

**Review of National  
Recruitment and  
Retention Premia  
in the NHS**

**Final Report**

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# 1 Executive summary

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This review for the NHS staff council of national recruitment and retention premia aims to investigate whether or not there is adequate, convincing evidence for:

- The continued payment of a National Recruitment and Retention Premia (NRRP) to qualified maintenance craft operatives and technicians with full electrical, plumbing and mechanical craft qualifications and, if so, at what rate.
- A nationally determined Recruitment and Retention Premia (RRP) payable to healthcare chaplains and, if so, at what rate.
- Locally determined Recruitment and Retention Premia payable to the occupations listed in Annex R of the Agenda for Change handbook.

The Institute for Employment Studies undertook this investigation through the following means:

- A literature search on methods used to examine labour market pay and recruitment and retention.
- Seventeen trust-based case studies of their recruitment and retention experiences.
- An e-survey to trusts on their recruitment and retention issues.
- Labour market analysis, both internal NHS and external national pay and recruitment and retention data.

The document reports the evidence under each of these headings before summarising them and making recommendations.

The literature review concluded that employers consult a variety of internal and external evidence in assessing the appropriateness and value of recruitment and retention premia. Data measures, such as vacancy rates, local unemployment rates, competitor pay rates and staff turnover rates, are considered necessary and may be supplemented by responses from staff attitude surveys or exit interviews. The latter may help understand whether recruitment and retention problems are pay related, due to a labour market shortage or for some other reason.

Research indicates that organisations are advised to produce a business case setting out the justification for any pay premium, testing the cost and benefits and considering the equal pay implications.

The table below sets out in broad brush terms the responses we received to our trust visits. As can be seen, there are few issues with recruitment and retention, certainly of a national as opposed to local importance. This, no doubt, in part reflects the limited extent of trust recruitment and the depressed state of the external labour market.

**Table 1.1 Summary of trust responses on recruitment and retention**

Occupation	Recruitment	Retention
Maintenance craft	Low recruitment and no problems except quality of applicants is an issue	No problems
Building Craft	Low recruitment and no problems	No problems
Chaplains	Some recruitment problems relating to specific circumstances	No problems
Clinical coding officers	Some problems including from internal NHS competition	Some problems including from internal NHS competition
Pharmacists	Competition with the retail sector and lack of supply causing problems	Retention problems ease up the pay scale but still serious competition with the private sector
Invoice clerks	Limited (historic) recruitment problems	No retention problems
Cytology screeners	No problems	No problems
Dental nurses, technicians, therapists and hygienists	Some specific competitive pressures with the private sector	Some specific competitive pressures with the private sector
Estates officers/works officers	Limited recruitment problems	No problems
Financial accountants	Some limited recruitment problems eased by the recession	Some limited retention problems eased by the recession
Biomedical scientists	Largely dealing with supply problems	Isolated problems related to progression
Payroll team leaders	No problems	No problems
Qualified medical technical officers	Isolated recruitment problem	No problems
Qualified midwives (new entrant)	No real problems	No real problems
Qualified perfusionists	Isolated problems	Isolated problems

Looking at the pay data from Table 1.2 there are instances where NHS occupations are behind the labour market, especially invoice clerks, biomedical scientists, pharmacists, new entrant midwives and maintenance craft workers without the NRRP. (ASHE median figures are given in this summary. LFS figures and ASHE means are also included in the main report but are less helpful for comparative purposes.)

Table 1.2

	ASHE
	median
Maintenance craft workers	90.3
Maintenance craft workers + RRP	103.8
Building craft workers	102.2
Chaplains	156.7
Clinical coding officers	98.2
Cytology screeners	104.8
Dental nurses, technicians, therapists and hygienists	137.2
Estates officers/works officers	122.4
Financial accountants	110.3
Invoice clerks	91.5
Biomedical scientists	81.1
Payroll team leaders	107.4
Pharmacists	87.1
Qualified medical technical officers	-
Qualified midwives (new entrant)	87.9
Qualified midwives	109.1
Qualified perfusionists	n/a

Source: NHS, ASHE 2009

There are naturally some location (especially relating to London and the South East), sector and size differences described in the body of the report.

Looking at the NHS national Information Centre data on staff turnover, unfortunately it does not split this out into occupational groupings, other than the maintenance and works staff. What evidence there is suggests that turnover among non medical staff including maintenance craft workers has been decreasing in recent years, including the proportion below retirement age.

Naturally, there are potential differences of viewpoint in the interpretation of this data and this came through in the trust interviews with the HR respondents least supportive of recruitment and retention premia, especially nationally set ones, and the trade union representatives the most in favour.

We have taken as our starting point that a national recruitment and retention premium should ideally be paid where

- The problem regarding recruitment and retention is felt across the country, or sufficiently widely that it is more efficient, and possibly equitable, to pay it in all trusts.
- There are real difficulties either to attract staff, to retain staff or both, and that these difficulties are the result of pay shortfalls against the relevant markets.

- This on-the-ground perception of recruitment and retention issues, and even better supporting evidence, is backed by actual labour market data.

We also particularly mindful that an equal pay challenge could be made if the argument for paying the NRRP is not watertight. On this basis, our recommendations are set out in Table 1.3 below.

**Table 1.3 IES recommendations on NRRPs**

Maintenance Craft	We are concerned that in the absence of recruitment and retention problems, a NRRP looks unjustified and open to legal challenge, despite the labour market pay data. However, we cannot know for sure that trusts will be able to recruit and retain without an RRP and it is likely that there will be local circumstances where extra pay will be necessary. This suggests local RRRPs would be appropriate. We propose the suspension of the NRRP and review again in two to three years time because, if at that point trusts are recruiting reasonable numbers of maintenance craft workers, then it may well be that a NRRP is necessary again. If suspension is felt to be a premature decision because weight is given to the workforce demographic and recruitment quality issues, the NRRP should still be reviewed again in a couple of years because without any national recruitment and retention difficulties it will be very hard indeed to justify against other NHS employees.
Building Craft	No justification for a NRRP as there are neither national pay data nor recruitment and retention issues.
Chaplains	Convert the NRRP to a LRRP because the circumstances vary too much to operate a national policy.
Clinical Coding Officers	No NRRP recommended. It should be a trust decision as to the most appropriate response to any local recruitment and retention issues. There are neither national pay data nor national recruitment and retention issues.
Pharmacists	No NRRP recommended, but given the current supply situation and some pay comparability issues, this decision should be reviewed again in two to three years time to check whether the situation has changed.
Invoice Clerks	No NRRP recommended. There are no national recruitment and retention issues, but given the pay shortfall this decision should be reviewed again in two to three years time to check on any change in the labour market has impacted on recruitment and retention. Any action would be most appropriate at a local level.
Cytology Screeners	No NRRP recommended. There is no evidence of a market shortfall and no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Dental Nurses, Technicians, Therapists and Hygienists	No NRRP recommended. There is no evidence of a market shortfall from the data and no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Estates Officers/Works Officers	No NRRP recommended. There is no evidence of a market shortfall and no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Financial Accountants	No NRRP recommended. There is no evidence of a market shortfall and no national recruitment and retention issues. No reason for

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	this situation to continue to be nationally monitored.
Biomedical Scientists	There appears to be a national labour market shortage and there is evidence of a pay shortfall. However, this appears not to have translated into widespread recruitment and retention problems. So a NRRP is not recommended, but this decision should be reviewed again in two to three years time to check on any change in the labour market has impacted on recruitment and retention.
Payroll Team Leaders	No NRRP recommended. There is no evidence of a market shortfall and no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Qualified Medical Technical Officers	No NRRP recommended. There are no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Qualified Midwives (new entrant)	Given that new entrant pay data is well behind the market, this position should be kept under review, despite the absence of recruitment and retention difficulties reported by trusts, perhaps because the qualified position is much better.
Qualified Perfusionists	There is no external data to compare against and only isolated recruitment and retention problems and so an NPPR is not recommended. No reason for this situation to continue to be nationally monitored.

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## 2 Introduction

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This review for the NHS staff council assimilates data collected through a literature search, labour market analysis, case studies and an e-survey to investigate whether or not there is adequate, convincing evidence for:

- The continued payment of a National Recruitment and Retention Premia (NRRP) to qualified maintenance craft operatives and technicians with full electrical, plumbing and mechanical craft qualifications and, if so, at what rate.
- A nationally determined Recruitment and Retention Premia (RRP) payable to healthcare chaplains and, if so, at what rate.
- Locally determined Recruitment and Retention Premia payable to the occupations listed in Annex R of the Agenda for Change handbook.

### 2.1 Background

The Agenda for Change pay system became effective in October 2004. It covers all NHS staff, except for doctors, dentists and very senior managers. It includes provisions for a national Recruitment and Retention Premia (NRRP). These are supplements to the pay of posts or specific groups of occupations where market pressures would otherwise prevent NHS organisations from recruiting and retaining staff to jobs paid at the normal Agenda for Change banded salary. Provisions are covered in Annex R of the Agenda for Change handbook.

The negotiators of Agenda for Change agreed on a number of roles where there was *prima facie* evidence that a recruitment and retention premia was required to maintain the NHS's position in the labour market during the transition to the new pay structure (Table 2.1).

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**Table 2.1 Annex R occupations**

Type of post
Chaplains
Clinical Coding Officers
Cytology Screeners

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Dental Nurses, Technicians, Therapists and Hygienists  
Estates Officers/Works Officers  
Financial Accountants  
Invoice Clerks  
Biomedical Scientists  
Payroll Team Leaders  
Pharmacists  
Qualified Maintenance Craftspersons  
Qualified Maintenance Technicians  
Qualified Medical Technical Officers  
Qualified Midwives (new entrant)  
Qualified Perfusionists

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In the case of qualified maintenance craft workers and qualified maintenance technicians, labour market rates demonstrated that it was appropriate to specify a national premium (£3,277 per annum from April 2010). It was also agreed that chaplains' accommodation allowance should be replaced by a recruitment and retention premia. For the other roles in Annex R, the conclusion was that a national RRP was not appropriate or justified. If NHS trusts agreed to set a local RRP, it should be sufficient to ensure that employees experienced no loss of income through the implementation of Agenda for Change terms and conditions. Local employers are also entitled to introduce local RRPs when local labour markets justify this.

It was agreed that future reviews of the RRP would be required to ensure that any variations in salary at equivalent Agenda for Change grades were justified by evidence of pay related recruitment and retention. In 2006, NHS Employers commissioned an independent review of the need for the NRRP payable to maintenance craft worker, which was confirmed by the NHS Staff Council. The Staff Council did not concur with the report's recommendation that they extend the RRP to building crafts workers. (White and Milsome, 2007: 4-6).

The need for the NHS Staff Council to provide evidence to justify future payments of NRRPs has also been reinforced by developments in equal pay case law and by the arguments of other NHS stakeholders. The *Hartley vs. Northumbria Health Care NHS Trust* (2008) test case challenged the use of recruitment and retention premia on the grounds that they contravened equal pay legislation. The Review Body for Nursing and Other Professions (REF) stated in their Twenty-First report that evidence for continued payment of NRRPs should include reasons why pay differentiation was necessary; reasons why other methods or incentives could not be used and justification that a smaller amount of differentiation could not perform the same purpose.

## 2.2 Methodology

In order to review available evidence, IES conducted a literature review, case studies of seventeen NHS trusts, an analysis of labour market data and an online

survey. In addition, we were in discussions with a further trust that either did not employ the relevant staff.

The literature review provided a framework of techniques for assessing market premia. The literature consulted included the Greenwich University study; publications from the Office of Manpower Economics, IES and IDS, as well as other UK and US material.

The labour market statistical analysis used published quantitative evidence in order to consider the labour market situation since the last review of the NRRP; the NHS pay package against the general labour market and whether NRRPs should be differentiated by pay band or sub occupational group. Data sources included the Annual Survey for Hours and Earnings (ASHE, formerly the New Earnings Survey), the Labour Force Survey (LFS) and labour market projections provided by the Institute for Employment Research (IER) on behalf of the UK Commission for Employment and Skills.

A separate strand of research collected data from the NHS Information Centre in order to compare NHS statistics on wage rates and recruitment and retention to external labour market information.

All data was assessed for its reliability, timeliness, consistency and coverage.

To supplement statistical data, IES conducted 17 case studies of NHS trusts and health boards largely during August and September 2010 (with three late additions in October) to provide a qualitative assessment of the recruitment and retention experiences for the relevant occupations.

The case studies chosen were deliberately widespread geographically, consisted of acute trusts, a Primary Care Trust (PCT), Mental Health trusts, and national Health Boards. The interviews with a member of the HR team, some managers and representatives of the relevant trade unions, covered recruitment, retention, the local labour market and pay practice for the relevant groups.

In order to contextualise the case studies with quantitative information from the wider NHS, IES conducted an electronic survey to provide quantitative information to support the case studies. This consisted of factual questions on recruitment and retention and pay issues, including the use of local RRP. The survey was publicised via NHS Employers' website and bulletins. However, of the 96 returns received, 66 came from chaplains and only 12 from trust representatives (be they trade union or HR) and not all the questions were answered. The remainder were submitted by various other NHS post-holders or the respondent did not disclose their job title. Regrettably, we therefore cannot give much weight to this source of evidence, but we have picked out a few salient points.

## **2.3 Report format**

The report is structured with a separate chapter on each of the main inputs into the study (literature review, case studies, including the limited feedback from the online survey, and national/NHS data) with a conclusion that draws these elements together and makes recommendations to the NHS Staff Council. More detailed case study information is contained in Appendix 1. The interview

questionnaire is in Appendix 2. The type of labour market data we collected before our trust visits is in Appendix 3.

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## 3 1 Literature Review

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### 3.1 Scope of the review

In line with the research specification, we have conducted a search of the available literature to identify any existing research which is relevant in assessing the appropriateness and value of national recruitment and retention premia. We have considered the techniques used in determining whether there are evidence based cases for applying recruitment and retention premia to particular occupations and, if judged to be necessary, at what value they should be set.

### 3.2 Overview

The Agenda for Change (AfC) Agreement contains provisions governing the operation of recruitment and retention premia (RRPs) designed to address labour market difficulties affecting specific occupational groups. The Agreement states that these premia may be awarded on a national basis to particular groups where there are national recruitment and retention pressures. Separately there is scope for local RRP to be applied (NOHPRB, 2006, p.38).

Under the AfC Agreement, a list of 15 jobs was drawn up for which RRP were to be paid in order to protect the NHS during the 'transitional period.' The standard premium was to be the amount required to ensure no loss of pay' under AfC (NHSLA, 2009, para 8. 3). The main likely 'loser' groups were identified from benchmark testing of the job evaluation scheme and prepared national profiles. Jobs in which there appeared to be a 'significant external market and a real risk of recruitment or retention problems if no premium were to be paid' were identified (NHSLA, 2009, para. 226). Later we investigate further how the RRP for some of these specific jobs were determined.

However, in both the private and public sectors there appeared to be a tendency for organisations to be taking a more 'targeted approach to paying cost of living and recruitment and retention premia based on sound evidence of the extent and cause of recruitment and retention problems' (NHS Partners, 2005, p.5). It was suggested that a key factor driving these changes is the Equal Pay Act, 'which requires employers to produce evidence of why some staff are paid more than others doing a job of equal value' (NHS Partners, 2005, p.5).

Some sources of this ‘sound’ evidence have typically been salary surveys, staff turnover figures, recruitment measures, cost of living and staff satisfaction measures (IDS, 2008, p.5).

In Annex D of the AfC Final Agreement the guidance for ensuring consistency in the application of local recruitment and retention premia advised with regards to recruitment that account should be taken of: the number of applicants; relevant national vacancy data and local labour market information; the media used for advertising vacancies; and any non-pay improvements which could be made to the employment package (e.g. training opportunities, childcare, relocation). With regards to retention the guidance stated where possible local turnover rates should be compared with national rates. Employers were also advised to undertake regular exit surveys to assess how far pay is a factor in employees’ decisions to leave the organisation (DoH, 2004, p.57).

### 3.3 Quantitative methodology

#### 3.3.1 Types of data

Research conducted by NHS Partners identified the factors which could be described as ‘best practice’ to employ when determining if a recruitment and retention premium should be paid. These included:

- vacancy rates as a measure of recruitment problems;
- local unemployment rates, or the presence of competitors as a measure of the local availability of staff;
- the local cost of living;
- the competitiveness of the benefits package;
- the extent of retention problems identified by benchmarking turnover rates;
- the causes of retention problems identified from exit interviews or leavers’ surveys.

These factors need to be analysed to identify differences in location and occupation (NHS Partners, 2005, p.5). The NHS Partners report described how local unemployment rates would provide an indication of the supply levels of local labour. However, there was a weak link between local unemployment and wage levels as there may still be skill shortages which push up wages if the unemployed do not have the skills which are required. Inactivity rates are also an indication of available labour as those who are economically inactive may want to work and may be a source of new recruits.

The above factors are similar to the findings from the CIPD’s 2009 reward management survey (CIPD, 2009), which found the most common forms of evidence on making decisions on the level and coverage of local pay were :

- Recruitment difficulties (60%)
- Local pay / earnings data (52%)

- Staff turnover / retention (47%)
- Cost of living locally (37%)
- Local labour market indicators (32%)
- Travel-to-work distances / costs (16%)
- Housing costs (15%).

An analysis of the number of people with the required qualifications per head of the population would also be a useful indicator of the labour supply and therefore an indication of the tightness of the labour market. Census data would also provide information on local population by qualification level and the Labour Force Survey would provide data on the number of people with certain qualifications (ibid.)

An assessment of the presence of competitors and the demand for staff was also recommended by NHS Partners. Sources recommended, besides internal NHS sources, included current and future staffing from non-NHS employers such as the independent and voluntary sectors, the armed forces, prisons, social care organisations, occupational health departments, education and housing and primary care contractors (NHS Partners, 2005, p.38). NHS Partners also stated that most Learning and Skills Councils and Regional Development Agencies produced estimates of the likely growth in demand for particular occupations over the next five or ten years, 'based on econometric models predicting growth in particular sectors and extrapolations of past trends' (ibid, p.38). They aimed to show where there was expected to be an increase in demand for labour and in what jobs.

Demand for staff could also be estimated at a local level by taking into consideration factors such as vacancy rates, expected retirements, the use of agency / temporary staff, promotions, service developments or redesign and policy initiatives, such as waiting time targets (NHS Scotland, 2005).

The crude wastage rate, which calculates the number of leavers in a period against the average number of staff employed in the same period and the resignation rate was also considered a useful measure for assessing the existence of a retention problem. These measures, however, have limitations, such that the crude wastage rate includes turnover due to deaths, retirements and redundancies rather than resignation – in other words, they are not indicative of retention 'problems' (NHS Partners, 2005, p.18).

### 3.3.2 Using data to assess levels of premia

Case studies in a variety of companies on the application of premia, conducted by IDS, showed the other data used to assess a level of premia included: cost of living data; local labour market information, staff turnover, staff absence figures, recruitment problems, consultancies sector-specific pay surveys; staff surveys and competitors pay levels (IDS, 2008).

IDS cited the example of the Royal Bank of Scotland which introduced local salary bands for clerical employees in 2007. Clerical staff were segmented into one of five regional bands, with two of these bands applying a premium to the salaries of

clerical staff working in 'hot spot' locations. Changes to or within the local pay model were governed centrally and determined by factors including: competitive premium location data; short-term turnover figures; the time taken to fill vacancies; and travel-to-work distances for different employee groups. Employee opinion survey results, local area job density data and changes to competitor activity in the immediate pay market were also considered (IDS, 2008, p.16). During the course of 2007, changes were made to pay bands for staff in Bradford, Leeds, Leicester and Peterborough. These changes were a result of changes in the ability to attract and retain staff and consideration of competitor activity in the areas (IDS, 2008, p.16).

Another IDS study of a high street retailer showed that store managers monitored and raised a business case when they saw a particular pay problem within their store. The manager achieved this by monitoring cost of living, the local labour market, staff turnover and recruitment issues and looked at local competitors to determine if they were also facing recruitment and retention problems. Final decisions on pay differentiation were mostly made by central HR, with input from store managers, and the regional/area director (IDS, 2008, p.23).

In local government a statistical methodology was employed for calculating differences in labour costs. In local government a 'Labour Cost Adjustment' (LCA) was 'based on the differences in wage costs between areas. Differences in labour costs account for the great majority of an Area Cost Adjustment (ACA), which forms the difference in the costs of inputs which local authorities need to buy' (DCLG, 2007, p.2). As local authorities compete for staff with other employers in order to recruit and retain staff, they need to 'pay the local going rate'. In local government this was achieved by comparing wage evidence in each ACA area (Communities and Local Government, 2007, p.2).

The LCA calculation used wage data from the Annual Survey of Hours and Earnings (ASHE). A regression was conducted on hourly earnings excluding overtime payments taken from ASHE, against a set of variables including the area of work and control variables including age, gender, occupation and industry. The coefficients of the area variables represented the relative wage in each area, after allowing for differences that were due to the control variables. Due to the skewed distribution of hourly earnings, in a regression analysis of wages, the log of earnings was used. The first step to produce the LCA factors was to unlog the coefficients and then the LCA factors would be smoothed to reduce year on year volatility. The smoothing was achieved by taking a three year average of each area's LCA factors (Communities and Local Government, 2007, p.4). A lower limit would then be applied to the smoothed LCA factors in recognition of certain occupations in local government sitting on national pay scales and therefore having lower wage flexibility than the private sector. The lower limit was set by informed judgement. All authorities below the threshold LCA value would have their LCA value raised to that of the threshold. This provided LCA factors which would apply to services on which expenditure was entirely related to staff costs. However, for most services, the LCA factor was reduced, to reflect the proportion of costs which relate to staff. This was achieved through an estimate of the proportion of total costs which are employment costs. Using these proportions, LCA factors would be calculated for each service block, for each ACA class of local authority and sub-region (Communities and Local Government, 2007, p.7).

## 3.4 Determining the 'market rate'

### 3.4.1 Market pay

HM Treasury encouraged market-driven pay through the remit process and it has been a key element in the terms of reference for the pay review bodies. In local government attention has been paid to the external market for senior appointments and for vacancies which are hard to fill (IES, 2003, p.102). The external market has usually been assessed by reference to what other similar organisations pay for comparable jobs. This has been done through salary surveys, or in a more 'ad hoc' way, by assessing what salaries the competition is offering through job advertisements. Potential or actual recruits could also be questioned on the pay levels they have been offered elsewhere (IES, 2003, p.105).

Zingheim and Schuster (2002) stated that while historically there has been almost a singular emphasis on internal equity, ie 'fair' pay treatment within the organisation, in future its foundation will be in competitive practice 'so that the company and employee have a pay relationship anchored in the marketplace'. IES stated that senior management must determine the extent to which pay within an organisation is driven by external market forces rather than internal equity. If the organisation has problems recruiting or retaining staff in high demand in the market place, the organisation 'may have to relinquish its philosophy of internal equity and pay the going market rate' (IES, 2003, p.106).

Where there is devolvement of pay decisions, line managers have the responsibility to change individual salaries or offer different starting pay in response to local circumstances. (IES, 2003, p.112) There is a risk, however, that managerial discretion is not properly exercised and there can be a lack of clarity in the reasoning behind the introduction of a premium. 'Is it offered to deal with recruitment and retention failings? Is it set simply because a local pay survey calculates a shortfall against the market? Or is it calculated on the basis of cost comparison between locations?' (IES 2003, p.112). The Nationwide Building Society found that by introducing market related job families (ie grouping pay levels by occupation) they 'substantially cut the number of ad hoc payments that had grown up over the years to deal with various remuneration problems (IDS, 2002, cited in IES, 2003 p.109).

The use of market data is common, but as Demby (2000) (cited in IES, p.119) stated, 'the increasing quantity of market data has been accompanied by a decrease in the quality of information' (IES, 2003, p.119). There is no single market rate of pay for a given job, there are a range of pay rates available and an organisation needs to determine where to position itself within that range (ibid, p.120).

The accuracy of market rate data is also dependent on the extent to which similar jobs are compared to one another and in practice it 'is very difficult to achieve an accurate and meaningful comparison' (IES, 2003, p.120) and market rate surveys are often behind the times and pay levels can change quickly (ibid, p.121). Armstrong argued the assumption that it is always easy to get hold of accurate market data is ill-founded. He stated that this is especially true for organisations which find themselves in very specialist domains (Armstrong, 1999).

### 3.4.2 Salary surveys

Private sector companies have often used benchmarking with competitors in their local labour market to determine the market rate for a job. This is either conducted formally through pay clubs or salary surveys, or informally by monitoring salaries published in job advertisements. IDS, for example, reported that 'Lloyds Bank provided local managers with market indicators which showed details of what the bank considered appropriate salaries for fully competent staff in its locally recruited grades' (cited in NHS Partners, 2005, p.43). NHS Partners stated that in the NHS the lack of direct comparators means it would be necessary to develop job profiles to enable benchmarking with other professions (cited in NHS Partners, 2005, p.43).

IDS research found that in the banking and financial services sector in particular, recruitment and retention premia were awarded in labour market 'hot spots' as a result of 'monitoring salaries being offered in the market' (cited in NHS Partners, 2005, p.22).

Another financial services company used Hay and Watson Wyatt surveys as its two main benchmarking tools. Towers Perrin and other bespoke surveys were also used to access data for more specific jobs. The company used these surveys to ensure that any set premia remain at the correct level each year. The organisation treated the financial services sector as its comparator, as opposed to the wider market. The cost-of-living, the external labour market, staff attrition and information from MORI surveys were all used to inform pay decisions. A staff attitude survey was conducted by MORI once a year and one year found that staff were unhappy with base pay. This resulted in movements upwards in basic pay levels. In 2007, the company found it was losing pace with market rates and injected more money into lower level roles (IDS, 2008, p.26).

One high street retailer cited by IDS made decisions on pay differentiation using pay data from other retailers and salary surveys. The other factors considered were the external labour market, geographical location, the cost of living, the retail price index, and internal staff turnover. The assessment process was conducted once a year during the preparation for the pay review. HR proposed a change based on the market benchmarking, staff turnover and feedback from the regional manager (IDS, 2008, p.27).

