

NHS Pay Review Body 2024/25 pay round

Written evidence from NHS Providers

About NHS Providers

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 foundation trusts and 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 England in voluntary membership, collectively accounting for £115bn of annual expenditure and employing 1.4 million people.

Our submission

We welcome the opportunity to submit evidence to the NHS Pay Review Body (PRB) on behalf of NHS trusts and foundation trusts, to inform the 2024/25 pay round. For the purposes of this submission, we have drawn on several information sources, including:

- An annual survey of trust HR directors by NHS Providers¹
- National workforce data
- NHS Providers' previous written submissions to the PRB
- Other surveys and sources of feedback from trust leaders, including our 'State of the Provider Sector' survey², NHS Winter Watch³, our 'Stretched to the Limit' report⁴, and our HR directors network meetings in 2023.

Our evidence includes trust leader views on pay and reward, while also considering broader factors relating to staff experience, retention and recruitment, operational pressures and the economic context.

¹ This online survey of HR directors in NHS trusts and foundation trusts was conducted between October and November 2023. Data is based on responses from 46 trusts, accounting for 22% of the provider sector, with all regions and trust types represented

² NHS Providers, 'State of the provider sector', November 2023: <https://nhsproviders.org/state-of-the-provider-sector-2023>

³ NHS Providers, 'NHS winter watch 2023/24', December 2023: <https://nhsproviders.org/nhs-winter-watch-202324>

⁴ NHS Providers, 'Stretched to the limit: tackling the NHS productivity challenge', July 2023: <https://nhsproviders.org/stretched-to-the-limit>

Key messages

- The NHS and its staff remain under considerable pressure, including the challenges of winter. The 2024/25 pay round commences in challenging operational and economic conditions, both for staff and trusts. Such pressure impacts retention and recruitment, as well as staff morale and wellbeing. The last 12 months have also seen the most extensive period of industrial action in the NHS' 75 year history
- Trust leaders are clear that a meaningful pay increase for NHS staff is vital in 2024/25, with 42% of respondents to our pay survey advocating a 5% uplift for Agenda for Change (AfC) staff to support retention and recruitment. 18% of respondents support an uplift of 4%, and 13% support a 6% increase. 13% support an uplift of 7-9%, while 4% support an uplift of 10% or more
- The majority of respondents (56%) do not support targeted pay awards for groups under the remit of the PRB, but for the 36% who do, their preference would be for these to be targeted towards bands 3, 2 and 4 (in order of preference)
- It is essential that the 2024/25 pay award is fully funded by central government. We again ask that the PRB makes an explicit recommendation for government to commit to fully funding the pay uplifts it decides to award NHS staff, rather than funding the award from existing budgets which will undermine vital plans for service transformation
- The announcement of funding for some non-NHS organisations to support their implementation of the 2023/24 pay increases was welcome, however, 66% of trust leaders who employ staff on local authority contracts remain not at all confident or not confident that they will receive funding to cover the cost of AfC uplifts agreed as part of the 2024/25 pay round
- National funding was not provided for the non-consolidated elements of the AfC pay deal for bank staff. As a result of this, 65% of trust leaders responding to our survey said they did not apply these elements to their bank staff, and that this damaged relationships between the trust and bank staff
- The delayed announcement of pay awards continues to be damaging to staff morale and their personal financial planning, as well as to trust financial planning. As a point of principle, NHS staff deserve to go into each new financial year knowing their pay for that period.

Remit

At the time of submission, no remit letter from the Department of Health and Social Care (DHSC) has been published. We will submit supplementary evidence should there be substantive new areas for consideration contained within the final letter. It is disappointing that the remit letter is yet to be published, and notable that it is considerably later than the letter for the 2023/24 pay round. It is essential that the process timeline is realigned to ensure NHS staff and trusts go into each financial year with clarity on what the pay award will be.

Pay award for Agenda for Change staff 2024/25

Context

2023/24 pay deal

In May 2023, after months of strike action and negotiations, the majority of trade unions representing AfC staff agreed to a pay deal offered by the government. The deal included two non-consolidated payments (a 2% bonus payment and an 'NHS backlog bonus' worth between £1,250 and £1,600) and a pay uplift of 5% in 2023/24 for most staff and 10.4% for those at bands 1 and 2⁵. In addition, the government committed to a series of non-pay elements, including a review of the PRB process and measures to tackle violence and aggression towards staff. NHS Providers welcomed NHS staff council acceptance of the offer, but noted this was not unanimous across all trade unions representing AfC staff, reflecting the strength of feeling among the workforce. Additionally, the pay deal was below inflation, equating to a real terms pay cut (inflation at the time was 8.7%⁶), and staff will likely see their salaries drop in April 2024 when the lump sum element of the pay deal expires, due to ongoing delays to the pay review process. Discontent with the pay deal for some staff has also been exacerbated following the agreement in principle between the British Medical Association (BMA) and government for a consultant doctor pay offer for 2023/24, in addition to the 6% pay increase they already received for this financial year.

DHSC's 2023/24 submission to the PRB stated "funding is available for pay awards up to 3.5%"⁷, however AfC staff were awarded a 5% uplift and additional non-consolidated payments as part of the deal agreed by government with trade unions. As referenced in the PRB's 36th report, this calls into question the integrity of the affordability evidence presented, and the need for "consistent and reliable" evidence from government⁸. HM Treasury's 2023/24 submission to the PRB claimed "higher pay awards could risk higher and more persistent inflation"⁹. Recent analysis from the London School

⁵ Department of Health and Social Care, 'Over one million NHS staff to receive pay rises from today', June 2023: <https://www.gov.uk/government/news/over-1-million-nhs-staff-to-receive-pay-rises-from-today>

⁶ Office for National Statistics, Inflation and price indices: <https://www.ons.gov.uk/economy/inflationandpriceindices>

⁷ Department of Health and Social Care, 'DHSC evidence for the NHSPRB: pay round 2023 to 2024', February 2023: <https://www.gov.uk/government/publications/dhsc-evidence-for-the-nhsprb-pay-round-2023-to-2024>

⁸ NHS Pay Review Body, 'Thirty-Sixth Report 2023', July 2023: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1170214/NHSPRB_2023_Bookmarked.pdf

⁹ HMT, 'Economic Evidence to Pay Review Bodies: 2023-24 Pay Round', January 2023: <https://www.gov.uk/government/publications/economic-evidence-to-the-pay-review-bodies-january-2023>

of Economics found that there is no evidence that NHS staff pay increases are driving inflation¹⁰. NHS Providers also continues to reject the narrative of a 'direct trade off' between increased pay and more staff, which is ultimately a political choice.

The 2022 NHS staff survey results showed only 25.6% of staff are satisfied with their level of pay, a 7% decrease from 2021 and the lowest result for five years¹¹. It is welcome that a pay deal was agreed via the NHS staff council (albeit not unanimously), however, pay is one of many factors for dissatisfaction among staff that also led to their decision to strike. This strength of feeling is acknowledged as part of the deal, which included non-pay elements. Delays in resolving industrial action has affected morale among staff¹² and general dissatisfaction of working conditions remains, especially given care backlogs. Government's proposal to extend minimum service levels (MSLs) to hospital settings, on top of ambulance settings, via the Strikes (Minimum Service Levels) Act 2023, is also concerning and will likely exacerbate current dissatisfaction among staff¹³.

