



# STAFF SIDE EVIDENCE TO THE PAY REVIEW BODY

January 2021



*“Every single person working in the NHS has contributed to an unprecedented national effort to beat back this virus and save lives. They have protected us and in return this government will do everything in its power to protect and support them.”*

***Rt Hon Matt Hancock MP,***

***Secretary of State for Health and Social Care, July 2020***

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# 1. Introduction

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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.

Expectations amongst staff for a significant pay rise are high, and we urge the PRB to make this a swift process, so that the determination can be communicated as early as possible to staff.

This submission sets out the staff side claim for an early and substantial pay rise for NHS staff 2021 - 2022.

We are asking you to look beyond the short-term economic uncertainties of 2020 to support the UK economic recovery and protect the NHS by investing in the workforce. It is the workforce who have been at the forefront of dealing with the Covid-19 crisis, that are responsible for the UK vaccine deployment programme and key to supporting the UK recovery and rehabilitation post-Covid.

## **UK Context**

The NHS trade unions' principle of seeking an early and substantial pay rise for all AfC staff is a UK wide position. We acknowledge that the current Review Body remit is for England only, although we understand that remits for Northern Ireland and Cymru/Wales are anticipated.

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.

If remits are issued as expected for Cymru/Wales and Northern Ireland, NHS Trade Unions in those administrations may wish to supplement this evidence with illustrative data and interpretation of policy initiatives relevant to their specific NHS workforce context.

## 2. Key point summary

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- Whilst we recognise that 2020 has presented a challenging time for the UK economy, it is also clear that the UK is in a strong position to return to strong economic growth in 2021 as we drive out of the pandemic, and economic activity rebounds.
- News around the successful development of vaccines has led economists to upgrade the UK's GDP forecast and economic outlook, and seen the FTSE have the best month for 30 years rising by 12.4% in November 2020 as confidence grows in those businesses that have been most impacted by the pandemic.
- The cost of Government borrowing is now at an all time low, meaning that even with the additional Government borrowing of 2020, the cost of servicing Government debt is more than sustainable.
- Public sector pay constraint, such as we saw from 2010, as a means to reduce public sector debt, served only to stifle rather than support economic growth.
- Increasing pay for public sector workers is an effective way of intervening to promote an economic recovery. NHS institutions are present across the UK and giving staff a substantial pay rise will boost spending in every community in every part of the UK.
- By boosting the income of households, the Exchequer can also expect to benefit from increased tax revenues, and reduced reliance on other forms of income support, including benefits, the return of employee pension contributions, as well as the economic benefits of getting people to spend money again.
- Independent analysis by London Economics showed that increasing the Agenda for Change pay bill by 10% has a net cost of just £0.66bn to the Treasury.
- The impact of the pandemic on the NHS is far from over, and the UK needs a well-resourced, motivated and energised workforce to get us to the other side of the pandemic.
- The NHS needs to be fighting fit to deal with the triple challenges of undertaking the country's largest ever vaccination programme; supporting the rehabilitation of patients recovering from Covid-19 and the impact of the pandemic; and working to reduce the backlog of cases in the system.
- The November 2020 Spending Review allocated significant additional resources to support the NHS with Covid-19 during 20/21, including a £3bn recovery fund, the ability of the NHS to successfully use this resource will be hampered by a lack of staff, and a workforce who are exhausted. Delivering a significant pay rise to all staff will support the NHS to maximise the impact of this additional funding package.
- Staff have gone above and beyond their contractual obligations, working overtime, both paid and unpaid, aware of the huge responsibility and trust that the country has placed in them. All staff side unions report large increases in stress and mental health challenges being faced by members, as the impact of the pandemic takes its toll on the workforce.

- The public sector remains the poor relation when it comes to pay, with the NHS and broader public sector consistently lagging behind the private sector. Since 2010 average weekly pay in the private sector pay has grown 22%, compared to just 17% in the public sector.
- A substantial pay rise for the NHS workforce is a necessary investment for the future, critical to both recruitment and retention of staff. With Intention to leave growing and a major recruitment drive now underway, it is important to make the NHS an attractive long term proposition for the future, to tackle the persistent understaffing and build resilience into the system.
- NHS staff have seen the Government spend billions of pounds to support the economy, they have also witnessed huge sums of money being wasted on failed procurement, poor contracts and a test track and trace system that has struggled to deliver. The Chancellor has explicitly promised NHS staff a pay rise in recognition of their efforts, and the expectation amongst the workforce is that they deserve and have earned a substantial pay rise.
- The Public have consistently supported a giving NHS workers a pay rise, a ComRes Poll conducted in January 2021 found 83% of the public supported a pay rise for NHS staff, (with just 5% disagreeing), 53% were keen to bring the pay rise forward rather than wait until June and 68% supported increasing public spending to fund a pay rise with only 10% disagreeing.
- To deny a pay rise to dedicated public servants at this time would run counter to public opinion and miss an important opportunity to support economic recovery in a more sustainable way. The public expects the government to deliver on promises that they will 'recognise' and 'value' NHS staff.

### 3. The UK Economic picture

Whilst we recognise that 2020 has presented a challenging time for the UK economy, it is also clear that the UK is in a strong position to return to strong economic growth in 2021 as we drive out of the pandemic, and economic activity rebounds.

News around the successful development and subsequent deployment of vaccines has led economists to upgrade the UK's GDP forecast and economic outlook, and seen the FTSE have the best month for 30 years rising by 12.4% in November 2020 as confidence grows in those businesses that have been most impacted by the pandemic.

The Office for Budget Responsibility produced its November economic forecasts, before news of the Oxford vaccine, and based on a number of scenarios. The upside forecast is based on widespread vaccine availability before Spring, which now looks certain, has the UK returning to pre-Covid economic growth by the end of 2021 and no long term scarring of the economy.

