Royal College of Nursing Evidence to the NHS Pay Review Body 2017-18

September 2016

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This submission accompanies the evidence presented by Staff Side and supports the key recommendations made in the report. It also makes some additional observations and recommendations based on the findings from our own research.

1. Introduction and Recommendations

1.1 Through the RCN's submission - alongside our Labour Market Review and evidence on agency staffing produced in collaboration HCL Nursing, a major nursing agency - our warnings about the consequences of the failure to plan and reward the nursing workforce properly could not be starker. The nursing workforce faces multiple challenges:

- Chronic staff shortages
- Intensified workloads
- Increased agency use as staff seek to restore the real of earnings due to pay restraint
- Worrying low levels of morale

1.2 Meanwhile, there is uncertainty over the future of workforce supply due to student funding changes and the implications of the UK's decision to leave the European Union.

1.3 The NHS is attempting large scale reorganisation of structures and services in order to deal with a changing and ageing population and the impact of reduced budgets in both health and social care. The success of these changes will depend on the involvement and engagement of a committed and motivated workforce. Yet another year of pay restraint will send a clear message that the nursing workforce is undervalued and their contribution to the NHS underappreciated.

1.4 This year's submission shows that nursing staff in the NHS have experienced a real terms drop in median earnings of between 9% and 14% since 2011. The RCN, along with its sister trade unions, is asking for pay rises for this and subsequent years to be set at a level above the current 1% public sector pay policy in recognition of the many problems facing the nursing workforce. While a meaningful pay rise will not on its own alleviate the challenges to recruitment, retention and morale, it will provide a strong and welcome signal to the workforce.

1.5 Despite the evidence that nursing staff choose to work for agencies for higher salaries, employers have not drawn on the facility in Agenda for Change to pay local retention and recruitment premia. While would prefer a long-term approach to deal with staffing issues, we ask the PRB to support our call for employers to look in the short-term to RRPs, bank and overtime provisions to reduce the reliance on agency staffing

1.6 We are also asking the PRB to support our call for a long-term comprehensive workforce strategy in order to address issues relating to workforce planning and staff management.

1.7 In line with the Joint Staff Side submission we are calling for:

- A **realignment** of Agenda for Change in order to deal with structural issues and ensure the framework is fit for purpose. This entails:
  a. **returning** to a UK-wide pay scale using Scotland as a reference point
  b. **restructuring** Bands 1-3 to pay the Living Wage and maintain pay differentials
- A **pay award** in line with RPI (1.9%) applied equally to all staff in Agenda for Change
- A comprehensive **workforce strategy** to tackle the many and inter-related challenges facing the NHS workforce, including increasing use of agency staff, stagnating wage levels, declining morale and motivation and increased staff shortages across the UK

2. Nursing Shortage

2.1 This year's decision by the Migration Advisory Committee to place nursing on the Shortage Occupation List (SOL) in the UK has been the culmination and consequence of years of poor workforce planning, pay restraint and weak decision making on staffing issues. The Committee's findings are stark:

- The vacancy rate is estimated to be around 9% - surpassing the maximum 5% rate as set out by the National Institute for Health and Care Excellence (NICE) to accommodate operational flexibility needs
- one in three nurses are due to retire in the next 10 years with a lack of homegrown nurses to fill the imminent gap;
- retention issues have been a major contributor to current shortages yet higher pay has not been used as a way of improving retention or recruitment despite the evidence that nursing staff choose agency working for higher salaries
- leaving the EU will put strain on the workforce due to the NHS's reliance on nurses from EU countries
- current bursary and fee arrangements for undergraduate nurses will be replaced with student loans for new students in England from 2017: the impact on future supply is unknown and unmodelled
- spending on agency nurses equates to around one tenth of the nursing pay bill – this is a clear reflection of a nurse shortage
- demand for nursing care is increasing due to a growing and ageing population, reforms to the way care is delivered and the changing role of nurses as they take on more responsibilities.

2.2 This year's Labour Market Review (LMR) produced by the Royal College of Nursing highlights that the decision to place nursing on the SOL confirms repeated warnings made by the RCN that there are widespread nurse shortages across the UK caused by poor workforce planning and lack of a coherent workforce strategy.

2.3 The MAC concluded that the shortage in the nursing workforce is due to previous underestimations of future demand and unclear estimates of supply, with staffing decisions being primarily financially driven, rather than based on clinical need.

Evidence of nursing shortage

2.4 The MAC concluded that national data and evidence from employers and trade unions strongly suggested a shortage of registered nursing but acknowledged that there is a lack of a clear authoritative source on vacancy data and that it is difficult to form a clear picture across the four UK countries. While vacancy statistics are available for Scotland and Northern Ireland, they are not routinely published in England of Wales. However, other sources such as a BBC Freedom of Information request shows that on 1 December 2015, the NHS in England, Wales and Northern Ireland had more than 23,443 nursing vacancies - equivalent to 10% of the workforce.