We are clear that the PRB is not a mechanism for resolving industrial disputes, but instead is a pay setting process. It is for the government and trade unions representing AfC staff to resolve any ongoing or future industrial disputes, but the state of industrial relationships in the NHS forms important context for the PRB's decisions.

Wider service pressures

Trusts are making great strides in recovering services after the Covid-19 pandemic¹⁴, however, NHS staff are still working under intense service pressures. Over the last year the elective waiting list has reached an all-time high of 7.77m appointments¹⁵, ambulance trusts received over 1.3 million calls in a

¹⁰ The London School of Economics and Political Science, 'Does public sector pay drive inflation?', February 2023: <https://blogs.lse.ac.uk/politicsandpolicy/does-public-sector-pay-drive-inflation/>

¹¹ NHS Providers, 'NHS Staff Survey results 2022', March 2023: <https://nhsproviders.org/resources/briefings/on-the-day-briefing-nhs-staff-survey-results-2022>

¹² NHS Providers, 'Impact of strikes is growing, with no end in sight', September 2023: <https://nhsproviders.org/news-blogs/news/impact-of-strikes-is-growing-with-no-end-in-sight>

¹³ NHS Providers, 'Minimum service levels in event of strike action: hospital services', November 2023: <https://nhsproviders.org/resources/submissions/nhs-providers-response-to-the-department-of-health-and-social-care-s-consultation-on-minimum-service-levels-in-event-of-strike-action-hospital-services>

¹⁴ NHS Providers, 'Providers Deliver: patient flow', May 2023: <https://nhsproviders.org/providers-deliver-patient-flow>

¹⁵ NHS Providers, 'NHS activity tracker 2023', November 2023: <https://nhsproviders.org/nhs-activity-tracker-2023/november-2023>

month¹⁶ and the service recorded the highest staff turnover rate on record¹⁷. Ambulance handover delays and delayed discharges have also been prominent, alongside record-high A&E attendances¹⁸. In mental health services, recently published data shows continued high demand and referrals up by 33.9%, compared to pre-pandemic levels¹⁹.

This winter is also expected to be challenging²⁰. 95% of trust leaders responding to our annual 'State of the Provider Sector' survey said that they were concerned about the impact of seasonal pressures this winter on their trust and local area, and 80% of trust leaders agreed that they believe this winter will be tougher than the last²¹. It is staff who will tackle these challenges head on, and workforce shortages and staff wellbeing remain among trust leaders' top concerns. Three in five trust leaders are worried about having the right number, quality and mix of staff to deliver high quality care, while 84% of trust leaders are concerned about staff burnout, and 83% about staff morale²².

There are currently over 121,000 vacancies in the NHS in England²³. The most recent NHS staff survey found that 44.8% of staff have felt unwell due to work-related stress in the last 12 months and staff sickness absence data shows that anxiety, depression and stress continue to be the top reason for staff absence²⁴. Industrial action has also had an impact on relationships between trust leaders and staff. However, over half of trust leaders are very confident (9%) or confident (47%) that national industrial disputes will cease when a resolution is agreed between government and trade unions²⁵.

¹⁶ NHS England, Ambulance Quality Indicators Data 2022-23: <https://www.england.nhs.uk/statistics/statistical-work-areas/ambulance-quality-indicators/ambulance-quality-indicators-data-2022-23/>

¹⁷ NHS Digital, NHS workforce statistics – June 2022: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/june-2022>

¹⁸ NHS England, 'Operational performance update', December 2023: <https://www.england.nhs.uk/long-read/operational-performance-update-7-dec-23/>

¹⁹ NHS Digital, mental health services monthly statistics – July 2023: <https://digital.nhs.uk/data-and-information/publications/statistical/mental-health-services-monthly-statistics/performance-july-provisional-august-2023>

²⁰ NHS Providers, 'NHS winter watch 2023/24' December 2023: <https://nhsproviders.org/nhs-winter-watch-202324>

²¹ NHS Providers, 'State of the provider sector', November 2023: <https://nhsproviders.org/state-of-the-provider-sector-2023>

²² Ibid.

²³ NHS Digital, NHS vacancy statistics England – September 2023: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey/april-2015---september-2023-experimental-statistics>

²⁴ NHS Digital, NHS sickness absence rates – July 2023: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates/july-2023-provisional-statistics>

²⁵ NHS Providers, 'State of the provider sector', November 2023: <https://nhsproviders.org/state-of-the-provider-sector-2023>

Industrial action has caused a significant strain on trust finances. Up to the end of October the indirect and direct cost of strike action was estimated to be £2bn²⁶. Over three quarters of trust leaders said it was unlikely that their trust will end 2023/24 in a better financial position than it ended 2022/23²⁷. Directions given to the service by the centre have not assuaged these concerns²⁸, nor has the Chancellor's Autumn Statement²⁹, nor the announcement of nine additional days of junior doctor strikes across December and January³⁰. The challenges of an underfunded and overstretched social care system also continue to have serious consequences for the NHS³¹. Unfit for purpose estates also impact NHS service delivery, staff experience of and ability to perform their roles, and exacerbate trust financial difficulties³².

A significant, and welcome, development in June 2023 was the publication of the long awaited NHS England (NHSE) Long Term Workforce Plan (LTWP)³³, as well as NHSE's equality, diversity and inclusion (EDI) improvement plan³⁴. We have long called for a comprehensive workforce plan to place the NHS workforce on a sustainable footing; however, questions remain about how the plan will be funded and implemented across its 15-year lifespan, and what assumptions underpin its forecasting³⁵. It is also disappointing to see a lack of focus on retention and support for non-clinical roles in the plan, as trust leaders have repeatedly told us that vacancy and turnover among estates, IT, administrative, and call handling staff is worrying. It is also notable (albeit understandable) that while the LTWP references the "total reward package – which goes beyond headline pay", it does not set

²⁶ NHS England, 'Financial performance update', December 2023: <https://www.england.nhs.uk/long-read/financial-performance-update-7-dec-23/>

²⁷ NHS Providers, 'State of the provider sector', November 2023: <https://nhsproviders.org/state-of-the-provider-sector-2023>

²⁸ HSJ, 'ICSSs told to prepare 'nuclear' service cuts as NHSE plays 'hardball'', November 2023: <https://www.hsj.co.uk/finance-and-efficiency/icss-told-to-prepare-nuclear-service-cuts-as-nhse-plays-hardball/7036015.article>

²⁹ NHS Providers, 'Autumn Statement – November 2023', November 2023: <https://nhsproviders.org/media/697811/autumn-statement-on-the-day-briefing-november-2023.pdf>

³⁰ BMA, 'Junior doctors in England announce new strike dates after Government fails to make credible offer to end the dispute', December 2023: <https://www.bma.org.uk/bma-media-centre/junior-doctors-in-england-announce-new-strike-dates-after-government-fails-to-make-credible-offer-to-end-the-dispute>

³¹ NHS Providers, 'NHS Providers responds to social care workforce funding cut', April 2023: <https://nhsproviders.org/news-blogs/news/nhs-providers-responds-to-social-care-workforce-funding-cut>

³² NHS Providers, 'No more sticking plasters: repairing and transforming the NHS estate', March 2023: <https://nhsproviders.org/no-more-sticking-plasters>

³³ NHS Providers, 'NHS England's Long Term Workforce Plan', June 2023: <https://nhsproviders.org/media/696006/long-term-workforce-plan-otdb.pdf>

³⁴ NHS Providers, 'NHS England equality, diversity and inclusion improvement plan', June 2023: <https://nhsproviders.org/media/695905/nhse-edi-improvement-plan-next-day-briefing.pdf>

³⁵ NHS Providers, 'NHS Providers view: NHS England's Long Term Workforce Plan', November 2023: <https://nhsproviders.org/resources/briefings/nhs-providers-view-nhs-england-s-long-term-workforce-plan>

out ambitions relating to pay or pensions. We are engaging in implementation work for the LTWP, as well as work which will inform its first refresh in 2025.