In the public sector, pay surveys have been conducted for local authorities, while the Cabinet Office offered a pay database to government departments to enable them to compare pay levels (IES, 2003, p.109). Arrowsmith and Sisson (cited in IES, 2003, p.108) found the most influential factor in determining pay levels was what other organisations in the same sector were doing, and when one organisation adopted change, other organisations in the sector followed suit. This was described as the 'convoy principle' (ibid.)

In the private sector, IDS found head offices determined which sites or jobs qualified for additional payments 'following submission of business cases from sites.' Most commonly these submissions combined information on:

- internal data on recruitment, vacancies and staff turnover, with;

- external data on the local labour market (unemployment and employment levels), cost of living and/or house prices, and data from surveys and employment agencies on pay rates;
- the presence of direct competitors for staff;
- the failure of other initiatives.

(NHS Partners, 2005, p.23)

A pharmaceutical company, interviewed by IDS, employed a method of assigning a job a 'market'. This meant 'that it pays according to the market' (IDS, 2008, p.36). In order to access this it used evidence from 30 different salary surveys, some of which were pharma specific. 'Individuals carry out a role and each role has a line of market data providing it with a pay range. Jobs are then placed within their range which is applied across the piece, so that all staff in that role are paid within the same band'. If the company found significant recruitment and retention problems with some groups of staff then it would review the matching process to establish if pay was the reason (IDS, 2008,p.36).

In one supermarket chain, all stores were ranked in relation to data provided by the Hay Group which compared salaries of like-for-like jobs in approximately 550 companies across the market in 15 different regions. Stores were identified as being:

- Red stores: stores where the company was underpaying.
- Blue stores: stores where the company was overpaying.
- Green stores: stores where the company was paying the right amount.

Additional store specific information was then used including: the number of leavers with more than and less than a year of service, the staff survey, the store manager's performance grade and absence figures. For line managers and the senior team, market data was based on an Alan Jones Consultants' survey. The effectiveness of this system was reviewed annually as part of the annual pay review process for staff and section managers. Changes to staff retention, absence and the 'satisfaction with pay' measure in the staff survey were all reviewed. All decisions were made centrally. (IDS, 2008.p.40)

UCATT submitted evidence to the 2008 NOHPRB in support of a national RRP for building craft workers. Their evidence compared the maximum NHS building craft worker's pay against the average building craft workers' annual pay across all sectors. It considered the fact that the boom in the construction industry was set to continue, meaning a need for 241,000 more construction workers by 2011, and future supply issues, given that the NHS building trades workforce was also ageing. It found that private construction pay agreements had increased above inflation. UCATT also noted that 'maintenance craft workers received a national RRP to supplement their wages, but this did not apply to the building trades, despite many of the economic factors that led to craft workers receiving such payments being similar. This was inequitable, created resentment amongst colleagues and left the NHS as an uncompetitive employer.' It was also suggested that this could give rise to equal pay claims (NOHPRB, 2008, p.47).

The evidence in the *Hartley vs Northumbria Healthcare* employment tribunal case discussed the reasoning used to determine the RRP applied to chaplains and maintenance craft workers, for whom external markets for their skills existed.

For Chaplains, basic pay under Whitley was in the range £24,902 to £29,134. In addition, they were entitled to accommodation allowances of £3,500 per annum. The Whitley pay was very close to the Band 6 pay, which at 1 October 2004 was £21,630 to £29,302. The evidence stated there was no information about pay in the external market, whether for Church of England clergy or for those of other faiths (NHSLA, 2009, para.246). Chaplains were the sole NHS staff group that received an accommodation allowance, which had been introduced as a market supplement to enable the NHS to compete in the external market. That external market still existed. The chaplains would suffer a drop in pay if the allowance was removed and not replaced (*ibid.* para 249). The RRP was for the continued payment of an amount equivalent to that allowance.

With regards to maintenance craft persons, it was argued in the *Hartley vs Northumbria* case that the rates for craft persons had fallen a long way below the rates in the external market and that something more than a 'no loss' premium was needed. Evidence was presented that showed a difference between MAP rates for NHS craft persons and the lower rates payable under AfC. UCATT also argued that these figures understated the real position, because many craft workers had local agreements on major elements of their pay, even where their basic pay was fixed under the national agreement. A survey had shown that the majority of craft workers had local agreements under which their callout allowance was between £1 and £2 per hour, compared to the MAP figure of 64p per hour (NHSLA, 2009, para 254). Because there was a set Joint Industry Board (JIB) rate, the external market factors could also be measured (*ibid.* para 257). It was presented that the initial figure under AfC 'was to be £14,900, uplifted to £15,381 after 1 April 2003. The corresponding uplifted April figure for Band 4 was £18,064. Accordingly, it will be seen, without RRP a Band 3 craft worker on the maximum April rate would have been £1,294 below the MAP rate and £3378 below the JIB rate' (*ibid.* para 263). Examples of named employers paying above the JIB rate (*Ibid.* para 264) were also quoted and the New Earnings survey was also referenced, giving an annual salary for electricians of £19,182 (NHSLA, 2009, para 265).

It was also stated in the Hartley evidence that the RRP offered an incentive for newly qualified midwives who were assimilated on Band 5 to complete their training. 'As qualified nurses they would already be on Band 5.' The purpose of the RRP was in effect to replicate a Whitley arrangement which guaranteed higher entry pay for midwives (*ibid.* para 232).

### 3.5 Determining recruitment problems

NHS Partners stated that data on the extent and nature of recruitment problems could be obtained from:

- The Health Departments' Annual Vacancy Surveys. Similar data is collected by the Scottish Health Department.
- The OME's Annual Workforce survey.
- The Learning and Skills Council's Employers' Skill Survey.

- Audits of the recruitment process (NHS Partners, 2005, p. 38).

### 3.5.1 Recruitment problems and vacancy levels

The extent of recruitment problems has been hard to measure reliably (NHS Partners, 2005). Two methods identified by NHS Partners for collecting data on recruitment problems involved simply asking managers if they have 'a problem'. However, the definition of a problem could range from having a small number of applicants to a complete inability to fill a vacant post after several attempts. The second method identified was by asking managers about the numbers of vacant posts they have been actively trying to fill for over three months. According to the Local Government Pay Commission it was easiest to identify retention problems using staff turnover data (NHS Partners, 2005, p.18).

Recruitment problems could also be measured by benchmarking the level of vacancies for a particular job role (NHS Partners, 2005). The Health Departments in Great Britain and Northern Ireland conducted vacancy surveys for England, Scotland, Wales and Northern Ireland. Information was requested on vacancies trusts and Health Boards had been trying to fill for three or more months. However, the accuracy of this data was challenged by the Review Body, based as they were on a once a year snapshot of vacancy levels, and in then attributing changes in vacancy rates to labour market/recruitment changes. The figures could distort the true number of vacancies by underestimating the number of vacancies. If trusts were using temporary staff, this could underestimate the number of vacancies. Vacancies could be overestimated if posts remained unfilled because of unusually long recruitment processes or because posts were left open for staff who were temporarily not working but due to return. The Review Body therefore recommended that it was most useful to focus on trends rather than absolute vacancy levels (NOHPRB, 2006, p. 24). The Department of Health commissioned research from Aberdeen University which found a significant relationship between nurse vacancies at the local level and the gap between nurse and private sector wages, which was argued supported the case for local RRP's and HCAS for nurses (NOHRB, 2006, p.43).

## 3.6 Profile of the workforce

### 3.6.1 Review Body evidence

In its evidence to the NOHRB in 2006, Amicus called for a national RRP for pharmacists at pay bands 6 and 7 citing evidence from workforce data that showed 'developments within the profession were likely to lead to increased demand for pharmacists; that the workforce appeared to be moving to more part-time working, that around a third of junior posts were either unfilled or covered by locums, and that turnover of the profession in the NHS was high' (NOHRB, 2006 p.40).

The Society of Radiographers (SoR) also suggested a national RRP equivalent to ten per cent of salary be paid to radiography staff to maintain staffing levels, in its evidence to the NOHRB in 2006. 'This figure was not based on any formula, but represented recognition of reduced hourly earnings arising from the increase in radiographers' basic hours, along with a payment designed to improve retention'

(NOHRB, 2006 p.40). In September 2006, SoR had conducted a survey of department managers and found the job market was 'fragile'. 'The demand for radiography services and the high proportion of members due to retire all illustrated the immediate need to encourage retention of the existing workforce, both to allow breathing space for new recruits to develop and in order to meet Government targets' (NOHRB, 2007, p.43). This evidence contributed to a recommendation from SoR for an increase in the national RRP for radiographers to 15 per cent in 2007. The recommendation was rejected by the review body in 2007 as it perceived the problem to be a shortage of radiographers which would not be addressed by the introduction of an RRP as unlike pharmacists there is not a significant external market (ibid, p.45).

The Hartley vs Northumbria case drew attention to the distinction between the problems caused by external competition and those caused by a lack of supply. The main factor for radiographers and speech and language therapists was that the NHS was not competing in an external market. 'The NHS was by far the main market for their skills. The problem was that insufficient numbers had been trained. Paying a premium would not address that problem, at least in the short term' (NHSLA, 2009, para 233).

The Amicus case for a national RRP for pharmacists recognised that market forces were preventing the recruitment and retention of staff. In this submission, data from the Royal Pharmaceutical Society Workforce Census 2003 highlighted potential problems with the pharmacist population, for example, almost 80 per cent of the profession worked in the private sector; the number of pharmacists actively employed had fallen; a quarter of pharmacists actively employed were classified as a retail locum and mobility across sectors was comparatively low (NOHPB, 2007, p.42). The starting salary under AfC was also shown to be a particular problem for pharmacists and the complete salary range for both Bands 6 and 7 were insufficient.

'Under the old pay structure, most pharmacists within three years were paid over £31,000, whereas under AfC, salaries after three years were in the region of £27,000' (ibid.) A survey by the NHS Pharmacy and Education Development also showed that a majority of pharmacists were moving to community pharmacy and the most cited reason for this was for a higher salary. Starting salaries were in excess of £30,000, compared to a hospital starting salary of £22,886. Vacancy rates were found to be similar across all regions which suggested a national rather than local problem; a reduction in hours meant more pharmacists were needed to make up the shortfall and changes in reciprocity agreements with Australia and New Zealand had reduced the number of short-term locums available (ibid).

Using this evidence, the Review Body was asked to recommend a national RRP for Bands 6 and 7 equivalent to four incremental steps. Amicus stated that this sum was calculated by comparing salary progression under Whitley and AfC. 'The number of incremental points claimed was equivalent in cash terms to the loss of pay suffered by pharmacists at their second career stage, as the minimum of Band 7 was lower than their comparative Whitley grade would have been' (NOHPRB, 2007, p.43).

In addition to this evidence it was agreed that it would also be useful to investigate the remuneration packages currently available to pharmacists working in the private sector in retail pharmacy outlets. IDS conducted this review in

November 2007 and also the NHS Pharmacy Education and Development Committee (NHSPEDC) conducted a national NHS Hospital Pharmacy Staffing Establishment and Vacancy Survey (NHOPB, 2008, p.38). In 2008, the DoH also sent a questionnaire to ten SHA Workforce Directors asking for views relating to the recruitment and retention of pharmacists in their SHA. This survey was considered useful given the 'number of unknowns relating to the robustness of the data' (NOHPRB 2009, p.23). The Workforce Review Team also issued a survey to the workforce leads of the ten SHAs in England which was distributed to chief pharmacists in NHS Trusts. This asked about the recruitment and retention experience of pharmacists in Band 6 and 7 in their SHA.

In March 2009, the Department of Health submitted further evidence about the future increase in the supply of pharmacy training places from the Royal Pharmaceutical Society of Great Britain, which projected that graduates entering pre-registration pharmacy trainee places would increase between 2008 and 2010 (NOHPRB, 2009, p.26).

A recommendation by the Review Body in 2009 for a short-term national RRP for pharmacists (NOHPRB, 2009, p.29) was rejected by the government and no national RRP was introduced.

## **3.7 Qualitative evidence: using surveys and interviews**

### **3.7.1 Annual surveys**

UCEA has commissioned annual recruitment and retention surveys in higher education which have allowed trends in recruitment and retention to be monitored, largely using qualitative information but also gathering quantitative data where possible. Questionnaires sent to the heads of higher education institutions asked about the nature and occurrence of recruitment and retention problems across five broad staff groups in higher education and about the numbers of staff, leavers, starters and vacancies. By following the responses of institutions since the surveys began in 1998, it was possible to identify trends in the data that may help explain the situation at an institutional level (Thewlis, 2003, p.31). In order to analyse the data, responses to questions such as 'How often do you have difficulty in recruiting and retaining staff' were assigned values so an average response could be calculated. Next the data was collated to present the proportion of institutions whose recruitment and retention problems had worsened, improved or remained the same over time (ibid, p.32).

Institutions were asked to specify in which academic subject areas and job categories they were experiencing recruitment and retention problems in and also to identify the reasons for these difficulties. Institutions were also asked to comment on 'a range of pay-related and non-pay-related problems affecting recruitment and retention' (ibid.p.58); such as pay levels in the private sector and public sector, workload, the location of institutions, the cost of living and the use of fixed term contracts. Institutions were also asked to report on their expectations of future recruitment and retention trends in the sector and were asked to supply information on their number of employees, number of leavers and starters, and vacancy levels across all staff categories: academic, administrative/professional, technical, clerical and manual (ibid. p.68). Monitoring changes in recruitment and

retention experiences over time for the jobs in the scope of this review would be useful for justifying the appropriateness of RRPs, but as regular surveys are not conducted it is not possible to identify trends in such an accurate way as the UCEA surveys allow.

The six teaching unions and the National Employers' Organisation for School Teachers have also conducted annual surveys of teacher resignations and recruitment. These surveys provide information on the destinations of leavers and origins of recruits, geographical moves, main teaching subject, age, salary scale, length of service and reasons for resignations. The information has been used by the School Teachers' Review Body, 'as recruitment and retention issues have in recent years acquired more prominence. The surveys are conducted and analysed on a basis which enables consistent year to year comparisons to be made' (LGA, 2008).

The surveys are sent to a sample of local authority maintained primary and secondary schools in England and Wales and the Local Authority conducts a parallel survey of sixth form colleges. In previous years, a random sample of a third of all maintained primary and secondary schools were surveyed. However, in 2008 a random sample of 11 per cent of primary schools was selected, stratified by criteria such as government region and school size, and a random sample of 47 per cent of secondary schools was selected. Survey responses were grossed to represent 100 per cent of the teaching population (Passy et al., 2010).

### 3.7.2 Case studies

Research conducted by the Work and Employment Research Unit at the University of Greenwich aimed to make recommendations on the 'continuity of the national Recruitment and Retention Payment for NHS qualified maintenance crafts and the potential expansion of its coverage to NHS qualified building craft workers' (White & Milsome, 2007, p.4). This study involved a review of secondary literature and labour market data and pay data for comparable jobs outside of the NHS. The research set out to establish: vacancy rates for the staff groups in scope of the study; staff turnover; the experience of recent recruitment exercises; the pay banding outcomes of the staff groups in question; national and local labour market information, such as nationally agreed minimum pay rates in the external private sector construction industry and local government; actual or predictable changes in labour market conditions, such as predicted skills shortages; how far the payment of the existing national RRPs has enabled organisations to reduce vacancy rates and turnover (ibid, p.13).

The research also involved 15 case studies in which face-to-face interviews were conducted with a range of staff including trust HR directors, the HR manager responsible for administering the RRPs, the head or supervisor of the trust maintenance and building or facilities, management departments, the Staff Side chair, and the local trade union representatives of the employees in question. A geographical mix of trusts and metropolitan, rural and urban sites were selected for the studies. The above staff were questioned about their experiences of RRPs at local levels and their views of RRPs continued use in covering building crafts (ibid.).

The evidence from the report supported the case of continuing to pay the RRP to maintenance craft workers based on the conclusions that the quality of job applicants was lower than previous years; the workforce was ageing and there were more than twice as many retirements as resignations. There was also evidence from interviewees that young people were not concerned with pensions and preferred cash earnings; severe skills shortages were anticipated due to the 'construction boom' (cited in NHSLA, 2009, Para. 490).

The report also used evidence from national agreements covering electricians and plumbers, stating national agreement rates of £11.04 for an approved electrician and £11.64 for an advanced plumber. The range of the AfC Band 4 was lower, at £8.39 to £10.09. The application of the RRP took the Band four hourly rate up to between £9.91 to £11.61 (ibid. Para. 493).

The report included examples of private sector employers paying maintenance crafts persons more than the maximum of the Band 4 scale. The evidence also stated that the 'only national agreement providing for lower pay than the NHS is the local government agreement. However, several organisations had reported that maintenance craft workers had left the NHS for better jobs in local government, which suggested that local authorities were paying local rates in excess of the national agreement' (NHSLA, 2009, para.494). Very similar evidence was cited for the recommendation of a continuation in the RRP for qualified maintenance craft workers.

There has been concern expressed that 15 case studies was considered too small a sample size in the White and Milsome (2007) study to provide sufficient data to decide whether a national RRP in should be paid to building craft workers (NOHPRB, 2008).

### 3.7.3 Interviews

An Audit Commission review of recruitment and retention in the public sector in 2002 aimed to find out about the size and nature of recruitment and retention problems across the public sector. It wanted to discover what lay behind the key decisions to join, remain in or leave a public sector job and what local approaches were successful in tackling recruitment and retention problems (Audit Commission, 2002, p4).

At sector level, the existing vacancy data did not allow reliable conclusions to be drawn about the true size and scale of recruitment and retention problems and the report found that most public sector employers were not asking their staff why they were leaving, which again poses questions about the accuracy of attributing causes to any retention problems. The Commission conducted a series of interviews with trade unions, national policymakers, professional organisations, training agencies and inspectorates to explore their priorities and gain an understanding of the issues. Focus groups and interviews with potential, current and former employees were also run alongside a telephone survey of 300 former public sector staff asking why they joined and left the public sector. It also conducted an analysis of existing data on skills and staffing levels, conducted media monitoring of messages that the public and potential staff received about the public sector in the national press and conducted case studies of successful

local initiatives to tackle recruitment and retention difficulties (Audit Commission, 2002, p.4).

Interviews were also used in an NHS Partners scoping study report in 2007 looking at how NHS trusts dealt locally with recruitment and retention problems amongst nurses, other health professionals, clerical and administrative staff. The study was to be used to inform a larger scale quantitative study to look at the issue of wider geographical pay variation among the NOHPRB remit groups. In the NOHPRB Twenty First Report, it was stated that the research from the University of Aberdeen had identified that geographical pay differences allowed under High Cost Area Supplements within AfC were too small, particularly in London; therefore this scoping study focused on London trusts efforts to cope locally with recruitment and retention problems (NHS Partners, 2007).

Interviews were held with HR managers responsible for recruitment and retention in a sample of ten different sized acute trusts from inner and outer London, the Fringe Area and elsewhere in England. A standard interview structure was used to allow comparisons to be made between trusts. The information collected included: the trust's workforce profile; where the trust typically recruited from; the extent of recruitment and retention problems; experiences from recent recruitment campaigns; details about staff turnover; strategies adopted to address recruitment and retention issues and how successful these had been and whether the trust felt pay levels and HCAS were set at the right levels (NHS Partners, 2007).

### 3.8 Conclusion

In assessing the appropriateness and value of recruitment and retention premia, it is evident that employers may consult a variety of internal and external evidence. Data measures, such as vacancy rates, local unemployment rates, competitor pay rates and staff turnover rates, are considered necessary. Other HR approaches, such as responses from staff attitude surveys or exit interviews, are used to determine if there is an evidence based case for the application of premia. Organisations must also consider the financial or budgetary flexibility they have to apply a premium. The CIPD states that ultimately, financial considerations, as opposed to HR factors, will determine the application of differences in pay levels because employers have 'strict mechanisms for ensuring paybill control' (CIPD, 2010). The examples from the literature review showed that in the private sector, presentation of a business case using reliable internal and external data determines whether occupations qualify for higher payments. Even this evidence must show failure of other initiatives before premia are considered. The equal pay legislation also necessitates the use of sound evidence in the determination of higher payments as employers could be required to produce evidence of why some staff are paid more than others for doing a job of equal value.

For this review it was deemed appropriate to use a combination of both quantitative and qualitative evidence in order to assess the justification for recruitment and retention premia. An earlier IES literature review (2003) suggested that there has been a general shift away from internal equity in organisations to external equity, with a greater links to pay in the marketplace. In this exercise IES can follow best practice in the assessment of data which measures recruitment and retention problems. It can also investigate quantitative labour

market data, focusing on three principal determinants: occupation, sector and location. This evidence can be supported by narratives which help explain the data and apply it to the actual difficulties faced within the institutional context.

Further lessons from the literature reviewed conclude that market data has its limitations in terms of what it is genuinely indicative of and acquiring timely data may be difficult. The accuracy of data is also dependent on the extent to which similar occupations are compared and this may present challenges for particular Annex R job roles which fall into a specific occupational domain.

For this reason the quantitative data is supplemented by the qualitative case study evidence. This helps draw out the causes of recruitment and retention problems. Are they pay related? Is it a labour market shortage (as in the case of radiographers according to the pay review body) that is leading to recruitment difficulties? Is the problem widespread across the country or concentrated in particular geographies?

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## 4 Information from the Case Studies

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IES conducted 17 case studies of NHS trusts and health boards during August and September 2010 (with three late additions in October 2010) to provide a qualitative assessment of the recruitment and retention experiences for the occupations in the scope of the review, together with some quantitative data. The aim was to identify circumstances which were not evident from the national data alone, and locally available information which is not available nationally.

The identity of the participating trusts was kept confidential, but we can say that we interviewed three organisations from the North West of England, one from the West Midlands, two from the South West, one from Yorkshire and Humberside, two from the North East, and three from the South East and two in London. One organisation within Wales, Scotland and Northern Ireland was also interviewed. We interviewed eleven acute trusts and one primary care trust, two mental health trusts, one Scottish and one Welsh Health Board and one Health and Social Care trust in Northern Ireland.

Within each case study, IES attempted to arrange interviews with the HR Director or HR representative; representatives of the relevant trade unions; Heads of Estates and Heads of other staff groups which were of particular concern at individual trust level. The participation of each of these groups varied between trusts due to availability.

Where lead times permitted, the trusts were sent the questionnaire in advance and asked to gather data to supply us with the relevant data. The quality and consistency of this data varied between trusts. Complete data on the occupational groups within the Annex R groups was especially limited. We include the workforce numbers and summaries of turnover data and vacancies at each trust at the end of the case study section of the report.

The interview instrument is to be found in Appendix 2.

Where possible, IES also interviewed local labour market intermediaries in order to obtain secondary information, such as employment by sector, employment by occupation, unemployment, vacancies and average earnings, labour market conditions and wage rates. In fact, where these interviews could be arranged, they did not add much to the data we collected for each trust in advance of each of the visits (an example is given in Appendix 3), not least because the trust travel to work area was not coterminous with the Job Centre Plus area, and the national

data was used as a reference. One contact supplemented the national data with details on the type of new vacancies received by the Job Centre during that week which although highlighted that there were vacancies for the skilled trades, was merely a snapshot of one week and no trend information was provided.

#### 4.1.1 Maintenance craft workers

At all the trusts we visited, except for one trust, which had transferred its maintenance staff to its PFI partner, qualified maintenance workers were on AfC Band 4, while supervisors were on Band 5. Craft assistants were generally on Band 2, though four trusts paid semi-skilled workers or maintenance assistants at Band 3.

#### Recruitment

Recruitment of qualified maintenance craft workers has occurred on a small scale over the last two years, largely because low turnover amongst these groups means that any vacancies are mostly created through retirements. The case studies revealed little evidence of significant differences in the recruitment experiences between the different groups of qualified plumbing, mechanical and electrical workers or any significant geographical differences. There have been few recent vacancies. Only four organisations have reported any current vacancies for any of the qualified maintenance groups. The case study evidence showed little variation in the recruitment situation between the different trusts, with 12 trusts reporting no recruitment problems with any of these groups. However, in about three-quarters of the case studies problems were reported about the calibre of the applicants, mostly by estates managers.

In seven trusts HR did not think that the RRP was necessary and at a further three organisations HR stated that allowing local flexibility would be more appropriate. In two further trusts, HR thought that the RRP was justified. In three of the seven trusts where HR did not think that the RRP was necessary, estates managers agreed. Estates managers in two further trusts thought that the RRP was justified. In only one trust did the trade union think that the RRP was unnecessary. Where the RRP was considered valuable by estate managers and trade union representatives, it was to facilitate the recruitment of the qualified workers and in ensuring comparability with the construction/private sector.

Overall, the case study evidence on recruitment suggested that:

- Management in most NHS trusts did not currently report recruitment problems for qualified maintenance workers in terms of numbers of applications for vacancies. However, this was attributed to the current economic climate at some trusts and the recession's impact on the construction sector, which has increased the pool from which to recruit.
- At around three-quarters of trusts, the quality of applicants for vacancies that have arisen have been of a lower calibre than required with insufficient qualifications most frequently mentioned. About a third of case studies mentioned the specialised skills required within the NHS to service medical equipment such as sterilisation machines and medical gas systems, which requires greater knowledge and skills from qualified maintenance workers on

building sites than would normally be the case for such employees. The additional responsibility required of the electrical and mechanical workers in the NHS compared with the work performed on building sites was also reported.

- Employers reported that they expected to train newly recruited workers on site once recruited due to the likelihood that new recruits are sourced mostly from the private sector rather than other NHS trusts.
- There was evidence of moratoriums on recruitment due to budgetary pressures. Trusts also reported occupying new or refurbished buildings which has resulted in less demand for estates workers and subsequent downsizing.
- Eleven case study trusts employ apprentices in the qualified maintenance trades; mostly in the electrical and mechanical trades. There was evidence at one trust of balancing the recruitment of apprentices against future vacancies that will be created through expected retirements.
- About one fifth of trusts reported that maintenance workers were required to work on-call shifts. This has had an impact upon recruitment, as workers need to be trained to a level where they can work unsupervised.