NHS England

2.5 In Health Education England's evidence to the MAC review of the nursing workforce, NHS England was estimated to have a vacancy rate of 9.4% as of March 2015. For adult nurses, who account for more than two thirds of the nursing workforce, the vacancy rate was 9.8%. There were also notable regional variations, with high vacancy levels among trusts in London and the South East.

2.6 Between November 2014 and November 2015, the joining rate across the nursing, midwifery and health visiting workforce stood at 8.9%, compared to a leaving rate of 10.4% showing a high level of instability in the NHS in England.

NHS Scotland

2.7 As of March 2016, the vacancy rate in the nursing and midwifery workforce stood at 3.6% (2.9% short-term and 0.7% long-term) compared to 3.3% at March 2015 (2.5% short-term and 0.8% long-term).

Health and Social Care Northern Ireland

2.8 As at March 2015, the vacancy rate (FTE) stood at 3.8% across the whole nursing workforce, with a long-term rate (over 3 months) 1.6%. This compares to an overall vacancy rate of 3.1% in September 2014 (long-term rate of 1%)

The impact of the removal of student bursaries

2.9 In England, the bursary system will be replaced by a loans system for pre-registration student nurses, midwives and allied health professionals from 2017. The Government's plans stated a student who chose to take a maximum tuition and maintenance loan for three years would graduate with student loan borrowing of between £47,712 and £59,106 depending on the course studied, location and whether or not the student lives in the parental home.

2.10 The Government has claimed that this new system will lead to an increase in the number of nurses. However, there appears to have been little or no modelling work undertaken to explore the impact on the labour market. In the long-term, much will depend on whether nursing is seen as both a comparatively attractive career and choice of university course.

2.11 The RCN responded to the Government consultation on the proposals and pointed out the Government has not adequately addressed the risks to future security of supply of the NHS workforce[1]. We stated that: 'As well as the risk that the proposals could deter potential nursing students from applying and result in shortages, there is also a risk that an 'open market' approach could result in uneven distribution of students across nursing specialisms or geographic locations. The Government has also not fully considered the risk that removing the bursary could result in severed links between the student and the NHS, impacting on students' future loyalty to the NHS as an employer.'

2.12 The RCN's response also included a membership survey of over 17,000 individuals. The submission showed that:

- Over two thirds of existing nurses and current nursing students surveyed would not have studied nursing if they had had to take out student loans and pay tuition fees (rising to 85% for those who were aged over 26 when studying)
- 89% believe that the changes would result in decreased numbers of student nurses
- 80% of nurse educators do not support the changes
- 90% of respondents believe that the changes will disadvantage certain groups of students
- 80% of respondents believe that the student funding changes will have a negative impact on patient care

The impact of the UK decision to leave to European Union

[1] RCN (2016) *RCN response to the Department of Health consultation: Changing how healthcare education is funded*
www.rcn.org.uk/professional-development/publications/pub-005689

2.13 This section provides an analysis from *Labour Force Survey* (LFS) data, looking at responses from respondents who report working as nurses, midwives or nursing auxiliaries and assistants and their country of birth. This analysis includes people who became UK nationals after moving to the UK and people who were born abroad to UK national parents and therefore may be slightly higher than other estimates. However, this gives an indication of the reliance on EU and non-EU nationals in the NHS.

2.14 Across all providers, there are an estimated 7% of the nursing and midwifery workforce and 5% of the nursing auxiliary and assistant workforce who were born in another EU country. In the NHS, 6% of the nursing and midwifery workforce and the nursing auxiliary and assistant workforce were born in another EU country.

Table 1: Country of birth as percentage of occupational groupings

	All sectors		**NHS**	
	EU %	**Non-EU %**	**EU %**	**Non-EU %**
Qualified nurses and midwives	6.8	14.6	6.4	15.0
Nursing auxiliaries and assistants	5.1	20.2	5.7	19.7

Source: Analysis of Labour Force Survey, January - March 2016

2.15 Depending on the settlement that the UK negotiates with the EU post-Brexit, the UK may restrict the flow of immigrants from Europe. The future situation of EEA nationals already working in the health and care sector is also unresolved. Both these factors could cause a major problem for staffing in the NHS, either directly through new restrictions preventing EU-born NHS staff from working in Britain, or indirectly because EU-born staff may choose to leave the UK due to the uncertainty created before new rules are put in place on migration restriction.