Economic and political context

The domestic economic outlook remains challenging going into 2024/25. While Consumer Price Inflation (CPI) has reduced from its peak of 11.1% in October 2022 to 4.6% in October 2023, it remains 2.6% higher than the Bank of England's target rate, which continues to put pressure on individuals' finances and their disposable income³⁶. In its recent Monetary Policy Summary, the Bank of England forecast that CPI will fall to 3.75% in quarter two of 2024 before returning to 2% by the end of 2025³⁷. Against the backdrop of adjusted growth forecasts, the Institute for Fiscal Studies (IFS) warns of a potential recession in 2024³⁸. The Office of Budget Responsibility's forecast that accompanied the Chancellor's Autumn Statement provided a similarly stagnant outlook for the UK economy in the near term³⁹.

As noted in our submission to the PRB last year, the government's decision to freeze the income tax personal allowance threshold, which will remain £12,570, as well as the higher rate income tax threshold of £50,270 until April 2028, will result in members of the PRB's remit group paying increased rates of income tax across this period as a result of 'fiscal drag'⁴⁰. Despite the Chancellor's Autumn Statement announcement of a reduction to Class 1 employee National Insurance contributions (NICs) from 12% to 10% from January 2024⁴¹, the tax burden remains historically high and this reduction in NICs will be offset by the aforementioned frozen income tax thresholds^{42, 43}.

³⁶ Office for National Statistics, consumer price inflation time series:

<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>

³⁷ Bank of England, Monetary Policy Summary, November 2023: <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2023/november-2023>

³⁸ Institute for Fiscal Studies, 'Green Budget 2023', October 2023: <https://ifs.org.uk/publications/uk-outlook-fallout>

³⁹ Office for Budget Responsibility, 'Economic and fiscal outlook', November 2023:

https://obr.uk/docs/dlm_uploads/E03004355_November-Economic-and-Fiscal-Outlook_Web-Accessible.pdf

⁴⁰ House of Commons library, 'Fiscal drag: An explainer', November 2023: <https://commonslibrary.parliament.uk/research-briefings/cbp-9687/>

⁴¹ NHS Providers, 'Autumn Statement – November 2023', November 2023: <https://nhsproviders.org/media/697811/autumn-statement-on-the-day-briefing-november-2023.pdf>

⁴² IFS, 'Autumn Statement 2023 response', November 2023: <https://ifs.org.uk/Autumn-Statement-2023-response>

⁴³ Resolution Foundation, 'A pre-election Statement', November 2023: <https://www.resolutionfoundation.org/publications/a-pre-election-statement/>

A general election is widely expected to take place in 2024, and must take place by January 2025. As ever, the NHS is likely to be a focal point in campaigning ahead of the general election. One of our key asks for the next government is that the NHS is set up for success by prioritising and supporting its people. This includes effective implementation and funding for the LTWP and increased capital investment to support productivity and improve safety and experience for staff and patients⁴⁴. The national lever of pay and total reward will also need to be considered in this regard, particularly as the LTWP does not set out any ambitions for this.

NHS Providers' view

2024/25 pay award

In the context of the above, trust leaders are clear that a meaningful pay increase for NHS staff is vital for 2024/25. As with last year, we included a range of percentage pay uplift options from 0 - 10+% in our annual survey (conducted across October and November 2023) to reflect the rate of inflation. The largest proportion (42%) of trust leaders support an uplift of 5%, while 18% support an uplift of 4%, and 13% support a 6% increase. 13% support an uplift of 7-9%, while 4% support an uplift of 10% or more. There was no support for an uplift below 3% for AfC staff. Compared to our last submission to the PRB, these results show a shift away from the very highest percentages, likely reflective of inflation starting to reduce across the end of 2023 and the AfC pay deal accepted by the NHS staff council in May 2023. Despite this, support for 5% as a starting point remains high, showing that the increased cost of living and the impact of industrial action remain front of mind.

Overall, the majority of respondents (56%) do not support targeted pay awards for groups under the remit of the PRB, but for the 36% who do, their preference would be for these to be targeted, in order of preference, towards bands 3, 2 and 4. There was some support for targeting towards bands 8a/b and band 5. Targeting towards lower bands reflects continuing cost of living pressures, while targeting towards bands 8a/b is likely to stem from the impact of backdated pay for the 2022/23 pay round (in terms of corresponding backdated pension contributions leaving this staff group in arrears after the pay award, as referenced in our last submission to the PRB⁴⁵).

⁴⁴ NHS Providers, 'Delivering in challenging times', September 2023: <https://nhsproviders.org/media/697244/party-conference-23-infog-1ha.pdf>

⁴⁵ NHS Providers, 'NHS Pay Review Body 2023/24 pay round Written evidence from NHS Providers', December 2022: <https://nhsproviders.org/media/694796/nhs-providers-nhs-prb-evidence-2023-24.pdf>

The multi-year deal agreed for AfC staff in 2018 expired in March 2021, while junior doctors returned to the remit of the Review Body on Doctors' and Dentists' Remuneration (DDRB) for the 2022/23 pay round after their multi-year deal, agreed in 2019, expired. Trust leaders responding to our survey had mixed views on the best model for future pay awards, with 42% expressing support for multi-year deals as a result of recommendations for the same from the relevant pay review body, 36% supporting annual pay review body recommendations and 22% supporting multi-year deals in agreement between the government and trade unions. Respondents were clear, however, that confidence in the agility of multi-year contracts had been damaged as a result of junior doctors not receiving more than the 2% pre-agreed uplift in 2022/23 despite the increased cost of living and their 2019 pay deal's statement that "the DDRB terms of reference allow them to make further pay recommendations or observations should one of the parties request it, or indeed where they consider it appropriate"⁴⁶. Respondents reported that annual uplifts allow for more agility when responding to external factors, like the economy.

Trust leaders continue to be concerned that pay awards are announced after the start of the financial year – as outlined in our previous submissions to the PRB⁴⁷ and our submission to DHSC's questionnaire on reform of the review body⁴⁸. This is damaging to staff morale and their personal financial planning, as well as to trust financial planning. It is, therefore, disappointing, considering DHSC's commitment to review the PRB process and its timelines, that the remit letter has still not been received as of 15 December 2023, already four weeks later than in 2022.

