NHS Providers view: NHS pay cap

Introduction

This week, the public sector pay cap has been widely debated and covered extensively by the media. NHS Providers was one of the first organisations to call for the pay cap to end.

On Tuesday 12 September, the government announced it was ready to show “flexibility” in the 2018/19 public sector pay round. It was confirmed that prison officers and police officers would receive larger than one per cent pay increases in 2017/18.

On Wednesday 13 September an opposition debate and motion calling for an end to the pay cap for NHS staff was passed unanimously in the House of Commons.

On Friday 15 September, unions representing nurses and other NHS staff wrote to the chancellor to demand a 3.9% pay rise and an extra £800 to make up for the real term losses in NHS pay.

In the statement below NHS Providers sets out its view on the NHS pay cap and our response to the debate on NHS pay, including this week’s House of Commons debate and the NHS trade unions’ letter to the Chancellor.

Our view

“Workforce issues are now the most pressing concern for NHS trusts across the country, surpassing the financial challenge facing the provider sector.

Unsustainable

“NHS Providers was one of the first organisations to identify that ongoing pay restraint was having an important impact on recruitment, retention and morale in the NHS and that keeping the pay cap was becoming unsustainable. NHS staff are the lifeblood of the service and the evidence shows that NHS pay has now started to lag behind pay in the wider economy. We therefore called, 10 months ago, for a clear plan setting out how pay restraint would end.

“Ending the pay cap requires a number of different questions to be answered including: when and how the cap will be lifted and whether this should be done for all groups in one go, or staggered; the extent of any pay rise; and whether any pay rise should be targeted – for example to low paid groups or areas of particular workforce shortages.
“We will also need to balance the cost of any pay rise against other NHS priorities. For example, we know that NHS staff are under huge pressure and that employing extra staff is one way of alleviating this pressure. So the NHS will face a direct choice between a higher pay rise and higher staff numbers.

“In that context, it’s particularly important that no one regards the lifting of the pay cap as a ‘free for all’ where any proposal, however ambitious, can be afforded without wider consequence.

**NHS Pay Review Body**

“We strongly support the independent pay review body system and process, which takes evidence from all interested parties, as the means of resolving these difficult tensions.

“We are, however, clear that, given the current pressure on the NHS, any lifting of the pay cap must be fully funded. Failure to do so would simply erode the quality of NHS care further at a point when the NHS is already missing all of its key performance targets.”