## Retention

The case studies reported little evidence of retention problems amongst qualified maintenance workers and there were no significant differences in the retention experiences between the different groups of qualified plumbing, mechanical and electrical workers. Retention of qualified maintenance craft workers was not considered by interviewees to be a problem at almost all case study trusts. However, at all case studies this workforce is ageing with many retirements due within the next five to ten years. For example, at one trust some 40 per cent of its estates workforce is close to retirement and another trust stated that 20 per cent of this workforce is due to retire within the next five years. Voluntary resignations each year are very low, although the majority of case studies could report one or two individuals from the qualified trades leaving the NHS for the private sector or local authority within the last couple of years.

Overall the case study evidence on retention suggested that:

- It is common for the qualified maintenance workers within NHS trusts to have long tenure.
- The next five to ten years will present problems for NHS employers as significant numbers of the qualified maintenance trades reach retirement age. There is evidence of retirees leaving and subsequently returning on reduced hours, but this does not address the ageing profile of this workforce and future skill shortages.
- Removal of the RRP for qualified maintenance workers might prompt some resignations and reconsideration of working until full retirement age, but the current economic climate may lessen the impact in the short term with limited opportunities for existing workers to find alternative employment.

- The total remuneration offered by the NHS, such as pension, sick pay and holiday pay was mentioned by HR, trade union representatives or estates interviewees in about a fifth of case studies as being valuable elements of the package, which aid retention, and prompt some applications from older workers.
- Estates managers and trade union representatives across about a quarter of trusts stated that the RRP was considered particularly valuable in the retention of skilled workers in order to provide some comparability for these workers with the construction/private sector.

#### 4.1.2 Building Craft Workers

At the majority of trusts IES visited, qualified building craft workers were on AfC Band 4, while supervisors were on Band 5. Craft assistants were generally on Band 2. All trusts, with two exceptions, reported that they employ building craft workers, but eight trusts could not provide exact workforce numbers within this occupational group.

##### Recruitment

With the caveat that the population size for building craft workers within the case study trusts was mostly small, the experiences of the case study trusts showed that recruitment of building craft workers is not considered to be a problem by managers. Trusts mostly reported no shortage of applicants for these posts, even without the use of an RRP. One trust stated that there are no recruitment difficulties for these posts and fewer building craft workers are required now due to the use of PFI hospitals, newer or fewer buildings. The concerns expressed about the calibre of the qualified maintenance applicants were not made as frequently for the building craft groups. Only two trusts reported a particular difficulty with joiners – one received low numbers of applicants, but even in this instance a hire took place and at the second trust there was a significant number of applicants but only two had the skills required. No other craft groups were highlighted as areas of particular concern; in fact one trust stated that painters are ‘easy to recruit’.

There was evidence that the work required of the building craft workers has changed due to the use of PFI hospitals, selling of existing properties and the use of refurbished/new builds.

An RRP was paid to building workers at only three trusts. Those workers in receipt of the RRP were builders, carpenters, joiners and painters. Although the trust paying the RRP to painters did not think it was justified for this group, it was considered justified for carpenters. One of the trusts paying an RRP to building craft workers did so because the workers were multi-skilled and worked in a small flexible team alongside the qualified maintenance staff. There was disagreement at one further trust over whether building craft workers receive the RRP.

The evidence from the case studies suggested that:

- There are currently no recruitment problems for any building craft group, but there has been very little recruitment across these groups in the past two years.

- Employers thought that building craft workers are easier to replace than the qualified maintenance workers as they require less local and NHS specific knowledge.
- About a fifth of the case studies reported that the payment of the RRP to the qualified maintenance workers but not to the building craft workers working alongside them is divisive. One trust reported it pays the RRP to a builder/carpenter 'out of fairness' as they are trade qualified.

## Retention

As with the qualified maintenance workers, few retention difficulties were reported by the case study trusts, with in-house workers mostly having long tenure. However, one trust reported a joiner left the trust after one year in post as he was not in receipt of the RRP and the level of salary was unsatisfactory. Some employers stated they maintain a very small in-house capability of building craft workers, supported by the small numbers reported across the case studies, and contract out larger capital projects. The case study evidence suggested that:

- The in-house building craft workers are an ageing workforce, but there appears to be a move to reduce the in-house provision of building works, with some employers reporting using natural wastage to reduce the in-house workforce.
- There was little HR support for the payment of an RRP for building craft workers, but the trade union side at about half of the case study trusts were supportive of an RRP for this group. Where there was support, the argument was that AfC Band 4 workers could not be recruited without the payment and one trust mentioned that, in particular, the skills of carpenters merit the payment.

### 4.1.3 Chaplains

All trusts, with the exception of four, provided data on the chaplaincy workforce. One trust did not employ them, instead operating a team for Spiritual and Pastoral Care, run by a psychotherapist, and at three other trusts the exact workforce within the Chaplaincy was unknown by the interviewees. Of those trusts where numbers were known, it was common for there to be between one and three full-time chaplains employed by the trust with an additional part-time or sessional workforce.

## Recruitment

Eight trusts had a vacancy for a chaplain in the past two years. Some four trusts reported that they had had recruitment problems with chaplains. One of these trusts had attempted to recruit a chaplain earlier this year to fill a vacancy created by a retirement, but the vacancy was for a very small number of hours each week and no suitable applicants applied. Another trust reported problems recruiting to full time posts, advertising twice and receiving no applicants and on another occasion having applicants without the relevant skills. The third trust reported a chaplaincy vacancy was not easy to fill due to a lack of supply and the fourth has had recruitment problems with Anglican and Catholic chaplains.

Part-time posts for chaplains within the NHS were common, either supporting one to three full-time chaplains at the trust or sessional arrangements and bank chaplains supporting the core chaplaincy.

Ten trusts reported paying an RRP to chaplains. Under Whitley, chaplains received an accommodation allowance, which had been introduced as a market supplement to enable the NHS to compete in the external market. Under AfC this accommodation allowance was phased out and replaced by an NRRP of an amount equivalent to that allowance. AfC does not provide any scope for the application of an accommodation allowance to any group, but one trust IES interviewed stated they paid an 'accommodation allowance' to chaplains. Due to the removal of this allowance from the AfC agreement, it has to be assumed that the NRRP is the actual premium that is applied. Another trust stated the RRP is seen not as a recruitment or retention tool, but as an accommodation allowance.

The RRP amount varied across the trusts from £2,085 to £4,093 a year. There was evidence of the application of the RRP varying depending on local circumstances; for example, at two trusts the RRP is not applied as there was no accommodation allowance in operation before the implementation of AfC. At one trust an RRP was paid due to the high cost of housing in the south east of England as a proportion of salary at 19.5 per cent for Band 8a and Band 5/6 team leaders; below Band 5 the RRP is 'considerably lower' but is not in use at this time.

Overall the case study evidence suggested:

- The majority of trusts do not have problems recruiting chaplains, although recruitment in the last two years has been on a small scale.
- Over half of the case studies currently pay a premium to chaplains.
- Only two trusts had plans to recruit chaplains in the near future; one has a vacancy currently out to advert and the other plans to increase the chaplaincy establishment by one post each year.
- It was suggested by a fifth of trusts that it would be difficult to recruit chaplains without the premium, due to the provision of accommodation in parishes or high cost of housing locally.
- The RRP was considered valuable in helping to recruit chaplains in two trusts with high housing prices in the area.
- Only two trusts commented on having experienced differences in the recruitment of chaplains from different faiths. One commented that there is a better supply of Imams than Christian clergy in the local labour market and the other has had particular recruitment problems with Anglican and Catholic clergy.
- One trust argued that chaplaincy is a 'calling' and that any recruitment problems could not be addressed through the addition of a premium to salaries.

## Retention

No trusts reported problems retaining chaplains, with the core chaplaincy commonly having long tenure at the trust. Turnover is very low within the

chaplaincy and any vacancies that have arisen in the last two years have been a result of retirement, ill-health and the creation of new posts, with only three trusts each reporting 'leavers'. Two could not provide reasons for these resignations and one stated the chaplain wanted a different role. It was suggested that chaplains are an ageing workforce, but, unlike the qualified maintenance groups, no concerns were raised about future recruitment difficulties when these groups retire. Overall the case study evidence suggests that:

- Retention of chaplains is not a concern to managers amongst the case study trusts.
- Turnover is low and there are minimal voluntary resignations.

#### 4.1.4 Clinical coders

Three trusts provided workforce numbers for clinical coders. One trust employed 37, another employed between 20 and 25 and another currently employs 15.

##### Recruitment

Four case study trusts reported recruitment problems for clinical coders. All of these trusts paid an RRP to clinical coders ranging from £1,200 at AfC Band 3 to 20 per cent of salary. Competition with neighbouring trusts for clinical coders was reported as a cause of recruitment difficulties. One trust reported problems recruiting coders with both technical and managerial skills to fill supervisor and manager posts in clinical coding. Another trust addressed recruitment problems by moving other displaced staff into clinical coding. Another has implemented a premium worth 12 per cent of salary to stabilise the team whilst restructure and training plans are implemented Overall the case study evidence suggested that:

- Trusts experiencing problems in the recruitment of clinical coders have implemented local RRP's to address this issue.
- As we will see, recruitment of clinical coders is less of a problem than their retention.

##### Retention

Just over a fifth of case study trusts stated that they have retention problems with clinical coders. Only one of these trusts did not also report recruitment problems for this group. Three trusts experiencing retention difficulties stated the role is an important one but 'a boring job', which does not help retention of trained individuals. Concerns were expressed about retaining coders due to the investment required in their training. One trust reported that qualified clinical coders sit on AfC Band 4, but coders are recruited at Band 3 and then trained to reach the qualification level. Once qualified, it was reported that there is competition from other trusts who poach qualified coders by placing them on a higher pay Band through changing their job descriptions. Voluntary resignations reported by one trust in the last two years within coding were the result of this competition from other neighbouring trusts. Another trust reported competition from the private sector for the skills of qualified coders, who are able to offer better pay and bonuses. Private sector competition was the driver for the

implementation of an RRP worth ten per cent at one trust in 2008, which was increased to 20 per cent a year later due to continuing difficulties. Another trust attributed retention difficulties to the internal structure of the team and development issues. Overall the case study evidence suggested that:

- The nature of the role is a barrier to retaining skilled staff.
- Competition between NHS trusts and with private sector organisations for clinical coders is a main cause of retention difficulties.
- Trusts are using local RRPs to address retention issues where necessary. No trusts experiencing difficulties suggested that a national RRP was required for this role.

#### 4.1.5 Pharmacists

##### Recruitment

Some seven trusts reported recruitment problems with pharmacists. The most common reason given for this difficulty was competition with the retail sector, where salaries and total reward packages are more attractive to newly qualified staff, particularly for those saddled by student debt. There were varied recruitment experiences reported by the case study trusts, with three trusts reporting low levels or even no applicants for recent pharmacy vacancies. Another trust explained that within the last 12 months, nine pharmacist posts have been advertised and 23 applications were received, resulting in the hiring of five pharmacists. One trust reported particular problems with low levels of applications at AfC pay bands 8b and 8c, with more applications at more junior levels. Another trust reported lots of overseas applications for pharmacy posts. Furthermore, one trust stated recruitment was not a problem due to the provision of new graduates from a local pharmacy school and two trusts reported that their pharmacy manufacturing/production units on site offer attractive posts for new recruits.

It was also reported that pharmacy posts within the retail sector and those within the NHS are significantly different roles with some individuals having a preference for a particular type of work. Two trusts mentioned the lack of general supply of pharmacists as a cause of recruitment problems, with one trust attributing the cause to the number of pre-registration places available. There was also evidence of headhunting in order to fill vacancies. Only one case study trust currently pays an RRP to pharmacists; worth five per cent at the top of Band 7. The case study evidence suggested that:

- Just under half of trusts have experienced recruitment problems, particularly due to competition with the retail sector, with its higher salary levels and better total reward package.
- The recruitment experience varies between trusts, but commonly it was agreed there is a shortage of applicants for vacancies.

## Retention

Some five trusts reported retention problems with pharmacists. Similar to the issues with recruitment, these problems were related to competition from the higher paying private sector, with pharmacists leaving the NHS to work for the private sector, but also for promotions in other NHS trusts. One trust which reported it did not have problems recruiting pharmacists stated that it manages to recruit but then loses staff to competitors. One case study provided IES with an internal trust paper which mapped the earnings of a newly qualified pharmacist in the NHS against a new recruit in the community sector. It showed that it could take 13 years to reach parity with the community sector assuming zero pay growth in the community sector.

This disparity in the earnings potential of those in the NHS and private sector was provided as a reason for both recruitment and retention difficulties with pharmacists. However, it was mentioned by management at one trust that retention at AfC Band 8a and above is fairly good, as at this level salaries are more comparable to the commercial sector. Two trusts stated that limited pay growth in the commercial sector in recent years has helped retention within the NHS. The nature of pharmacy work in the NHS; the ability to enter a specialism and research, design and development was also mentioned by two trusts as an effective factor in retention. The case study suggested that:

- Voluntary resignations among pharmacists are frequently attributed to moves to the higher-paying private sector.
- Turnover is lower at the higher end of the pay scale for pharmacists.
- The nature of the pharmacy role within the NHS can be an effective factor in retention.

### 4.1.6 Other occupations

The case studies found that there were current or historical recruitment or retention concerns for clinical coders, pharmacists, invoice clerks, biomedical scientists, midwives, dental hygienists, estates officers, perfusionists, medical technical officers and financial accountants. Their concerns are detailed below.

Regarding the other job roles within the Annex R (cytology screeners and payroll team leaders) no recruitment and retention issues were raised.

### Invoice Clerks

Two trusts reported that RRP's are paid to invoice clerks. At one trust this RRP was worth eight per cent of salary, but the trust stated that in the current economic climate this payment is probably no longer necessary. At the other trust a local RRP is in place for invoice clerks worth 16.7 per cent of annual salary, at AfC Band 3. This was introduced due to comparisons with the external labour market and an inability to attract staff of the right calibre. However, no recruitment has been attempted recently.

## Midwives

One case study trust reported difficulties with the recruitment of midwives. This trust attributed the recruitment problems to a national shortage, but stated that it relies upon its reputation and employment conditions to recruit midwives rather than through applying monetary incentives such as an RRP. The union representative at this trust commented that there is little turnover amongst midwives at the trust.

## Biomedical Scientists

Two trusts mentioned currently experiencing recruitment difficulties with biomedical scientists. One currently has difficulty recruiting but stated that this is due to labour supply issues rather than NHS salary levels. It stated that this needs to be addressed at national level through DoH training schemes. Another trust reported problems with biomedical scientists within AfC Bands 5 to 8. However, no premium is applied to these roles at either of these trusts.

Two other trusts commented on the lack of supply of biomedical scientists but have overcome this difficulty. One trust attributed the 'teaching methodology of biomedical science' which promotes shortages so that scientists are at a premium. However, to address the problem this trust redesigned the department, moving to a shift system and introducing assistants at AfC Bands 2 and 3, which 'considerably decreased the demand for biomedical scientists'. This trust, however, commented that retention is also poor because there are limited opportunities for progression, but stated this issue is being addressed. Another trust commenting on the lack of supply of biomedical scientists stated that four years ago its local university increased the number of available places on offer and therefore the trust no longer experiences a shortage of applicants. One other trust speculated about future recruitment difficulties for this group, due to the trust's ageing workforce in biomedical science.

## Dental Hygienists

One trust currently pays an RRP to dental hygienists worth 15 per cent of salary at AfC Band 6. This RRP is an historical payment at the trust and is paid in recognition of the higher pay rates in the private sector. For example, none of the students leaving the teaching hospital least year started in a job in the private sector paying less than £27 an hour compared with £17.49 an hour in the NHS, for those at the top of their band (AfC Band 6). The trust receives low levels of applicants for these vacancies and significant turnover. It was reported that it is common for dental hygienists to split their working week between private practice and the NHS in order to benefit from the higher salaries in the private sector but enjoy a wider case mix in the NHS. Despite the recruitment and retention problems at this trust, there was no call for a national RRP to be introduced for this group.

## Estates Officers

Two trusts commented on the recruitment of estates officers. One trust reported that it does not receive great numbers of applicants for estates officer vacancies,

with higher earnings available outside the NHS. However, this trust stated that turnover is low within this occupation. Another trust reported that as estates officers are often required to be multi-skilled, this can cause recruitment difficulties, but there was a tendency for estates officers to be recruited internally.

### Perfusionists

An isolated case of recruitment and retention problems with perfusionists was found, with few suitable applicants for vacancies at the trust and higher turnover amongst this group than for other occupations at the trust. This trust conducts emergency transplants and operates on-call shifts, which means that roles are more complex and demanding, which creates a recruitment challenge. An RRP worth £7,000 has been approved for AfC Band 8a perfusionists but has yet to be implemented. This trust also commented on the lack of supply of perfusionists in the labour market and has considered local solutions to this problem.

### Medical technical officers

Qualified medical technical officers (Cardiac) receive an LRRP of 15 per cent of salary at one trust due to AfC assimilation and continuing recruitment issues. No other trust reported any recruitment and retention difficulties.

### Financial Accountants

Two case study trusts reported having experienced recruitment and retention problems with financial accountants, but both believed these pressures would be eased by the recession. One trust reported past recruitment problems with financial accountants due to the previously buoyant financial sector and uncompetitive NHS pay rates in relation to the banks; but having struggled with this group in the past, recruitment is now less of an issue as the market is changing following the recession. Another trust expected recruitment and retention of financial accountants to improve following the recession as competition for accountants is expected to be reduced. The trust stated it experienced problems with financial accountants due to their specialised role and lower AfC bandings than other roles.

#### 4.1.7 Case study data

The majority of case study trusts were able to provide data on the numbers employed within each group for the qualified maintenance staff, building craft workers and chaplains. Four trusts were unable to provide a breakdown between the estates groups. At only one trust were total numbers unavailable.

Requesting data on the numbers employed within the Annex R groups was more problematic. Only one trust provided a comprehensive list of the numbers employed within each group. Others provided numbers for the groups which they experience difficulty, but there was reluctance to provide numbers for every occupational group, as this was perceived to be a too time consuming a task.

**Table 4.1 Numbers employed in each group in each trust**

Case study trust	Numbers employed				
	Qualified mechanical workers	Qualified electrical workers	Qualified plumbers	Building craft workers	Chaplains
A	3	5	5	11	2 f/t 1 p/t
B	16	3	3	7	4
C	24	23	10	Unknown	3 f/t , 4 p/t
D	20 (HR) 41(TU)	60 (HR &TU)	39(HT) 38 (TU)	Unknown	11 f/t
E	4	4	2	2	1 f/t , 2 p/t
F	28 across all groups				2
G	3	4	0	2	1 f/t
H	Unknown				
I	18	20	20	5 builders, other unknown	50
J	Unknown breakdown; 30 across all groups including chaplains				
K	Unknown breakdown; 60 maintenance workers				10
L	Less than 10 across maintenance groups			1	0
M	15	25	2	21	10 all sessional
N	13 mechanical/plumbing		17	1 (plus 5 on Tupe'd terms and conditions)	4 (2 f/t, 2 p/t)
O	8	8	11	Unknown	Unknown
P	7 multi-skilled workers				Unknown
Q	Transferred to PFI partner				5.5 FTE

The provision of turnover and vacancy data was also not straight forward. Only three trusts provided actual percentage turnover rates. At the majority of trusts, turnover figures for each qualified maintenance group were not available, with estates considered as an entire group. Other posts were also sometimes included in estates turnover figures, such as porters and ancillary or administrative staff. There was also reluctance to report actual turnover figures due to the small numbers employed in total at some trusts. The information provided is summarised below:

**Table 4.2 Turnover and vacancies for qualified maintenance and building craft workers at the case study trusts**

Case study trust	Qualified maintenance and building craft turnover and recruitment experience
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A	In the past two years seven have left from estates; one mechanical, two electricians; two plumbers and two building craft workers. Currently has one vacancy for a maintenance chargehand
B	No reported vacancies.
C	9% turnover within estates. Moratorium on recruitment.
D	Eight leavers in past two years through retirement. Recruitment freeze currently in place.
E	One mechanical, one electrical, one plumber and one joiner have left in past two years. No current vacancies reported.
F	A restructure resulted in two electricians, three plumbers and two building craft workers recently leaving (5% turnover).
G	No turnover recently, but one retirement due. Vacancy for electrician out to replace retiree.
H	No turnover reported. No current vacancies reported.
I	No turnover except for 15 voluntary redundancies in 2009. Neighbouring trusts have undertaken recent recruitment; at one location one maintenance fitter on Band 4 was advertised in April 2009; one maintenance fitter at Band 4 was advertised in September 2009; and one electrician at Band 4 was advertised in September 2009. At another neighbouring trust, one maintenance fitter post at Band 4 is out to advert currently.
J	Very little turnover in both groups and there has been no recent recruitment within estates.
K	Maintenance workers moved across to Consort/Balfour Beatty. Before this, very low turnover, driven mostly through retirement.
L	Turnover has been low. Recruited qualified electrical and mechanical craftsmen a couple of years ago
M	Turnover for electrical, mechanical and plumbing staff is 0% and it is 10% for building craft. There are currently no vacancies in the maintenance or building craft trades. One appointment of a qualified mechanical worker was made in the last 12 months
N	Recent recruitment attempt in maintenance. The turnover figures for maintenance staff for last year were: Maintenance Craft 4.76%; Carpenters 0%; Technicians 33.3%
O	Currently the trust has eight vacancies for mechanical workers, ten vacancies for electrical workers, one vacancy for a plumber, and five vacancies for shift workers. Since 2008, two mechanical workers have left the trust, two new electricians have been hired; four plumbers have been hired and of the shift workers, one has been recruited, and two have left the trust.
P	No individuals leaving in the last eight years. A joiner and an electrician were recruited about two years ago and the apprentice was taken on in October 2009.
Q	Does not employ maintenance or building craft workers

Within chaplaincy, due to the small numbers employed trusts did not provide actual turnover or vacancy data. However, the information provided is summarised in the table below:

**Table 4.3 Chaplain turnover and recruitment data from case study trusts**

Case study trust	Chaplain turnover and recruitment experience
A	None left since 2001. One recruited in last two years.
B	Retention is very good. One location advertised on two occasions for f/t post, another recently interviewed two chaplains
C	Turnover is 0% for last 12 months. Last recruitment took place in 2006.
D	No information provided.
E	No turnover reported. One recent recruitment in September 2010 and bank Chaplain recruited in January 2010. Before this no recruitment since 2005.
F	Currently has one vacancy; no other vacancies in last two years.
G	Most recent recruitment took place in January 2009 to replace a retiree. No retention problem.
H	No recruitment in recent years. No turnover reported.
I	Only one chaplain has left the trust in the past year out of 50 employed.
J	Attempted to fill a vacancy eight months ago created through retirement
K	One part time chaplain left a year ago. Last time full-time vacancy advertised was three years ago.
L	Does not employ chaplains.
M	Turnover rate is 5.35% driven by ill-health retirement. Last vacancy filled in 2009.
N	One left recently and replacement recruited
O	Unknown
P	Unknown
Q	Turnover for chaplains is 28% and there are no current vacancies.

## 4.2 Online survey results

IES conducted an online survey of the recruitment and retention pressures being experienced amongst the occupational groups within the scope of the review. The survey was hosted on the IES website and employers and trade union representatives were invited to respond through the NHS Workforce Bulletin in August and September 2010.

Some 96 individuals responded to the survey, but only four of these responses were from HR management and only eight were from trade union representatives. The remaining responses were from chaplains (68 per cent of responses) or other occupations. This respondent profile limited the usefulness of the results, for the purposes of this review, with answers weighted towards chaplaincy issues. Questions on the recruitment and retention experiences for Annex R groups were only answered by about four per cent of respondents and therefore were not very helpful.

Questions regarding the qualified maintenance groups and building craft workers were mostly answered by the respondents in HR, estates or the trade union

representatives, which consequently meant few individuals answered these questions and findings are of limited value.

However, the main findings - where meaningful calculations were possible - are summarised below:

- The main AfC pay bands for qualified mechanical workers ranged from Bands 3 to 5; qualified electrical workers and plumbers ranged from Bands 4 to 5 and building craft workers range from Bands 3 to 5,
- Reported turnover rates for qualified mechanical workers in the last 12 months ranged from zero to 15 per cent, with an average of 3.8 per cent. Reported turnover for electrical workers ranged from zero to 12 per cent, with an average of 2.3 per cent. Reported turnover for qualified plumbing workers and building craft workers ranged from zero to 20 per cent in the last 12 months with an average of 4.4 per cent for plumbers and 3.1 per cent for building craft workers,
- The average number of vacancies for qualified mechanical workers was reported as 2.5 and one for electrical workers (based on 11 respondents),
- Only four respondents provided a level for the RRP for building craft workers. The range was between £3,000 and £4,500. The reported average was £3,550.

The main findings for chaplains, albeit the respondents were mostly chaplains themselves, were:

- Reported turnover rates for chaplains ranged from zero to 50 per cent, with an average turnover rate of 16 per cent.
- About a fifth (21 per cent) of respondents stated that there are more vacancies for chaplains compared with the recent past; 39 per cent said the level is the same and 15 per cent stated there are fewer.
- About a third of respondents (32 per cent) stated that compared with the recent past vacancies for chaplains take longer to fill.
- Three fifths (59 per cent) of respondents expect to recruit chaplains within the next two years; with actual numbers ranging from 0.5 FTE to five recruitments expected.
- Some two-thirds of respondents stated that they had experienced recruitment difficulties; about a third (35 per cent) stated the cause of these difficulties was a lack of necessary qualifications and about a third (31 per cent) also attributed this to applicants having insufficient experience.
- Those respondents that did not report experiencing recruitment difficulties with chaplains attributed this to an oversupply in the labour market; competitive benefits and salary; flexible working opportunities; the employer's reputation and the effectiveness of the recruitment method employed.
- Over half of respondents (58 per cent) stated they expect recruitment to get more difficult for chaplains in future. This was mostly attributed to a shortage in those currently training for the profession (40 per cent). Other reasons mentioned included: 'any loss of the RRP would make chaplaincy

uncompetitive in the market'; lack of availability or qualifications of appropriate candidates; the uncertainty of the NHS; the affordability of the local area and the requirement for accommodation to be provided due to high living cost areas; a high stress profession; budgetary restrictions within hospitals; and vacancy control.