In previous years, the National Living Wage (NLW) uplift has resulted in band 2 (entry point) staff falling below the legal minimum, so it is welcome news that this year, this will not be the case due to the structure of the pay award agreed by staff council in 2023. We note the PRB's comment in their 36th report that "pay is now at a level sufficiently above the NLW that a pattern of temporary adjustments is less likely to be needed going forward"⁴⁹. However, the NLW increase to £11.44 an

⁴⁶ NHS Employers, 'Framework agreement: Amendments to 2016 junior doctors contract', page 8, June 2019:
https://www.nhsemployers.org/system/files/media/Framework-Agreement-doctors-in-training_0.pdf

⁴⁷ NHS Providers, 'NHS Pay Review Body 2023/24 pay round Written evidence from NHS Providers', December 2022:
<https://nhsproviders.org/media/694796/nhs-providers-nhs-prb-evidence-2023-24.pdf>

⁴⁸ NHS Providers, 'NHS Providers response to invitation to share views on the NHS Pay Review Body process', June 2023:
<https://nhsproviders.org/media/696035/nhs-providers-response-to-dhsc-invitation-to-share-views-on-the-nhsprb-process-final.pdf>

⁴⁹ NHS Pay Review Body, 'Thirty-Sixth Report 2023', page xi, July 2023:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1170214/NHSPRB_2023_Bookmarked.pdf

hour from 1 April 2024, announced as part of the Chancellor's Autumn Statement⁵⁰, means that the hourly rate for band 2 (entry point) staff is only 1p higher than the NLW⁵¹. To aid recruitment and retention, we would welcome the entry point of band 2 being set above the NLW, instead of close to the legal minimum. In April 2022, we wrote to the chair of the PRB, alongside Unison and the Living Wage Foundation, as we believe there is an opportunity for the PRB to ensure that AfC pay scales are aligned with the real living wage (currently £12 UK-wide and £13.15 in London)⁵². This remains our view.

Implementation and funding

Funding for the 2023/24 pay deal agreed by government and trade unions was initially opaque, with government ruling out cuts to frontline services without confirming the funding source⁵³. On 13 July 2023, the government announced the pay awards for those under the remit of the DDRB and Senior Salaries Review Body (SSRB), as well as other public sector employees within the remit of other pay review bodies⁵⁴. As part of this announcement, the Prime Minister, Rishi Sunak, announced increased visa and immigration health surcharge fees. The announcement also stated: "the government will fund this pay award through prioritisation within existing departmental budgets, with frontline services being protected"⁵⁵. Protection for frontline services is welcome, but is put at risk when budget re-prioritisation at a national level to fund pay awards will ultimately have a long term impact on patient services and service transformation (particularly digital transformation programmes).

It is essential that the 2024/25 pay award is fully funded by central government, to avoid either cuts to local NHS budgets, or further cuts to national improvement and transformation programmes. In light of this, we again ask that the PRB makes an explicit recommendation for government to commit to fully funding the pay uplifts it decides to award NHS staff. Trust leaders are acutely aware the health budget is constrained by the government's overall fiscal envelope. However, funding pay uplifts by

⁵⁰ NHS Providers, 'Autumn Statement – November 2023', November 2023: <https://nhsproviders.org/media/697811/autumn-statement-on-the-day-briefing-november-2023.pdf>

⁵¹ NHS Employers, 'Pay scales for 2023/24', May 2023: <https://www.nhsemployers.org/articles/pay-scales-202324>

⁵² Living Wage Foundation, Explaining UK wage rates: <https://www.livingwage.org.uk/what-real-living-wage>

⁵³ Department of Health and Social Care, 'Government and health unions agree pay deal paving way for an end to strike action', March 2023: <https://www.gov.uk/government/news/government-and-health-unions-agree-pay-deal-paving-way-for-an-end-to-strike-action>

⁵⁴ Prime Minister's Office, 'PM statement on public sector pay review', July 2023: <https://www.gov.uk/government/speeches/pm-statement-on-public-sector-pay-review-13-july-2023>

⁵⁵ Department of Health and Social Care, 'NHS staff receive pay rise', July 2023: <https://www.gov.uk/government/news/nhs-staff-receive-pay-rise>

raiding frontline budgets can have significant operational implications, and scaling back vital medium and long-term transformation spend (e.g. on frontline digitisation) will only make it harder to improve patient care and reduce care to the least costly settings. Pay uplifts across the public sector should not come at the expense of reducing the quality of these services. These types of budget cuts also negatively impact staff experience. In addition, as mentioned in our previous submission to the PRB, the way that funding allocations are calculated is to the disadvantage of community and mental health trusts compared to acute trusts⁵⁶. This remains a concern for community and mental health providers.

In November 2023, the government announced that non-NHS organisations, including local authorities, could apply for funding in order to award their staff the “Covid bonus” element of the AfC pay deal⁵⁷. This was a welcome announcement, but it came when many organisations had already experienced significant financial pressures as a result of this delay, and there have since been reports that the application process is making this funding very difficult to access⁵⁸. Looking ahead to 2024/25, 66% of trust leaders who employ staff on local authority contracts remain not at all confident (44%) or not confident (22%) that they will receive funding to cover the cost of AfC uplifts agreed as part of the 2024/25 pay round. Asked what impact this will have on services, 38% of respondents said they would absorb the cost but that this would have an impact on the scope and quality of contracted services. 38% and 13% respectively said they would seek to negotiate with their local authority or integrated care board (ICB) to address the shortfall.

National funding was not provided for the non-consolidated elements of the AfC pay deal for bank staff. As a result of this, 65% of trust leaders responding to our survey said they did not apply these elements to their bank staff, which damaged relationships between the trust and bank staff. 22% reported the decision to not apply the uplift also damaged their relationship with trade unions at a time of already strained industrial relations. In the comments, some trust leaders shared that the decision to not apply the non-consolidated element to bank staff was difficult because of the important work that these staff had done throughout the pandemic. However, due to stretched trust

⁵⁶ NHS Providers, ‘NHS Pay Review Body 2023/24 pay round Written evidence from NHS Providers’, December 2022: <https://nhsproviders.org/media/694796/nhs-providers-nhs-prb-evidence-2023-24.pdf>

⁵⁷ Department of Health and Social Care, ‘Funding for non NHS-organisations for one-off payments’, November 2023: <https://www.gov.uk/government/news/funding-for-non-nhs-organisations-for-one-off-payments>

⁵⁸ HSJ, ‘Staff set to miss out on ‘covid bonus’ despite government U-turn’, December 2023: <https://www.hsj.co.uk/workforce/staff-set-to-miss-out-on-covid-bonus-despite-government-u-turn/7036197.article#:~:text=The%20government%20announced%20last%20month,by%20Agenda%20for%20Change%20contracts>

finances, it was not possible to make up the shortfall. These findings are further, clear, evidence of the need to nationally fund pay awards for all NHS staff.

We continue to reject the government's persistent stance that there is a "direct trade-off" between pay and increased staff numbers, which is ultimately a political choice. Respondents to our annual pay survey are increasingly clear that the two go hand in hand, with 85% of respondents to our pay survey saying both more staff and increased pay are equally important. This figure has grown year on year, with 72% expressing this sentiment last year, 69% in 2021, and 50% in 2020⁵⁹. We would argue that this reflects the difficult wider context in recent years, outlined at the start of this submission, and including the impact of working through the Covid-19 pandemic. In the comments, trust leaders were clear that pay and staff numbers are "symbiotic", while one trust leader stated: "pay is a huge morale issue for all staff... it's not just about need, it is about how they think the country is valuing them."

Pay review body process

We welcome DHSC's commitment to reviewing the PRB process as part of the non-pay elements of the deal agreed by government and trade unions in March 2023. We have submitted our view in response to DHSC's initial questionnaire on the process review and are members of various non-pay element stakeholder task and finish groups⁶⁰. We also welcome the announcement that as part of the consultant pay deal in principle, agreed between the government and the BMA, the DDRB process will be reviewed, if the offer is accepted by trade union members⁶¹. We expect there would be crossover between the PRB and DDRB reviews.