3. Recruitment and retention

3.1 Experimental analysis of the Labour Force Survey shows that of all the respondents classed as nurses (SOC 2231) and working for the NHS in the first quarter of 2015, 96% were still in employment in the first quarter of 2016. Of the 4% not in employment, this was made up of the following:

- 2.2 % retired
- 1.5% long-term sick or disabled

Of the 96% still in employment – this was made up of the following:

- 94.2% still working for the NHS
- 2.1% working for a private firm

Of those now working for a private firm, all were continuing to be employed as a nurse. Of those still working in the NHS:

- 87.8% working as a nurse
- 7.8% working as a nursing auxiliary/assistant
- 1.6% working as a therapy professional
- 1.8% working as a care worker/home carer

3.2 These figures show that the workforce face challenges of turnover in the nursing staff either leaving the workforce entirely or leaving for the private sector. There are also small, but significant numbers remaining in the NHS but moving to other occupations, including working as nursing auxiliaries and assistants.

3.3 It is difficult to compare turnover rates across the UK due to differences in data collection and methodology, however tables 2 and 3 look at available data for turnover levels among the NHS nursing workforce in England and Scotland[2]. Table 1 shows that the turnover rate among the nursing workforce has accelerated since 2011/12. Between November 2014 and November 2015, the joining rate for the nursing, midwifery and health visitor workforce was 8.9% compared to a leaving rate of 10.4%. Table 2 shows that turnover in NHS Scotland has also steadily risen in the nursing and midwifery workforce over recent years, growing from 5.8% in 2011/12 to 7.2% in 2015/16.

3.4 In Northern Ireland, the joining rate for the nursing and midwifery workforce was 6.8% and the leaving rate was 5.2% for the 12 months to March 2016.

Table 2: NHS England: Joiner and Leaver rates by percentage

	2011/12	2012/13	2013/14	2014/15
Joiners	7.7	8.1	8.5	8.9
Leavers	7.5	9.0	9.7	10.4

Source: NHS Digital

Table 3: NHS Scotland: Turnover by percentage

	2011/12	2012/13	2013/14	2014/15	2015/16
Nursing and midwifery	5.8	6.0	6.3	6.9	7.2
All staff	6.6	6.0	6.1	6.5	6.8

[2] Similar workforce data is unavailable for Wales.

Source: ISD Scotland

3.5 There is a growing acknowledgement that retention of staff is vital. The English Department of Health's evidence to the Migration Advisory Committee set out the full scope and depth of the problem:

> *"A major issue in the retention of nurses relates to the overall working conditions and poor image associated with the profession. The organisations that nurses work in are seen as becoming less stable in terms of their structures and leadership, leading to a poor working environment. Nurse to patient ratios are reducing due to recruitment issues, leading to increased stress and fatigue levels among nurses. This may encourage nurses to move to different roles or to reduce their hours. Other issues include the high proportion of nurses at retirement age and, as nursing is a predominantly female workforce, a significant proportion leave or reduce their hours to look after children or become carers."*

3.6 This evidence shows that there are fewer nurses looking after more patients with more complex needs. This is leading to stress and fatigue which in turn may encourage nurses to move to different roles or reduce their hours. It is for these reasons that the RCN, along with its sisters health trade unions, is calling for a comprehensive workforce strategy to help create a healthy and safe working environment for staff and improve their working lives which will ultimately improve the quality of patient care. We call on the PRB to support the Staff Side in calling for a comprehensive workforce strategy to coordinated approach to pay, terms and conditions, workforce supply, training and development, career progression, working environment and job design, health and wellbeing at work and staff management.

4. Morale and Motivation

4.1 Experimental analysis of the Labour Force Survey shows that 3.1% of nurses in the NHS were actively looking for a new job at the time of the survey. While the majority of these respondents provide no categorisable response for the reason for looking for a new job, the table below shows that the most commonly stated motivation is a dissatisfaction with pay levels, followed by a wish to change occupation. It is worth noting that among those with a second job at the time of the survey, none of these respondents were looking for a new job suggesting that their motivations were better met by working an additional job rather than leaving their main job.

Table 4: Reasons for looking for a new job*

Pay unsatisfactory in present job	19.2%
Want to change occupation	11.6%
Want to work shorter hours than in present job	11.3%
Journey to work unsatisfactory in present job	8.5%
Present job fills in time before finding another job	8.1%
Want to change sector	8.1%
Want to work longer hours than in present job	7.5%
Other aspects of present job unsatisfactory	40.7%
Other reasons	43.4%

***respondents were able to give more than one answer**

Source: RCN analysis of Labour Force Survey Quarter 1, 2016

4.2 Results from three national staff surveys undertaken in the last 12 months indicate high levels of workload with many nursing respondents reporting there were insufficient staffing levels for them to carry out their job properly. A large proportion also indicated they regularly work additional hours; that they have experienced work-related stress and have turned up for work despite not feeling well enough to do so.