Table 1.1: Summary of virus scenarios

	Virus scenarios		
	Upside	Central	Downside
<b>Public health assumptions</b>			
Lockdown ends	2 December	2 December	2 December
Test, trace and isolate	Effective	Partly effective	Ineffective
Public health restrictions: lockdown to vaccine <sup>1</sup>	Medium-low	High-medium	Very high <sup>2</sup>
Vaccines widely available	From Spring 2021	From mid-2021	Ineffective
<b>Economic effects (per cent, unless otherwise stated)</b>			
Real GDP growth in 2020	-10.6	-11.3	-12.0
Return to pre-virus peak (2019Q4)	2021Q4	2022Q4	2024Q4
Peak unemployment rate	5.1	7.5	11.0
Long-term GDP scarring	0.0	3.0	6.0
<b>Fiscal effects (per cent)</b>			
Public sector net borrowing in 2020-21	16.7	19.0	21.7
Public sector net borrowing in 2025-26	1.7	3.9	6.1
Public sector net debt in 2025-26	90.5	104.7	123.1
<b>Budget 2020 fiscal targets</b>			
Current budget balance in 2023-24	Met	Not Met	Not Met
Net investment below 3 per cent of GDP	Met	Met	Not Met
Debt interest to revenue ratio below 6 per cent	Met	Met	Met
<sup>1</sup> Low, medium and high are broadly equivalent to October 2020 tiers 1, 2 and 3 in England. Very high is between October 2020 tier 3 and November 2020 lockdown in England.			
<sup>2</sup> Restrictions to ease to low by end of 2021.			

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The UK remains the world's sixth largest economy. In 2019 the UK's GDP grew to £2.21tn, an increase of £200bn on the previous year's output. It is the UK's position of economic strength that has made Government intervention into the economy during the Covid-19 crisis possible.

<sup>1</sup> Office for Budget Responsibility Forecast, Spending Review November 2020



### 3.1 Continued Government support of the economy is necessary

Throughout 2020, the Government has accepted the need for short term economic intervention to support the economy through this period of instability. This approach has shielded businesses from the full impact of national lockdowns and restrictions, and has helped to protect the UK economy, so it can recover strongly in 2021.

The IMF has supported and continues to support sustained Government spending, warning in October 2020 that cutting state support prematurely could set economic recovery back dramatically. According to Vitor Gaspar, Head of Fiscal Policy at the IMF:

*“We believe there is a risk of prematurely withdrawing fiscal support and policymakers that have a choice would be well-advised to be very gradual and to maintain fiscal support until the recovery is on a sound footing and the long-run scarring impacts from Covid-19 are perceived to be under control.”*

The IMF Fiscal Monitor: Policies for the recovery, published in October 2020 clearly sets out that increased public debt is both expected, encouraged and sustainable.

*“2020 is an exceptional year in terms of debt dynamics, and public debt is expected to stabilize to about 100 percent of GDP until 2025, benefiting from negative interest-growth differentials. These high levels of public debt are hence not the most immediate risk. The near-term priority is to avoid premature withdrawal of fiscal support. “*

### 3.2 A return to Public sector pay constraint will stifle economic growth

We also now know that public sector pay constraint, such as we saw from 2010, in reality served only to stifle rather than support economic growth.

Estimates from the New Economics Foundation (NEF 2019), using numbers produced by the Office for Budget Responsibility (OBR) found that the cumulative effect of austerity was to shrink the economy by £100bn compared to what it would have been without the cuts.

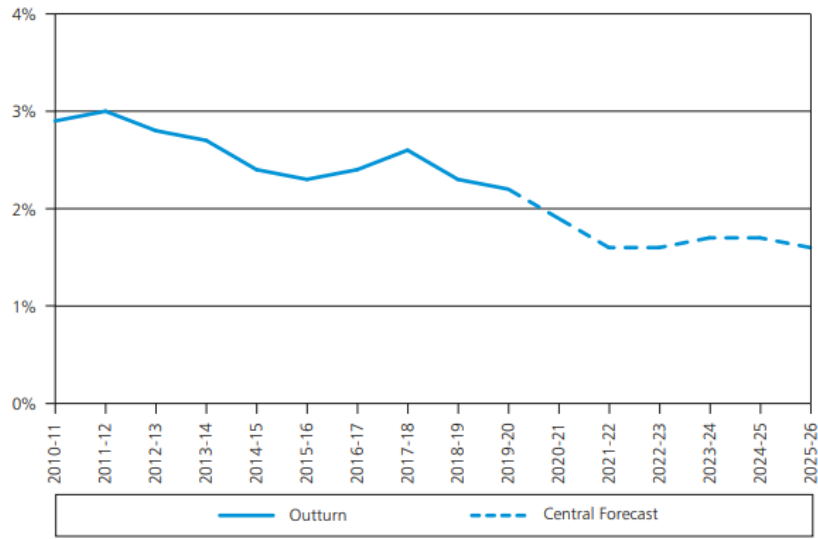
Delivering a significant pay rise for NHS staff is a sensible fiscal intervention to support the UK economy. It will also support pay negotiations in the private sector sending a strong message of confidence to employers to agree pay increases for staff and keep consumer spending high.

### 3.3 The cost of borrowing is at an all time low

The cost of Government borrowing is now at an all time low, meaning that even with the additional Government borrowing of 2020, the cost of servicing Government debt is more than sustainable. As a percentage of GDP the cost of borrowing is historically low.



Chart 1.2: Central Government gross debt interest as a percentage of GDP



Source: Office for Budget Responsibility (OBR) and Office for National Statistics (ONS)

### UK 10 year Gilt yield



Source: Macrobond, The Independent

The OBR Economic and Fiscal Outlook published alongside the November 2020 Spending Review showed a £20bn (for 2021/22) saving resulting from paying lower than forecast debt repayments<sup>2</sup>.