Wider issues

Comprehensive workforce planning

Trust leaders consistently tell us that the biggest risk to the services provided in their system is the lack of staff. As such, 78% of trust leaders are worried about whether their trust has capacity to meet

⁵⁹ NHS Providers, 'NHS Pay Review Body 2023/24 pay round Written evidence from NHS Providers', page 4, December 2022: <https://nhsproviders.org/media/694796/nhs-providers-nhs-prb-evidence-2023-24.pdf>

⁶⁰ NHS Providers, 'NHS Providers response to invitation to share views on the NHS Pay Review Body process', June 2023: <https://nhsproviders.org/media/696035/nhs-providers-response-to-dhsc-invitation-to-share-views-on-the-nhsprb-process-final.pdf>

⁶¹ Department of Health and Social Care, 'Government offer to NHS consultants to pave way to end strikes', November 2023: <https://www.gov.uk/government/news/government-puts-offer-to-consultants-to-pave-way-to-end-strikes>

demand for services over the next 12 months⁶². Workforce shortages are the key limiting factor in efforts to bring down waiting lists and deliver high quality patient care⁶³.

NHS England's Long Term Workforce Plan

NHS Providers has long been calling for a plan to place the NHS workforce on a sustainable footing. The publication of the NHS LTWP by NHSE, following Chancellor Jeremy Hunt's commitment in the 2022 Autumn Statement to publish "a comprehensive NHS workforce plan, including independently verified workforce forecasts", was therefore a significant and welcome step. We have since published a detailed view of the LTWP⁶⁴. We also look forward to the publication of the update to Framework 15, as a useful strategic grounding for the LTWP.

Much of the focus in the LTWP is on recruitment. While the ambition to increase training places for nurses and doctors is very welcome, retention of staff is the area that will have the biggest immediate impact, but was ultimately lightest on detail in the plan. A recent report from the Nuffield Trust highlighted that for every five nurse training places, the equivalent to only three full-time nurses join the NHS⁶⁵, highlighting the need to sufficiently address the problems of attrition of trainees, and retention of NHS staff overall.

We welcome the focus in the LTWP on investing in community-based roles and in mental health services, alongside the acute and ambulance sectors. However, the social care workforce is not covered by the plan, which is key for the NHS as a whole, and for community and mental health services in particular. 78% of trust leaders agree that expanding capacity across community care and social care will have a major impact on increasing productivity⁶⁶, but 89% of trust leaders are very worried or worried that insufficient national investment is being made in social care in their local area⁶⁷. The LTWP also fails to address the numerous services that are delivered with voluntary,

⁶² NHS Providers, 'State of the provider sector', November 2023: <https://nhsproviders.org/state-of-the-provider-sector-2023>

⁶³ Royal College of Physicians, 'Workforce coalition letter to the Prime Minister', March 2022: <https://www.rcplondon.ac.uk/news/over-100-health-organisations-sign-open-letter-prime-minister-urging-him-strengthen-workforce>

⁶⁴ NHS Providers, 'NHS Providers view: NHS England's Long Term Workforce Plan, November 2023:

<https://nhsproviders.org/media/697794/long-term-workforce-plan-detailed-member-briefing-november-2023.pdf>

⁶⁵ Nuffield Trust, 'Student loans forgiveness', September 2023: https://www.nuffieldtrust.org.uk/sites/default/files/2023-09/Nuffield%20Trust%20-%20Student%20loans%20forgiveness_WEB_final.pdf

⁶⁶ NHS Providers, 'Stretched to the limit: tackling the NHS productivity challenge', July 2023: <https://nhsproviders.org/stretched-to-the-limit>

⁶⁷ NHS Providers, 'State of the provider sector', November 2023: <https://nhsproviders.org/state-of-the-provider-sector-2023>

community and social enterprise (VCSE) organisations. Trust leaders consistently tell us there are severe shortages of staff in non-clinical roles such as administration, estates, IT, and call handling. It is therefore disappointing that a specific focus on these critical non-clinical roles is absent from the LTWP, as is any focus on managers. This risks undermining the 'one workforce' approach encouraged as part of local multi-disciplinary teams (MDTs) and regional system working.

Apprenticeships and new roles

Apprenticeships are an important part of workforce planning, and we support their expansion across the NHS. However, they are not the only way to diversify pipelines, and reform of the apprenticeship levy is needed to enable further use of apprentices. Respondents to our annual pay survey consistently highlighted increased flexibility and support with backfill funding as practical changes that need to be made. We are members of the apprenticeships task and finish group as part of the non-pay elements of the AfC deal. While reforms to the levy are outside the scope of this group, members consistently tell us this is where change would have the largest positive impact.

In previous submissions to the PRB we have highlighted that trusts support increased use of alternative roles within the health service, including those under the medical associate professions umbrella such as physician associates (PAs) and anaesthesia associates (AAs). These roles continue to be underutilised due to restrictions on fully incorporating them into workforce planning. We welcome the implementation of regulation for some of these roles expected in 2024, as this will increase skills mix and capacity within teams, and provide greater clarity for PAs/AAs, their employers, other members of staff and patients.

Agency and internationally recruited staff

Sustained workforce shortages have led to an overreliance on agency staff⁶⁸. While NHSE has introduced caps on the recruitment of agency staff to bring down spending, this is challenging when both vacancy rates and service demand continue to increase. A recent survey of our members found that almost 8 in 10 trusts said it would be extremely difficult (37%) or difficult (41%) for their system to live within the agency spend limits for 2023/24⁶⁹. Figures published by NHSE show that agency

⁶⁸ NHS England, 'Consolidated NHS provider accounts 2020/21', 2023: <https://www.england.nhs.uk/wp-content/uploads/2023/01/consolidated-provider-accounts-21-22-final.pdf>

⁶⁹ NHS Providers, 'Stretched to the limit: tackling the NHS productivity challenge', January 2023: <https://nhsproviders.org/stretched-to-the-limit>

spending was £3.5bn in 2022/23, compared to £3bn in 2021/22^{70,71}. Despite this, trusts are making huge efforts; the Chief Finance Officer's update at the NHSE board meeting on 7 December 2023 noted indications that agency spend is 10% down in real terms this year compared to the same period last year⁷², though system board papers show that there is significant variation across the country. We are interested to see the upcoming support for trust-level policies reflected in the LTWP, centred on encouraging staff to offer their time to a bank instead of an agency. We are also engaging with the NHS staff council's work on reducing agency spend as part of the non-pay elements of the AfC pay deal.

While internationally recruited staff are invaluable to the NHS, and international recruitment will remain an important element of workforce planning in perpetuity, the current overreliance on overseas recruitment is unsustainable. We therefore agree with the ambition set out in the LTWP to make international recruitment more sustainable by strengthening national pipelines. The national provision of appropriate additional resource to trusts for them to provide additional training placements and supervision will be a key lever to realising this ambition.

Retention and flexibility

It has been well documented that NHS staff have been working at full pelt in a service that has faced funding challenges, workforce shortages and rising patient demand over the last decade. Alongside this, staff have faced compounding pressures including the Covid-19 pandemic, the cost of living crisis and the longest period of industrial action in the NHS' history. Taken together, this has led to staff reporting a decline in their morale and wellbeing⁷³, and staff are leaving the service at a concerning rate⁷⁴.