4.3 In recent submissions to the Pay Review Body, the RCN has repeated our concern that nursing staff are consistently working additional hours and that this is often unpaid. For example, in last year's evidence we highlighted figures from the RCN's 2015 Employment Survey showing that a third of respondents (35%) stated they work in excess of their contracted hours several times a week and a further 16% work in excess of their contracted hours on every shift. Nursing staff face disciplinary action if they breaches their professional Code, however their duty of care is all too often undermined by pressures caused by inadequate staffing levels and skill mix, leading to excessive working hours, stress and burnout.

4.4 The NHS England Staff Survey 2015 showed the following results[3]:

- 31% of registered nurses work *paid* additional hours over and above their contracted hours in an average work (38% in 2014). In addition, 74% work *unpaid* hours (71% in 2014).
- Among nursing and health care assistants, 31% work *paid* extra hours (41% in 2014) and 39% work *unpaid* hours (36% in 2014).
- 23% of registered nurses reported that on average, they work 6 or more hours per week as *unpaid* additional hours and 15% of nurses work on average 6 or more hours per week as *paid* overtime.
- 39% of nurses and 35% of health care assistants reported they had experienced work-related stress in the previous 12 months (unchanged from 2014)

[3] www.nhsstaffsurveys.com/Page/1006/Latest-Results/2015-Results/

- 63% of nurses and 67% of health care assistants stated they had gone to work in the last 3 months despite not feeling well enough to perform their duties
- 62% of registered nurses and 64% of health care assistants would recommend their organisation as a place to work.

4.5 NHS Scotland Staff Survey 2015 Survey results for nursing and midwifery staff[4]:

- 39% reported they feel able to meet all the conflicting demands on their time at work
- 26% reported there were enough staff for them to do their job properly
- 59% would recommend their workplace as a good place to work
- 79% reported they still intend to be working with their health board in 12 months' time

4.6 Health and Social Care Northern Ireland 2015 Survey results for nursing and midwifery staff[5]:

- 58% would recommend their organisation as a place to work
- 69% are able to deliver the standard of care they aspire to
- 39% can meet the conflicting demands of their work
- 28% stated that there enough staff in their team/area/department to do their job properly
- 53% have worked additional *paid* hours
- 77% have worked additional *unpaid* hours

4.7 In research undertaken by the Institute for Employment Studies on the labour market for nurses in the UK, it was reported the main drivers of the nursing shortage were the impact of post-Francis safe staffing guidelines driving up demand; too few newly qualified nurses linked to poor workforce planning; and the ageing workforce[6]. They also found workplace pressures in many trusts and organisations, with the most common being long hours, burnout, the pay freeze and low morale. These issues were impacting on staff retention and contributing to high turnover in some organisations.

[4] www.gov.scot/Publications/2015/12/5980

[5] www.health-ni.gov.uk/publications/2015-hsc-staff-survey-regional-report

[6] Institute for Employment studies (2016) *The labour market for nurses in the UK and its relationship to the demand for, and supply of, international nurses in the NHS*

5. Temporary staffing

5.1 Experimental analysis of Labour Force Survey data shows that in winter 2016, less than half of one per cent of nurses in the NHS worked permanently through an employment agency. However, 5% of nurses permanently employed in the NHS had a second job at the time of the survey and of these the majority (71%) were working as a nursing or midwifery professional (SOC232). Other occupations included 'caring professional services' and 'health professionals.' Of those working as a nursing or midwifery professional as a second job, 29% reported that this was a temporary job through an agency. This suggests that at least 2% of nurses in the NHS work in a nursing role through an employment agency either as their main or second job at one time. Given that LFS respondents are asked whether they hold a second job in the reference week of the survey being administered, this is likely to hugely underestimate the number of nurses who regularly undertake additional agency work.

5.2 A collaborative piece of research undertaken between the RCN and HCL Nursing Agency was undertaken this year to explore the dynamics behind the demand and supply for temporary nursing staff. Table 4 shows key findings from a survey undertaken among temporary nursing staff working through HCL. It shows that the majority of respondents worked in the NHS during their last assignment, with others working in independent sector health care providers, care or nursing homes, domiciliary care or GP practices. Assignments were across a range of settings, including hospital wards and theatres, mental health and community health care settings.

5.3 Two thirds of respondents work solely for an agency (HCL or another agency) while a third work through an agency in addition to their full-time or part-time nursing job. Of those who combine agency and other nursing work, 81% work in the NHS and 15% work in the independent sector.