Table 3.12: Total managed expenditure: changes since March 2020

	£ billion					
	Outturn	Forecast				
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Public sector current expenditure (PSCE)</b>						
PSCE in RDEL	4.5	116.2	43.8	-10.3	-11.7	-12.2
PSCE in AME	-2.0	96.9	-5.0	-7.3	-2.8	-0.7
<i>of which:</i>						
Welfare spending	3.1	15.0	8.9	5.0	2.5	0.7
Virus-related income support schemes <sup>1</sup>	2.1	83.4	0.0	0.0	0.0	0.0
Locally financed current expenditure	-0.4	-6.2	1.5	-0.3	-0.1	0.3
Central government debt interest, net of APF <sup>2</sup>	<b>-1.1</b>	<b>-11.0</b>	<b>-20.2</b>	<b>-16.7</b>	<b>-11.8</b>	<b>-9.4</b>
Scottish Government's current expenditure	-2.8	8.7	0.6	-2.5	-2.6	-2.9

Savings on debt payments will continue to support the public finances in the short term and give the Treasury leeway to spend sustainably to support the economy to recover throughout 2021. As the November OBR report says:

“... net investment remains below 3 per cent of GDP on average and the ratio of debt interest spending to revenue reaches a new historical low of 1.7 per cent on the back of further falls in interest rates. The latter reflects investors’ continuing trust in the safety of UK government debt, as well as the support provided by the Bank of England’s gilt purchases in pursuit of its inflation target. But that trust rests on investors’ confidence that responsible fiscal and monetary policies will be maintained. So long as these conditions hold, a debt-to-GDP ratio over 100 per cent should not prove particularly onerous by historical standards.”

<sup>2</sup> [http://cdn.obr.uk/CCS1020397650-001\\_OBR-November2020-EFO-v2-Web-accessible.pdf](http://cdn.obr.uk/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf)

## 4. Economic Value of an NHS pay rise

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Consumer spending will be critical to the economic rebound, and whilst there is evidence of pent up consumer demand resulting from those in work saving more during the pandemic, there is also a strong economic argument for increasing pay as a local stimulus.

In a study published in October 2020, the Institute for Fiscal Studies argued that boosting demand is the only way to avoid long-term policy intervention and is key to the longer term economic recovery. “The question now is primarily about household confidence and whether it can drive a pick-up in spending.” Increasing pay for public sector workers is an effective way of intervening to promote an economic recovery. NHS institutions are present across the UK and giving staff a substantial pay rise will boost spending in every community in every part of the UK, in turn providing much needed revenue for our country’s struggling retail and hospitality sectors.

By boosting the income of households, the Exchequer can also expect to benefit from increased tax revenues and reduced reliance on other forms of income support, including benefits, the return of employee pension contributions, as well as the economic benefits of getting people to spend money again.

### 4.1 Independent analysis by London Economics

To support our PRB submission, Staff Side unions commissioned London Economics to undertake some independent research on the net impact to the Exchequer of increasing pay for Agenda for Change staff. The full report, methodology and assumptions are available for the PRB to look at in detail (add link). The research undertook detailed economic modelling of the impact of a 5% and 10% increase in the total AfC pay bill (for AfC staff in England). They concluded that of the initial outlay (corresponding to £1.70bn and £3.40bn associated with the 5% and 10% increases):

- The Treasury would recoup 47% (equivalent to £0.79bn for 5% and £1.60bn for 10%) of the additional pay bill cost through collecting the income tax and NI insurance contributions of AfC staff and their employers alone.
- The Treasury would recoup a further 26% (£0.44bn for 5% and £0.89bn for 10%) of the additional pay bill costs through direct, indirect and induced taxation receipts resulting from the impact of AfC staff spending of the additional disposable income throughout the wider economy.
- There would be a significant impact on recruitment and retention and reduced reliance on Bank and Agency staff over a 10 year period, resulting in overall cost savings to the Treasury corresponding to £0.06bn (for a 5% paybill increase) or £0.13bn (for a 10% paybill increase).
- The research also modelled the impact of cost savings from a reduction in student loan write-offs (for a given cohort of English-domiciled students undertaking nursing degrees), which they calculated would generate an additional £0.07bn (for 5%) or £0.13bn (for 10%) in savings to the Treasury.

**In total, this means that increasing the AfC pay bill by 10% has a net cost of just £0.66bn to the Treasury.**

Impact on the Exchequer	5% increase of total paybill	10% increase of total paybill
'Headline' Costs	£1.70bn	£3.40bn
Additional income tax and NI receipts from AfC staff	£0.79bn	£1.60bn
Additional wider tax receipts from AfC staff's consumption	£0.44bn	£0.89bn
Cost savings from reduced reliance on Bank and Agency staff	£0.06bn	£0.13bn
Cost savings from reduced student loan write-offs	£0.07bn	£0.13bn
Total Benefits	£1.37bn	£2.74bn
<b>Net Costs</b>	<b>£0.33bn</b>	<b>£0.66bn</b>

In addition to the modelling done by London Economics, we know that a significant number of NHS workers are in receipt of some level of in-work benefit, which would also be impacted by a pay rise and which will also deliver cost savings to the Treasury. In June-August 2020, staff side analysis of ONS Labour Force Survey data estimated that:

- 42,000 NHS workers were in receipt of Universal Credit
- 560 NHS workers were in receipt of Income Support

Using benefits as a way of topping-up incomes is poor value for the taxpayer. The UK spent circa £72bn on in-work benefits in 2019, while tax revenues grew only very modestly. According to an Institute for Fiscal Studies 2017 tax analysis briefing:

‘Overall, personal income tax receipts are due to be lower than they would otherwise have been as a result of weak earnings growth.’

The London Economics report is backed up by IPPRs ‘Uncapped Potential’ analysis (published in 2017, and examining the impact of ending the public sector pay cap), illustrating that even before the knock on impacts throughout the economy are considered, the direct fiscal and distributional effects of a pay increase are positive and very considerable:

*‘Our findings show that a significant portion of funding required to lift the public sector pay cap is in fact returned to the Treasury almost immediately in the form of higher tax receipts and lower welfare payments. The initial cost per year in 2019/20 of uprating public sector pay in line with CPI for two years from 2018/19 is £5.8 billion, compared with the cost had the cap remained in place. However, this drops to £3.55 billion once higher receipts from Income Tax and National Insurance and lower welfare payments from means-tested benefits are taken into account. Uprating pay scales in line with public sector earnings plus one per cent a year has an initial annual cost of £12.7 billion in 2019/20, which falls to £7.75 billion after higher taxes and lower welfare payments are taken into account.’*

## 5. The NHS in 2020: A system under pressure

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In 2020 The NHS has been under unimaginable pressure and unparalleled public scrutiny as our healthcare system has fought to treat and protect the population from the impact of the Covid-19 pandemic.