⁷⁰ HSJ, 'Reversal of huge achievement as agency spending breaches £3bn', December 2023: <https://www.hsj.co.uk/finance-and-efficiency/reversal-of-huge-achievement-as-agency-spending-breaches-3bn/7036259.article>

⁷¹ NHS England, 'Financial performance report, fourth quarter 2022/23', December 2023: <https://www.england.nhs.uk/wp-content/uploads/2017/06/nhs-quarterly-report-q4-22-23.pdf>

⁷² NHS England, 'Financial performance update', December 2023: <https://www.england.nhs.uk/long-read/financial-performance-update-7-dec-23/>

⁷³ NHS Providers, 'NHS Staff Survey results 2022', March 2023: <https://nhsproviders.org/media/695230/otdb-nhs-staff-survey-results-2022.pdf>

⁷⁴ NHS Digital, NHS workforce statistics – June 2023: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/june-2023>

2022 NHS staff survey data showed 32.3% of staff reported often thinking about leaving their organisation, a five year high⁷⁵. Trust leaders continually express their concern about staff retention, with many stating it is the biggest workforce issue. With 84% of trust leaders worried about staff morale⁷⁶, they are continually innovating to support their staff and ensure staff are working in environments that empower a happy and healthy workforce⁷⁷. This year, our pay survey again asked how confident trust leaders are that their organisation is progressing the 2020/21 People Plan. 95% of respondents were very or somewhat confident of progression in the 'looking after our people' area (no respondents reported being not confident, or not at all confident, in this), and that their actions are having a positive impact for staff. Working environments that support staff and their wellbeing are not only a moral imperative, but research has shown that they directly impact the quality of patient care and services and organisational efficiency⁷⁸. The importance of improving staff wellbeing and the impact this has on retention is reflected in the current national policy context, with clear emphasis in the 2020/21 People Plan, LTWP and EDI Improvement Plan. This is a welcome policy response from national bodies, and it is important to enable local drivers to support staff retention. However, national drivers such as pay and working conditions must also be addressed to help resolve high workload demands and vacancy rates for the long term. We were also disappointed to see the removal of national funding for staff wellbeing hubs, reducing access for many NHS staff to mental health services which they need^{79, 80}.

One of the simplest ways to recruit and retain staff is to pay them fairly, but for the NHS to remain an attractive place to work and a competitive employer, it is also critical that workplaces become more inclusive, compassionate and supportive, with accessible opportunities for flexible working and continuous professional development and training. Work-life balance is continually cited as one of the

⁷⁵ NHS Providers, 'NHS Staff Survey results 2022', March 2023: <https://nhsproviders.org/media/695230/otdb-nhs-staff-survey-results-2022.pdf>

⁷⁶ NHS Providers, 'State of the provider sector', November 2023: <https://nhsproviders.org/state-of-the-provider-sector-2023>

⁷⁷ NHS Providers, 'Providers Deliver: enabling wellbeing within trusts', October 2023: <https://nhsproviders.org/providers-deliver-enabling-wellbeing-within-trusts>

⁷⁸ Society of Occupational Medicine, 'Organisational interventions to support staff wellbeing: case studies and learnings from the NHS', March 2023: https://www.som.org.uk/sites/som.org.uk/files/Organisational_Interventions_to_Support_Staff_Wellbeing_in_the_NHS.pdf

⁷⁹ NHS Providers, 'NHS Staff Mental Health and Wellbeing Hubs', April 2023: <https://nhsproviders.org/media/695447/nhs-staff-mental-health-and-wellbeing-hubs-letter-to-steve-barclay-april-2023-final.pdf>

⁸⁰ British Psychological Society, 'Learning from NHS staff mental health and wellbeing hubs', December 2023: <https://cms.bps.org.uk/sites/default/files/2023-12/BPS%20Learning%20from%20the%20NHS%20Staff%20Mental%20Health%20and%20Wellbeing%20Hubs%20report.pdf>

main reasons for staff leaving the NHS⁸¹. 52% of respondents to our pay survey said they were confident that flexible working is being successfully introduced for clinical roles, compared to 93% for non-clinical roles. A greater focus is needed in supporting trusts to implement flexible working options for clinical roles, for example, support with developing and embedding flexible rota design and self-rostering options. Respondents consistently raised organisational culture as a key enabler to driving and promoting flexible working options for all staff. Opportunities for career progression are also important for improving staff retention, enabling them to work to their full potential, and enhance their skills. These opportunities ultimately lead to better patient care and improved quality of services and reduce staff turnover⁸².

Pensions

Due to the breadth of AfC pay bands, there are different pension concerns for staff in lower bands compared to those in upper bands. We have previously raised our concern that changes to the pension scheme contribution tiers, to be implemented in two phases, will negatively impact staff in lower and middle bands, at a time of increased cost of living⁸³. The implementation of phase two, now planned for April 2024, is currently being consulted on by government⁸⁴. These changes will benefit higher earners by reducing their pension scheme contributions⁸⁵.

36% of trust leaders responding to our pay survey reported an increase in the number of AfC staff leaving the pension scheme in 2023/24, with the main reason cited as the increased cost of living (63%) and the overall affordability of contributions (25%). Other respondents noted it is a combination of the two. It was reported in October 2023 that more than 75,000 NHS staff left the pension scheme (an increase of 67% in four years), with 25,000 of these under the age of 30⁸⁶. This is concerning because of the future impact on these staff and their finances as they approach

⁸¹ NHS Digital, NHS workforce statistics – June 2023: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/june-2023>

⁸² Nuffield Trust, 'Waste not, want not: Strategies to improve the supply of clinical staff to the NHS', September 2023: https://www.nuffieldtrust.org.uk/sites/default/files/2023-09/Nuffield%20Trust%20-%20Waste%20not%20want%20not_WEB_FINAL.pdf

⁸³ NHS Providers, 'NHS pension scheme contribution rates: DHSC consultation on member contribution rates', January 2022: <https://nhsproviders.org/media/693032/nhs-providers-response-pension-contribution-rate-changes-7-january-2022.pdf>

⁸⁴ Department of Health and Social Care, 'NHS Pension Scheme: proposed policy changes for April 2024', October 2023: <https://www.gov.uk/government/consultations/nhs-pension-scheme-proposed-policy-changes-for-april-2024>

⁸⁵ NHS Providers, 'NHS pension scheme contribution rates: DHSC consultation on member contribution rates', January 2022: <https://nhsproviders.org/media/693032/nhs-providers-response-pension-contribution-rate-changes-7-january-2022.pdf>

⁸⁶ The Times, 'Alarming rise in staff leaving NHS pensions', October 2023: <https://www.thetimes.co.uk/article/alarming-rise-in-staff-leaving-nhs-pensions-tbzb3mz9>

retirement, but also because the scheme is reliant on membership levels that can support the overall viability of the scheme. We would welcome increased contribution flexibilities for all members of the NHS pension scheme, particularly to aid lower and middle band AfC staff to remain in the scheme at a time when affordability of the contribution tiers is prohibitive.