- Just under half (45 per cent) of respondents stated they are experiencing retention problems with chaplains.
- The reasons given for these retention problems were: 14 per cent stated promotion opportunity outside of the NHS; nine per cent said moves to another similar job in the NHS and lack of development or career opportunities; 23 per cent stated a change of career and the level of workload; 14 per cent stated an uncompetitive level of pay and benefits provision and domestic commitments; 19 per cent stated the working hours of shift work; 28 per cent stated the stress of the job; five per cent stated the perception of job security. Other reasons given included were: lack of money to increase hours in part-time chaplaincy; staff reaching retirement age and increasing workloads for part-time chaplaincy.
- Where retention problems are not being experienced the reasons attributed are: the accrual of a good pension; the work-life balance alongside the ability to balance hospital work with parish; district or school work; the commitment of staff to patient care; and the sense of vocation.
- Some 89 per cent of chaplains stated that in future they expect retention problems to worsen due to budgetary impacts on pay or training, followed by fewer opportunities for promotion and then, planned redesign of jobs and changes in external opportunities. Other reasons mentioned by chaplains were: increased workloads; pay freezes; the on-call requirement; and the narrowing of pay differentials which would make a return to parish working more attractive.
- Some 70 per cent of respondents paid the national recruitment and retention premium to chaplains. Some 16 per cent stated they did not make the payment, with the remainder not providing an answer to this question.

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## 5 Review of NHS and External Data

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This chapter presents information on the number and characteristics of staff in the key job roles working in the NHS, including their average pay levels and comparisons with external pay levels from national secondary data sources. The chapter covers all groups in Annex R, but focuses in more detail on maintenance craft workers and building craft workers.

### 5.1 NHS data

#### 5.1.1 Staff in post

Data are available from the National Health Service Information Centre (NHS IC) on the number of staff, gender, age and type of organisation, by occupation code in England, and we present this information to provide a context for the investigation of pay comparisons.

However, the occupational codes used by NHS IC do not always map directly on to the job roles for the NRRP groups and the Annex R groups. In particular:

- Maintenance and building craft workers are grouped together, along with job roles such as caretaker, gardener, mechanic and grounds person, within the Maintenance and Works occupational code (G3B).
- Chaplains are grouped together under the occupational code Therapists in Other Scientific, Therapeutic and Technical staff (S1X), along with complementary therapists, family therapists and psychology counsellors.
- It is not possible to extract data for clinical coding officer, estates officers, accountants, invoice clerks, and payroll team leaders as they are part of much larger groups covering a wide range of job roles.

#### Numbers

Tables 5.1 and 5.2 present data on the number of staff (headcount) in each of the job roles, and as a proportion of the total NHS workforce. Key points to note are:

- Employment in the maintenance and works staff group stood at around 10,500 in 2009, representing 0.74 per cent of all NHS staff, although this has fallen from 0.80 per cent in 2005.
- Estimates from the case studies suggest that maintenance craft workers comprise around 0.5 per cent of staff in acute trusts, and around 0.3 per cent of staff in PCTs or mental health trusts.
- The proportion of Therapists/Other ST&T has remained stable at 0.17 per cent of total employment.
- Midwives are the largest of the other groups we can separate out, while cytology screeners and perfusionists are the smallest.

**Table 5.1 Staff numbers in relevant occupations, NHS, England, 2005-2009**

	2005	2006	2007	2008	2009
Maintenance and Works (incl maintenance and building craft)	10,954	10,556	10,194	10,141	10,546
Therapists in Other ST&T (incl Chaplains)	2,202	2,232	2,171	2,361	2,479
Clinical coding officers	-	-	-	-	-
Cytology screeners	544	476	460	448	429
Dental nurses, technicians, therapists and hygienists	2,681	2,612	2,807	3,119	3,545
Estates officers/works officers	-	-	-	-	-
Financial accountants	-	-	-	-	-
Invoice clerks	-	-	-	-	-
Biomedical scientists	13,636	13,752	13,402	13,390	13,558
Payroll team leaders	-	-	-	-	-
Pharmacists	5,925	5,859	5,909	6,077	6,493
Qualified medical technical officers	10,797	10,826	10,807	11,247	11,602
Qualified midwives	24,784	24,430	25,069	25,588	26,408
Qualified perfusionists	155	159	157	158	170
All NHS	1,366,030	1,338,779	1,331,109	1,368,693	1,431,996

Source: NHS IC

**Table 5.2 Proportion of staff in relevant occupations, NHS, England, 2005-2009, per cent**

2005 2006 2007 2008 2009

Maintenance and Works (incl maintenance and building craft)	0.80	0.79	0.77	0.74	0.74
Therapists in Other ST&T (incl Chaplains)	0.16	0.17	0.16	0.17	0.17
Clinical coding officers	-	-	-	-	-
Cytology screeners	0.04	0.04	0.03	0.03	0.03
Dental nurses, technicians, therapists and hygienists	0.20	0.20	0.21	0.23	0.25
Estates officers/works officers	-	-	-	-	-
Financial accountants	-	-	-	-	-
Invoice clerks	-	-	-	-	-
Biomedical scientists	1.00	1.03	1.01	0.98	0.95
Payroll team leaders	-	-	-	-	-
Pharmacists	0.43	0.44	0.44	0.44	0.45
Qualified medical technical officers	0.79	0.81	0.81	0.82	0.81
Qualified midwives	1.81	1.82	1.88	1.87	1.84
Qualified perfusionists	0.01	0.01	0.01	0.01	0.01

Source: NHS IC

## Gender

Table 5.3 presents the gender split of staff in the relevant job roles. Key points to note are:

- The maintenance and works staff group is very male dominated. In 2009 men made up 91 per cent of all maintenance and works staff, compared to 19 per cent of all non-medical staff.
- There is a more balanced profile among Therapists/Other ST&T staff, with 42 per cent men and 58 per cent women.
- With the exception of perfusionists, the other groups are all female dominated, particularly cytology screeners and midwives.

**Table 5.3 Gender split of staff in relevant occupations, NHS, England, 2005-2009**

	Male %	Female %	Total No.
Maintenance and Works (incl maintenance and building craft)	91.1	8.9	10,546
Therapists in Other ST&T (incl Chaplains)	41.6	58.4	2,479
Clinical coding officers	-	-	
Cytology screeners	2.8	97.2	429

Dental nurses, technicians, therapists and hygienists	9.0	91.0	3,545
Estates officers/works officers	-	-	
Financial accountants	-	-	
Invoice clerks	-	-	
Biomedical scientists	33.2	66.8	13,558
Payroll team leaders	-	-	
Pharmacists	22.0	78.0	6,493
Qualified medical technical officers	42.2	57.8	11,602
Qualified midwives	0.4	99.6	24,270
Qualified perfusionists	63.5	36.5	170
All NHS	-	-	-
All non-medical	18.9	81.1	1,110,138

Source: NHS IC

## Age

Table 5.4 presents the age profile of staff in the relevant job roles. Key points to note are:

- Maintenance and works staff are on average older than other non-medical staff. In 2009, 57 per cent of maintenance and works staff were aged 50 or over, compared to 30 per cent of all non-medical staff.
- Therapists/Other ST&T staff also have a relatively old age profile.
- Pharmacists have the youngest age profile, with nearly half aged under 35.

This age profile data suggests that labour turnover among maintenance and building craft workers, and among chaplains, may rise as a higher proportion of staff reach retirement age.

**Table 5.4 Age breakdown of staff in relevant occupations, NHS, England, 2005-2009, per cent**

	Under 35 %	35-49 %	50 & over %	Total No.
Maintenance and Works (incl maintenance and building craft)	12.2	31.2	56.6	10,546
Therapists in Other ST&T (incl Chaplains)	12.9	32.5	54.5	2,479
Clinical coding officers	-	-	-	-
Cytology screeners	17.7	43.4	38.9	429
Dental nurses, technicians, therapists and hygienists	36.8	41.0	22.2	3,545
Estates officers/works officers	-	-	-	-

Financial accountants	-	-	-	-
Invoice clerks	-	-	-	-
Biomedical scientists	30.0	40.0	30.0	13,558
Payroll team leaders	-	-	-	-
Pharmacists	48.9	37.3	13.8	6,493
Qualified medical technical officers	35.0	39.7	25.3	11,602
Qualified midwives	22.7	51.0	26.3	24,270
Qualified perfusionists	37.1	48.2	14.7	170
All NHS	-	-	-	-
All non-medical	26.6	43.7	29.7	1,110,138

Source: NHS IC

### 5.1.2 Organisation

Table 5.5 presents the breakdown of staff type of employing organisation in the relevant job roles. Key points to note are:

- Maintenance and works staff are more likely than other non-medical staff to work in trusts (86 per cent, compared to 76 per cent of all non-medical staff) and less likely to work in PCTs (13 per cent, compared to 21 per cent of all non-medical staff).
- Therapists/Other ST&T staff are also more likely than average to work in trusts.
- Dental nurses etc. are the only group with an above average proportion in PCTs.

**Table 5.5 Breakdown of staff in relevant occupations by organisation type, NHS, England, 2005-2009**

	Trusts %	PCTs %	SHAs/Others %	Total No.
Maintenance and Works (incl maintenance and building craft)	86.4	13.1	0.5	10,546
Therapists in Other ST&T (incl Chaplains)	82.2	17.8	0.0	2,479
Clinical coding officers	-	-	-	-
Cytology screeners	100.0	0.0	0.0	429
Dental nurses, technicians, therapists and hygienists	50.7	45.6	3.7	3,545
Estates officers/works officers	-	-	-	-
Financial accountants	-	-	-	-
Invoice clerks	-	-	-	-
Biomedical scientists	94.3	0.1	5.6	13,558

Payroll team leaders	-	-	-	-
Pharmacists	83.7	16.3	0.0	6,493
Qualified medical technical officers	91.6	3.6	4.7	11,602
Qualified midwives	98.0	2.0	0.0	26,408
Qualified perfusionists	100.0	0.0	0.0	170
All NHS	-	-	-	-
All non-medical	76.3	21.7	2.0	1,176,831

Source: NHS IC

### 5.1.3 Labour turnover

The NHS IC releases data on staff turnover, although these data use different, less detailed, occupational groupings than the headcount data, and maintenance and works staff is the only staff group out of the ones under investigation that is sufficiently disaggregated for our use – even midwives and pharmacists are in much broader nursing and scientific, therapeutic and technical groups respectively. It would be helpful for any future analysis of retention among these staff groups if NHS IC could publish turnover data at a more detailed occupational level.

There is evidence from the NHS IC turnover statistics that turnover among maintenance craft workers has been decreasing in recent years. In 2008 there were 935 maintenance and works staff who left the NHS. This represented 8.8 per cent of the average staff numbers between 2007 and 2008. This is below the figure for 2007 of 10.3 per cent, and for 2006 of 11.0 per cent. However, the decrease in turnover among maintenance and works staff has been slightly less marked than that among all non-medical staff, which fell from 10.9 per cent in 2005/06 to 8.5 per cent in 2007/08.

Furthermore, the proportion of leavers below retirement age has been decreasing over this period. In 2006, 72 per cent of maintenance and works leavers were aged below 60, and this proportion fell to 63 per cent in 2007 and 57 per cent in 2008.

The turnover rate for maintenance and works staff compares favourably with comparator of turnover across all sectors; the CIPD 2010 *Resourcing and talent planning survey* reported the overall employee turnover rate for the UK to be 13.5 per cent.

**Table 5.6 Staff turnover in relevant occupations, NHS, England, 2005/06-2007/08**

	2005/06 %	2006/07 %	2007/08 %
Maintenance & Works	11.0	10.3	8.8
All Non Medical Staff	10.9	10.1	8.5

Source: NHS IC

**Table 5.7 Age breakdown of leavers in relevant occupations, NHS, England, 2005/06-2007/08**

		2005/06 %	2006/07 %	2007/08 %
Maintenance & Works	under 60	62.2	58.0	56.8
	60 & over	37.8	42.0	43.2
All Non Medical Staff	under 60	85.3	82.6	80.6
	60 & over	14.7	17.4	19.4

Source: NHS IC

### 5.1.4 Vacancies

The NHS IC publishes data on vacancies in the NHS. However, the occupational groupings used in the published vacancy data are too aggregated to be of use, for example maintenance and works staff are grouped with all administrative staff in an occupational group with around 250,000 staff in it.

National vacancy data are considered under the labour market vitality section below.

### 5.1.5 Earnings

Having looked at NHS staff data we now go on to examine earnings data and comparisons with external pay levels.

The NHS IC publishes NHS staff earnings estimates for different staff groups by AfC pay band, but again the occupational groupings used are generally too broad to be of use. As was the case with turnover data, of the staff groups of interest data are available only for maintenance and works staff, and these show mean and median basic salary and total earnings figures by AfC pay band. The basic salary figures are very close to the maximum pay points for each band, and as we saw above maintenance and works staff tend to be older than average, and so are likely to have longer than average service and therefore a high proportion of staff at the top of their pay bands.

Because of the lack of published data at a detailed occupational level, and as we have not been able to access individual-level pay data from the NHS to examine the actual earnings levels of staff in the relevant job roles, we instead use the pay points on the relevant Agenda for Change Bands as a proxy for basic pay.

## 5.2 National pay data

There are two main sources of national information on pay and earnings, the Annual Survey of Hours and Earnings (ASHE), and the Labour Force Survey (LFS). Each has its advantages and disadvantages:

- ASHE collects information from employers' PAYE records, and pay and earnings data are available by occupation, gender, working hours and region.

- The LFS is a survey of individuals, so relies on self-reporting of earnings levels, although a wide range of breakdowns by individual and employer characteristics are available.

Data from the LFS are average earnings levels, including all elements of pay in the individual’s main job. ASHE provides data on basic pay in addition to average earnings, although the basic pay data includes London or other area allowances. Because of these differences we present data from both sources to provide as complete a picture as possible.

As both are sample surveys, estimates become less reliable when dealing with small subsets of the population, and we have highlighted where estimated figures are close to standard reliability thresholds.

The external pay comparisons we use are the median and mean figures for all full-time employees across all sectors. Recently ONS has focused on using median pay figures, that is the figure for the middle point of the pay distribution, as the headline figure rather than the mean, as the mean can be heavily influenced by a few outlier values. For completeness we present both.

We make comparisons between the top point of the relevant pay scale and the median of the external data, as that is generally used, especially in the public sector, as the key reference point. The expectation is that people on the pay scale maximum are fully competent in their role. Moreover, with long average length of service groups, such as maintenance and building crafts, existing employees will most likely be on the top pay point.

Table 5.8 shows the match up between the NHS job titles, and the relevant Standard Occupational Classification codes. It should be noted that the degree of fit varies between the job roles. For example, chaplains have a very clearly defined occupational group, whereas cytology screeners will be just a small proportion of the wider laboratory technicians group. Also, for some groups, such as dental nurses and midwives, the majority of workers will be in the NHS, but for others, such as maintenance and building workers and those in finance and administrative roles, the majority of workers will be in other sectors. These should be borne in mind when considering the data comparisons.

**Table 5.8 Job titles and Standard Occupational Classifications**

Job title	Relevant SOC code(s)
Qualified maintenance craftsperson - mechanical, electrical and plumbing	5223 Metal working production and maintenance fitters
	5241 Electricians; electrical fitters
	5249 Electrical/electronic engineers not elsewhere classified
	5314 Plumbers; heating and ventilating
Building craft workers	5312 Bricklayers, masons
	5315 Carpenters and joiners
	5323 Painters and decorators
Chaplains	2444 Clergy

Job title	Relevant SOC code(s)
Clinical coding officers	4131 Filing and other records clerks
Cytology screeners	3111 Laboratory technicians
Dental nurses, technicians, therapists and hygienists	6113 Dental nurses
Estates officers/works officers	3112 Electrical/electronic technician 3113 Engineering technician 3114 Building & civil eng technician 3121 Architectural technologists
Financial accountants	2421 Chartered and certified accountants 2422 Management accountants
Invoice clerks/Payroll team leaders	4121 Credit controllers 4122 Accounts and wages clerks, book-keepers
Biomedical scientists	2112 Biological scientists and biochemists
Pharmacists	2213 Pharmacists/pharmacologists
Qualified medical technical officers	3218 Medical and dental technicians
Qualified midwives (new entrant)	3212 Midwives

We have assigned AfC bands to the different job roles on the basis of the case study interviews and an analysis of the NHS national job profiles. We have not, however, been able to identify the appropriate band for qualified medical technical officers, and external pay data is not available for perfusionists, as the job role is too specialised. Therefore these job roles have been excluded from the analysis.

Table 5.9 shows the pay levels of the lowest and highest points of the relevant AfC Band, and the median and mean earnings levels from AHE and the LFS, while Table 5.10 shows the AfC Band highest points as a percentage of the ASHE or LFS figures. Key points to note are:

- Average earnings levels for maintenance craft workers are higher than the top of Band 4 without the NRRP – the top point of Band 4 is around ten per cent below the ASHE median, and 16 per cent below the LFS median.
- When adding the NRRP to maintenance craft workers, the pay levels are broadly comparable to the external figures – slightly higher than the ASHE figures but slightly lower than the LFS figures.
- Average earnings levels for building craft workers are very similar to the top point on AfC Band 4.
- Average earnings levels for chaplains are around £22,000 per year, significantly below the top point of Band 6 of £34,189.
- Pay levels for invoice clerks, biomedical scientists and pharmacists working in the NHS are below the comparator figures for these occupations in the labour market as a whole.

- Pay levels for new entrant midwives (Band 5) are below the averages for all midwives, but average midwife pay levels are in the middle main pay band for the occupation (Band 6).

**Table 5.9 Pay comparisons between AfC pay points (2010) and ASHE basic pay (2009), LFS average gross weekly earnings (2010), for relevant job roles**

	AfC	AfC	AfC	ASHE	LFS		
	Band	lowest point	highest point	median	mean	median	mean
Maintenance craft workers	4	18,152	21,798	24,150	24,912	26,000	26,252
Maintenance craft workers	4 + RRP	21,429	25,075	24,150	24,912	26,000	26,252
Building craft workers	4	18,152	21,798	21,331	21,868	20,696	21,730
Chaplains	6	25,472	34,189	21,824	24,050	21,996	21,683
Clinical coding officers	3	15,610	18,577	18,923	20,088	17,992	19,062
Cytology screeners	4	18,152	21,798	20,805	23,041	19,760	24,009
Dental nurses, technicians, therapists and hygienists	4	18,152	21,798	15,886	16,661	13,988	15,318
Estates officers/ works officers	6	25,472	34,189	27,936	28,413	27,976	30,441
Financial accountants	7	30,460	40,157	36,396	38,850	39,988	43,814
Invoice clerks	3	15,610	18,577	20,294	22,712	20,020	21,059
Biomedical scientists	5	21,176	27,534	33,946	37,086	33,488	35,369
Payroll team leaders	4	18,152	21,798	20,294	22,712	20,020	21,059
Pharmacists	6	25,472	34,189	39,255	40,867	43,992	40,252
Qualified medical technical officers	?	-	-	25,740	26,177	18,460	22,653
Qualified midwives (new entrant)	5	21,176	27,534	31,340	31,824	30,004	30,754
Qualified midwives	6	25,472	34,189	31,340	31,824	30,004	30,754
Qualified perfusionists	8a	38,851	46,621	n/a	n/a	n/a	n/a

*Source: NHS, ASHE 2009, LFS January-March 2010*

**Table 5.10 AfC Band highest point as a percentage of ASHE and LFS averages, 2009/2010**

	ASHE		LFS	
	median	mean	median	mean
Maintenance craft workers	90.3	87.5	83.8	83.0
Maintenance craft workers + RRP	103.8	100.7	96.4	95.5

	ASHE		LFS	
	median	mean	median	mean
Building craft workers	102.2	99.7	105.3	100.3
Chaplains	156.7	142.2	155.4	157.7
Clinical coding officers	98.2	92.5	103.3	97.5
Cytology screeners	104.8	94.6	110.3	90.8
Dental nurses, technicians, therapists and hygienists	137.2	130.8	155.8	142.3
Estates officers/works officers	122.4	120.3	122.2	112.3
Financial accountants	110.3	103.4	100.4	91.7
Invoice clerks	91.5	81.8	92.8	88.2
Biomedical scientists	81.1	74.2	82.2	77.8
Payroll team leaders	107.4	96.0	108.9	103.5
Pharmacists	87.1	83.7	77.7	84.9
Qualified medical technical officers	-	-	-	-
Qualified midwives (new entrant)	87.9	86.5	91.8	89.5
Qualified midwives	109.1	107.4	113.9	111.2
Qualified perfusionists	n/a	n/a	n/a	n/a

Source: NHS, ASHE 2009, LFS January-March 2010

Concentrating on the craft workers, there are differences between the trade groups in the national labour market rates. As Table 5.11 indicates, supporting the evidence from the previous two tables, the maintenance craft workers are paid more than the building craft workers, but there are important variations within these two broad categories. Thus, electricians/electrical fitters are paid the most in the maintenance group and bricklayers/masons the most amongst the building craft.

**Table 5.11 ASHE basic pay (2009) and LFS average gross weekly earnings (2010) for maintenance and building craft workers (£)**

	ASHE 2009		LFS 2010	
	Median	Mean	Median	Mean
Metal working production and maintenance fitters	23,520	24,461	27,612	29,006
Electricians, electrical fitters	25,496	25,818	24,024	25,128
Electrical/electronics engineers n.e.c.	23,421	24,690	25,064	26,160
Plumbers, heating and ventilating engineers	24,924	25,199	23,712	22,503
Bricklayers, masons	22,152	22,272	22,880	25,898
Carpenters and joiners	21,294	22,053	20,020	21,239
Painters and decorators	20,800	20,961	20,696	20,475

Source: ASHE 2009, LFS January-March 2010

### 5.2.1 Comparison with industry rates, 2010

In addition to the national sources of pay data, there are also industry pay agreements covering some of the maintenance and building craft groups. On the maintenance side the Joint Industry Boards for electrical contracting, and plumbing mechanical engineering services industries, set agreed rates of pay for particular grades, as does the Construction Industry Joint Council on the building side. It should be noted that there is no industry-wide agreement for mechanical engineers (the last one ceased in 1989), and pay is determined at a company or plant level.

Table 5.12 shows the comparison between the Band 4 pay ranges, with and without the NRRP, and the industry rates. Without the NRRP the hourly rate for maintenance craft workers on the top of Band 4 is below the rate for electricians, although slightly higher than the rate for plumbing operatives. Adding the NRRP brings the pay rate similar to that for approved electricians and advanced plumbing operatives.

Turning to building craft workers, the hourly rate for workers at the top of Band 4 is higher than the industry-agreed craft rate.

**Table 5.12 Comparison of hourly craft rates, 2010**

	Hourly rate (£)	Hours
<b>NHS staff</b>		
AfC Band 4	9.31-11.18	37.5
AfC Band 4 + RRP	10.99-12.86	37.5
<b>JIB for electrical</b>		
Technician	14.39	37.5
Approved Electrician	12.60	37.5
Electrician	11.48	37.5
<b>JIB for plumbing</b>		
Technician	14.13	37.5
Advanced operative	12.73	37.5
Operative	10.91	37.5
<b>CIJC</b>		
Craft Rate	10.30	39

*Source: NHS, JIB, CIJC*

### Variation by region

Earnings levels vary across the country, generally being higher in the London and the South East than other regions, as recognised by the High Cost Area Supplements.

Table 5.13 shows the regional figures from ASHE for maintenance and craft workers, and shows that earnings of maintenance craft workers are highest in London, followed by the South East, while there is only minor variation in earnings levels among the other regions.

Comparing the AfC Band 4 top point pay figures with the regional earnings figures shows that for all regions, NHS pay is below the average maintenance craft earnings figures using both the median and mean figures from ASHE. However, adding the NRRP brings the NHS pay levels above the ASHE averages for all regions except London and the South East, and Eastern region when using the ASHE mean. It should be noted however that many staff working in London will be in receipt of High Cost Area (HCA) payments, which can be up to a 20 per cent pay addition.

**Table 5.13 Regional variation in ASHE basic pay and comparisons with AfC Band 4 pay levels, 2009/2010**

	ASHE median	AfC top as % of ASHE	AfC top + NRRP as % of ASHE	ASHE mean	AfC top as % of ASHE	AfC top + NRRP as % of ASHE
AfC 4 Top	-	21,798	-	-	21,798	-
AfC 4 Top + NRRP	-	-	25,075	-	-	25,075
UK	24,150	90.3	103.8	24,912	87.5	100.7
NE	23,172	94.1	108.2	23,726	91.9	105.7
NW	23,900	91.2	104.9	24,696	88.3	101.5
YH	23,696	92.0	105.8	23,907	91.2	104.9
EM	23,615	92.3	106.2	23,992	90.9	104.5
WM	24,529	88.9	102.2	24,593	88.6	102.0
E	24,337	89.6	103.0	25,467	85.6	98.5
Lon	27,669	78.8	90.6	28,586	76.3	87.7
SE	25,415	85.8	98.7	26,363	82.7	95.1
SW	22,446	97.1	111.7	23,223	93.9	108.0
Wales	22,301	97.7	112.4	22,754	95.8	110.2
Scotland	23,862	91.4	105.1	24,792	87.9	101.1

Source: NHS, ASHE 2009

### Variation by size of employer

Table 5.14 shows the variation in LFS average gross weekly earnings of maintenance craft workers by size of employer. There is a consistent increase in earnings levels as the size of employer increases, with earnings levels in the largest employers averaging £30,000 per year, compared to £24,000 in the smallest organisations with fewer than 25 employees.

These data suggest that maintenance craft workers in the largest organisations, who may be seen as better comparators to those in the NHS, have earnings levels

above the average for all maintenance craft workers, and that the gap in earnings between NHS pay levels and those at the largest organisations may be greater than the averages presented above.