5.4 Of those who work in the NHS as their main job, the majority (91%) also worked in the NHS in their last assignment and half (51%) are also employed through the NHS Bank indicating the high level of reliance on the same NHS nursing staff working extra hours either through an agency or the NHS Bank.

Table 5: Key results from HCL Survey

Location of last assignment (%)		**Setting (%)**		**Where temporary staff work (%)**	
NHS	80	**Hospital wards**	31	**Solely for an agency**	63
Independent sector health care provider	12	**Theatres**	21	**Nursing job**	33
Care or nursing home	6	**Mental health care**	19	**Other job outside nursing**	4
Other eg domiciliary care services and GP practices	2	**Community health care**	7		
		Other	22		

5.5 The survey also explored the main motivations and drawbacks for working through an agency. Table 5 shows that the main negative aspects include dealing with uncertainty whether agency is available when needed, the lack of pension and regularly having to work in new environments. The main reasons for working through an agency include judgment that agency working affords greater levels of flexibility, higher pay than either contracted employment or through the NHS Bank, and that it can offer the opportunity to gain experience in a different area or specialism. It is clear that flexibility and better rates of pay are the main drivers of working for an agency, showing evidence of how the NHS should address its recruitment and retention strategies.

Table 6: Key results from HCL Survey: reasons for undertaking agency working

Best things about working through an agency (%)		Main drawbacks (%)	
More control over the shift worked	80	Uncertainty over work availability	71
More control or choice over the number of hours worked	67	No or limited pension	52
Better rates of pay	67	Unfamiliar working environments	41
Better work-life balance	49		
Ability to gain experience in a new area	40		

5.6 Since 2015, the Department of Health in England has set restrictions on the use of agency staff. In September 2015, Trusts were set individual expenditure ceilings for agency nursing staff and in April 2016, caps were set on the on the hourly rates paid for agency staff. There is however, a 'break glass' provision for Trusts that can show the need to over-ride the caps on exceptional 'safety grounds'.

5.7 The survey of HCL nursing staff asked about reactions to any reduction to their hourly rate for taking up temporary work in the NHS. Two fifths stated that they would stop doing agency work in the NHS and switch to the private sector while a quarter would consider stopping nursing altogether and pursue a career change. The monetary impact would clearly impact people in different ways as equal numbers (27%) responded they would work fewer agency shifts as would work more agency shifts, with the cap acting as both incentive and disincentive.

5.8 While the National Audit Office estimates that the total hours of agency and bank nurse time would equate to 30,000 full-time equivalent nurses across all trusts in England alone, it is far from clear that the agency cap alone will address the nursing shortage[7]. Indeed, the Public Accounts Committee concluded that 'the NHS will not solve the problem of reliance on agency staff until it solves its wider workforce planning issues'[8]. Tighter restrictions, on top of nursing shortages will only mean that Trusts will be unable to recruit the staff needed to provide safe care. As set out in the Joint Staff Side evidence, controls on agency staff should only form part of a wider workforce strategy focused on sustainable recruitment and retention.

5.9 The RCN, along with the Migration Advisory Committee, is clear that the over-reliance on agency staffing is a reflection of a nursing shortage and a direct consequence of wage levels in the NHS. The MAC found that recruitment and retention of permanent staff is made difficult by wage levels, with the consequence being a high level of reliance on agency nursing. It also found that employers are preferring to pay agency costs rather than recruitment and retention premia. The MAC concludes: 'The issue here is not one of shortage per se, in that a nurse still ends up doing the work. It is really about cost.'

[7] National Audit Office (2016) *Managing the Supply of Clinical Staff in England* www.nao.org.uk/wp-content/uploads/2016/02/Managing-the-supply-of-NHS-clinical-staff-in-England.pdf
[8] Public Accounts Committee (2016) *Managing the supply of NHS clinical staff in England* www.publications.parliament.uk/pa/cm201516/cmselect/cmpubacc/731/73102.htm