As mentioned in our last submission to the PRB, staff in higher AfC bands are also affected by pension concerns typically attributed to staff who fall under the remit of the DDRB or SSRB. We welcomed the government's introduction of increased pension flexibilities in April and October 2023, as well as the increase to the annual allowance (AA) and the decision to abolish the lifetime allowance (LTA) announced as part of the Chancellor's Spring budget⁸⁷. Trust leaders welcome these changes, but note concern that the increase of the AA to £60,000 from £40,000 still remains too low as the allowance was £255,000 in 2010/11⁸⁸. Additionally, trust leaders are concerned that with a general election expected in 2024, the decision to abolish the LTA could be reversed by a new government. However, speaking at our annual conference, Wes Streeting, shadow secretary of state for health and social care, stated that Labour would not pursue a reversal, should they be elected⁸⁹.

Pay reform

As requested by the PRB, we included a question in our member survey on the impact of differential pay across the UK on staff retention. The majority of respondents (84%) said that they have not seen an increase in the number of staff leaving their organisation to move from England to Scotland, Wales or Northern Ireland. However, a small number of respondents (9%) said they had seen an increase. Of these, respondents from the North West (20%) were most likely to report this, followed by those from the Midlands (18%) and the North East and Yorkshire (14%). This appears to be more common in regions that border Scotland and Wales, suggesting that some staff may be choosing to commute across the border for higher pay. No respondents from London, the South East, the South West or the East of England reported an increase.

We asked trust leaders to outline the disincentives to promotion and retention seen in bands 8 and 9, as this point was raised in the PRB's last annual report. Trust leaders told us the top three disincentives

⁸⁷ NHS Providers, 'Spring Budget', March 2023: <https://nhsproviders.org/media/695273/ndb-spring-budget-2023.pdf>

⁸⁸ HM Revenue & Customs, 'Table 7: Personal Pensions Annual Allowance Statistics', September 2018: https://assets.publishing.service.gov.uk/media/5d8a45c3e5274a0849b8d7bc/Table_7_Personal_Pensions_Annual_Allowance_Statistics.pdf

⁸⁹ NHS Providers, 'NHS Providers 2023 - Vital! - Day 2 - Plenary 7 and 8', 45 minutes, 53 seconds onwards, November 2023: <https://www.youtube.com/watch?v=-gVpDo2ZW28>

reported by staff at their organisation are the fixed 5-year pay point increment (87%), remuneration not being commensurate to responsibility (54%) and the loss of unsocial hours payments (48%). Other factors include pay awards deviating from those under the remit of the DDRB, despite working at a similar level (26%), limited opportunities for professional development (15%) and limited leadership and management support (9%). In the comments, trust leaders also told us that staff reported concerns about work/life balance and the limited increase in salary on initial promotion also acted as disincentives.

As there is an interaction between the top of the AfC pay scale and very senior manager (VSM) pay, under the remit of the SSRB, we previously welcomed the chair of the PRB sitting as an interim ex-officio member on the SSRB for the 2022/23 pay round and would welcome this collaborative approach being continued. It is crucial that the interaction between the two pay scales is kept in mind by both review bodies, with a view to resolving any anomalies. This is essential to support efforts to increase the VSM talent pipeline, ensuring that senior staff on AfC pay scales are fairly remunerated when transitioning to VSM roles with further increased responsibility. While the majority of respondents to our remuneration survey (63%) reported that there were not discrepancies that resulted in AfC staff earning more than VSM colleagues at their organisation, 29% of respondents did report discrepancies. 22% reported examples of AfC colleagues who earned more than VSM colleagues in their organisation, while 3% reported examples of AfC colleagues who earn more than the VSM colleague they directly report to. 4% reported a mixture of the two scenarios.

Equality, diversity and inclusion

Trust leaders were concerned by the letter sent to ICB chairs from the former secretary of state for health and social care, Steve Barclay, asking for justification of spending on EDI staff and projects⁹⁰. NHS Providers firmly rejects this approach. EDI roles are not a wasteful expenditure, but a strategic investment that pays dividends in the form of better patient care, a more inclusive work environment that supports retention of valued staff, and ultimately, the eradication of health disparities^{91, 92}.

⁹⁰ NHS Providers, 'NHS Providers responds to Steve Barclay letter on EDI roles', October 2023: <https://nhsproviders.org/news-blogs/news/nhs-providers-responds-to-steve-barclay-letter-on-edi-roles>

⁹¹ NHS Providers, 'Equality, diversity and inclusion are no luxury for the NHS', October 2023: <https://nhsproviders.org/news-blogs/blogs/equality-diversity-and-inclusion-are-no-luxury-for-the-nhs>

⁹² National Library of Medicine, 'Diversity improves performance and outcomes', February 2019: <https://pubmed.ncbi.nlm.nih.gov/30765101/>

86% of trust leaders responding to our 'State of the Provider Sector' survey agreed or strongly agreed that their trust board is prioritising a clear focus on promoting race equality and tackling discrimination, and many noted that having a strong and increased national focus on EDI has allowed them to make further progress. Respondents noted that the largest barriers to progress were limited time, operational pressures and lack of resources to invest and deliver plans (this is particularly notable given the redistribution of funding for longer term strategic projects in order to pay for the 2023/34 pay award). We welcomed NHSE's EDI Improvement Plan and the acknowledgement of the importance of embedding EDI to aid retention and recruitment and improve staff experience⁹³. Despite the progress NHS organisations are making, and the explicit focus on this agenda from national bodies, it is clear that there remains much work to be done, as demonstrated in recent

Workforce Race and Disability Equality Standard national reports and NHS staff survey data^{94, 95, 96}. Internationally educated staff play a vital role in the composition, skills mix, and experience of the NHS workforce. The health care system would not be able to deliver its services without them and, as such, international recruitment will continue to be an important part of future workforce planning⁹⁷. In July 2023, the government announced a range of changes to the immigration health surcharge and increases to visa fees⁹⁸. In this year's pay survey, we asked our members about the impact of these changes. 63% of respondents were extremely or moderately concerned about the financial impact on their organisation, and 41% of respondents were extremely or moderately concerned that these increases will deter international applicants. International recruitment not only addresses workforce shortages, but adds value by increasing the diversity of skills, practice and thinking, and the overall cultural competence of the workforce. Given the sustained high vacancy rates across the NHS, we are concerned about the negative short and long term impact of these increased fees and by their framing as necessary to ensure a pay uplift for NHS and other public sector workers.

⁹³ NHS Providers, 'NHS England equality, diversity and inclusion improvement plan', June 2023:

<https://nhsproviders.org/media/695905/nhse-edi-improvement-plan-next-day-briefing.pdf>

⁹⁴ NHS Providers, 'NHS Workforce Race Equality Standard report 2022', February 2023: https://nhsproviders.org/media/695151/wres-2023-report-on-2022-data-otdb_final-1.pdf

⁹⁵ NHS Providers, 'Workforce Disability Equality Standard (WDES) 2022', September 2023:

<https://nhsproviders.org/media/697125/workforce-disability-equality-standard-wdes-briefing-2022-final.pdf>

⁹⁶ NHS Providers, 'NHS Staff Survey results 2022', March 2023: <https://nhsproviders.org/media/695230/otdb-nhs-staff-survey-results-2022.pdf>

⁹⁷ NHS Providers, 'A guide to supporting your internationally educated workforce', July 2023: <https://nhsproviders.org/a-guide-to-supporting-your-internationally-educated-workforce>

⁹⁸ NHS Employers, 'Immigration Health Surcharge uplift and visa fees increase', July 2023:

<https://www.nhsemployers.org/news/immigration-health-surcharge-uplift-and-visa-fees-increase>

NHS Providers continues to highlight the work trusts are implementing to embed supportive and inclusive cultures^{99, 100, 101}. Our race equality programme helps to embed race equality as a core part of the board's business¹⁰² and focuses on sharing research, evidence-based interventions and lived experiences through a range of events¹⁰³ and resources¹⁰⁴. Recent outputs have included a focus on reducing the racial disciplinary gap¹⁰⁵.