**Table 5.14 Variation in LFS average gross weekly earnings by size of employer, maintenance craft workers, 2010**

	LFS median	AfC top as % of LFS	AfC top + NRRP as % of LFS	LFS mean	AfC top as % of LFS	AfC top + NRRP as % of LFS	N=
AfC 4 Top	-	21,798	-	-	21,798	-	-
AfC 4 Top + NRRP	-	-	25,075	-	-	25,075	-
under 25 emps	24,024	90.7	104.4	23,800	91.6	105.4	206,457
25-49 emps	24,024	90.7	104.4	26,595	82.0	94.3	75,707
50-499 emps	26,000	83.8	96.4	27,258	80.0	92.0	161,255
500 plus emps	29,952	72.8	83.7	30,656	71.1	81.8	75,126
Total	26,000	83.8	96.4	26,277	83.0	95.4	518,545

Source: LFS January-March 2010

### Variation by industrial sector

Table 5.15 shows the variation in LFS average gross weekly earnings of maintenance craft workers by industrial sector of employer. Earnings levels are lowest in construction and highest in the manufacturing sectors, but also above average in the services sector when looking at the means. This again suggests that when comparing maintenance craft workers pay levels in the NHS with those in other service sector employers, the gap may be slightly larger than the averages presented above.

**Table 5.15 Variation in LFS average gross weekly earnings by industrial sector, maintenance and craft workers, 2010**

	LFS median	AfC top as % of LFS	AfC top + NRRP as % of LFS	LFS mean	AfC top as % of LFS	AfC top + NRRP as % of LFS	N=
AfC 4 Top	-	21,798	-	-	21,798	-	-
AfC 4 Top + NRRP	-	-	25,075	-	-	25,075	-
Manufacturing	27,612	78.9	90.8	28,045	77.7	89.4	215,447
Construction	23,400	93.2	107.2	23,054	94.5	108.8	173,530
Services	26,000	83.8	96.4	27,656	78.8	90.7	129,935
Total	26,000	83.8	96.4	26,278	82.9	95.4	518,912

Source: LFS January-March 2010

### Variation by ownership of organisation

Table 5.16 shows the variation in LFS average gross weekly earnings of maintenance craft workers by the ownership of the organisation ie whether in the private or public sectors. The data should be treated with caution as the estimate for public sector earnings is based on a small sample size, but there appears to be little difference in the mean earnings levels of maintenance craft workers in the private and public sectors.

**Table 5.16 Variation in LFS average gross weekly earnings by private or public sector, maintenance and craft workers, 2010**

	LFS median	AfC top as % of LFS	AfC top + NRRP as % of LFS	LFS mean	AfC top as % of LFS	AfC top + NRRP as % of LFS	N=
AfC 4 Top	-	21,798	-	-	21,798	-	-
AfC 4 Top + NRRP	-	-	25,075	-	-	25,075	-
Private	26,000	83.8	96.4	26,231	83.1	95.6	494,817
Public	30,004	72.7	83.6	26,633	81.8	94.2	26,802
Total	26,000	83.8	96.4	26,252	83.0	95.5	521,619

Note: Figures in italics should be treated with caution as they are below the sample threshold of reliability of 30,000

Source: LFS January-March 2010

### 5.2.2 Trends in earnings

Having looked at the current earnings picture, we now go on to look at the recent trend in earnings levels since 2006, the time of the earlier review of NRRP.

Table 5.17 presents information on the change in average earnings levels between 2006 and 2009 from ASHE, and the corresponding increase in pay levels for the top points of the relevant AfC Bands. Key points to note are:

- Earnings levels of both maintenance and building craft workers increased faster in the labour market as a whole than they did in the NHS over the period 2006 to 2009.
- The increase in earnings for chaplains in the NHS was close to the increase for them in the external labour market, as the case for cytology screeners.
- Earnings for financial accountants increased faster in the NHS than in the labour market as a whole, while for all other occupational groups of interest the reverse was true.

**Table 5.17 Change in earnings at AfC Band top points and ASHE, 2006-09, per cent**

	ASHE Median % change	ASHE Mean % change	Band	AfC Band top point % change
Maintenance craft workers	11.5	11.3	4	8.0
Building craft workers	11.8	11.5	4	8.0
Chaplains	8.3	8.7	6	7.8
Clinical coding officers	11.7	10.3	3	8.1
Cytology screeners	7.4	7.5	4	8.0
Dental nurses, technicians, therapists and hygienists	13.4	14.7	4	8.0
Estates officers/ works officers	13.5	13.2	6	7.8
Financial accountants	3.0	5.1	7	7.8
Invoice clerks	12.2	14.0	3	8.1
Biomedical scientists	11.9	10.1	5	8.2
Payroll team leaders	12.2	14.0	4	8.0
Pharmacists	10.4	14.0	6	7.8
Qualified medical technical officers	21.9	15.7	5?	8.2
Qualified midwives (new entrant)	13.0	16.6	5	8.2

Source: NHS, ASHE 2006 and 2009

Table 5.18 presents information on the change in average earnings levels using data from the LFS, which allows a longer time period up to 2010, again with the corresponding increase in pay levels for the top points of the relevant AfC Bands. Key points to note are:

- LFS data show that the earnings levels of maintenance craft workers in the labour market as a whole increased by between 13 and 17 per cent between 2006 and 2010, compared to the increase in AfC Band 4 top points of 10.5 per cent over the same period.
- However, according to the LFS the increase in earnings for building craft workers was below the increase in AfC Band 4 pay points.
- The increase in earnings levels for chaplains in the labour market shows a mixed picture, with the median increase being above the increase in the NHS, while the mean increase is below the NHS figure.
- For all other occupations the average increase in earnings levels from the LFS is similar to or greater than the increases in the NHS.

**Table 5.18 Change in earnings at AfC Band top points and LFS, 2006-10, per cent**

	LFS Median	LFS Mean	Band	AfC Band top point % change
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Maintenance craft workers	16.8	13.2	4	10.5
Building craft workers	6.4	7.0	4	10.5
Chaplains	15.9	8.4	6	10.3
Clinical coding officers	16.1	9.5	3	10.6
Cytology screeners	28.4	19.3	4	10.5
Dental nurses, technicians, therapists and hygienists	-	-	4	10.5
Estates officers/works officers	16.5	17.7	6	10.3
Financial accountants	25.0	12.3	7	10.3
Invoice clerks	17.7	11.4	3	10.6
Biomedical scientists	13.6	8.6	5	11.0
Payroll team leaders	17.7	11.4	4	10.5
Pharmacists	-	-	6	10.3
Qualified medical technical officers	-	-	5?	11.0
Qualified midwives (new entrant)	-	-	5	11.0

Note: Occupations in italics have sample sizes below the threshold for reliable estimates therefore they have been omitted from the analysis

Source: NHS, ASHE 2006 and 2009

### 5.2.3 Comparison of other terms and conditions

In addition to comparing pay levels it is helpful to consider other elements of the total remuneration package, which as we heard from some of the trusts is viewed by some stakeholders as an important feature. We make comparisons between NHS terms and conditions and the maintenance and building industry agreements on four different elements below:

- Working hours: working hours for maintenance and building craft workers in the NHS are 37.5 hours a week, the same as the JIB agreements for electrical and plumbing workers, and below the 39 hours a week under the Construction Industry Joint Council agreement.
- Leave entitlement: leave entitlement in the NHS starts at 27 days per year, rising to 33 days after ten years' service. For electrical and plumbing workers under the JIB the entitlement is 22 days in addition to the eight public holidays, and under the CIJC the entitlement is 21 days, and there may be restrictions on when staff can take their leave.
- Sick pay: NHS sick pay provisions provide more generous payments during sickness absence than is the case under the industry agreements. NHS sick pay starts at one month's full pay and two months' half pay for staff in their first year of service, and rises to six months' full pay and six months' half pay after five years of service (see Table 5.19). For the electrical contracting industry sick pay varies over the sickness period as laid out in Table 5.20, although the maximum payment corresponds to the equivalent of two month's pay, over and above Statutory Sick Pay. In the plumbing sector sick pay of £99.75 per week is

payable for 28 weeks for advanced operatives, corresponding to around six weeks' pay, again in addition to any SSP. Finally, the Construction Industry Joint Council agreements states industry sick pay will be £107.16 per week.

**Table 5.19 NHS sickness absence provision**

Qualification period	Sick pay provision
During the first year of service	one month's full pay and two months' half pay
During the second year of service	two months' full pay and two months' half pay
During the third year of service	four months' full pay and four months' half pay
During the fourth and fifth years of service	five months' full pay and five months' half pay
After completing five years of service	six months' full pay and six months' half pay

Source: NHS/Unison

**Table 5.20 Electrical Contracting JIB sick pay entitlement (from January 2010)**

Weeks	Others	Electrician	Approved	Technician
1 and 2	Nil	Nil	Nil	Nil
3 to 6	£75.00	£80.00	£85.00	£90.00
7 to 28	£150.00	£160.00	£170.00	£180.00

Source: JIB for Electrical Contracting Industry

- Pension: the NHS offers a final salary pension scheme, with new entrants since 2008 having different benefit calculations to earlier members. The benefits of the scheme have been assessed by actuaries as being worth around 20 per cent of overall pay. The industry schemes are voluntary money purchase schemes, which minimum contribution rates of 2.5 per cent employer/2.5 per cent employee for electrical contracting, 7.5 per cent employer/3.75 per cent employee for plumbing, and under the construction scheme the employer must pay £5 per week, match the employee contribution if the employee contributes between £5 and £10 a week, up to a maximum of £10 a week contribution.

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## 6 Labour Market Vitality

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In this chapter we look at recent development in the occupational labour markets for the job roles of interest, looking at recent trends in unemployment levels and unfilled vacancies, and considering future prospects for the maintenance and building sectors.

### 6.1 Unemployment by occupation

The recent recession has caused unemployment to rise rapidly during 2008 and 2009, and although the trend has turned downwards again during 2010, the most recent claimant count data show a small increase in the number of unemployed claimants. It is too early at this stage to know whether this is another turning point, or a blip on the downward trend.

Table 6.1 shows the recent trend in unemployment by occupation, looking at the usual occupation of the unemployed rather than the sought occupation, from July 2006 to July 2010. Key points to note are:

- Nationally, unemployment in 2009 was nearly two thirds higher than the level in 2006, and then fell by eight per cent to 2010.
- The increase in unemployment among maintenance craft workers and building craft workers was more than twice the overall increase, at 149 per cent and 138 per cent respectively, although the recent fall since 2009 is also larger than the overall decrease.
- Estates officers and finance job roles have also experienced large increases in unemployment to 2009, and large subsequent falls.
- There were relatively modest increases in unemployment during the recession in the occupational areas around clinical coders, dental nurses etc, pharmacists, and medical technical officers.

**Table 6.1 Unemployed by usual occupation, numbers, July 2006 to July 2010**

	2006	2007	2008	2009	2010	% change 2006-09	% change 2009-10
Maintenance craft workers	12,520	10,120	11,575	31,145	25,405	148.8	-18.4
Building craft workers	23,685	19,950	24,790	56,400	43,055	138.1	-23.7
Chaplains	105	80	70	120	120	14.3	0.0
Filing/records clerks (incl clinical coding officers)	1,670	1,320	1,310	2,030	1,760	21.6	-13.3
Lab technicians (incl cytology screeners)	1,210	1,050	1,120	2,040	1,810	68.6	-11.3
Dental nurses etc.	415	370	345	505	510	21.7	1.0
Estates officers	2,055	1,630	1,735	5,370	4,010	161.3	-25.3
Financial accountants	1,285	985	1,170	3,205	2,555	149.4	-20.3
Invoice clerks/ payroll team leaders	5,420	4,505	5,035	11,615	9,395	114.3	-19.1
Biomedical scientists	710	625	620	1,185	1,030	66.9	-13.1
Pharmacists	120	100	110	160	170	33.3	6.3
Qualified medical technical officers	200	170	145	235	250	17.5	6.4
Qualified midwives	80	60	50	65	65	-18.8	0.0
Qualified perfusionists	-	-	-	-	-	-	-
<b>Total</b>	<b>960,840</b>	<b>854,149</b>	<b>871,288</b>	<b>1,573,139</b>	<b>1,441,035</b>	<b>63.7</b>	<b>-8.4</b>

*Source: ONS Claimant Count, July 2006-July 2010*

Table 6.2 shows unemployment by occupation as a proportion of total unemployment for the relevant job roles, from 2006 to 2010. Key points to note are:

- The proportion of unemployed maintenance craft workers among the total unemployed increased from 1.3 per cent in 2006 to 2.0 per cent in 2009, before falling back to 1.8 per cent in 2010.
- In 2009, 3.6 per cent of all unemployed people were building craft workers, compared to the proportion in 2006 of 2.5 per cent, but this has since fallen to 3.0 per cent.

**Table 6.2 Unemployed by usual occupation as % of total unemployed, UK, July 2006 to July 2010**

	2006	2007	2008	2009	2010
Maintenance craft workers	1.30	1.18	1.33	1.98	1.76
Building craft workers	2.47	2.34	2.85	3.59	2.99
Chaplains	0.01	0.01	0.01	0.01	0.01
Filing/records clerks (incl clinical coding officers)	0.17	0.15	0.15	0.13	0.12
Lab technicians (incl cytology screeners)	0.13	0.12	0.13	0.13	0.13
Dental nurses, technicians, therapists and hygienists	0.04	0.04	0.04	0.03	0.04
Estates officers/works officers	0.21	0.19	0.20	0.34	0.28
Financial accountants	0.13	0.12	0.13	0.20	0.18
Invoice clerks/payroll team leaders	0.56	0.53	0.58	0.74	0.65
Biomedical scientists	0.07	0.07	0.07	0.08	0.07
Pharmacists	0.01	0.01	0.01	0.01	0.01
Qualified medical technical officers	0.02	0.02	0.02	0.01	0.02
Qualified midwives	0.01	0.01	0.01	0.00	0.00
Qualified perfusionists	-	-	-	-	-

Source: ONS Claimant Count, July 2006-July 2010

## 6.2 Vacancies by occupation

At the same time as unemployment rose, employers' vacancy notifications fell for some of the groups under review (particularly craft jobs) but not all and not in a simple pattern.

Table 6.3 shows the recent trend in unfilled vacancies at Jobcentre Plus offices by occupation for the relevant job roles, from 2006 to 2010. The trend generally mirrors the trend in unemployment, with a large fall in numbers of unfilled vacancies between 2007 and 2009, before a modest pick-up between 2009 and 2010. The fall in unfilled vacancies for maintenance and building craft workers between 2007 and 2009 was around 80 per cent, although the levels have doubled since 2009.

**Table 6.3 Number of unfilled vacancies by occupation, numbers, UK, July 2006 to July 2010**

	2006	2007	2008	2009	2010
Maintenance craft workers	5,669	9,434	6,995	2,055	4,064
Building craft workers	4,964	8,007	3,938	1,584	3,796
Chaplains	5	2	0	303	61
Filing/records clerks (incl clinical coding officers)	637	765	967	493	510
Lab technicians (incl cytology screeners)	160	206	195	117	179
Dental nurses, technicians, therapists and hygienists	326	470	393	634	759
Estates officers/works officers	995	1651	1774	479	633
Financial accountants	339	414	465	241	188
Invoice clerks/payroll team leaders	4,298	5,237	4,181	1,645	1,861
Biomedical scientists	47	67	64	98	98
Pharmacists	29	89	23	203	119
Qualified medical technical officers	44	47	55	119	46
Qualified midwives	13	7	2	35	13
Qualified perfusionists	-				
<b>Total</b>	<b>287,354</b>	<b>397,932</b>	<b>353,493</b>	<b>205,457</b>	<b>283,683</b>

Source: DWP Jobcentre Plus vacancies

Table 6.4 shows the trend in unfilled vacancies in the relevant occupations as a per cent of total vacancies, and shows that in 2007 nearly one in twenty unfilled vacancy was for maintenance or building craft workers, but in 2009 this had fallen to less than one in fifty.

**Table 6.4 Unfilled vacancies by occupation as a % percent of total vacancies, UK, July 2006 to July 2010**

	2006	2007	2008	2009	2010
Maintenance craft workers	2.0	2.4	2.0	1.0	1.4
Building craft workers	1.7	2.0	1.1	0.8	1.3
Chaplains	0.0	0.0	0.0	0.1	0.0
Filing/records clerks (incl clinical coding officers)	0.2	0.2	0.3	0.2	0.2
Lab technicians (incl cytology screeners)	0.1	0.1	0.1	0.1	0.1
Dental nurses, technicians, therapists and hygienists	0.1	0.1	0.1	0.3	0.3
Estates officers/works officers	0.3	0.4	0.5	0.2	0.2
Financial accountants	0.1	0.1	0.1	0.1	0.1
Invoice clerks/payroll team leaders	1.5	1.3	1.2	0.8	0.7
Biomedical scientists	0.0	0.0	0.0	0.0	0.0

	2006	2007	2008	2009	2010
Pharmacists	0.0	0.0	0.0	0.1	0.0
Qualified medical technical officers	0.0	0.0	0.0	0.1	0.0
Qualified midwives	0.0	0.0	0.0	0.0	0.0
Qualified perfusionists	-	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0

Source: DWP Jobcentre Plus vacancies

Finally, in Table 6.5, we look at the number of unemployed people by occupation in relation to the number of unfilled vacancies for that occupation. Key points to note are:

- The labour market for maintenance craft workers was very tight over the period 2006 to 2008, with only one or two unemployed workers for every unfilled vacancy, and tighter than the labour market as a whole, but in 2009 the combination of rising unemployment and falling labour demand meant there were 15 unemployed maintenance craft workers per unfilled vacancy, more than double the overall rate. However it has since fallen back to around six unemployed workers per vacancy, slightly higher than the national average figure;
- The labour market for building craft workers has been slacker than that for maintenance craft workers throughout this period, and in 2009 there were around 36 unemployed workers per unfilled vacancy.

**Table 6.5 Unemployed per unfilled vacancy by occupation, UK, July 2006 to July 2010**

	2006	2007	2008	2009	2010
Maintenance craft workers	2.2	1.1	1.7	15.2	6.3
Building craft workers	4.8	2.5	6.3	35.6	11.3
Chaplains	21.0	40.0	-	0.4	2.0
Filing/records clerks (incl clinical coding officers)	2.6	1.7	1.4	4.1	3.5
Lab technicians (incl cytology screeners)	7.6	5.1	5.7	17.4	10.1
Dental nurses, technicians, therapists and hygienists	1.3	0.8	0.9	0.8	0.7
Estates officers/works officers	2.1	1.0	1.0	11.2	6.3
Financial accountants	3.8	2.4	2.5	13.3	13.6
Invoice clerks/payroll team leaders	1.3	0.9	1.2	7.1	5.0
Biomedical scientists	15.1	9.3	9.7	12.1	10.5
Pharmacists	4.1	1.1	4.8	0.8	1.4
Qualified medical technical officers	4.5	3.6	2.6	2.0	5.4
Qualified midwives	6.2	8.6	25.0	1.9	5.0
Qualified perfusionists					
Total	3.3	2.1	2.5	7.7	5.1

Source: ONS Claimant Count, DWP Jobcentre Plus vacancies

## 6.3 Future prospects

Recent economic and political developments have led to a very uncertain outlook for the economy and the labour market over the coming years. There are signs that the economic recovery is stalling, and the country may enter a 'double-dip' recession. While the implications of the future spending plans contained in the Comprehensive Spending Review have yet to be fully analysed, a large reduction in public sector employment is assured. This uncertainty reinforces the adage that 'all predictions are unreliable, particularly those about the future'. It also means that for recently produced forecasts, especially those produced before the election, the assumptions underpinning the analysis may have changed substantially.

For example, the Construction Skills Network published their Blueprint for UK Construction Skills 2010-2014 earlier this year, and forecast a slow return to growth for the construction sector over the 2010 to 2014 period, with the sector benefiting from significant streams of work from public non-housing projects such as the Olympics and the Building Schools for the Future programme. However, this latter programme has already been cancelled, and further cuts in public construction projects may be announced over the coming months.

The CSN report forecasts that the pick up in employment in the sector to 2014 would only correspond to one third of the jobs lost by the sector between 2008 and 2010. One conclusion may be that there would be a pool of skilled craft labour available to employers over the coming years, but alternatively if displaced workers leave the sector and take up opportunities elsewhere then those skills will be lost from the sector.

### 6.3.1 National medium-term forecasts

National employment forecasts by sector and occupation are produced every few years by the Institute for Employment Research, on behalf of the UK Commission for Employment and Skills. The most recent forecast cover the period 2007 to 2017. Over the period employment in the construction sector is projected to grow at a slightly faster rate than employment overall, by 8.0 per cent, compared to 6.2 per cent for all industries.

Turning to projected changes by occupation, Table 6.6 shows the forecast changes for skilled metal and electrical trades, and for skilled construction trades. Employment is projected to fall among skilled metal and electrical trades workers, by 12 per cent between 2007 and 2017, representing a decrease of 144,000 workers. However, employment among skilled construction trades is projected to increase, and at a slightly faster rate than overall employment, with the number of workers increasing by 92,000 between 2007 and 2017.

**Table 6.6 Employment projects by occupation, maintenance and building craft workers, UK, 2007-2017 (thousand)**

	2007	2017	% change	change
52 Skilled Metal/Elec Trades	1,222	1,078	-11.8	-144

53 Skilled Construct. Trades	1,258	1,350	7.3	92
All occupations	31,234	33,184	6.2	1,949

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Source: IER/UK CESS

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## 7 Conclusions

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In this final section we will pull together the evidence presented earlier for whether a NRRP is justified for the relevant occupational groups, but in the context of consideration of how robust are our data sources.

We have taken as our starting point that a national recruitment and retention premium should ideally be paid where:

- The problem regarding recruitment and retention is felt across the country, or sufficiently widely that it is more efficient, and possibly more equitable, to pay it in all trusts.
- There are real difficulties to attract staff, to retain staff or both, and that these difficulties are the result of pay shortfalls against the relevant markets.
- On-the-ground perception of recruitment and retention issues, and even better with supporting evidence, is backed by actual labour market data.

Through our trust visits, on-line survey and investigation of ONS, ASHE and NHS data we tried to answer these questions. As we have already reported, the on-line survey was not as well supported by the NHS community as we hoped, so we are largely reliant on the other two sources, the reliability of which we will now consider.

### 7.1 Data sources reliability

#### 7.1.1 Trust visits

The intention of the selection of the trusts to be visited was to obtain a reasonable cross section of organisations by geography and type of organisation (Foundation, Mental Health trust, acute trust, PCT, etc)/health board. We believe we achieved that aim, although we had to add in an extra two London case studies to improve coverage there. We sought information in a structured manner using an interview questionnaire and by asking for quantitative data, as well as perceptions. We also sought views from both management and staff side regarding recruitment and retention issues for all the relevant groups.

By and large we were successful in these attempts, but it should be acknowledged that well ordered factual data was not always forthcoming. Given the range of occupations considered, we got better data on some employment groups than others. One drawback was that not all the trusts employed all the groups and, in particular, some of the work of the manual trades had been contracted out in full or part. We tried to add in additional visits to compensate for these gaps.

Finally, it should be noted that in the vast majority of cases the trusts/boards were visited, but in a minority of cases the interviews had to be conducted by telephone. We do not believe this compromised the process, though it did exacerbate the tendency towards perception rather than fact because the calls were more time limited.

However well the exercise went, it still has to be acknowledged that 17 trusts/boards is only a small sample of the NHS, though one that covered the UK. What it does allow is a detailed examination of how recruitment and retention issues play out at local level and to investigate where non-pay problems have an influence besides pay related issues.

### 7.1.2 Data inputs

As reported earlier, the NHS data are not sufficiently detailed to give good indications of the recruitment and retention status by occupational group. The turnover data do not allow geographic breakdown by job role and do not separate resignation from other forms of departure (retirement, death, dismissal). So, only in 'Maintenance and Works' do they give any useful data at all on turnover.

The pay data is much more helpful in giving AfC pay bands for each of the relevant occupational groups, but it does not give access to individual level pay data to allow proper earnings comparison. We also have to accept that trusts may vary from the norm in where they place jobs in the band hierarchy.

We note that White and Milsome recommended that 'more rigorous pay and labour market data be kept at both national and Strategic Health Authority levels', but progress to that end appears to have been limited. In the present climate it is going to be even more difficult to collect such data. Moreover, individual trusts do not seem to be filling any gap at national and regional level.

We would add that it is also extremely difficult to know what value to place on the non pay elements in the NHS package. Some are hard to quantify like working for an organisation like the NHS, relatively good job security, development opportunities, treatment at work etc. The value of others like leave and pension can, with difficulty, be calculated, but comparisons with competitor organisations are also hard to make because the relevant data is not available. Moreover, we have no attitudinal data from the NHS on which to base judgements on how important these benefits or other non pay elements are to staff, and whether they vary by occupation, grade, service, age, etc. Exit data would also help judge what elements of the pay package are more valued than others and to what extent pay is a driver of resignation (there is evidence from the Audit Commission, reported earlier, that pay is not so important reason for leaving in the public sector, though this may be more true for non-professional staff).

External labour market data was sourced from ASHE and the LFS, these are generally robust data sources but there are limitations:

- The two data sets do not always agree as one is the employer's information and the other the employee's.
- Sample sizes in some cases become so small as to make the data unreliable for some smaller occupational groups.
- A number of the NHS roles do not have any analogue in the wider labour market or the nature of the work is not the same making comparisons impossible or difficult.
- Data from the LFS are earnings data, not basic pay, while the basic pay data from ASHE include London or other area allowances.
- We cannot get occupational data at a sufficient level of detail by location (ie below regional level) to examine differences across the UK, though we know that pay rates do differ by geography, and sometimes quite specifically for some occupations.
- We do not have information on the full range of non pay elements that might be compared with the NHS's employment offer.

Within these limitations, the government national data sets are the best source available.

For maintenance populations we also looked at the Joint Industry Board pay rates that operate in the electrical contracting and plumbing and mechanical engineering services industries and, for the craft workers at the Construction Industry Joint Council on the building side. These are helpful in giving specific industry data. However, these rates are not operated by all firms and we do not know whether the NHS competes directly with these companies in recruiting from them or losing staff to them.