The ability of the NHS to respond to the challenge of Covid-19 was undeniably hampered by the resilience of the system as a result of long term under-investment. There have been two main issues in particular: systemic staffing issues and initially the availability of Personal Protective Equipment.

The long term workforce challenges, in particular the level of staff vacancies when the pandemic hit, meant a scramble for skilled workers, with many brought back from retirement to support the national effort. The UK would have been in a better position to respond to the Covid-19 challenge if systemic funding and staffing issues had been addressed sooner.

### 5.1 NHS Funding

The NHS is underfunded. According to the ONS, spending on the NHS is currently at around 9.6% of GDP, but has fallen in real terms by more than 0.2% since 2013. *As a percentage of GDP, UK healthcare spending fell from 9.8% in 2013 to 9.6% in 2017, while healthcare spending as a percentage of GDP rose for four of the remaining six G7 countries.*

The November 2020 Spending Review allocated significant additional resources to support the NHS with Covid-19 during 20/21, including a £3bn recovery fund which comprises 1bn for reducing the elective backlog, £500 million to support mental health services, and £1.5 billion to ease existing pressures in the NHS caused by Covid-19.

The ability of the NHS to successfully use this resource to tackle the highlighted challenges will be hampered by a lack of staff, and a workforce who are exhausted. Delivering a significant pay rise to all staff will support the NHS to maximise the impact of this additional funding package.

### 5.2 The Resilience of the NHS

The Health and Social Care Select Committee<sup>3</sup> has a current inquiry looking at ‘Workforce burnout and resilience in the NHS and Social Care’. Whilst giving evidence the NHS England Chief People Officer Prerana Issar recognised the systemic workforce pressures:

*“Even before the pandemic, there were shortages and rising demands in services. The demand curve and the supply curve were both contributing to stress across the NHS.”*

*“What the pandemic has shown us—a once in 100-year event—is that NHS staff are responding and pulling out all the stops.*

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<sup>3</sup> <https://committees.parliament.uk/oralevidence/1072/pdf/>

*It has also shown us that the health and wellbeing of our staff and the numbers of our staff, as well as the environment in which they work, are three mutually reinforcing elements that determine how people respond to the pandemic.”*

### 5.3 The pressure on the NHS will grow

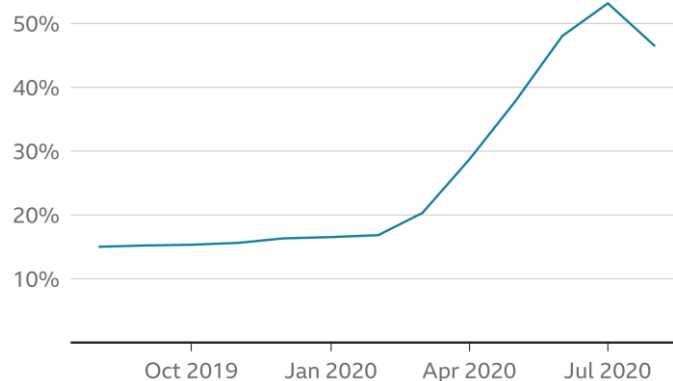
The impact of the pandemic on the NHS is far from over and as we start 2021, a new variant of the virus promises to push the entire NHS workforce to its limits. The UK needs a well-resourced, motivated and energised workforce to get us to the other side of the immediate pandemic and its long term consequences.

Not only has the pressure of the pandemic severely impacted on the ability of the NHS to treat patients for routine operations, but there is also increasing concern around the health problems that have been untreated or undiagnosed during the crisis.

Patients are waiting longer for routine operations, and the flow of normal investigations for serious diseases has slowed as patients have been reluctant to seek doctors’ advice in the normal way.

#### Patients waiting longer for routine operations

Percentage who wait more than 18 weeks



Source: NHS England



### 5.4 Covid-19 Vaccine deployment is both critical and a huge challenge

As the NHS continues to treat patients with Covid-19 and attempts to reduce the backlog of routine work, the huge challenge of vaccinating the population against the virus has begun.

This will be the largest vaccination programme ever attempted by the NHS and will require all staff, alongside an army of new recruits, to play their part as the vaccinations programme continues to be deployed at pace and scale.

Ensuring staff are well motivated for this enormous effort is critical to the national effort.

## 5.5 The long term impact of covid, will increase demand on the NHS further

The full impact of the pandemic on the long term health of the nation is not yet clear, but there are strong indicators that demand on NHS services is likely to increase. In particular, there is evidence emerging of a crisis in mental health with the most recent NHS figures for England (from July 2020) seeing a jump in emergency referrals for mental health services with charities and professional bodies also sounding the alarm.

Dr Adrian James, president of the Royal College of Psychiatrists said recently "As a result of Covid we are now seeing an increase, particularly in some parts of the country, in people attending emergency departments and presenting to crisis mental health services,"

The NHS needs to be fighting fit to deal with the triple challenges of undertaking the country's largest ever vaccination programme; supporting the rehabilitation of patients recovering from Covid-19 and the impact of the pandemic; and working to reduce the backlog of cases in the system.



## 6. The NHS workforce in 2020: On the brink

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The NHS is its workforce, and it is nothing without its staff. It is, like every other organisation made up of its people, every healthcare professional, every support worker, every manager playing their part to deliver incredible things 24 hours a day, seven days a week.

NHS staff have shown huge commitment and resilience during the pandemic. Their continued support and effort will be required in order to get the UK population and economy to the other side of this crisis.

NHS staff have put their own lives on hold and in danger, all in the line of duty and in defence of the population. Tens of thousands have caught the virus, many have been severely ill and sadly some have died. According to the Office for National Statistics a total of 625 health and social care workers' deaths across England and Wales have been linked to coronavirus up to 20 July 2020.

