

Westminster Hall debate - NHS pay

Wednesday 24 March 2021

NHS Providers is the membership organisation for the NHS hospital, mental health, community and ambulance services that treat patients and service users in the NHS. We help those NHS trusts and foundation trusts to deliver high-quality, patient-focused care by enabling them to learn from each other, acting as their public voice and helping shape the system in which they operate.

NHS Providers has all trusts in voluntary membership, collectively accounting for £92bn of annual expenditure and employing more than one million staff.

Background

A broad range of factors influences the experience of staff working in the NHS and their decision to join or remain in the NHS workforce, with pay being a significant one. NHS staff have worked tirelessly throughout this pandemic, delivering high quality care in near impossible conditions. Even before the pandemic the NHS workforce was under extreme pressure, with demand for health and care services increasing year-on-year in the context of constrained finances and workforce shortages. After the longest and deepest financial squeeze in NHS history, the service entered the pandemic with over 100,000 workforce vacancies. The pandemic has exacerbated these pressures, with the NHS now facing a care backlog and an exhausted workforce. It is essential to wellbeing, morale, and retention for pay to be set at a level which ensures staff feel valued.

NHS pay policy

The government's decision over the NHS pay award is informed by the recommendations of two independent NHS pay review bodies, one focused on doctor and dentist remuneration (the DDRB), and the other on non-medical staff including nurses (the NHSPRB). At this stage in the process, NHS pay rises have not yet been decided, however written evidence has been submitted to the review bodies, and they will also hear oral evidence from stakeholders. The review bodies will then

make recommendations on pay awards later in the year and the government will decide how to act on those recommendations.

The NHSPRB process last set pay in 2018 as a three-year deal, covering the period from 1 April 2018 to 31 March 2021, for those on Agenda for Change contracts. This year the remit of the PRB has been set for the 2021/22 pay round only.

The Department of Health and Social Care's (DHSC) evidence was submitted to the DDRB¹ and NHSPRB² on 4 March. For the DDRB, DHSC said: "In settling the DHSC and NHS budget, the government assumed a headline pay award of 1% for NHS staff". For the NHSPRB, DHSC has said: "we expect the total investment in Agenda for Change in 2021/22 to be 1.7%". The latter includes an estimated 0.7% of funding which is required to complete the pay restructuring work that was agreed in 2018, as part of the three-year deal. Therefore, in terms of headline pay awards, it is a fair assessment to take DHSC as suggesting 1% in both the DDRB and NHSPRB processes.

However, an increase of 2.1% was the baseline affordability assumption for pay awards in 2021/22 within the 2018 funding settlement³. This assumption was built into the NHS long term plan implementation framework and the extra funding was enshrined in the NHS Funding Act 2020.

NHS Providers view

In the forthcoming reports, trust leaders hope to see the review bodies recommend a bigger pay rise than suggested by DHSC, and that if the government accepts the recommendation, it is fully funded.

Trust leaders have consistently emphasised the need to recognise and reward the efforts of staff who have gone above and beyond to protect the public and provide treatment for the hundreds of thousands of people affected by COVID-19 and other health issues. We are pleased by the decision to prioritise pay rises for NHS staff during a period in which many other key workers will be disappointed to be facing real terms pay decreases. However, trusts have made clear that pay uplifts must be meaningful, given the huge contribution of their staff throughout a pandemic which has presented severe challenges in their working lives. A significant majority (82%) of respondents to NHS Providers'

¹ <https://www.gov.uk/government/publications/dhsc-evidence-for-the-ddrb-pay-round-2021-to-2022>

² <https://www.gov.uk/government/publications/dhsc-evidence-for-the-nhsprb-pay-round-2021-to-2022>

³ <https://www.longtermplan.nhs.uk/wp-content/uploads/2019/06/long-term-plan-implementation-framework-v1.pdf>

survey of trust HR directors⁴ conducted in November-December 2020 called for a pay uplift of at least a 3%.

As we set out in our submission to the NHSPRB, it is essential that pay awards are fully funded by the government in order to make them affordable for trusts to administer for all eligible staff. Affordability of pay rises has presented a key financial and operational challenge for trusts in recent years, due to flaws in the broader design of the three year pay settlement meaning that more staff were eligible for the pay awards than had been accounted for by HM Treasury.⁵

Pay and reward need to be viewed alongside the other workforce challenges facing the sector. Workload and burnout concerns have multiplied as a result of the pandemic, with trust leaders consistently telling us of their worries for the wellbeing of their staff, and over the future state of the workforce if large numbers decide to leave the service as a result of the pressures faced. The workforce is overstretched with high rates of sickness still contributing to an immediate operational concern: on 3 March, over 75,000 NHS staff were absent from work across England with almost 40% linked to COVID-19 related sickness or self-isolation. Moreover, there is a clear correlation between persistent workforce gaps prior to the pandemic and a service that is now being forced to revise its offering to patients in some areas.

The pandemic has made it clearer than ever that the NHS needs a fully funded, agreed, workforce plan that gives the NHS the increases in long term workforce numbers and financial support for existing staff it so desperately requires.

⁴ <https://nhsproviders.org/resource-library/submissions/nhs-pay-review-body-202122-written-evidence-from-nhs-providers>

⁵ Our submissions to the NHSPRB in [2019/20](#) and [2020/21](#) provide more information.