What we have investigated is whether organisation size and sector influences pay. It is clear that the larger the company, the larger the pay level. This suggests that if the NHS is competing against national firms these are the ones that will probably pay the industry rates. Service industries, however, do pay less than manufacturing. So, if the NHS is competing with the Service sector its pay levels do not need to be as high. We do not have the data to answer questions as to which are the competitor groups, and how they might vary across the country.

## 7.2 Assessment of the results

We will now take each of the occupational groups under review and summarise what the combining our two primary data sources suggests regarding whether there is a pay related recruitment and retention problem. We will focus our attention on those occupational groups where there appear to be recruitment and retention concerns.

It should also be remembered that the data from ASHE refer to basic pay, but including any London or high cost area allowances, but excluding overtime or bonus payments, whereas the data from LFS are for average earnings, including

all sources of earnings. We refer primarily to the ASHE figures as being the closest comparator to the NHS pay band points, although for some analysis data are only available from the LFS.

As stated before, we also concentrate on the median pay levels in the external labour market to be compared with the maxima of the AfC pay band. Obviously if a gap is identified using the top pay point then it will be even more of an issue for recruitment at the bottom of the pay scale or retention part way up the scale.

We give our views below on the appropriateness of recruitment and retention premia for each of the occupational groups under consideration. There is currently one group (maintenance craft) who receive a national RRP at a set rate, whilst another (chaplains) the specific rate is not set. We have to judge whether these should continue in their current form. As to the Annex R occupations, we were asked whether a NRRP would be appropriate for them and whether there is 'sufficient evidence' to 'justify the continuation of locally set NRRPs'.

We will summarise the data inputs before coming to final recommendations. The position we have adopted is to argue that a national recruitment and retention premium should ideally be paid where there is both an objective pay shortfall against national data and widespread recruitment and retention difficulties. The former can be managed by the NHS either because of the current labour market conditions (which of course can change) and/or because the non-pay aspects of working for the NHS compensate for any pay shortfall.

### 7.2.1 Maintenance craft

This occupational group currently receives an NRRP and the use of this NRRP was confirmed three years ago by the University of Greenwich study. Since then economic conditions have deteriorated significantly and the labour market has consequently weakened. In these circumstances one might expect to see lower turnover within the NHS and less pressure on wages.

The views from the trusts bear out a picture of limited recruitment; a more stable workforce with limited turnover; and no increase in labour demand, leaving few vacancies to fill. The NHS statistics support this view with falling turnover over last few years (11 per cent to nine per cent per year) and falling losses among those below normal retirement age. This means that trusts are not accessing the labour market much at present, except to cover retirements. The number of applicants is generally satisfactory, but a number of problems have been experienced with the quality of applicants at some locations, especially given the trust's need for specific skills. The ageing profile of the workforce suggests that there will be future replacement demand if not expansion demand. However, at a number of trusts this is being dealt with by the use of apprenticeships.

The external, national data gives a wide range of results between ASHE and LFS, but it is clearly evident that without RRP, the top Band 4 is below the market median by a significant amount. When adding in the NRRP, pay levels are broadly comparable to the national data – slightly higher than the ASHE figures but slightly lower than the LFS figures.

At a more detailed level, there is some variation in pay rates by region, of the order of up to ten per cent, with London especially as an outlier (though the NHS

pay figures do not include any location premia but ASHE figures do). There is also some variation in rates by the trades within the maintenance population.

It is also worth noting that since 2006 (about the time of the last review) earnings levels of maintenance craft workers have increased faster in the labour market as a whole than they did in the NHS over the period to 2010. This suggests that on pay levels alone the continuation of the NRRP is justified.

Looking at the JIB data, with the NRRP the maintenance staff would have comparable pay, though again there is variation by trade.

If we compare IES's results with the Greenwich study, the latter concluded on maintenance craft:

1. 'Nationally agreed basic pay rates are higher in the external private sector labour markets than in the NHS and without the RRP pay levels would be uncompetitive
2. Although the recruitment market is largely untested, a number of NHS employers describe the recruitment climate as challenging or difficult, even with the RRP. In seven organisations both estates and HR managers support paying the national RRP, in a further three estates managers support the national RRP but HR thinks a local supplement would be more appropriate, and in five, neither think the RRP is necessary.
3. The workforce is ageing and there are more than twice as many retirements as resignations, so the recent low rate of voluntary resignations is no protection against staff shortages.
4. Most areas anticipate severe skills shortages as major building and refurbishment projects continue to be commissioned across the UK.
5. There is a time lag of some two to three years between recruiting a qualified maintenance craft worker and them being able to undertake the full range of NHS duties, so it would be unwise to withdraw the RRP until the labour market situation improves.'

So it can be seen that the situation remains more or less the same on points 1, 3 and 5 (ie on the national data, demographic profile and skills need), but the work demand and recruitment challenges have eased.

On the basis of this evidence our view is that in the current labour market, the NRRP could probably be removed or substantially reduced at the moment without recruitment and retention problems, and this is generally the HR view at the trusts. The trade union position is that it should be retained. The pay data clearly supports the continuation of the premium and if anything the gap has widened since the last review. Moreover, when the economy picks up some trusts are likely to struggle to attract the full range of what they need and will lose out to other employers. This problem is likely to be most acute where there is insufficient supply of apprenticeships, for the trades in the most demand and in certain locations where the labour market is tighter.

So there is an apparent difference between the recruitment and retention picture short term and the national pay data, with potentially longer term recruitment and retention less secure for trusts.

Thus a judgement has to be made on what evidence to give the greater weight. If one looks at this issue from a legal perspective, it is likely to be hard to sustain an RRP for any length of time without recruitment and retention problems, despite the data position.

As to the question of whether benefits and working patterns compensate for any pay shortfall it is difficult to answer in the absence of any employee attitude information. Pension benefits and NHS (non-shift) working patterns may be to be more attractive to older workers, and trusts have been relatively successful in drawing in this type of applicant. It is probably less true that younger workers are influenced by non pay considerations in joining or leaving the NHS. This point becomes more important as trusts rely on apprenticeships as their feeder population. Furthermore, there is no evidence that the trusts emphasise the value of their non pay benefits through vehicles such as total reward statements or an employee value proposition.

### 7.2.2 Building Craft

There has been even less recruitment to this group in the NHS in recent years. The requirement is so low, or even non existent, because trusts are undertaking few new builds themselves and there has been extensive outsourcing of what work there is. No problems were reported in retaining staff.

As to the external data, the top of Band 4 appears comparable with the external market. Within this broad brush statement, however, again location and trade complicate matters. There is more regional variation in rates than for maintenance craft. Nonetheless, only in London and the South East of England is the external labour market higher than the NHS, with again the caveat of how the data sets do/do not reflect location premia.

The hourly rate for building craft workers at the top of Band 4 is higher than the industry-agreed craft rate set by the CIJC.

Compared with the pay position in 2006 there is mixed data on whether the relative position of building craft workers to the external labour market has deteriorated. One set of data over a shorter period suggests they have; the other, more up to date, data indicates that NHS staff have improved their position.

It is important to note that LRRPs are given by three trusts to the building craft for reasons of equity in one case and out of apparent ignorance that it was not a national requirement in another.

If we compare IES's results with the Greenwich study, the latter concluded on maintenance craft:

1. 'Nationally agreed minimum pay rates are higher in the external private sector construction industry than in the NHS.
2. Some employers (six of the ten case study organisations recruiting during the period) have found it challenging or very difficult to recruit building craft workers, although the great majority of employers would not wish to extend the RRP to the building trades.

3. Some employers do not like the divisiveness of paying an RRP to one group of workers but not to another, when the two are often working side-by-side.
4. Building craft workers say that not receiving the RRP makes them feel like second class citizens and is demotivating.
5. The workforce is ageing so the recent low rate of voluntary resignations is no protection against staff shortages.
6. Most areas anticipate severe skills shortages as major building and refurbishment projects continue to be commissioned across the UK and a shortage of woodworking skills has been identified in recent national projections for the construction labour market.'

Again, looking at the present position, data and perceptions, it appears that the pressures have largely reduced regarding work demand, external competition relating to recruitment and wage rates, but the demographic challenge and internal equity concerns remain.

Our view is that there is no shortfall of building craft pay against the market, except in London and the South East of England, where High Cost Area Supplements are in place. The workforce is relatively stable or reducing in size and there is little demand pressure. The general opinion of the HR managers in the case study trusts is that an NRRP would not be justified, though not of the trade union representatives.

### 7.2.3 Chaplains

This group receive their RRP (but not at a nationally set rate) because it compensates them for the absence of paid-for accommodation that they would receive in parish employment. The situation varies by religion in that the practices regarding accommodation and pay are not all the same. Also the source of recruitment (parochial or not) impacts on the ease of attraction. Not all the trusts pay an RRP and the amount varies. Some pay what they said was an 'accommodation allowance'.

Thus it is not an easy picture to paint in simple terms.

There is limited evidence from the trusts of recruitment problems, though there are some issues of supply for Christian chaplains and a less attractive offer of short term or short hours employment. No difficulties of retention were reported by the trusts. However, the e survey results suggest some actual and even more latent recruitment and retention problems.

Compared with the external labour market the top Band 6 is 50 per cent ahead of pay levels for Chaplains without the RRP. The question then becomes what value do you place on housing costs? This will vary by location depending upon house prices in the area.

Our view is that despite their higher pay than the market, an RRP appears necessary to help with housing loss since most staff are still drawn from parishes that provide free accommodation. However, local conditions are relevant especially the nature of the contract and the local cost of housing.

### 7.2.4 Clinical coders

There appear to be attraction problems at Band 3 at some trusts and this has led to the payment of LRRPs. There appear to be even greater problems with retention. This is seen as a necessary but boring job. It needs 12 months training to be fully familiar with the work. So it is expensive if staff leave. There is some competition with private medical firms, internal NHS poaching, but the bigger issue may be with the general labour market for clerical and administrative staff. Some staff see that there is easier work to do elsewhere for same pay levels, despite any other benefits that the NHS might offer.

The top of Band 3 is comparable with external clerical and administrative roles and the top Band 4 (where used) is just higher than the competition.

Our view is that any recruitment challenge could be dealt with by appointing on a higher point on the pay scale, as entry level pay is behind market, though such an approach may not be favoured by trusts. Alternatively, a tapered LRRP could be considered. Expensive training means that a retention strategy is required. The primary issue with this role seems to be its design. Simply paying market premia is no help if trusts get into a bidding war with each other, using grade inflation and extra payments as their weapons. However, this problem is likely to grow in a tighter labour market.

Thus the solution may lie at trust level, but they need to exercise care and thought as to the most appropriate response.

### 7.2.5 Pharmacists

There is a general perception that pharmacists are in short supply and against that background some trusts have faced real competition with the private sector at Band 7, particularly for newly qualified staff. However, recruitment experiences have varied a lot, affected by local supply and alternative opportunities.

There were also some difficulties holding on to staff after training. These seem to relate especially to job design, slow pay progression and perceptions of lower earnings potential compared with the private sector.

The top Band 6 (the normal recruitment band for newly qualified staff) is 15-20 per cent behind market which would explain some of the recruitment problems. The maximum of Band 7 is comparable to the labour market, but the issue here may be the internal progression rate is slower than the external.

Our view is that trusts have no control over the national supply problems, but can redesign work to offer more interesting roles that might help retention. The pay issue at entry level could in part be addressed by appointing above the minimum, though, as we have noted, this may not be a favoured option. The final salary achieved may be comparable, once reached, but are there ways of dealing with slower progression speed through a tapered RRP, for example?

The labour market data at Band 7 and varied trust experiences may not appear to justify a NRRP. However, once the labour market tightens and if the supply has not moved in the meantime to plug the gap, then this situation may change.

### 7.2.6 Invoice Clerks

There appear to be recruitment and retention problems in a small minority of trusts. Given that the top of Band 3 is 8-12 per cent behind market this is not surprising. The response of two trusts is to award LRRPs of 8-16 per cent of salary.

Although there is a labour market data justification for a NRRP, given the isolated recruitment and retention problems at trust level and the current state of the labour market it would seem to be premature to consider granting one at this time. Again this situation could change with the tightening of the labour market.

### 7.2.7 Other occupational groups

Looking at the labour market data for **cytology screeners; dental nurses, technicians, therapists and hygienists; financial accountants and payroll team leaders**, there is no evidence of a market shortfall of pay band maximum against the external pay median.

Isolated recruitment and retention issues were reported by the trusts, and, despite the national data to the contrary, competitive pressures reported at individual locations for **financial accountants, dental hygienists and estates officers/works officers**.

There is no labour market data on qualified **medical technical officers** or qualified **perfusionists**, as there are not comparable employees elsewhere. One trust reported supply problems with perfusionists and issues with internal NHS competition and is considering paying a LRRP. Another is paying an LRRP for the MTOs.

**Midwives'** entry level pay is behind the labour market averages, but only one trust reported recruitment (but not retention) difficulties; the result of a national shortage it was claimed. The qualified midwife rate is very competitive which might explain this situation.

Problems with **biomedical scientists** were identified by a number of trusts and the labour market data supports these concerns. The issue appears to be with a national supply shortage, but trusts seem to be dealing with the issue without resort to pay premia. One trust has successfully responded to the difficulties with role redesign.

## 7.3 Future prospects

It is not easy to look very far forward into the labour market future with any degree of certainty given the recent economic turbulence and divergent expert views on economic prospects. Over the short term, for those NHS jobs, such as the craft workers where there is a much larger external workforce than internal, it is realistic to assume that the labour market will be slack, with the only question as to whether it will become slacker through having a double dip recession.

Over the medium term we need to look at both replacement and expansion demand. There is unlikely to be any serious NHS expansion over the medium term given the likely budgetary constraints. There are parts of the NHS population

we are considering (especially craft workers and chaplains) that have an age profile that will mean that there will need to be fairly significant replacement of retirees. This should be perfectly possible in a slack labour market, albeit that some specific skills might be in shorter supply. It might become more difficult should the labour market tighten. This would be especially true if private sector pay rates begin to increase faster than public sector with the latter under severe restraint.

To conclude therefore in general terms: for the immediate future there is less need to pay market premia than in the period before the recession. The expectation is that the labour market will at some point pick up and then it is possible that recruitment difficulties might emerge (more so than retention) especially if NHS wage rates have fallen behind or do not increase at the rate within the private sector.

## 7.4 Summary recommendations

We were asked to advise whether we believe a NRRP is required with a fixed or open rate, or a locally determined NRRP is needed.

It is not within the remit of this review to judge whether these three categories in place at present are fit for the future. We have simply classified the results into an NRRP fixed rate, commended to trusts for LRRP consideration or presented no evidence for such consideration, which questions whether they should remain on any national list. Assuming a national review process continues, we have indicated which occupations ought to be reviewed at that time, although of course action may well best be taken at local level because recruitment and retention issues may well emerge in that setting.

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**Table 7.1 IES recommendations on NRRPs**

Maintenance craft	We are concerned that in the absence of recruitment and retention problems, a NRRP looks unjustified and open to legal challenge, despite the labour market pay data. However, we cannot know for sure that trusts will be able to recruit and retain without an RRP and it is likely that there will be local circumstances where extra pay will be necessary. This suggests local RRP would be appropriate. We propose the suspension of the NRRP and review again in two to three years time because, if at that point trusts are recruiting reasonable numbers of maintenance craft workers, then it may well be that a NRRP is necessary again. If suspension is felt to be a premature decision because weight is given to the workforce demographic and recruitment quality issues, the NRRP should still be reviewed again in a couple of years because without any national recruitment and retention difficulties it will be very hard indeed to justify against other NHS employees.
Building Craft	No justification for a NRRP as there are neither national pay data nor recruitment and retention issues.
Chaplains	Convert the NRRP to a LRRP because the circumstances vary too much to operate a national policy.

Clinical coding officers	No NRRP recommended. It should be a trust decision as to the most appropriate response to any local recruitment and retention issues. There are neither national pay data nor national recruitment and retention issues.
Pharmacists	No NRRP recommended, but given the current supply situation and some pay comparability issues, this decision should be reviewed again in two to three years time to check whether the situation has changed.
Invoice clerks	No NRRP recommended. There are no national recruitment and retention issues, but given the pay shortfall this decision should be reviewed again in two to three years time to check on any change in the labour market has impacted on recruitment and retention. Any action would be most appropriate at a local level.
Cytology screeners	No NRRP recommended. There is no evidence of a market shortfall and no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Dental nurses, technicians, therapists and hygienists	No NRRP recommended. There is no evidence of a market shortfall from the data and no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Estates officers/works officers	No NRRP recommended. There is no evidence of a market shortfall and no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Financial accountants	No NRRP recommended. There is no evidence of a market shortfall and no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Biomedical scientists	There appears to be a national labour market shortage and there is evidence of a pay shortfall. However, this appears not to have translated into widespread recruitment and retention problems. So a NRRP is not recommended, but this decision should be reviewed again in two to three years time to check on any change in the labour market has impacted on recruitment and retention.
Payroll team leaders	No NRRP recommended. There is no evidence of a market shortfall and no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Qualified medical technical officers	No NRRP recommended. There are no national recruitment and retention issues. No reason for this situation to continue to be nationally monitored.
Qualified midwives (new entrant)	Given that new entrant pay data is well behind the market, this position should be kept under review, despite the absence of recruitment and retention difficulties reported by trusts, perhaps because the qualified position is much better.
Qualified perfusionists	There is no external data to compare against and only isolated recruitment and retention problems and so an NPPR is not recommended. No reason for this situation to continue to be nationally monitored.

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## 8 Appendix 1

# Summaries of Organisational Responses

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### 8.1 Trust A

Trust A is an acute, foundation trust in South West England. IES interviewed the Director of HR and Head of HR Systems, the trade unions Staff Secretary and a multi-skilled technician.

The local labour market is characterised by low unemployment, relative to the region and UK, but unemployment has increased over the last couple of years. Housing is expensive in the area and it is considered an affluent location, within reasonable commuting distance of London.

#### National RRP groups

The numbers of qualified mechanical, electrical, plumbing, building craft workers and chaplains employed at the trust are fairly low (see Table A1). Management at the trust state there is no difficulty recruiting into any of these posts, with no shortage of applicants for works posts. There is currently only one vacancy for a fixed term contract for a maintenance charge hand, for which they have received eight applications so far. It normally takes six to eight weeks to fill a vacancy. There was disagreement between management and the technician's opinions about the quality of applicants. Management reported that there is no problem with the quality of applicants, but the multi-skilled technician claimed in the past mechanical and electrical vacancies have had to be advertised twice in order to fill a vacancy and stated there is a problem finding the qualifications and skills needed with the salaries that are offered.

Whilst management report there is no recruitment problem among these groups, they reflected that they have not tried recruiting without the RRP and they would not be able to predict what would happen if this was removed. They would want to pilot the effect of this, as the RRP for all of the above occupations accounts for 15 to 20 per cent of earnings. The qualified workers are AfC Band 4 and building craft workers are on AfC Band 3.

Other than salary, other factors of the employment package such as pension and the sick pay scheme are valued by new recruits. Annual leave entitlement is

considered generous and most of the workforce in these groups is long serving. Management stated less tangible factors like parking and one location **working** are also considered attractive by recruits in these occupations. The on-call package is currently protected on local arrangements, but if this ended this would have an impact on recruitment as pay would reduce by about £2,000 a year for the maintenance and electrical workers.

Numbers employed in all of these groups have remained fairly steady over the last couple of years. Due to the small numbers employed in each group, there was reluctance to discuss turnover in terms of percentages, but on average it is 15 to 20 per cent for the maintenance groups. Plumbers have the highest turnover at 20 per cent (equates to one plumber leaving each year), and other groups are between ten and 15 per cent (two electricians left in past two years and two building craft workers). This is about the same level of turnover as for other groups in the trust (see Table A2). Management stated that not only do they have to compete with the private sector for tradesmen, but undertaking these trades enables self employment. It was reported that this year one mechanical and one electrical worker moved to the private sector for higher wages. No overtime is being paid at the trust currently and the technician believed this will make a difference on whether people will look for a higher salary elsewhere. He stated workers have to do four or five hours a week overtime to get the same salary that is offered outside of the NHS.

Qualified maintenance and building craft workers are recruited from the MOD, local authorities and the private sector. No RRP is paid to building craft workers.

Turnover is mostly due to retirement and management and the union do not consider there to be a retention problem among any of these groups. Currently some within these groups are approaching retirement: two mechanical workers are aged 59 and one mechanical worker is 69, three electricians are approaching 60. Of the building craft workers, one is 63 and one is 64 and one is 60 and the oldest plumber employed at the trust is 55 years. These are long serving employees but when they do retire, management does not expect to have difficulty replacing them. In the next ten years they expect higher turnover due to retirements. The technician stated some semi-skilled leave at 60, take their pension and return to work part-time. The Trust grows its own staff for all NRRP groups except chaplains, but trainees pay for their own qualifications.

With regards to chaplains, these receive an RRP of £3,685 and no chaplains have left the trust since 2001. Locally it would be possible to come to an arrangement which might have more or less valuable than the RRP for chaplains; for example, the trust has the facilities to offer accommodation at the hospital.

The HR Director does not think there should be a NRRP for any group but that it should be left to local employers to determine. As national wage rates are available for these groups and they are determined by employer federations and negotiations, these could be referenced and then premia calculated locally. There is not a need for a set figure nationally and it is hard to justify locally. The HR Director also thinks the figure is currently too high for the qualified maintenance groups.

Management hold the view that the long term nature of RRPs is a problem, as they are difficult to stop paying. However, if the RRPs were removed, it would *'take a*

*long time to unpick them as our turnover is low'. The HR Director stated 'It is secure having RRP as they have been worked out and justified, but we do worry about them as does our Trust need them? A list of staff that you might find the need to pay more to but have to do your own local analysis to determine the payment would be more useful'.*

The technician believes that there is not enough flexibility with the current RRP. *'At the moment it doesn't matter what skills or qualifications you have, if you get into Band 4 where there is a RRP, everyone gets the same money regardless of your level of qualification'.*

The trade union side stated *'Removing the RRP would inevitably lead to recruitment and retention problems. But currently if there was a problem with any particular groups I would be jumping up and down, and I'm not.'*

### **Annex R occupations**

Management expect to have to recruit into all of the Annex R occupations over the next couple of years, by about ten per cent on average in each of the larger occupational groups. Some of this recruitment is due to the completion of training posts, others due to retirement and others to relocations. Recruitment will be for replacement rather than in an effort to grow any units.

The trust is currently experiencing recruitment difficulties with qualified pharmacists who want to work in aseptic services, in Bands 6, 7 and 8. A local RRP is in place worth five per cent on top of Band 7. This five per cent was arrived at through a need to compete with private employers who pay newly-qualified pharmacists between £30,000 and £35,000 (based on a review conducted around 2008). This is the only group to receive an RRP. Pharmacists are difficult to recruit because of the competition with the retail sector. Recruitment problems with biomedical scientists were also reported within Bands 5 to 8, but no premium is applied.

Pharmacists are difficult to retain as well as clinical coding officers. The latter do not leave to do this elsewhere; they mostly leave because they no longer want to be coders because of the nature of the job. This trust does not have difficulty recruiting midwives. The unit has a good reputation and takes part in the training of midwives and many remain with them after their training ends. Management think turnover will reduce over the next couple of years as overall turnover has been the lowest it has been for years, and due to the economic climate people are not leaving the trust.

The trust competes with the retail sector for pharmacists and other NHS hospitals. The trust has recently recruited six new payroll assistants and payroll team leaders are grown internally, so the trust has never tried to recruit externally into that post.

### **Local labour market**

The trust does not collect information about pay rates or employment intentions from competitor organisations, but stated it would turn to local/national labour market data if it had difficulty recruiting staff. The only data that has been collected was for the review of pharmacists conducted in 2008, which resulted in the five per cent pay premium.

**Table A1: Numbers employed in each occupational group**

Qualified mechanical workers	3
Qualified electrical workers	5
Qualified plumbing workers	5
Building craft workers	11
Chaplains	2 full-time chaplains and another who works 4 days a week. An additional chaplain was recruited in last couple of years funded through Charitable Trust Funds. One chaplain is a trainee on a fixed term contract.

**Table A2: Average gross pay rates for full-time workers 2009/10 (including on-call payments)**

	Trust average pay rates
Plumbers	£27,813.19 (£533.4 pw)
Electricians	£32,290.54 (£619.3 pw)
Mechanical Craftsmen	£18,695.90 (£358.6 pw)
Building Craftsmen	£18,235.13 (£349.7 pw)
Whole Time Chaplains	£45,537.78 (£873.4 pw)

**Table A3: Staff turnover analysis**

	% Turnover 2006/07	% Turnover 2007/08	% Turnover 2008/09	% Turnover 2009/10
Admin and estates	14.89%	10.91%	11.93%	9.72%
Medical and Dental	4.96%	9.64%	9.37%	11.99%
Nurses and midwives	11.45%	8.76%	11.5%	6.16%
Scientific, Therapeutic and Technical	13.43%	13.41%	13.25%	13.98%
Total	13.10%	10.60%	11.73%	10.65%

## 8.2 Trust B

Trust B is an acute, foundation trust in the South East of England. IES interviewed the Head of Corporate HR, Head of Pathology, Head of Chaplaincy, and Head of Estates and Staff-Side representative. The trust has five hospitals in five different districts.

### National RRP groups

All maintenance work is performed in-house, although it used to be outsourced. There are 16 mechanical technicians, three electricians, three plumbers and seven building craft workers. Demand is increasing because of the complexity of estates work and lower spend on capital projects has increased the demand for maintenance workers; but, the department has had limited opportunities to recruit because business cases for new employees have not been approved. The trust employs maintenance assistants on AfC Band 2, craftsmen on AfC Band 4 and surveyors on AfC Band 7. Those on Band 4 receive the RRP, but assistants do not. The maintenance jobs are typically roles that people come into when they are 'less active'; for example, they hired a 65 year old electrician who was recently made redundant. There are geographical differences across the trust; they have no problems recruiting in a socially deprived location, but it is more difficult in more affluent neighbouring towns. People tend to be attracted to the jobs because it means that they do not have to travel.