Losing friends and colleagues as well as over 80,000 patients has had a huge impact on morale and the health and wellbeing of all staff working in the NHS. The support that has been made available by employers is welcome, but the long term emotional and psychological toll cannot be underestimated.

### 6.1 Overtime, Stress and Burnout

Staff have gone above and beyond their contractual obligations, working overtime, both paid and unpaid, aware of the huge responsibility and trust that the country has placed in them. In a survey conducted by NHS Providers in June 2020, 9 out of 10 trust leaders in England (93%) were concerned about staff wellbeing, stress and burnout following the pandemic.<sup>4</sup>

Chronic excessive workload is one of the most important causes of work-related stress for staff in the NHS, and yet it is increasingly normalised for NHS staff to have multiple competing, urgent requirements, and for these to overlap with making major clinical decisions.

The NHS Staff Survey for England (NHS England 2020) paints an alarming picture of high and increasing proportions of staff reporting feeling unwell as a result of work stress (40 per cent), coming to work despite not feeling well enough to perform their duties (57 per cent) as well as many reporting experiencing unrealistic time pressures (77 per cent). The Staff Survey also showed that 35% of staff work paid additional hours and 56 per cent work unpaid additional hours, on top of their contracted hours.

The Staff Survey for Northern Ireland Health and Social Care 2019 showed similar results, with 47% reporting they had felt unwell due to work related stress in the previous 12 months, while 61% reported they had attended work in the previous three months despite feeling unwell due to pressure from their manager, colleagues or themselves.<sup>5</sup> Given that these surveys were conducted before the impact of

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<sup>4</sup> <https://nhsproviders.org/media/690184/nhs-providers-csr-submission-2020-final.pdf&sa=D&ust=1605629134199000&usg=AOvVaw2AkQ9VCmI9hqr291zYAerE>

<sup>5</sup> [www.health-ni.gov.uk/sites/default/files/publications/health/2019-HSC-Staff-Survey-Regional-Benchmark-Report.PDF](http://www.health-ni.gov.uk/sites/default/files/publications/health/2019-HSC-Staff-Survey-Regional-Benchmark-Report.PDF)

pandemic on the workforce we would expect the current position to have deteriorated significantly during 2020.

The NHS in England has been conducting Pulse surveys weekly through the pandemic, and although we have not had access to their findings, we would expect them to corroborate the evidence gathered from our individual staff surveys. We would encourage the PRB to ask for further details, during your evidence gathering process. Evidence from Staff Side member surveys:

- A census survey of NHS-employed members of the **Chartered Society of Physiotherapy (CSP)**, conducted in October & November 2020, heard that 80% of NHS physiotherapy staff undertake regular unpaid overtime in the course of a typical week; with 10% working 5 or more hours over a typical week. Of those working regular unpaid overtime, 66% reported that the need for additional time to deal with workload and patient notes was the principal factor that caused them to undertake regular unpaid overtime. 95% of respondents noted this as factoring into their considerations.<sup>6</sup>
- A recent (September-October 2020) survey of more than five hundred NHS workers by **GMB** found that 75% of NHS workers said that their work during the pandemic had a serious negative impact on their mental health compared to a year ago. 73% of respondents said their work was causing them stress or otherwise impacting on their mental health. Most worryingly, 77% said that the NHS had not provided adequate support to its workers during the pandemic.
- A **Managers in Partnership Survey** of its members showed during the first wave of the pandemic, 34% of members were working over 10 additional unpaid hours a week with 15.5% working over 25 additional unpaid hours.
- The **RCM** did a UK wide survey of their members over the summer of 2020 and found that during the initial Covid-19 period almost 40% of their members worked three or more hours unpaid overtime each week with over 20% of those working five or more additional hours each week. A November survey showed 63% of midwives are working beyond their contractual hours for no additional pay.
- The **RCN** survey of members in May and June 2020 showed that a third of nursing staff working in the NHS were working even longer hours since the start of the pandemic, while six in ten stated they were worried about their own physical health and over half were worried about their mental health. In addition, six in ten stated that working conditions have got worse through work intensification and long hours working.
- A **UNISON** survey of members in October 2020 showed, a quarter of respondents stated that the pandemic had placed either themselves or their family under financial difficulty, and of this sample, 81% stated this had negatively affected their mental health. Almost half (48%) of all survey respondents stated they had not coped well mentally during the pandemic for reasons that included fear of getting sick, increased exposure to unwell patients and feeling isolated. Further analysis of survey responses showed 41% of Black staff had not coped well mentally,

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<sup>6</sup> England, Wales and NI data only. Covers both physiotherapists and support workers

with an overwhelming majority (71%) [of black staff] identifying fear of getting sick as the main reason for a decline in their mental health. This figure was ten percent higher than for white staff, who also identified fear of getting sick as the biggest contributing factor.

- A survey of over 2500 **Unite** members working in the English NHS in December 2020 found that 81% reported staff shortages in their workplace over the last year, with 69% reporting experiencing this frequently. 56% frequently or always worked more than their contractual hours in a typical week and 52% frequently or always worked through their lunch breaks. 85% had reported experiencing workplace stress and 69% reported that morale was worse or a lot worse than the previous year. As a result 62% had raised concerns about safe staffing levels in their workplace and department and 52% reported dissatisfaction with the quality of care they felt able to provide.

## 7. Building the workforce for the future

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The Covid-19 pandemic has highlighted the importance of workforce planning, of having a well trained, properly equipped, and motivated workforce. The toll on our workforce this year has been significant, the impact on those intending to leave and those likely to take early retirement is not yet clear.

It cannot be right that NHS workforce planning decisions are dependent on recruiting already trained workers from abroad. Such a policy is unsustainable and contributes to the weakening of health systems in other parts of the world that have borne the cost of training these staff.

The NHS should be sufficiently funded to ensure the service can be sustained by recruiting staff trained in the UK (whatever their nationality), so that our training and reward packages meet UK staffing needs.