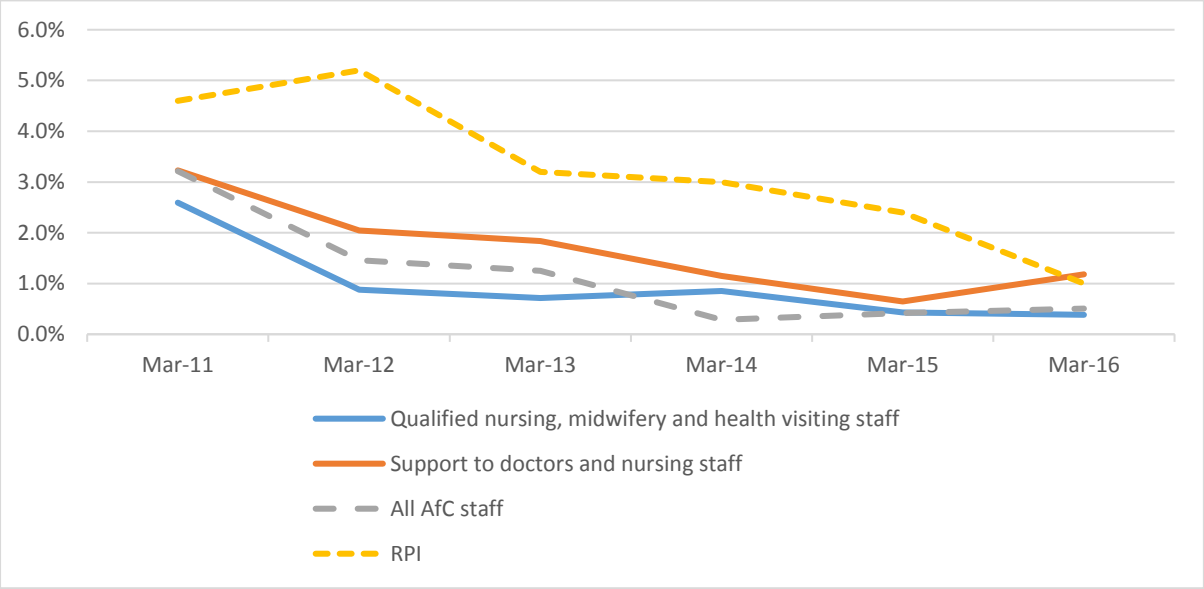
6. Nursing Earnings

6.1 This section examines trends in median earnings, using data from the NHS England workforce as an illustrative example of the impact of public sector pay restraint. However, it must be noted that due to different approaches taken to pay awards across the UK, there are effectively four different AfC pay scales.

6.2 Figure 1 shows that while RPI rose by 19.4% between 2011 and 2016, nominal earnings (not taking into account inflation) changed for the following staff groups:

- all staff on Agenda for Change pay bands: 7.1%
- qualified nursing, midwifery and health visiting staff: 5.8%
- support to doctors and nursing staff (includes health care assistants and support workers): 10.1%

Figure 1: Nominal annual change in median annual earnings: all Agenda for Change staff; qualified nursing, midwifery and health visiting staff; and support to doctors and nursing staff compared to RPI, England (2011-2016)