There is low turnover at the trust and there has been minimal recruitment in the last 12 months; but the age demographic means that the trust will need to replace people who retire. There was no knowledge of anyone within the maintenance groups leaving the NHS for another job. They have recently taken on 12 apprentices. There were no problems recruiting as they had 300 applicants. These will finish within two years and will help with future turnover. However, past experience showed that apprentices tended to leave to get experience in other sectors.

Major capital projects are contracted out, but the trust employs carpenters and painters. These are in receipt of the RRP. The Head of Estates felt that the RRP was justified for skilled carpenters, but not for painters. He said that they 'did not necessarily ask for the RRP when it was brought in'.

Tradesmen can earn more money outside the NHS, but the NHS terms and conditions are considered to be favourable. However, it was felt that it would be difficult to recruit if there was not an RRP in place.

The trust has a problem recruiting to full time chaplaincy posts. At one location, a post was advertised on two occasions and the trust received no applicants and resulted in an unsatisfactory hire. At another location, the trust recently interviewed two chaplains, neither of whom had relevant skills. All full time chaplains receive an RRP worth 19.5 per cent of salary (for one chaplain on AfC Band 8a and three team leader chaplains on AfC Band 5/6). Below AfC Band 5, the RRP is considerably lower but is not applicable at this time. The only occasion a chaplain earns extra is for private funerals or occasional lecture fees. The trust does not pay the RRP to part time workers (shifts/on call), but there have been no problems with part-time recruitment. It has also easily recruited a number of

volunteers. It has an ecumenical team, but it does not employ non-Christian chaplains as there is limited demand in the area. The Head of Chaplaincy credited recruitment problems to the cost of houses in the South East. Retention of chaplains is very good at the trust. Two of the four chaplains in post are over 60 years of age, so the trust will need to recruit again in one or two years' time.

The Staff-Side representative felt that the NRRP is justified because it replaced a former South East living supplement. The main problem was attracting people to work in the area – as the trust is far from London and quite isolated – but once staff join, they are likely to stay. Staff side discussions have agreed that the RRP level is considered fair.

### Annex R occupations

The trust has the greatest problems recruiting pharmacists and has competition for this group with Pfizer. The trust does not employ invoice clerks, payroll officers or perfusionists. The trust has discretion over the point on the AfC pay scale at which it appoints. Demand has fallen for cytology screeners because of new screening techniques; the numbers of patients stabilising and due to automated image detecting. In the future, work will be consolidated into fewer labs which will decrease demand further.

For biomedical scientists, the teaching methodology promotes shortages so scientists are at a premium. However, the trust's department has changed its ways of working, having moved to a shift system and introduced AfC Band 2 and 3 assistants. This has considerably decreased demand for biomedical scientists. Retention is poor because there are limited opportunities for progression but these issues are being addressed and have now stabilised.

The trust does not receive great numbers of applicants for Estates Officer jobs. For example, they recently advertised a position and two individuals were short listed and one was interviewed. The Head of Estates is in no doubt that officers are paid more outside the trust, but turnover is low because the limited travel is favourable, but, higher up the pay band, jobs become more externally competitive.

## 8.3 Trust C

Trust C is a primary care trust, located in the North East of England. IES interviewed the Head of Human Resource Services, the Head of Estates, the Dental Directorate Manager, a dental hygienist, and the Staff Side Chair.

### NRRP groups

Numbers within electrical, mechanical and plumbing trades at the trust have remained stable over the last two years (see table C1) and the Head of HR Services stated that the trust is a big employer locally and has no problem recruiting for these groups of staff. Mechanical, electrical, plumbing and building craft workers are on AfC pay Bands 4 and 5.

The plumbing workers at the trust are not in receipt of an RRP, but electrical and mechanical workers are. There is a disparity in pay between the electrical, plumbing and building craft groups on the site, but there is a bias in the hospital

towards the skills of the mechanical and electrical groups. The turnover of staff is mainly due to retirements and the workforce has an ageing profile so there is a desire to recruit more apprentices. The Head of Estates state that there have never been any problems recruiting staff with numerous applications, but the quality of the applicant varies. The Staff Side stated that due to the specialised nature of hospital engineering, the trust in the past has had to hire people with little experience of the NHS and let them learn on the job. The Head of Estates said that in the current climate the RRP is not applicable for electrical and mechanical workers. Currently there is a moratorium in the department on recruitment and the Head of Estates would prefer to reshuffle rather than recruit new staff. Few staff in the estates department come from NHS trusts; most come from private employers or from the self employed.

The Staff Side stated it can take up to six months to get someone actually onto the site due to the lengthy recruitment process. The estates workforce is reasonably '*sedentary and it is rare for people to leave for pastures new*', according to the Head of Estates. Turnover in the estates department is nine per cent and across the trust overall it is 9.6 per cent. No locally agreed recruitment and retention premia is paid to building craft workers.

College courses were set up in the local area in mechanical and electrical work due to the demand from the local trusts, but the number of apprentices taken on is balanced against the number of people expected to retire in future years. One apprentice is currently employed in the electrical trade.

The Head of Estates thinks the trust will have difficulty recruiting into all vocational groups in the next 10 years at all levels due to fewer individuals entering the trades. It was also stated that the promotion to a supervisor is not worth the money and there is little incentive to go into management, as managers are no longer eligible for overtime payments.

Trust HR Services took the view that the RRP should not be paid if there are no recruitment or retention difficulties locally. This trust resisted paying the RRP and took the trade union to tribunal over its payment. The trust had '*an enormous amount of equal pay claims and estates workers were being used as comparators*'. The Head of Estates stated that the removal of RRP across all groups would not be an impediment as people tend to take up employment in the local area rather than move and the trust is the biggest employer locally. The Staff Side Chair stated that there would be retention problems if the RRP was removed.

The last recruitment of a chaplain took place in 2006. The Head of HR Services reported that there are no recruitment or retention problems with chaplains at the trust. The trust pays an RRP to chaplains worth £3,720. Turnover among the Chaplains was zero per cent in the last 12 months. Chaplains are on AfC Band 6, with one chaplain at AfC Band 8.

## **Annex R groups**

The Trust HR Services Director stated that recruitment into any of the groups for which locally agreed RRP can be applied is unlikely in the next couple of years as the trust is controlling its spend. There is not a vacancy freeze, but the Director stated it will not automatically replace leavers unless it impacts patient care.

Recruitment of pharmacists has been problematic as the trust does not always get applicants for vacancies. Qualified perfusionists are also difficult as the HR Services Director stated that there are not enough in the labour market. The trust looked at in-house training, but it required qualified staff and does not have the infrastructure to sustain it. However, no RRP is paid.

The trust pays an RRP to dental hygienists worth 15 per cent of salary. This group were in receipt of an RRP under Whitley arrangements so this is a historical payment. This is due to the much higher rates in the private sector which were confirmed through gathering market intelligence; the last time this data was collected was in 2008. The Head of HR Services stated that the private sector pays £20 per hour, whereas even for those at the top of their pay band in the NHS, the maximum is £17 per hour. Therefore the trust receives low numbers of applicants. Also the trust HR Services stated that work in the NHS is less flexible than in the private sector, with hygienists able to choose working hours more freely in the private sector.

Dental hygienists sit on AfC pay Band 6 within this trust and in addition receive the RRP. The Directorate Manager stated that the department is never fully staff and since 2008 five people have left. One of these leavers went to be a tutor at university, three went to private practice and one was downgraded so left the trust. A tutor hygienist vacancy has been advertised four times and has received no applicants. A tutor therapist vacancy was then first advertised in February 2009 and again no applicants. The next time this advert was placed it was mostly foreign applicants applying who did not have the qualifications required, but, two applicants from this round were short-listed. One of these withdrew their application before interview and the other was offered the position but turned it down because it was not being financially viable for them.

The Directorate Manager stated that it is common for dental hygienists to work three days in practice and two days in the NHS in order to earn the higher rates and yet experience the wider range of case mix in the NHS. This trust is a specialist teaching hospital and offers a more '*clinically interesting job than private practice*'. None of last year's students who left the teaching hospital started on a job paying less than £27 per hour and it is possible to earn £90 an hour in private practice therefore to come to work for the NHS means a huge pay cut. All hygienists start at the bottom of AfC Band 6 and it can take five to six years to get to the top of the band. There are perceived benefits to working in the NHS such as the CPD and pension, but these don't close the earnings differential. The job in the NHS is also more prescriptive than in private practice as you could possibly be the only person in the private clinic and have control of one's own workload.

The 15 per cent RRP is a short-term RRP and therefore it is not pensionable, but the trust has been paying it on a long-term basis. The 15 per cent figure has not been reviewed since 2008, but the Directorate Manager said it is making a difference to recruitment and retention.

There is no turnover among dental technicians with people staying at the trust for long periods of time. The Directorate Manager stated it only wants an RRP to be applied locally for dental groups, if required, and if any national RRP was introduced it would simply employ fewer individuals to recoup the cost.

**Table A4: Number of NRRP groups employed.**

Qualified mechanical workers	24
Qualified electrical workers	23
Qualified plumbing workers	10
Building craft workers	Numbers unavailable
Chaplains	3 full-time and 4 part-time

## 8.4 Trust D

Trust D is a Scottish Health Board. For a local RRP to be applied in Scotland it has to be agreed by the Scottish Terms and Conditions Committee and any agreed RRP would apply to all health boards. IES interviewed the Director of HR and Staff Side representatives.

Average weekly earnings in the local labour market are around four per cent lower than Scotland as a whole and about eight per cent lower than average weekly earnings in Great Britain. Proportionally, there are around two-fifths more Job Seekers' Allowance claimants in the area than in Great Britain and about a third more than the percentage for Scotland. Proportionally the size of the construction sector is smaller in the rest of the UK than it is for Scotland.

### NRRP groups

HR stated that the Health Board employs around 113 qualified mechanical, electrical and plumbing workers spread across the whole organisation. HR reported numbers have remained stable for all groups in scope of the review over the past couple of years; whereas Staff Side stated that there has been a drop in numbers over a period of several years. The breakdown of trades and pay bands given by management and staff side differed. The breakdowns given were as follows:

**Table A5: Trades and Pay Bands**

	Numbers reported by HR	Numbers reported by Trade Union
Mechanical	Band 4 - 2	Band 4 - 3
	Band 5 - 18	Band 5 - 38
		Band 6 - 1
Electrical	Band 4 - 20	Band 4 - 12
	Band 5 - 31	Band 5 - 48
	Band 6 - 3	
Plumbing	Band 4 - 14	Band 4 - 11
	Band 5 - 25	Band 5 - 27

HR stated that it is unlikely that the Board will recruit into the above occupations over the next couple of years as the Board's estates department continues to be

rationalised and further efficiency measures are put in place. However, the Staff Side stated that it believes management will recruit due to a review report, finalised in March this year, which showed an approx shortfall in estates staff of 42 per cent.

The Staff Side stated that there are not suitable qualified personnel who meet the training and criteria needed for the level required within estates. Under the AfC national profile, the minimum requirement for a technician is graduate level, and for a craftsman it is an HNC. Also the existing major construction work, i.e. M74 extension and two aircraft carriers, will make recruitment much harder over the next five to seven years.

Staff Side stated that recruitment problems have been experienced within estates because prospective employees are not willing to take jobs which start at the bottom of the pay band and don't qualify for RRP under the terms of the short term contracts in place due to the recruitment freeze. They are also reluctant to accept jobs which are less attractive than nationally agreed JIB rates.

Staff side also reported that the number of job applicants is lower than in the past and the quality of job applicants and appointees is markedly lower than a few years ago. It can take two to three years for a new appointee to become fully competent, despite being a time-served craft worker because NHS jobs tend to require greater knowledge and skills than comparable external jobs. With the decline of the shipbuilding industry and a marked drop in maintenance apprenticeships, most applicants come from the construction industry. Staff Side stated that there are very few comparable jobs outside the NHS and there is a lack of in-house training.

There are no current vacancies for any posts within the scope of the review and given the Board's financial plan and within the context of the national (Scottish) organisational change policy all vacancies arising are being reviewed.

Turnover is very low within all of these groups. In the year to date, three posts have become vacant. For each post, there are between 30-40 applications with around five to seven people being short listed for each vacancy. There is no formal exit interview process at the Board so it cannot be determined where leavers from these groups have found alternative employment in previous years, but a number across all trades leave through retirement. HR stated that in the past two years, eight posts have become vacant through retirement. The Staff Side stated that there have been 12 retirements over a period of two years, and none of these have been replaced. Staff Side reported that a small number have left to go to the private sector for better pay, although these are mostly temporary workers who return to the private sector due to the lack of job security.

HR stated that recruitment difficulties for any of these groups are not expected in the future, due to the recession and the fact that there are fewer opportunities in the building sector locally. However, the Staff Side stated that due to the two year pay freeze and overtime being stopped it will be more difficult to recruit in future. There are no apprentices currently employed by the Health Board.

HR stated that the NHS is generally seen as an attractive employer for trades people locally. Staff are mostly recruited from the private sector, although some competition is felt from local authorities. Due to the nature of the operation of the health board, the board is not competing with neighbouring NHS organisations

for these groups of staff. It has geographic teams and can deploy staff from an existing pool of workers to sites that demand their skills. Staff would have to relocate to work for another health board and as NHS Boards in Scotland are governed by national terms and conditions (UK Agenda for Change) there is no variability in pay rates. However, the Staff Side disagreed stating that if the RRP was removed they would anticipate more competition from neighbouring Health boards, due to a difference on AfC pay band outcomes.

Staff Side reported that although retention is not a significant problem, the workforce is ageing, with the majority of staff aged between 50 and 65 years, and there are more than twice as many retirements as resignations. At one hospital within the Board, some 60 per cent of staff will reach retirement age within 10 years. They stated that removing the RRP is likely to result in at least some resignations and possible retiring earlier than planned. Furthermore, Staff Side reported that the job security traditionally offered by the NHS can no longer be relied upon and the time lag of some two to three years between recruiting a qualified maintenance craft worker and them being able to undertake the full range of duties suggests that it would be unwise to withdraw the RRP until the labour market situation has improved.

The HR Director stated that they do not require the NRRP for plumbing, mechanical or electrical workers and if it was removed it was unlikely to have an impact upon the ability to recruit or retain any of these workers. There are no payments made in addition to the NRRP for any groups. The HR Director does not support the retention of NRRP but would like the flexibility to retain an RRP to apply at a local level if circumstances deemed them necessary, but currently these circumstances are not present. Staff Side support the continuation of the RRP for qualified maintenance staff and believe it is at an acceptable level which makes the NHS comparable with outside agencies.

No RRP is paid to building craft workers. However, the Staff Side supports an implementation of the RRP for this group.

The Chaplaincy service is largely provided on a sessional basis. The Board employs 11 full-time Chaplains and makes sessional arrangements to meet any additional requirements. The HR Director reports no recruitment or retention difficulties amongst Chaplains although an RRP of £4,092 has been paid to Chaplains since 2007.

### **Annex R groups**

No RRP's are paid to any of the locally agreed national RRP groups. The Health Board expects to continue to recruit clinical coding officers, cytology screeners, dental technicians and hygienists, biomedical scientists, pharmacists and qualified medical technical officers over the next couple of years, in order to replace staff who leave. Payroll team leaders are typically recruited from among existing staff and the Board does not employ perfusionists.

The Board is unlikely to recruit more estates officers, financial accountants or invoice clerks over the next couple of years. It is also rationalising its midwifery units so recruitment of newly qualified midwives in the future is likely to be limited.

The Board did have recruitment problems with financial accountants due to the buoyant financial sector in recent years and NHS pay rates being uncompetitive in relation to the banks. Having struggled with these groups in the past, recruitment of these posts is now less of an issue as the market is changing following the recession. There have not been recruitment problems with any of the other staff groups.

Currently (as at 31 July 2010) the Health Board has 1.62 vacancies for an AfC Band 6 qualified pharmacist, out of a total establishment of 49.3. For AfC Band 7 qualified pharmacists there are 7.3 vacancies out of a total establishment of 85.2. There are pharmacy schools locally and the Board recruits at AfC Band 6 and promotes after a year to AfC Band 7. Pharmacists employed by the Health Board tend to stay and the NHS remains an attractive career option for clinical pharmacists.

In the future, the HR Director predicts potential problems with biomedical scientists, as this is an ageing workforce, with 14 per cent of 69 WTE out of a workforce of 489 WTE, being over the age of 55.

### **Local labour market**

The trade union collects information from the JIB (SJIB) and from the private sector. It stated that with the RRP included the NHS rate is comparable with outside agencies. If it was removed it is less comparable:

Comparable JIB post Approved Electrician:	£14.35.
NHS Craftsman Electrical is:	£12.82 (Inc RRP).
	£11.15 (ex. RRP).
Comparable JIB post Technician:	£16.16.
NHS Technician:	£15.75 (Inc RRP).
	£14.08 (ex.RRP).

According to the trade union, the removal of RRP would be the equivalent of a 15 per cent wage cut, and 28 per cent behind the JIB (SJIB) rate for current staff. By their calculation, new employees starting at the bottom of the pay bands would be approx 33 to 38 per cent (depending on pay band) below the JIB (SJIB) rate.

## **8.5 Trust E**

Case study E is an acute, foundation trust in North West England. IES interviewed the HR Support Services Manager, the Head of Estates and the UCATT Shop Steward at the trust.

The local labour market is tight with a relatively small construction sector and a small number of skilled craft workers. Earnings levels of residents are very high, although pay rates within the district are close to the regional averages. Hospitality and retail are the major sectors in the local labour market, but there are also opportunities within a large petroleum company and much shift pattern/contract work available locally. In the week IES conducted its interview, the majority of new vacancies received by the Job Centre were in hospitality, followed by sales/call centre staff, cleaners and retail sales. There were some 15 vacancies for the skilled trades of carpentry, electrical, scaffolding and bricklaying.

## NRRP groups

Over the past two years numbers of mechanical, plumbing and electrical workers have only slightly changed. An additional plumber has been hired to replace one plumber who left, one electrician has left and one building craft worker (a joiner) left stating low level of pay as the reason for his resignation. One mechanical fitter has also left.

A vacancy for a plumber is currently out to advert locally, but it is too early to determine the number or quality of applicants. The previous post holder left to work for Shell where he had been offered a salary of £30,000. The vacancy to replace this role is currently out to advert. Two years ago an advert for a joiner was placed locally and there were five applicants, from which one was hired. A year ago some 40 people applied for a mechanical fitter job, but no one was hired as they were not suitable. The Head of Estates and Shop Steward stated that it is difficult to find the 'right calibre' of people as the NHS has different expectations compared with employers on a building site in terms of the need to interact with patients and other staff and the responsibility levels required.

There are currently four electricians at the trust and two are approaching retirement. The UCATT Shop Steward stated that if the RRP was removed the trust would not be able to recruit skilled staff. He cited the example of a joiner who left after one year in post as he was not in receipt of the RRP and therefore could not manage on the level of pay. This individual became self employed. The Head of Estates shared the view of the Shop Steward that without the RRP they would not be able to recruit skilled staff. Of the two joiners who remain, one is 69 years old and only works part-time. The shortfall in work is covered by contractors. This trust does not pay an RRP to building craft workers. Having joiners who are not paid the RRP working alongside electricians in receipt of the RRP is a cause for problems according to the Head of Estates. Supervisors are also in receipt of the RRP across the plumbing, mechanical and electrical trades.

The specialist equipment on the NHS sites also requires specialist skills which are hard to find outside of the NHS. The trust does not employ apprentices, preferring to hire Band 3 semi-skilled workers. The Head of Estates stated that the minimum of AfC Band 4 is £21,000 and the maximum is £25,000 when the RRP is included and it would not be possible to attract someone from industry at below this pay rate. Ideally multi-skilled workers are required and these can only be employed from outside industry.

The qualified mechanical workers, electrical and plumbing workers are all on Band 4 plus RRP and the building craft workers are also on AfC Band 4, but without an RRP.

The trust has recruited one plumber and one electrician previously working from the local university. The Head of Estates stated that the university pays less for plumbers than the NHS. The on-call aspect of the NHS is, however, not attractive to new recruits. It is possible to earn an extra £2,000 a year through on-call payments, but the Head of Estates suggested that some employees dislike being the sole person on site on these occasions and dislike the level of responsibility. The Shop Steward emphasised the unappealing nature of on-call shifts due to the restrictions it places on leisure time. The on-call aspect of the work also restricts the market from which the trust can recruit as it requires people who live locally

so that they can respond to on-call requests quickly. This means the trust only advertises in local papers for these roles. The Shop Steward stated that it can be five or six months before any new recruit is actually working at the trust due to delays caused by hospital policy and CRB checks. This means it can be up to a year before the individual is capable of working on-call shifts due to the level of local knowledge needed to work alone. The local knowledge of the workers on site was regarded as very important by both the Head of Estates and Shop Steward.

The Head of Estates thinks that it is better to retain the RRP. For plumbers, the RRP is in place in order to recruit and retain, but the work is not considered to be technically demanding at the trust. For the mechanical and electrical workers, the Head of Estates sees the RRP as more of a skills payment to attract and retain the staff with the specialised technical knowledge needed. The Head of Estates states that the RRP is not needed for the building trades as this role does not demand the local knowledge needed from other trades and therefore these workers are easier to replace if they leave or can be replaced by agency workers. The trust currently has two electricians who are in their mid sixties and the Head of Estates thinks that it will be difficult to recruit when they leave. He stressed the vital importance of needing to retain the local knowledge of the electricians, fitters and plumbers at the trust.

Turnover at the Trust is 8.34 per cent in the 12 months to February 2010. Within estates this figure is higher at 11 per cent, but this includes porters and ancillary staff.

There is one full-time Chaplain employed at the trust, another works 22 hours a week and one is contracted for a 2.5 hour week. Four other chaplains are employed on the bank. The chaplains are on AfC Band 6, although the one full-time chaplain is employed on AfC Band 7. There are no plans to recruit any chaplains in the next couple of years and the HR Support Services Manager stated that there were no retention problems among chaplains employed by the trust. The chaplain on the 2.5 hours contract was hired on 1 September 2010 and a bank chaplain was employed in January 2010. Before that, no chaplain had been recruited since 2005. Chaplains are in receipt of an RRP worth £331.50 a month (£3,978 each year).

## Annex R groups

An RRP is paid to clinical coding officers at the trust. Some 15 coders are employed and range from AfC Bands 3, 4 and 5. The HR Support Services Manager could only state that the RRP paid to these coders is at a cost to the trust of £16,000 a year in total, but each coder is paid a different amount. This seems to suggest that the RRP is a percentage figure but this could not be confirmed. The RRP has been paid since the implementation of AfC in 2005 and is paid because these individuals were difficult to recruit and there was a concern about retaining them due to the investment in training for coders at the trust. There is, however, currently no retention issue among coders. The last recruitment round for coders was in 2009, but no detail was available about this recruitment exercise. No further recruitment is expected for coders in the next couple of years.

The HR Service Support Manager stated that the trust has experienced retention, but not recruitment, difficulties among pharmacists. The higher wages on offer in

the private sector have, he says, impacted retention. No recruitment of pharmacists is, however, expected in the next couple of years.

The trust is expecting a reduction of financial accountants, payroll team leaders and invoice clerks over the coming years due to the increasing use of shared services.

### Local labour market

The Shop Steward stated that from conversations with contractors, NHS plumbers are on about £5,000 less per year than private contractors. But other than informal discussions with contractors no pay data is formally collect by the trust about what competitor organisations / other local employers pay.

**Table A6: Numbers employed in each occupational group**

Qualified mechanical workers	4
Qualified electrical workers	4 plus one charge hand
Qualified plumbing workers	2 plus 1 vacancy
Building craft workers	2 part-time
Chaplains	1 full-time Chaplain
	1 Chaplain works 22 hours a week
	1 Chaplain work 2.5 hours a week

## 8.6 Trust F

Case study F is a mental health trust in South East England. It is also a Foundation Trust. IES interviewed the HR Director, Employment Services Manager and the Staff Side Secretary.

The local labour market is small in terms of population, although workers could be attracted from larger towns located near the edge of the district. It is in the commuter belt and there is a high proportion of managerial and professional, financial and business services employment in the area. The construction sector has been larger than average in the last few years, but there is below average employment of skilled workers. Earnings are very high and unemployment is very low, suggesting a tight labour market where pay levels may be bid up to attract workers.

### NRRP groups

The trust employs 28 maintenance workers and two chaplains. The chaplaincy numbers are stable but the trust is currently recruiting one chaplain on a full-time contract. An RRP worth £3,744 is applied to chaplains. With the exception of the current vacancy, there have been no other vacancies at the trust for chaplains in the last two years.

The trust is rationalising its estates department as the number of NHS properties have reduced by about two-thirds through moving to other providers. The

restructure completed at the end of 2009 resulted in two electricians leaving, three plumbers and two building craft workers.

The Staff Side Secretary stated that a mechanical modern apprentice was recruited within the last two years due to the fact that an advert for a trained mechanical fitter did not produce applicants with the requisite knowledge or skills for the service. The Staff Side Secretary stated that most hires are from other NHS organisations because the work is specialised and staff are multi-skilled. The HR Director stated that for vacancies in the qualified groups, they typically receive a high volume of applicants but the quality is lacking. The trust is in competition for maintenance workers with the local authorities and other NHS trusts and stated that the private sector is paying higher wage rates, with some self employed workers moving to NHS trusts.

The Staff Side Secretary stated that there are currently no retention problems among the qualified maintenance groups and the building craft workers, but if the RRP was removed for the qualified staff there would be a problem. He stated that the AfC bandings the qualified workers are placed on (AfC Band 4) do not recognise the multi-skilled nature of these workers and do not adequately recognise the quality, and level of knowledge of the skills of these workers. The qualified plumbing, electrical and mechanical staff are on AfC Bands 5 to 7, building craft workers are on Bands 3 to 4.

Turnover in estates is five per cent which is lower than across the rest of the trust, which is 12.5 per cent. Some 40 per cent are close to retirement in the qualified mechanical, plumbing and electrical trades and leavers in the last two years have retired or left on ill-health rather than sought employment elsewhere.