With the UK economy likely to rebound quickly to strength, with Labour supply limited by new immigration rules and the UK's exit from Freedom of Movement, we must think now about how to ensure that we have the necessary workforce in place for the future.

Pay and pay progression are critical to recruitment and retention of staff.

### 7.1 Addressing the Pay Gap

The decade long public sector pay freeze has had a real impact on take home pay for public sector workers. A 2017 Office for Manpower study estimated that this amounted to a 6% cut in pay between 2010 and 2015 alone.

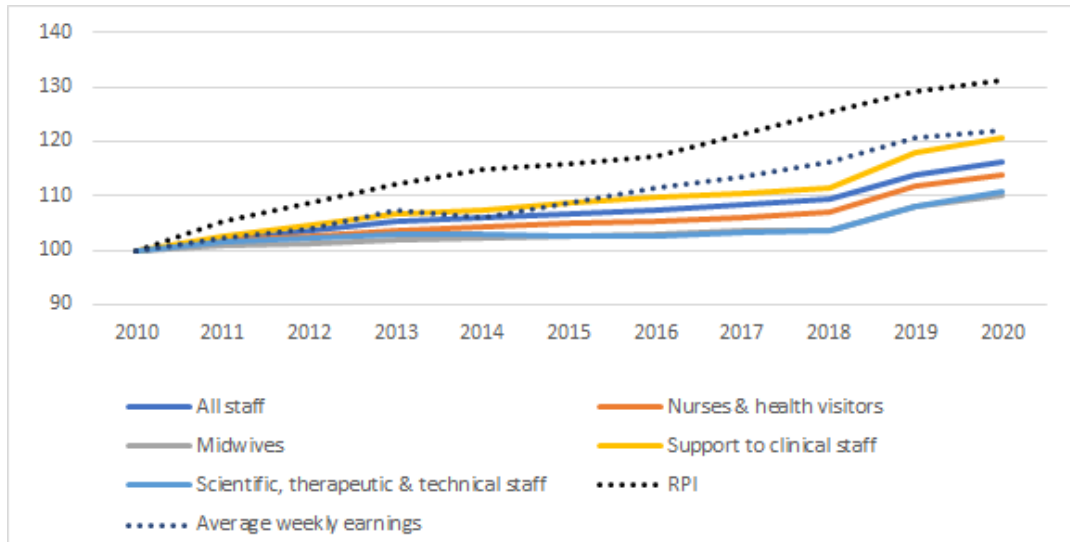
Although the pay freeze has since been lifted, wages still lag behind their pre-2010 equivalent. The public sector remains the poor relation when it comes to pay, with the NHS and broader public sector consistently lagging behind the private sector. Since 2010 average weekly pay in the private sector has grown 22%, compared to just 17% in the public sector.

### 7.2 Agenda for Change earnings

While we do not have earnings data for NHS staff across the UK, analysis of data for England shows that all staff (AFC workforce and doctors) have experienced a 13.2% real terms drop in earnings since 2010. Annual earnings growth rates for all staff have been below RPI inflation in every year between 2010 and 2018. In addition, in most years Agenda for Change earnings have failed to track annual growth in annual weekly earnings across the UK labour market.

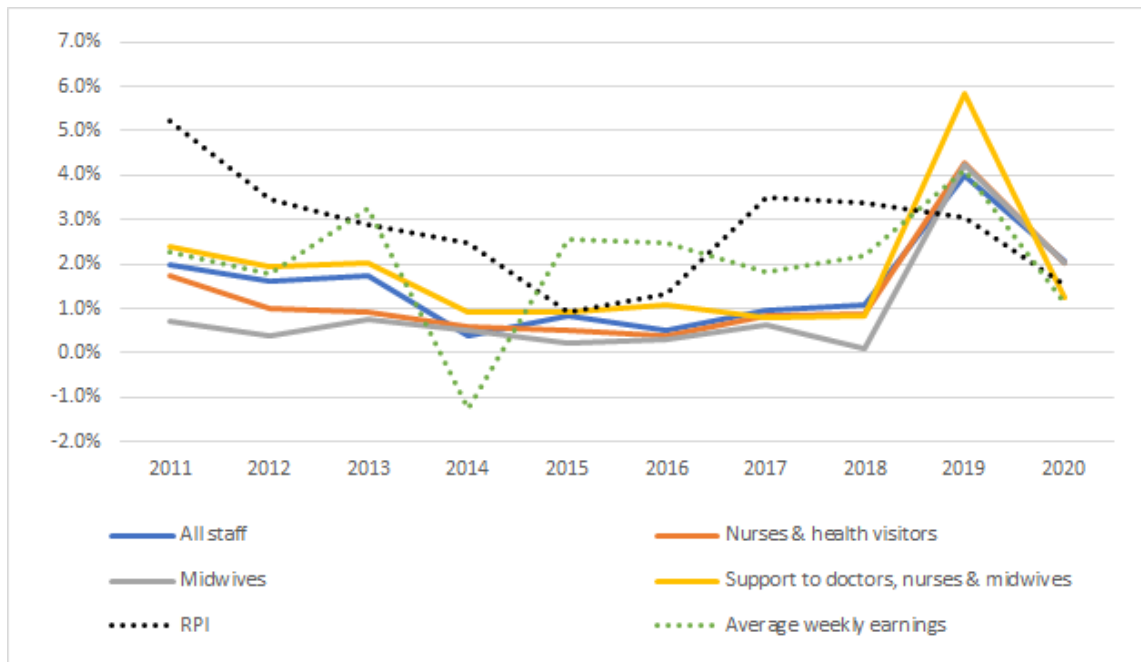
In England, Wales and Northern Ireland this situation is exacerbated by the fixed tiered contribution structure for the NHS Pension Scheme (the tiers are dynamized in Scotland). This means that any pay uplift, be it cost of living or pay step increase, sees a growing proportion of staff actually experiencing a reduction in take home pay as they move into a higher pension contribution tier. For many of these pension scheme members there is no equivalent increase in the value of their pension benefit as the accrual rate is the same regardless of contribution tier. We had expected a new contribution framework to be introduced in 2021 but this will not now come into effect until April 2022 at the earliest.