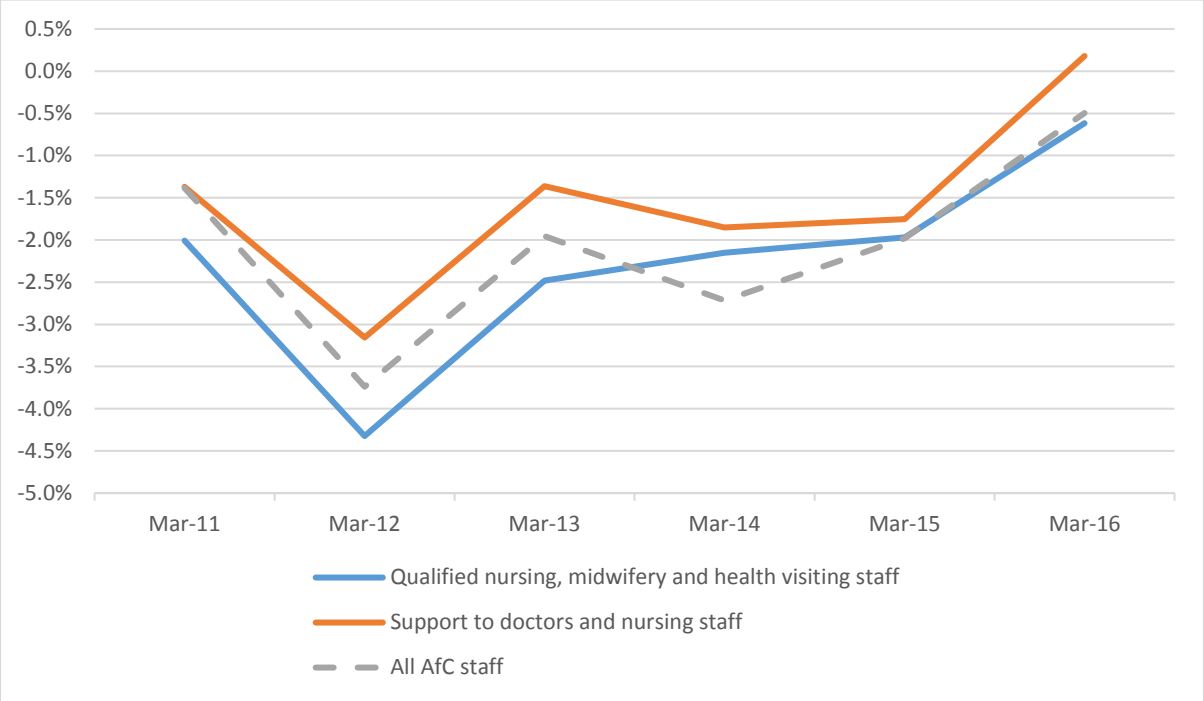


Source: NHS Digital

6.3 Figure 2 shows median annual earnings trend figures, with growth adjusted for RPI inflation:

- Qualified nursing, midwifery and health visiting staff have suffered a real terms, cumulative, drop of 13.6%
- Support to doctors and nursing staff saw a drop of 9.3% between 2011 and 2016.

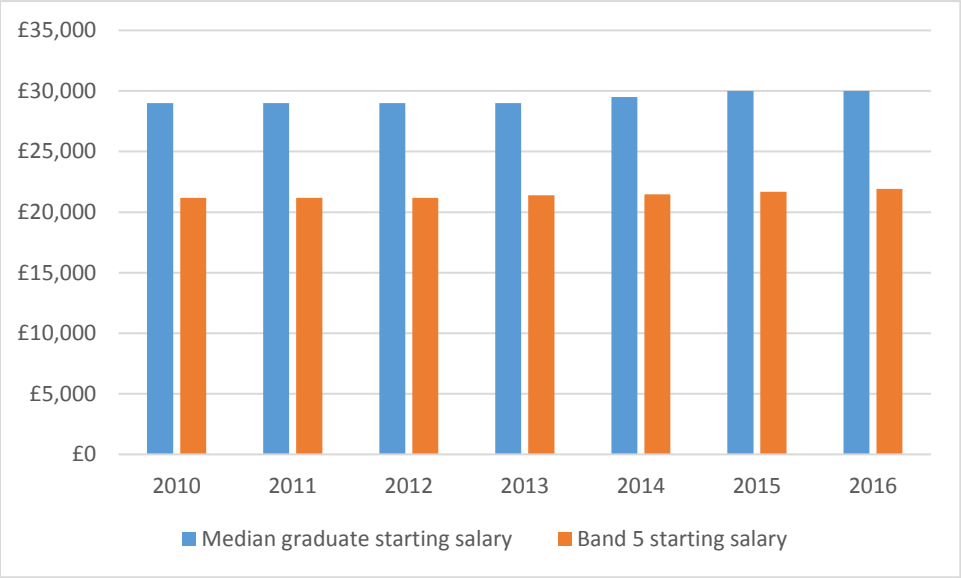
Figure 2: Real terms (RPI) annual change in median annual earnings: all Agenda for Change staff; qualified nursing, midwifery and health visiting staff; and support to doctors and nursing staff, England (2011-2016)



Source: NHS Digital

6.5 It is vital that nurses' pay levels compete effectively with pay in other graduate professions, yet starting salaries for qualified nurses have consistently fallen behind median graduate salaries in the UK.[9] Using the England NHS pay structure for illustrative purposes, median graduate starting salaries are £8,091 or 37% higher than the bottom of AfC Band 5.

Figure 3: Starting salary for qualified nurses (England) compared to UK median graduate starting salary (2010-2016)



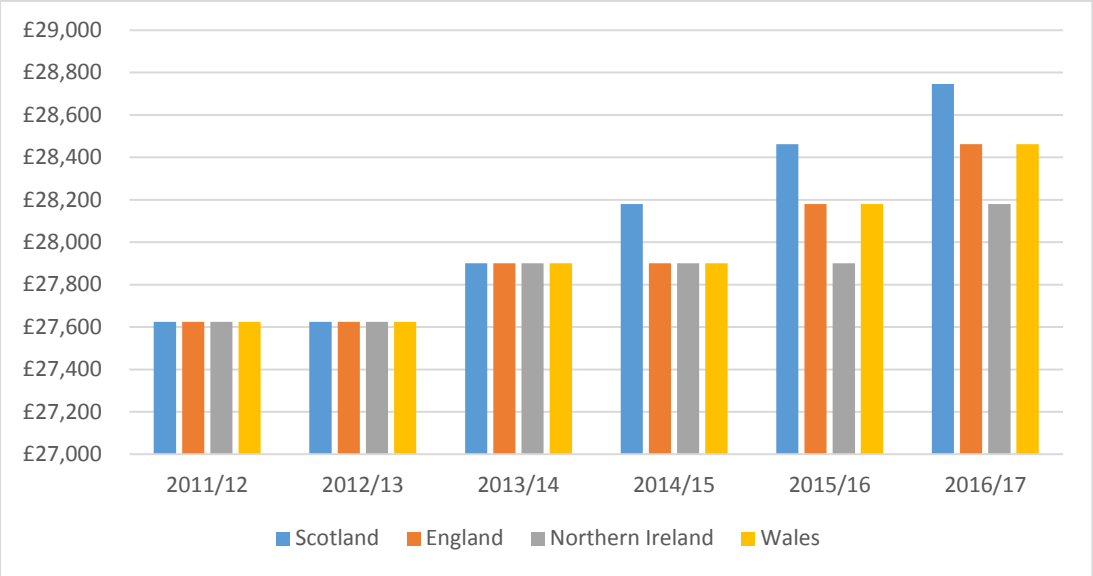
[9] High Fliers Research *The Graduate Market in 2016* www.highfliers.co.uk/download/2016/graduate_market/GMReport16.pdf

