

Joint union submission to the NHS Pay Review Body 2019-20¹

Introduction

This year's joint union submission follows the conclusion of three separate pay deals in Scotland, Wales and England. No formal agreement has been reached in Northern Ireland. The submission, in substance, aims to support the implementation of these pay deals and the need for progress in Northern Ireland to ensure that NHS staff there receive a meaningful pay rise for this year and subsequent years.

The Staff Council intends to provide the PRB with a joint progress report on current workstreams arising from the pay agreements.

Staff side acknowledges that the Pay Review Body will not be making a recommendation for a pay uplift for 2019-20 and that this year's report will concentrate primarily on establishing monitoring arrangements. Staff side also acknowledges that the Scottish Government has not set a remit for this year so this submission does not cover Scotland.

This year's joint union submission takes a very different approach to that taken in previous rounds by underlining the steps needed to monitor and evaluate progress within the pay deals. However, the current situation in the NHS Agenda for Change workforce should not be overlooked.

The following headline data on key indicators illustrate just some of the challenges facing the NHS workforce:

- Average annual earnings among the Agenda for Change workforce are estimated to have increased by between 2.1% and 9.3% between 2011 and 2018. Meanwhile, RPI inflation has increased by 24%. Looking at the NHS Staff Survey for England as an indication of satisfaction with pay levels we can see that less than a third (31.2%) of all staff expressed satisfaction with their pay in the 2017 survey compared to over a third (36.8%) in 2016.
- Among NHS providers in England, there were around 103,000 vacancies reported in July-September 2018 (compared to around 1.1 million whole-time equivalent staff) and the number is forecast to increase further during 2019. Due to high levels of vacancies, sickness absence and staff turnover, spending on bank and agency has increased by 11% in a year. The nursing vacancy rate in Northern Ireland is around 10%, with no data available for other staff groups and no data available for Wales.

¹ British Association of Occupational Therapists, British Dietetic Association, British and Irish Orthoptic Society, Chartered Society of Physiotherapy, College of Podiatry, Federation of Clinical Scientists, GMB, Royal College of Midwives, Royal College of Nursing, Society of Radiographers, Unison, Unite.

The scale of the problem across the UK cannot be ignored, with the NHS workforce facing rising workloads and pressures, tougher working environments and staffing shortages. It is therefore necessary to be realistic about expectations for the impact pay agreements can make in such a generally challenging environment, and in particular with the uncertainty surrounding EU Exit terms.

Progress over pay levels in the NHS must be matched by real attention and investment in workforce planning; the recruitment of new starters; and the training, development and career progression of existing staff.

A step in the right direction

The lifting of the pay cap and the commitment of £4.2bn investment by the Westminster government were a major step in the right direction towards fairer pay and improved recruitment and retention. Staff side unions were able to secure the structural reforms to the AfC framework that we had long argued for. And we were able to agree shared aims with NHS employers for the NHS to pay above the living wage, and for supporting the attraction and recruitment of new starters to the NHS, as well as for retention, health and wellbeing and improved engagement of existing staff. Staff side is also committed to supporting and growing the number of apprenticeships in the NHS and developing new training pathways.

However, the pay agreements do not make up for lost earnings over the period of pay restraint since 2010.

The joint trade unions are committed to ensuring that the agreements are fully implemented, monitored and evaluated over the next three years and that all members receive what they are due. The agreements were reached on the basis that they will be fully funded over each year of their existence and the trade unions will be seeking full engagement around the mechanisms for getting the funding for years two and three of the deal to employers.

We are also committed to ensuring that pay rounds from 2021/22 onwards continue the process of restoring lost value and ensuring meaningful pay rises for all NHS staff. It is important that the parties start to plan ahead for 2021/22 and a return to above-inflation pay rises. This will need to be built into the Department of Health and Social Care long-term plan for the NHS.

We also draw attention to the agreement whereby both parties retained the right to submit evidence to the PRB on specific areas of concern that arise throughout the course of the agreement. We expect that this will allow the parties to be able to react to events or developments which impact on staff including inflationary pressures, staffing shortages or pay awards made to other public sector bodies.

Northern Ireland

It is not possible to enter a submission at this time in respect of Northern Ireland as tripartite discussions continue over 2018/19 pay. Given the political stalemate, the Department of Health are having difficulty in considering anything other than single year pay award at this stage. It may be necessary to provide a separate update at a later date.