**Cumulative earnings growth since 2010 compared to inflation and average weekly earnings growth**  
Index 2000=100



Source: NHS Digital

**Nominal annual earnings growth; RPI inflation; average weekly earnings growth**  
2010-2020



Source: NHS Digital

### 7.3 Increasing pay in the NHS and public sector supports the private sector

Concerns about household finances are exacerbating the challenges being faced by staff in the workplace. Several factors have contributed to financial strain. Findings from a UNISON member survey showed 29% of respondents identifying a job loss in the household as a result of the pandemic, a British Dietetic Association survey found 73% of members agreeing that their household had been adversely affected by the pandemic.

We continue to collect data on the impact of the pandemic on our members, but our conservative estimate is that at least 50% NHS staff live in a household that has been economically impacted by the pandemic.

Increasing pay in the public sector, supports families who have been economically impacted by the pandemic, it also encourages private sector employers to increase pay for their workforce, which in turn increases spending in the private sector and supports the wider economy.

### 7.4 International comparisons on pay in 2020

Across the world, in similar advanced economies as the UK we see health workers' contribution to the pandemic are being recognised through their pay negotiations.

The French government has agreed to give pay rises worth €8bn (£7.2bn; \$9bn) to health workers, an agreement that will see the wages of health workers rise by €183 a month on average.

Germany has agreed a pay deal with public-sector unions that will cover about 2.3 million workers employed by municipalities and the federal administration. The Verdi union and public employers said they had agreed an inverse sliding scale of pay gains, from plus 4.5% for the lowest income bracket to plus 3.2% for the highest bracket. The agreement will run until the end of 2022.

The effect of seeing colleagues in other countries receiving pay increases, in recognition of their contribution during the pandemic, is to significantly raise the expectations of staff in the UK.

### 7.5 The NHS is chronically understaffed

The NHS in England persistently has around 100,000 vacancies and has consistently failed to meet staffing targets. During the course of the pandemic staffing challenges have impacted on service availability, which has added to the challenges of dealing with the pandemic, impacted long term patient outcomes and increased the backlog of work.

This pandemic has shown how important it is to have an NHS workforce at full complement, and the need to invest in pay to help recruitment and retention across all roles. We also know that when staff are overworked, they are more likely to feel undervalued and less likely to stay in the NHS.

## 7.6 The NHS People Plan

We welcome the publication of the NHS People Plan for England, which articulates some of the challenges facing the NHS and the need for significant improvements in culture, new ways of working, increasing flexibility and the urgent need to retain, train and recruit more staff.

“If we do not take radical action to become a flexible and modern employer in line with other sectors, we will continue to lose people entirely or see participation rates decline.”

We support the ambitions in the plan to create a place where staff feel valued and supported. Pay rises are an important part of valuing staff.

## 7.7 The importance of workforce planning

In its evidence to the current (November 2020) Health and Social Care Committee inquiry into Workforce burnout and resilience in the NHS and Social Care in England, the independent think tank The Kings Fund wrote<sup>7</sup>

“Since 2018, we have argued that workforce challenges (The King’s Fund et al 2018) are an even greater risk to the NHS in England than the longstanding concerns of funding and access and are having a direct impact on patient care and staff wellbeing.

With consistently around 100,000 vacancies, the NHS workforce is overstretched and cannot realistically be described as resilient. Furthermore, a number of key causes of this fragility have been either failing to improve or getting worse, including:

- significant shortages in key staff groups, widespread vacancies and tolerance of excessive workloads
- an incoherent approach to workforce planning and inadequate funding for education and training, with a reliance on overseas recruitment as a consequence
- difficulty in retaining existing staff (including, for nurses, persistently high dropout rates among students), with the inability to achieve a work/life balance being cited often as the reason for resigning (NHS Digital 2019)
- fragmented responsibilities for workforce since the Health and Social Care Act 2012, with a lack of clarity about who at a national level is in charge of workforce issues
- no national workforce strategy to set a course for improvement, and a number of policy decisions (on, for example, immigration, English language testing and student bursaries) that have made improvement harder rather than easier.

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<sup>7</sup>[https://www.kingsfund.org.uk/sites/default/files/2020-10/Health-social-care-select-committee-evidence-submission-workforce-burnout\\_0.pdf](https://www.kingsfund.org.uk/sites/default/files/2020-10/Health-social-care-select-committee-evidence-submission-workforce-burnout_0.pdf)



The NHS long-term plan (NHS England and NHS Improvement 2019) acknowledged the impact of workforce shortages and promised a national workforce strategy – an NHS People Plan. These promising steps were subject to several delays, including delay resulting from the Covid-19 pandemic, and the recently published People Plan for 2020/21 is another stop-gap that falls a long way short of the workforce strategy needed.”

## 7.8 Improving pay is critical to both recruitment and retention

Working through the pandemic has had a profound impact on all NHS staff. Whilst some people have found redeployment to new roles hugely meaningful and fulfilling, others have reported fear and stress at being adrift in unfamiliar environments as they have been called on to backfill service gaps or cover for colleagues.

Staff working on busy ICU and other wards have had a very different experience from those who have been isolated – some clinicians feeling particularly de-skilled and alienated without direct patient contact. This has short and long-term consequences and is likely to affect their intention to stay in the NHS.

An IPPR/YouGov poll of almost 1,000 UK healthcare professionals, conducted in April 2020, indicated that the effect of the pandemic on staffing will be wider than just nursing and midwifery. It found that the pandemic had made over one in five of these workers more likely to leave their role after the pandemic. As IPPR stated, “In the National Health Service in England this would be the equivalent of losing 300,000 vital workers.”<sup>8</sup> Given the huge pressures staff are under, and concern around burnout and wellbeing, we would be extremely concerned that these figures were now a significant underestimate of the current staff intention to leave.