Northern Ireland

6.6 As stated above, there are effectively four different pay scales in operation across the UK, with staff in Northern Ireland faring the worst. For example, a nurse starting on AfC Band 5 in Northern Ireland is paid £526 less than their counterpart in Scotland and £217 less than in England or Wales. A nurse at the top of band 5 is paid £566 less than a nurse in Scotland and £282 less than in England or Wales.

6.7 Figure 4 shows how the value of salaries at the top of band 5 has changed since 2011/12, with Northern Ireland compared to the other UK countries to illustrate the growing gap. While the value of the top point of band 5 has increased by 4.1% in Scotland and 3% in England and Wales over that time, the increase has only been 2% in Northern Ireland.

Figure 4: Value of Top Point of Band 5 2011/12-2016/17 (across four UK countries)



6.8 Last year, the RCN provided specific evidence on the situation in Northern Ireland highlighting the growing disparity in pay between Northern Ireland and the other UK countries, with Northern Ireland clearly at the bottom of the table for all bands. We described this is as unfair, unequal and unacceptable and our description still stands.

6.9 The RCN led a campaign in 2015/16 which included the threat of industrial action for the first time in the RCN's history. This led to Northern Ireland Executive pledging to honour the PRB's recommendations for 2016/17 and the postponement of the RCN's ballot on action. While this action was welcome, we call on the PRB to address the situation of large and growing anomalies between pay points across the UK.

6.10 The Joint Staff Side evidence calls for a realignment of pay scales across the UK to harmonise all AfC pay points. The RCN urges the PRB to recommend this course of action.

Recruitment and retention premia

6.11 Oxleas Foundation Trust introduced a new scheme this year offering new nurses a higher salary by paying them money directly that would have been paid into the NHS Pension Scheme. Nursing staff had to opt out of the scheme in order to receive the higher pay deal. This scheme, which was eventually withdrawn, was drawn up to offer a higher rate to compete with employment agencies. East and North Hertfordshire NHS Trust subsequently launched a similar recruitment campaign to encourage Band 5 and 6 nurses, midwives and operating department practitioners to take up substantive roles at its hospitals, rather than working solely for agencies. This also involves opting out of the NHS Pension Scheme.

6.12 These schemes, which are likely to be copied by other NHS organisations, demonstrate that higher rates are being offered where there are staff shortages instead of Recruitment and Retention Premia. They are putting at significant risk future pension and deferred income and so risking poverty in later age and potentially (if significant numbers of employers chose to follow) undermining the NHS Pension Scheme,

7. Recommendations

7.1 The Migration Advisory Committee stated that: 'The restraint on nurses' pay instituted by the government was presented to us, and in the evidence to the pay review bodies, as an immutable fact. It is not. It is a choice.'

7.2 It highlighted that reluctance in the NHS to use pay to resolve shortages has led to trusts using other methods such as grade drift, or employing agency nurses. It also stated that there is much evidence to suggest that pay is a key driver of poor retention of nurses in permanent roles, with many nurses moving to agency work or leaving the profession altogether. The RCN is calling on the RCN to support our call for local employers to make better use of Recruitment and Retention Premia, bank and overtime provisions.

7.3 The RCN agrees with this analysis and calls on the Pay Review Body to make a recommendation beyond the 1% pay policy restriction and to support Staff Side's pay claim which includes:

- A **realignment** in order to deal with structural issues and ensure the framework is fit for purpose. This entails:
    - **returning** to a UK-wide pay scale using Scotland as a reference point
    - **restructuring** Bands 1-3 to pay the Living Wage and maintain pay differentials
- a **pay award** in line with RPI, applied equally to all staff in Agenda for Change
- A comprehensive **workforce strategy** to tackle the many and inter-related challenges facing the NHS workforce, including increasing use of agency staff, stagnating wage levels, declining morale and motivation and increased staff shortages across the UK