Productivity

Although there has been an increase in the overall NHS workforce and spending, this growth has not kept up with service demand. Increased productivity is a clear priority for the government and national bodies. In the 2023 Autumn Statement, as a result of the Chancellor's productivity review, a target to increase productivity by at least 0.5% was introduced for the public sector^{106, 107}. It is important that this review accurately reflects the productivity challenge facing the NHS, as we have concerns about the metrics used by DHSC and NHSE when measuring productivity across acute trusts, as well as community and mental health care providers¹⁰⁸. The LTWP also outlines ambitious assumptions about productivity growth between 1.5%-2% per year, far exceeding historic trends¹⁰⁹. We question whether these assumptions will be achievable. We welcome, however, the emphasis within the LTWP that NHSE's productivity aims are "categorically not about staff working harder" but based on staff being enabled to working differently. Despite the clear directives for the NHS to deliver more activity, it is important to note that NHS organisations are already making great strides in

⁹⁹ NHS Providers, 'Providers Deliver: enabling wellbeing within trusts', October 2023: <https://nhsproviders.org/providers-deliver-enabling-wellbeing-within-trusts>

¹⁰⁰ NHS Providers, 'How trusts are supporting disabled and neurodivergent staff', November 2022: <https://nhsproviders.org/news-blogs/blogs/how-trusts-are-supporting-disabled-and-neurodivergent-staff>

¹⁰¹ NHS Providers, 'Wellbeing and inclusion: How ambulance trusts are seeking improvement for staff', August 2023: <https://nhsproviders.org/wellbeing-and-inclusion>

¹⁰² NHS Providers, Race Equality programme: <https://nhsproviders.org/programmes/race-equality>

¹⁰³ NHS Providers, Race Equality programme – events: <https://nhsproviders.org/development-offer/race-equality/events>

¹⁰⁴ NHS Providers, Race Equality programme – resources: <https://nhsproviders.org/development-offer/race-equality/resources>

¹⁰⁵ NHS Providers, 'Closing the gap: A guide to addressing racial discrimination in disciplinarys', October 2023: <https://nhsproviders.org/closing-the-gap-a-guide-to-addressing-racial-discrimination-in-disciplinarys>

¹⁰⁶ NHS Providers, 'Autumn Statement – November 2023', November 2023: <https://nhsproviders.org/media/697811/autumn-statement-on-the-day-briefing-november-2023.pdf>

¹⁰⁷ NHS Providers, 'NHS Providers view: NHS England's Long Term Workforce Plan', November 2023: <https://nhsproviders.org/media/697794/long-term-workforce-plan-detailed-member-briefing-november-2023.pdf>

¹⁰⁸ NHS Providers, 'Stretched to the limit: Tackling the NHS productivity challenge', July 2023: <https://nhsproviders.org/stretched-to-the-limit>

¹⁰⁹ NHS England, 'NHS Long Term Workforce Plan', June 2023: <https://www.england.nhs.uk/wp-content/uploads/2023/06/nhs-long-term-workforce-plan-v1.2.pdf>

recovering services, including carrying out more diagnostic tests than ever before and bringing down the number of people experiencing the longest waits¹¹⁰. Responding to our annual pay survey, 71% of trust leaders were very or somewhat confident of progression in the 'new ways of working and delivering care' area of the 2020/21 People Plan.

Many of the factors impacting productivity growth are outside of trusts' control. Increasing patient acuity, for example, is impacting the average time spent in hospital due to patients' needs often being more complex, clinically, meaning diagnosis and care takes longer¹¹¹. Prolonged industrial action has also had an impact on care delivery and backlog recovery. Trust leaders repeatedly told us that they lost valuable leadership and managerial headspace and time for strategic planning due to industrial action, and planning for the strikes had a big impact on the delivery of operational priorities¹¹². As mentioned throughout this submission, relentless operational pressures have impacted the psychological wellbeing of staff and workplace experience. This has had an adverse impact on discretionary effort from staff, such as their willingness to work unpaid overtime. Limited staff availability has also led to increased agency spend, which is further constraining activity growth¹¹³.

The operational ask of the NHS, including the national priority to improve productivity, cannot be delivered without adequate capital investment, and yet, there is little doubt that the NHS has been starved of significant capital investment in recent years¹¹⁴. Major operational capital investment is needed to drive substantial and long overdue improvements to service capacity, increase productivity, improve the safety and experience of patients and staff, and to prevent the further deterioration of the NHS estate.

¹¹⁰ NHS Providers, 'Stretched to the limit: Tackling the NHS productivity challenge', July 2023: <https://nhsproviders.org/stretched-to-the-limit>

¹¹¹ NHS Providers, 'Boosting NHS productivity demands a healthy dose of realism', December 2023: <https://nhsproviders.org/news-blogs/blogs/boosting-nhs-productivity-demands-a-healthy-dose-of-realism>

¹¹² NHS Providers, 'NHS industrial action: the impact on patients, staff and performance', July 2023: <https://nhsproviders.org/media/696855/nhs-providers-briefing-nhs-industrial-action-the-impact-on-patients-staff-and-performance-july-2023-members.pdf>

¹¹³ NHS Providers, 'Stretched to the limit: Tackling the NHS productivity challenge', July 2023: <https://nhsproviders.org/stretched-to-the-limit>

¹¹⁴ NHS Providers, 'No more sticking plasters: Repairing and transforming the NHS estate', March 2023: <https://nhsproviders.org/no-more-sticking-plasters>

55% of respondents to our productivity survey stated that investment in and enablement of digital technologies will have a major impact on increasing productivity growth in 2023/24¹¹⁵, and 77% of respondents to our 'State of the Provider Sector' survey said digital ways of working are very important to ensure the sustainability of health services¹¹⁶. However, almost 6 in 10 trust leaders are not confident or not at all confident that the potential of digital ways of working is being fully taken advantage of, with lack of funding and skills cited as the main reason for this¹¹⁷. Further investment in digital technology and transformation is essential to enabling and embedding smarter working across the health service, transforming care for patients and improving access to services. We look forward to the forthcoming Digital Workforce Plan that will focus on building a workforce that can meet the digital transformation ambitions of the health and care sector.

Further information and contact

We would be pleased to supply any further supplementary information and respond to questions from the NHS Pay Review Body. We look forward to discussing the evidence further in our scheduled oral evidence session.

For more information, please contact NHS Providers' senior policy officer (workforce), Olli Potter, oliver.potter@nhsproviders.org.

¹¹⁵ NHS Providers, 'Stretched to the limit: Tackling the NHS productivity challenge', July 2023: <https://nhsproviders.org/stretched-to-the-limit>

¹¹⁶ NHS Providers, 'State of the provider sector', November 2023: <https://nhsproviders.org/state-of-the-provider-sector-2023>

¹¹⁷ Ibid.