According to a report by the Health Foundation Work-life balance and reward package are two main reasons for people leaving NHS in 2018/19<sup>9</sup> These must be addressed if we are to build resilience into the NHS for the future. Similarly, In late 2019, the Kings Fund, the Nuffield Trust and the Health Foundation concluded in Closing the Gap<sup>10</sup> that ‘Pay and reward are tangible signs of how far staff are valued and have a clear impact on retention.’

With a major recruitment drive now underway, it is now important to make the NHS an attractive long term proposition for the future, so that we can use this recruitment drive to tackle understaffing and build resilience into the system.

We need all NHS careers to be and remain attractive over the long term and keep NHS employment attractive for those towards the later stages of their careers. Greater flexibility and focus on retaining workers for longer can be supported by better pay and reward packages.

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<sup>8</sup> <https://www.ippr.org/news-and-media/press-releases/covid-19-one-in-five-healthcare-workers-could-quit-after-pandemic-unless-urgent-government-action-is-taken-ippr-warns>

<sup>9</sup> <https://www.health.org.uk/publications/reports/falling-short-the-nhs-workforce-challenge>

<sup>10</sup> <https://www.kingsfund.org.uk/publications/closing-gap-health-care-workforce>

## 7.9 A substantial pay award sends a clear and important message to staff

NHS staff have seen the Government spend billions of pounds to support the economy, they have also witnessed huge sums of money being wasted on failed procurement, poor contracts and a test track and trace system that has struggled to deliver. The Chancellor has explicitly promised NHS staff a pay rise in recognition of their efforts, and the expectation amongst the workforce is that they deserve and have earned a substantial pay rise.

It is important for the future of the NHS that all staff feel recognised and valued, not just by the public, but by their employers too. It will be exceptionally demotivating and demoralizing if they are not rewarded for their commitment and sacrifice during the Covid-19 pandemic.

If the PRB wants to show staff that they are valued, they will need to do so in a way that is universal, so that it recognises the diverse experiences of all staff. Investment in pay helps staff feel valued, so plays an important part in boosting morale and improving job satisfaction. In the NHS Staff Survey for England in 2019 that followed the £4.2bn investment in Agenda for Change pay, scores for staff satisfaction with pay jumped by 5.1% and continued to increase by a further 2% the following year.

## 7.10 Brexit, immigration policy and the impact on NHS staffing

In addition to the recruitment challenges at home, the ability of the UK to rely on overseas recruitment to fill staffing gaps will be limited by a triple whammy of global demand for staff, new UK immigration policies, and the impact of the UK leaving the European Union.

Many health systems across the world are under pressure and many governments are keen to retain expensively trained healthcare professionals in their own country, rather than them leaving to work abroad.

For example, Spain is calling back their nurses working overseas including those working in the NHS. The Spanish Government is actively campaigning to bring Spanish nurses overseas back home to plug gaps in their supply - as of January this year, more than 5,500 Spanish nationals worked for the UK's NHS alone.

This could put further strain on the already stretched workforce in the NHS as a significant proportion of staff are from outside the UK. A recent House of Commons Library briefing states: "Over 67,000 NHS staff in England are EU nationals – 5.5% of all staff. Overall, 13.8% of NHS staff say that their nationality is not British."

Monthly data from the NMC suggest that the number of nurses trained outside the EEA joining the NMC's permanent register plummeted from 1,348 in March to only 35 in April.

Finally, in the most recent period since 2016, which saw the Brexit vote and new English language test requirements for nurses, there has been a rapid decline in inflows from the EEA but a rapid increase in non-EEA international recruitment. Again, mainly resulting from a switch back to India and the Philippines. The inflow of registrants from non-EEA countries doubled in 2019/20 relative to the previous year (from around 6,150 to over 12,000).<sup>11</sup>

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<sup>11</sup> <https://www.health.org.uk/news-and-comment/charts-and-infographics/thinking-local-and-global-exploring-the-uks-reliance-on-international-nurses>

## 8. The Public support a pay rise for the NHS

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Public opinion strongly supports NHS workers, and this has only been reinforced by the Covid-19 crisis. During the lockdown over the spring and summer of 2020, it was impossible to walk down a street in the UK without seeing a rainbow emblazoned in a window offering thanks and support for NHS workers.

The Public have consistently supported a giving NHS workers a pay rise. In a ComRes poll for Unison in July 2020, 69% of the public said that they supported a significant pay rise for NHS workers to be implemented before the end of the year.

By January 2021, in a subsequent ComRes Poll, commissioned by Staff side unions, this had grown to 83% of the public supporting a pay rise for NHS staff, (with just 5% disagreeing), and 53% keen to bring the pay rise forward rather than wait until June. The polling also found that 68% supported increasing public spending to fund a pay rise with only 10% disagreeing.

There is clear and consistent public support for an early and significant pay rise for NHS staff.

On 1 November NHS workers across the country were honoured at the Mirror's Pride of Britain Awards. The Award presented by the Duke and Duchess of Cambridge recognised the extraordinary commitment and bravery of NHS staff who worked under unimaginable pressure to save lives and keep the nation safe.

The Prime Minister himself recognised the remarkable contribution that NHS staff have made over the course of 2020 when he personally thanked the doctors and nurses, he believes saved his life after his own experience of contracting Covid.

*"I have today left hospital after a week in which the NHS has saved my life. No question. It's hard to find words to express my debt..."*

*In the last seven days, I have of course seen the pressure that the NHS is under. I've seen the personal courage, not just of the doctors and nurses, but of everyone, the cleaners, the cooks, the healthcare workers of every description. Physios, radiographers, pharmacists who kept coming to work, kept putting themselves in harm's way, kept risking this deadly virus.*

*It is thanks to that courage, that devotion, that duty and that love that our NHS has been unbeatable. I want to pay my own thanks to the utterly brilliant doctors, leaders in their fields, men and women .... who took some crucial decisions a few days ago, which I will be grateful for the rest of my life. I want to thank the many nurses, men and women whose care has been so astonishing.'*

To deny a pay rise to dedicated public servants at this time would run counter to public opinion and miss an important opportunity to support economic recovery in a more sustainable way. The public expects the government to deliver on promises that they will 'recognise' and 'value' NHS staff.