The impact of the pay agreements

The pay agreements put in place in Scotland, Wales and England represent a significant step in securing meaningful pay uplifts for Agenda for Change staff, yet the joint trade unions are clear that there are other challenges facing the NHS which need attention and planning, including staff shortages and the pressurised working environment. There will also be challenges from the removal of the NHS bursary and the shift to tuition fees in terms of both numbers attracted to the NHS and possible changes to their psychological contract with the NHS as an employer.

Perhaps most importantly, we know that the success of the agreements relies heavily on effective implementation and will depend on good partnership working between trade unions and employers. Implementation should be properly resourced and requires capacity within local partnership and regional forums to ensure joint working with a commitment to the pooling of resources, data and intelligence.

In summary, while staff side's expectations about the impact of the agreements are positive, they are also realistic and contingent on how different factors influence workforce decisions and behaviours including:

- Individuals' evaluations of actual pay rises balanced against cumulative years of pay restraint
- Changes to freedom of movement between the UK and the EU
- Changes in professional registration fee levels
- Increases to the immigration health surcharge
- Individuals' access to career progression, training and development
- Individuals' access to re-earnable pay and the differential impact on groups of staff including black and minority ethnic staff
- The impact of service reorganisation, outsourcing and downbanding
- Changes to pensions contributions

Pensions contributions

The NHS Pension Scheme Advisory Board (England and Wales) has recommended to the DHSC a number of measures that could be introduced to rectify the recent cost cap breach. These include proposals to index the pay tier boundaries of the member contribution rate structure annually in line with the general pay award in

order to resolve 'cliff edges' and mitigate against the likelihood of general pay awards causing scheme members to move involuntarily to a higher contribution rate.

In the consultation on Amendment Regulations to the NHS Pension Scheme (England and Wales) 2019 DHSC accepts the principle that changes to the pension scheme should not undermine member confidence in both pay or pension arrangements.

Proposals for data gathering and analysis

The NHS Pay Review Body has previously described proposals for data collection to support monitoring of the Agenda for Change pay framework (NHSPRB 2018 report, section 5.80). The Joint NHS Trade Unions support this approach and value the PRB's efforts in collating information from a number of sources to support meaningful monitoring and evaluation.

For this approach to work it is vital that all NHS organisations that collect relevant information make it available to all parties in advance of each evidence round – even if the same information is used for regulation purposes.

It would be helpful for representatives of the Electronic Staff Record teams in England and Wales to work closely with the Staff Council on data collection and how it could support pay deal implementation. Useful discussions have taken place with ESR representatives to support discussions on the pay progression component of the pay agreement in England and this should be developed further for all aspects of the pay agreements.

In addition, in order for all parties to have confidence in the implementation of the pay deals, it is important that all monitoring arrangements are established in partnership with trade unions. This will ensure clarity over how data is collected, analysed and interpreted.

Finally, staff side notes that NHS staff survey results will be published in February 2019 and we will want to provide the PRB with comments on these in a supplementary submission.

Additional payments

HCAS

The NHS trade unions commit to reviewing High Cost Area Supplements, both rates and zoning arrangements, and intend to resource a specific piece of work to develop future options to discuss with the full NHS Staff Council in advance of the next review round.

National recruitment and retention premia

The Secretary of State has asked the NHS PRB to consider issues that have been raised regarding the difficulties of recruiting and retaining IT staff and to consider the case for a national recruitment and retention premium (RRP).

The joint NHS trade unions would welcome clarity from the NHS PRB on what specific issues have been raised about this group of staff, and by which organisations, so we can more fully participate in this evidence round.

In any case, the joint NHS trade unions would welcome the opportunity to explore national RRPs. Local and national RRPs are an ingrained part of the Agenda for Change contract and we have no principled opposition to their use. The strong view of the joint NHS trade unions is that the reduction in use of RRPs is almost entirely as a result of a lack of dedicated funding.

We would welcome the views of the NHS Pay Review body on:

- Reviewing clear and consistent criteria for the introduction of national RRPs
- Reviewing clear and consistent criteria for evaluation of national RRPs, and criteria for extending or winding up
- Reviewing the case for additional funding to support national and local RRPs, as well as considering the risks to the wider workforce of funding RRPs from within existing pay policy settlement.

NHS long-term plan

The NHS long-term plan's delayed publication on 7 January 2019 coincides with the PRB's deadline for evidence. The joint unions would welcome the opportunity to discuss the implications of the long-term plan with the PRB at a later date.