so that NHS staff can cope with rising and rapidly fluctuating costs which may change significantly over the pay year
- Absorb the impact of increases to pension contributions
- Benchmark the bottom of the structure against the real Living Wage

The value of NHS wages has been held back over a long period of time as a matter of government policy. Unions therefore seek a commitment that the value of NHS pay scales will be restored over a clear timetable and that the 2022-23 pay rise will be a significant 'down payment' as part of that pay restoration.

Additional measures for an urgent retention package

As part of our pay evidence or talks, we also want to highlight five other measures – in the scope of the NHS Staff Council – that should form part of an urgent 'retention package' to assist the service to stem the tide of staff opting to leave jobs in the NHS.

It is our view that addressing these issues could – alongside a decent pay rise - reduce preventable resignations from the service over the next 12 months.

We ask for full use of the Agenda for Change agreement to retain existing staff, giving priority to measures that will:

1. Ensure banding outcomes reflect job content
2. Reward additional hours fairly
3. Prevent burnout by limiting excess hours
4. Support progression and career development
5. Encourage employers to use RRP to retain staff where shortages are a risk to staff wellbeing and quality of care

Whilst we argue that a decent pay rise should be at the heart of an urgent retention package this year, there are a number of non-pay earnings issues which - if resolved - could assist the NHS to prevent more people from leaving. It is our view that addressing these issues could – alongside a decent pay rise - reduce preventable resignations from the service over the next 12 months.

This section of our evidence will set out what we mean by these issues and briefly explain who has the power to resolve these matters and how.

1. Ensure banding outcomes reflect job content

Trade unions have been raising significant concerns about the impact of 'down banding' over the period since 2010. Whilst there has been continued investment by the NHS Staff Council in maintaining the NHS Job Evaluation Scheme, this requires active application

at employer level in order to ensure that staff are banded appropriately in accordance with the roles they are undertaking. Whilst the structure and mechanisms are in place across all employers to enable review and potential re-banding of jobs, the experience of the NHS trade unions is that job review, updating of job documentation and review of banding is rarely done as a matter of course and without significant pressure (including campaigning) from union members at Trust level.

The NHS Staff Council's Job Evaluation Group has an established programme of maintenance to update the standard 'job profiles' which support employers to allocate roles to bands as effectively as possible. While this work is constant and would (as with most initiatives) benefit from additional central resource, it is the local application of the Job Evaluation Scheme that we argue could have the most positive impact on retention of staff this year.

We are calling for a government-level commitment to the NHS Job Evaluation Scheme and mechanisms put in place to deliver and monitor access to job banding reviews where roles have changed.

Resource is also needed and priority given to deliver a programme of capacity-building for local job evaluation, alongside access to improved central resource to support local job evaluation leads including networks to share expertise, encourage good practice and enforce standards across geographical patches.

2. Reward additional hours fairly

The combination of staff shortages, increasing demand and the desire to top up pay that has not kept pace with inflation means that staff are reporting working more hours - paid and unpaid - than in previous years, and regular unpaid work at the end of every shift is also a persistent theme from some staff groups. We would like to see:

1. All working hours paid and employers to enforce a no-working-for-free policy
2. Overtime rather than bank systems used for all hours in addition to contracted hours for substantive staff. Bank schemes should match AfC payments.

3. The temporary Staff Council provisions for extension of overtime rates to staff in bands 8 and above adopted as a permanent measure.
4. 'Surge payment' regimes negotiated via the NHS Staff Council to prevent proliferation of localised agreements and reduce risk of discriminatory payments.
5. Centrally accessible information about bank hours and payment regimes.

3. Prevent burnout by limiting excess hours

We are increasingly concerned about the health and wellbeing of staff. Over recent weeks the additional and high levels of absence associated with the rapid spread of the Omicron variant of Covid-19 has added further pressure for existing staff to undertake extra shifts and additional hours in order to maintain acceptable levels of service provision.

There is an urgent need for Government and policy makers to reinforce the 48-hour limit on working hours as a priority patient and staff safety measure. We would like to see a requirement for employers to take total hours worked into account, not just hours on a substantive payroll and measures to limit allocation of additional hours without consent.

4. Support progression and career development

Whilst undertaking our suggested actions on banding would help deliver appropriate pay for the content of existing jobs, equipping employers to more effectively use the AfC agreement to support career development and progressing to more advanced roles would also support retention of staff.

We have previously informed the NHS PRB of the proposal (as part of both the NHS Long Term Plan and the NHS People Plan) that the NHS establishes a central careers function, there are also practical steps that employers could take using or extending the AfC agreement to support staff progression to higher banded roles within job families within specified timeframes.

There is also a specific and urgent need to provide support for new entrants to healthcare occupations, particularly new registrants whose training was severely disrupted by the pandemic.

However, our key ask in relation to progression is to address the inconsistent gaps between the current pay bands and address cliff edges in the structure where promotion to a higher pay band results in a reduction in other parts of the earnings package. In some cases, the gaps between bands are incredibly narrow and act as a disincentive towards upward career progression. This is particularly relevant to progression between Band 2 to 3 where movement in the English system not only delivers a narrow pay increase but also results in a reduction in the rate paid for unsocial hours. In the current climate, where retaining and developing the skills of clinical support workers will be ever more crucial, removing this barrier to progression to band 3 could boost skill mix and enable progression from support worker through to Nursing Associate/Assistant Practitioner as part of routes through to registered status. Similarly, moving between Bands 7 and 8 is accompanied by a significant reduction in other terms like unsocial hours and overtime payments.

5. Encourage employers to use RRP to retain staff where shortages are a risk to staff wellbeing and quality of care

Over the last decade, use of Recruitment and Retention Premia has dropped significantly and there is little evidence of application of use of RRPs to address issues within a specific geographical context or for specific occupations. Mechanisms for funding RRPs are not easily understood, with no obvious corollary between the funding applied via the Market Forces Factor (England) and RRPs being applied to AfC roles.

The staff side has also previously highlighted a range of issues with the current mechanisms for High Cost Area Supplement (HCAS) payments, which will be increasingly problematic as system-level working becomes embedded.

We would like to see a revision of the mechanisms to apply RRPs (perhaps based on learning from NHS Scotland where RRPs are actively considered, applied and removed through collective agreement within the NHS Staff Council structures) in addition to a clear mechanism established for the funding of short term RRPs to assist employers to retain staff in priority groups through the next pay year. We would also welcome negotiations to resolve the issues we have previously identified in the HCAS mechanism and levels of payment.

Timing of PRB process

Not knowing how much you are going to be paid, particularly in an environment when costs are rapidly increasing, creates worry and uncertainty. We know that energy costs are likely to jump significantly in April 2022, we believe that this is a critical point for giving clarity for staff around their pay award.

Whilst pay outcomes arising from direct talks may be announced in time to implement new pay rates from the due date of 1 April, the Review Body has been clear that the delay in issuing the formal remit means a recommendation from the NHS PRB will not be with Ministers until May at the earliest.

We ask that the impact of a delay to implementing the pay rise is considered as an additional risk to the retention of staff and remind Government that – while we will participate fully in processes for the 2022-23 pay round - unions stand ready to undertake discussions on applying an earlier settlement in response to the growing NHS Staffing crisis.