The trust has experienced no retention difficulties and numbers have remained stable among the qualified mechanical, electrical, plumbing and building craft workers. Building craft workers do not receive an RRP.

The HR Director and Employment Services Manager stated that they thought they could recruit without the RRP. There is no high turnover of staff and the last time there were recruitment problems among this group was about eight years ago. The Staff Side Secretary stated that the RRP acts as a good tool if you cannot source workers locally on the correct pay bands. Whilst he agreed with the HR Director that there *'is no great need to apply it in this area'*, he stated that he would expect recruitment and retention to be impacted if it was removed. The Staff Side Secretary stated that if the RRP was removed for qualified maintenance workers, they would turn to the private sector. He stated that he thinks the RRP is set at the correct level when compared to private industry.

## Annex R groups

One payroll team leader is employed at the trust and receives an RRP of £700. This post is on AfC pay Band 5. This RRP was to compensate the post holder for a lower pay result under AfC following the job matching exercise, rather than to address a recruitment and retention issue. But the HR Director stated that they would have no difficulty recruiting to this role and would promote internally to fill a vacancy. Once this post holder leaves the RRP is likely to be removed.

A pharmacist at the trust recently retired and was replaced but the trust reports no problems recruiting or retaining pharmacists.

### Local labour market

The trust does not collect information on what competing organisations pay and would only do so it was to go out to agency. Fringe allowances are paid to two hospitals in the trust and staff seek bank work at these higher-paying trusts, but there is no problem of losing permanent staff to these sites.

## 8.7 Trust G

Case study G is a large acute trust with foundation status located in the North East of England. IES interviewed the Assistant Director of HR, the ESR/Payroll Manager, the Maintenance Manager, Recruitment Manager and Staff Side representatives from the RCN, Unite, Unison and Society of Radiographers.

The local labour market is relatively small, but attracts commuters from larger neighbouring towns. The numbers employed in skilled craft work is close to regional and national averages and employment in construction is about average, although there were booms in 2001-2002 and again in 2006. Unemployment is about twice the national rate and there are above average numbers of unemployed for each unfilled vacancy, although there are a relatively large number of unfilled vacancies which may suggest low skill levels among the unemployed.

The area traditionally has a lot of manufacturing sectors but new investment is planned in the low carbon economy, such as green energy and the digital economy. The region is polycentric therefore it is difficult to attract business to this area rather than neighbouring towns. The main industrial sectors are manufacturing, construction, the public sector (large university, NHS), retail and services such as call centres. Emerging employers are management consultancies, recruitment, health and social care (including non-NHS), IT and leisure. Over half of the local labour force are employed by large firms and the public sector, with very few in small businesses or self employment. The local population is ageing and very few young people are entering the labour market; therefore there is an emphasis on developing the existing workforce.

### NRRP groups

The trust employs nine maintenance workers in total, of which the largest group is electricians (see Table A7). It does not employ any plumbers. The trust pays the NRRP to mechanical workers, electricians and a maintenance supervisor who is on AfC pay Band 5. No payment is made in addition to the NRRP. Numbers within these groups have not changed over the last couple of years but it is an ageing workforce and one electrician is retiring soon and the trust is only recruiting into this post currently. Recruitment is, however, expected in the next few years due to retirements.

The trust has received 19 applications for the current electrical vacancy. The Maintenance Manager and Staff side stated that most applicants are however not suitable. All types of tradesmen have applied, one has had no electrical experience and some applicants have out of date qualifications. Three applicants have been

short listed and only one of these has the experience and qualifications needed and is currently earning more than the job is advertised at. The Maintenance Manager stated that lots of training is needed for electrical workers due to the specialised equipment in the NHS and training is expensive at about £3,000 per course. Two existing electrical workers have worked in hospitals prior to joining this trust, but mostly electricians are hired from the private sector.

The Maintenance Manager stated that there are no retention difficulties at the hospital among the NRRP groups. It has long-term employees with high age profiles ranging between 53 to 65 years among the maintenance groups and these workers have been at the trust for between ten and 37 years. The majority of the maintenance workers at the trust are earning £21,318 and the Assistant HR Director stated that local authorities pay these workers the equivalent of the top of AfC Band 5 (£26,000). The maintenance manager stressed the responsibility required in the job in the NHS and that there is a huge reliance on the expertise of the workforce particularly on on-call 'shouts' and training is given to a high level in order for workers to be able to respond out-of-hours.

There are currently two apprentices at the trust, one in mechanical and one in electrical. These have been taken on in order to replace retirees in future. No mechanical workers have had to be hired recently and the maintenance manager stated that it was about 15 years ago that the trust actively recruited mechanical workers.

The Maintenance Manager and Staff Side thought that if the RRP was removed it would impact retention and some workers may retire or at least reconsider their retirement plan. The trust would then have to use contractors for the hospital equipment as the in-house specialised skills are held by this ageing workforce. He stated that the RRP should be retained but doesn't need to be increased because of the other benefits on offer within the NHS such as work-life balance, sick pay and annual leave.

The most recent chaplain recruitment was in January 2009 in order to replace a retiree. This recruitment resulted in a chaplain being employed at AfC Band 8a due to his personal negotiations. The trust stated that recruitment at this level would not be repeated and that this is not indicative of a recruitment or retention issue. The trust only employs one full-time chaplain and the rest are attached to the parish. No RRP is paid to chaplains as chaplains were not in receipt of an accommodation allowance under Trust terms and conditions, which were implemented in 1997 and subsequently replaced by AfC. Chaplains under trust terms and conditions were on a higher salary to account for the lack of an accommodation allowance and were moved to AfC Band 6 when AfC was implemented at the trust. There is no retention problem with chaplains at the trust.

## Annex R groups

The Recruitment Manager stated that pharmacists leave the trust for promotions elsewhere, relocations or for the private sector. The trust experiences a lot of overseas applicants for pharmacists. The Recruitment Manager did state that the trust has been able to recruit when it has advertised for pharmacists. For example, in the last 12 months, some nine pharmacist posts have been advertised and some

23 applications were received and five pharmacists were appointed (see table A8 below).

The Recruitment Manager stated that the trust used to pay an RRP to pharmacists, but it was removed. No history could be provided on how much this payment was or why it was removed. The retail sector is the trusts biggest competitor which can pay £10,000 more than the NHS. Qualified pharmacists start on AfC Band 6 at £25,000, with the retail sector reportedly starting pharmacists on £35,000. The recruitment manager stated that it does manage to recruit pharmacists but then they leave the trust. Of the five pharmacists that were recruited in the last 12 months, one came straight from a university course, one came from another nearby trust and one took a £10,000 pay cut to work at this trust. The Recruitment Manager stated that more generally pharmacists are recruited from other hospitals. There are those pharmacists that wish to make a career out of specialist pharmacy who will remain in the NHS but they may also locum for the private sector.

The trust grows its own clinical coders and midwives and uses internal recruitment for payroll team leaders. The Recruitment Manager stated that he expects to recruit clinical coders, biomedical scientists, pharmacists and midwives in the next couple of years.

The trust employs 37 clinical coders. Clinical coder positions were advertised once in the last 12 months and it received 67 applicants for the post. This was a better response than has been achieved in previous years. The trust pays an RRP to clinical coders worth £1,200 to those on Band 3 and £1,500 to those on Band 4. These are short term RRP and have been paid since 11 August 2008 and were introduced due to recruitment problems for this group and competition with neighbouring trusts. The trust struggled to get supervisors and managers in clinical coding in 2008. The Recruitment Manager stated that they went to advert twice but it was difficult to find individuals with both the technical and managerial skills required and it resulted in the structure of the department being changed.

The trust stated that it used to also have problems with biomedical scientists but four years ago the local university increased the number of places on offer and now there is no longer a shortage of supply.

**Table A7: Number of NRRP groups employed.**

Qualified mechanical workers	3
Qualified electrical workers	4
Qualified plumbing workers	0
Building craft workers	2
Chaplains	1 full-time.

**Table A8: Recruitment in last 12 months**

	Number of times advertised	Number of applicants	Number appointed
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	last 12 months		
Chaplains	0	0	0
Clinical Coding Officers	1	67	1
Cytology screeners	0	0	0
Dental nurses	1	11	1
Estate/Works Officers	1	Currently recruiting	
Financial accountants	1	23	0
Invoice clerks	0	0	0
Biomedical scientists	3	57	1
Payroll team leader	0	0	0
Pharmacists	9	23	5
Qualified maintenance craftsperson	1	21	1
Qualified maintenance technicians	0	0	0
Qualified medical technical officer	0	0	0
Qualified midwives	6	58	5
Qualified perfusionists	0	0	0

**Table A9: Numbers of Annex R groups employed**

Post	Number employed
Clinical Coding Officers	37
Cytology screeners	2
Dental nurses	11
Estate/Works Officers	2
Financial accountants	10
Invoice clerks	6
Biomedical scientists	121
Payroll team leader	3
Pharmacists	32
Qualified medical technical officer	10
Qualified midwives	13
Qualified perfusionists	0

## 8.8 Trust H

Trust H is an acute, foundation trust in Yorkshire and Humberside. IES interviewed the Director of Personnel and Development and the full-time officer for Unison.

### Local labour market

The local labour market is characterised by a relatively large manufacturing sector. Earning levels are low and unemployment rose rapidly during the recession. Unemployment is above the national and regional averages.

The Director of Personnel stated that the trust is well embedded in the local area and is an employer of generations of families and is obviously faced with a different context than large metropolitan trusts.

### NRRP groups

The trust runs two main hospitals. At one hospital, a PFI, the estates workforce is provided by a private contractor and at the other hospital the number of estates workers employed by the trust is very small and these workers are nearing retirement age. The Director of Personnel added that staff were transferred to the PFI hospital in 2001 and would have retained NHS terms and conditions. The Unison representative stated that the pay scales at the PFI hospital are up to £5,000 lower than AfC. It was unknown whether the transferred staff are still employed at the PFI site. Both the Staff Side and Director of Personnel agreed that there were no recruitment and retention problems amongst estate staff, with the Director of Personnel stating that movement amongst the estates groups are almost all linked to retirements and that RRP is not relevant for any of these groups and RRP's are not applied to any group within the trust.

Whilst the Director of Personnel stated that there are no problems recruiting staff in the maintenance or building craft groups, she questioned the quality of applicants and said sometimes it may be difficult to recruit the calibre of staff needed but added as they are only responsible for recruiting half of the trust's workforce in this area, due to the other site using a contracted out provider, so the numbers required are small and candidates are usually found.

The trust employs apprentices and has a local employability scheme embedded through Job Centre Plus. This enables the long term unemployed to find work at the trust through apprenticeships or through the employability scheme and move into substantive posts if they satisfy the criteria.

The chaplaincy is a stable workforce and was reported to not be in receipt of an RRP. Management did, however, report that chaplains receive an 'accommodation allowance', but the level of payment was unknown. The trust only employs two chaplains and no recruitment has been made in recent years. The Unison representative stated that the Catholic Clergy are given additional payments at Christmas and Easter from money pooled by the Bishop from the parishes. It was also stated that there is a better supply of Imams than Christian clergy in the area.

The trust stated it can recruit without the RRP for the NRRP groups and has a fairly static workforce. It services two provincial towns and draws from the local

population. The Director of Personnel stated that RRP is divisive and claimed that the staff side are also against RRP and do not think it is relevant for the local labour market

### Annex R groups

The Director of Personnel stated that recruitment of midwives is difficult due to the national shortage and the trust relies on its reputation and employment conditions to recruit rather than applying monetary incentives.

*The Director of Personnel stated that 'RRPs are not worth the disruption they cause and disparities caused with other staff groups. This is a primary reason for not applying them, RRP's are too hard to contain and remove. Their application does not make sense in terms of our pay strategy and we would resist any national application'.*

The trust has a good training scheme for their own perfusionists and does not experience any recruitment or retention problems among this group. Nor does the trust experience any recruitment or retention problems with pharmacists as there is a pharmacy manufacturing unit at the trust, which is licensed by the medicines and healthcare products regulatory agency, which manufacturers special orders for the trust as well as other NHS hospital trusts in the UK and to community pharmacists. This is seen as an attractive post for pharmacists as they can be involved in this side of the role. The trust is also embarking on a joint venture with Boots pharmacy and considering partnering with other private sector companies as beneficial in order to retain staff.

The Unison representative stated that in Cytology there is very little staff turnover and cytology screeners are paid at a higher AfC band than other staff groups because of the level of concentration involved.

The Unison representative also argued that there was little turnover of invoice clerks, medical technical officers, midwives and pharmacists. The Unison view was that the trust loses staff members principally to other acute trusts and the community sector.

Whilst the trust is against the use of RRP it does state it is flexible with its pay packages and attempts to maintain parity with its neighbouring trusts and closest competitors. It values its supportive and developmental working environment and stated that the softer, cultural infrastructure helps the trust recruit and retain without the use of RRP's.

## 8.9 Trust I

Trust I is located in Northern Ireland. IES interviewed the Co-director of Pay Partnership and Employment Relations, Head of Estates and Unite Regional Officer.

The organisation has 20,000 employees, but is different to trusts in Great Britain in that it provides integrated health and social care services to the city and also delivers some regional services across the whole of Northern Ireland.

The trust was formed through the merger of six legacy trusts about 3.5 years ago; two large acute trusts, two small acute trusts, some specialist sites and 140

community organisations, such as day centres, mental health centres and residential retirement homes.

The trust has faced a ten per cent cut in funding over three years and employee numbers have shrunk by 2,000.

### **NRRP groups**

Estates has about 270 staff, consisting of 70 professional staff, 150 craft workers (on AfC pay Band 2, up to Band 5 in maintenance and building) and 50 administrative and clerical staff.

Estates workers are mainly assistants on AfC pay Band 2 and tradesmen on AfC pay Band 4. It has very few staff on AfC Band 3, which tend to be 'super' maintenance assistants such as painters, brick layers and boiler men. They have a modest level of skill in one trade, rather than high level of expertise or multi-skilled.

The NRRP is paid to estates maintenance craft workers at AfC Bands 4 and 5. Some 64 staff are receipt of the NRRP, the break down is below with some omissions.

- 20 electrical workers
- 18 mechanical workers
- 20 plumbers.

All of the above staff are paid at AfC Band 4. There are about five or six individuals on Band 5 who receive the NRRP because they have the trade qualification. There are five builders at AfC Band 4 who do not receive the RRP.

The maintenance craft workers have an ageing profile with some 60 per cent of plumbers, 65 per cent of electricians, and 67 per cent of fitters in their 50s, although none are 60 or over at the moment. The average age is about 49, with very low numbers employed in their 30s.

The trust conducted a skills-mix analysis in August 2009 revealing that they had too many craft workers at AfC Band 4 and not enough at AfC Band 2. This came out of the move onto AfC, where all the qualified staff moved onto AfC Band 4 regardless of whether they were doing that level of work all the time, so they were having qualified electricians going out and changing light bulbs, while Band 2 assistants were 'holding the ladders'. As a result some 15 maintenance craft workers took voluntary redundancy in 2009.

Although the trust has not recruited for AfC Band 4 recently because of staff cuts, it recently advertised for a Band 2 (maintenance assistant) and Band 3 (maintenance worker without full qualification) and had 167 applications for eight posts which were advertised in May 2010. About half of the applicants were trade qualified but were applying for lower paid jobs, around £8,000 less. The trusts stated that if it advertised for qualified craft jobs at Band 4 it would 'get a stampede', even if it was without the RRP.

Neighbouring trusts have undertaken recent recruitment; at one location one maintenance fitter on Band 4 was advertised in April 2009; for which it received 19 applicants; one maintenance fitter at Band 4 was advertised in September 2009 and received 34 applicants; and one electrician at Band 4 was advertised in September 2009, for which it received 46 applicants. At another neighbouring trust, one maintenance fitter post at Band 4 is out to advert currently. It had 49 external applications, after first seeking to fill the post internally but receiving no internal applicants.

HR and the Estates manager did not report any recruitment difficulties for craft groups. The health sector is seen as easier work as it is warm and dry compared to being out on site. No retention problems were reported with leavers mostly due to ill health, early retirement or redundancy. There have been some cases of individuals on Band 4 being successful at applying for Band 5 roles which has created a vacancy at Band 4.

There has not been any turnover in the last couple of years apart from voluntary redundancies. Also a lot of building work has stopped due to the recession. Trust turnover has plummeted in the last couple of years across all job roles – two years ago it was ten per cent, last year it was five per cent.

HR and the Estates manager disagreed with craft workers receiving a National RRP and thought it could be on the Annex R list. In their view NRRP was to protect loss, but craft Band 4 workers earn more under AfC than they did before its implementation.

The trust has never had recruitment difficulties for craft workers, and the RRP costs £250,000 each year, both directly and because it increases payments under overtime and on-call payments, which are calculated including the RRP. It was felt that the National RRP was based on the English market, and it was not felt that the Northern Ireland market was ever under pressure.

The Estates manager stated that the position for maintenance craft workers is easier now than when the position for building craft workers was evaluated by the Greenwich Review in 2007; so there is even less of a case for the RRP for maintenance workers now than when the RRP was considered unnecessary for building craft workers. The NHS is also considered an attractive employer in terms of pension, annual leave, unsocial hours pay and on-call pay.

The Union stated that RRP has worked because it has resulted in a stable workforce, it is justifiable and should be retained. If the RRP was removed, pay would drop below market rate, and this could create a problem that is not there at the moment. If the market changes in two or three years' time, employers will not want to have an outflow of tradesmen.

The trust does not pay an NRRP to chaplains. The housing allowance was not paid in Northern Ireland because NHS chaplains would be based in their parish house rather than working out of NHS buildings. Only one chaplain has left in the past year, from a total of about 50.

### **Annex R groups**

Estates officers range from AfC Band 6 up to Band 8d, but most are on Band 7 and Band 8a. Some eight estates officers have taken voluntary redundancy in the last

two years. Estates Officers have to work beyond their profession and cover all areas, eg they would have to know how to deal with a leaking roof even if they are trained on in an electrical trade. This multi-skilled requirement makes it challenging to recruit. The trust recently interviewed for a projects manager and out of 18 interviewees only two had the level of multi-dimensional skills to do the whole job. Due to this, there is a tendency to 'grow their own' estates officers.

For clinical coding, the trust has moved staff who have been displaced from other roles into clinical coding. Within pharmacy, it was reported that demand in the commercial sector has reduced in the last five years. In the past pharmacists from Northern Ireland would seek work in Eire and earn higher salaries, but this situation has changed, so the supply of pharmacists in Northern Ireland has improved.

## 8.10 Trust J

Trust J is an acute Foundation Trust in the North West of England. IES interviewed the Director of HR. The Staff Side was unavailable.

### NRRP groups

The trust has about 30 staff who are in receipt of the RRP and these fall broadly into two groups; chaplains and estates workers. There is very little turnover in both groups and there has been no recent recruitment within estates.

The trust attempted to recruit a chaplain about eight months ago to fill a vacancy created by a retirement. However, the vacancy was for a very small number of hours each week and no suitable applicants applied. The HR director stated that it was the part-time hours rather than the salary on offer which was the obstacle here. Because the recruitment exercise failed the trust decided to not replace the chaplain who retired in order to reduce cost.

The trust reports no problem with recruitment or retention among the maintenance groups and receives external requests for jobs in the estates department regularly. The RRP is paid to plumbing, mechanical and electrical workers. The RRP is worth £267 a month for plumbing and electrical workers. The Director of HR thinks that the payments are divisive as other workers in the estates department such as the building craft workers do not receive the RRP. There is low turnover within these groups and most of the workforce within estates is over 50 years old but none are immediately close to retirement. The trust is training its own apprentices in electrical, plumbing and mechanical work.

### Annex R groups

The trust employs every group in the this category, but does not pay RRP to any of the occupations. The trust has had problems recruiting cytology screeners but this was attributed to a reorganisation in the trust which resulted in only short-term contracts being available at the trust rather than pay levels and was not considered to be a recruitment issue for this review.

The trust reports no problems with the recruitment or retention of pharmacists due to a quality control and production unit at the trust. The HR Director stated

that pharmacists often have a preference for working either in the NHS or in the retail sector and has not experienced much shift between the two distinct employers amongst the trust pharmacists. The trust does not think NRRP are necessary or applicable to any groups employed by the trust.

## 8.11 Trust K

Trust K is an acute, foundation trust in the West Midlands. IES interviewed the Executive Director of Delivery, the HR Director, and managers from Chaplaincy, Pharmacy and Perfusionists.

### NRRP groups

As of the last financial year, maintenance workers moved across to Consort/Balfour Beatty, the main contractor of the PPI joint venture. Prior to this, the trust was paying NRRP to maintenance workers.

There were about 60 maintenance workers at the trust, before they moved across to the PPI. There was very low turnover, driven mostly through retirement. Many will be retiring over the next ten years. These workers were on AfC Bands 2 and 4, with supervisors on Band 5. The trust had no problems recruiting to estates before the RRP was implemented or since it was put in place. It was stated that the RRP is seen as a knee-jerk reaction to difficulties experienced in a few geographical areas.

The trust tended to recruit from within the NHS, but with the construction downturn it had more applicants from the construction sector. It was considered that the NHS offers good pay, hours and terms and conditions, as well as a good psychological contract.

Last year highlighted difficulties with the National RRP as the market changed significantly and there were lots of estates staff available because building work was suspended. It was stated that there is too much national bureaucracy for trusts to be flexible to meet changing needs.

The trust received a bid from building staff and the union in April 2008 to pay RRP for building craft workers, but the only justification given was that maintenance staff are in receipt of the RRP, rather than recruitment or retention issues. The trust rejected the claim because it was easy to recruit and retain building craft workers. HR retained a similar view about the maintenance workers too; they had low turnover and they could recruit when needed. It was felt the RRP 'was an unnecessary addition to pay bill and remain unconvinced there's a national labour market for maintenance craft workers.'

Maintenance and building craft workers were a very stable workforce, but it is difficult to know whether the RRP was contributing towards that.

The RRP did cause in-house issues as the unions felt that it was unfair to not pay it to the other trades. It was reported that the NRRP raised tensions between staff. Equal pay concerns were also raised.

HR stated that the NRRP is equivalent to 'putting a millstone round a Foundation Trust's neck' and when the NRRP was introduced, it was a case of giving more money to people who were not going to leave anyway. HR felt that it is

incompetent that there has been NRRP for maintenance craft workers for the last two years when there has been little work in the construction sector. It felt that it is the wrong response to have a National RRP, but it should be left up to the local employer, where a more rapid response to local circumstances can be made.

HR stated it was agreeable to a national pay structure within which local RRP can be applied if a trust can justify it against standard criteria, for example, recruitment attempts, number of applications and turnover. It is not happy being told they have to pay national premia. It would not even have a suggested list, but rather guidance as to how to consider whether there is a case for a local RRP.

The chaplaincy team consists of ten people; three full time and part-timers make up 2.3 FTE, through a mixture of working one session or up to five sessions a week. (A session is 3.75 hours.) Chaplaincy staff also have pastoral role for staff. All chaplains are NHS employees and have same terms and conditions as all other employees. The numbers have remained stable but there has been diversification across faiths. AfC Band 6 is the main band, while there are two on Band 5 which is a training post. One is on Band 8a. The chaplaincy workforce is ageing, with two 60 year olds, one aged 58; the youngest is 40 years.

The RRP for chaplains is £4,002.12. For the Christian clergy, moving from a parish to the NHS their salary increases but they are without accommodation, therefore the RRP is seen not as a recruitment or retention tool for chaplains, but an accommodation allowance.

One part-time Christian chaplain left a year ago and the process from advert to interview is short, but this is because there is validation from the faith group. The trust interviewed four chaplains from a pool of about 40, and appointed a strong candidate.

The last time there was a full-time vacancy for a chaplain was three years ago. The trust short listed chaplains from parishes, but actually appointed someone from within the NHS. Part-time staff are often local to the area and tend to build up a portfolio of sessions across a range of NHS organisations. Institutional chaplaincy is becoming more of a profession, but as a result head-hunting is emerging.

It was reported that a parish priest/vicar would earn about £20k a year, but they also get accommodation. At AfC Band 6 plus RRP, the salary is £29.5k up to £38.2k, which gives c. £9-18k to pay for housing. If the RRP were not available, it may have a big impact on full-time applicants, who are more likely to come from a parish.

HR stated that Chaplaincy is a 'calling', and problems cannot be solved through the application of a premium. Chaplains are also in a very local labour market, with many on very part-time hours, and working for other employers as well as on NHS contracts

### **Annex R groups**

There are currently two vacancies for qualified perfusionists at AfC Band 8a, which account for nearly half of the usual team of five perfusionists at Band 8a. The trust also employs a deputy department head at Band 8b and a chief of perfusion at Band 8c. The trust hopes to grow the team in future; it started a trainee programme to manage recruitment and retention issues, and the first trainee has

qualified who is now on AfC Band 7. There is a second trainee on the programme and the aim is to have a constantly rolling programme of trainees. The salary for trainees is 60 per cent of Band 7 in year one and 75 per cent of Band 7 in year two. The trust has had a lot of difficulty recruiting and retaining perfusionists recently: it advertised twice in 2008 for a Band 8a and got one candidate who withdrew before interview; then at the second attempt it got no suitable applicants. In October 2009, the trust appointed a newly qualified perfusionist, but she left after in March 2010. The reason given was that she had trained in a centre where the operation list was fixed for the week, and the work was not as complex. The trust advertised again twice in 2010 and got no suitable applicants.

A reason for higher turnover among perfusionists is the nature of the perfusionist's work at the trust. The trust conducts emergency transplants and so has on-call working. The trust has a reputation for providing an interesting and challenging job, but it is hard work and easier jobs can be found in other trusts, doing standard open heart surgery. The perfusionists team wrote a paper to trust HR about an RRP. However, there was controversy over what level of payment and where to apply. It was suggested that a payment could be made at Band 8a. In setting the level it did not want Band 8a with an RRP to take pay above Band 8b. So a level of £7,000 was set. If the trust applied the £7,000 to 8b and 8c, it would destabilise a lot of surgery team. The RRP has been approved for Band 8a posts, but it has not implemented it due to unrest within the higher bands.

The main issue with perfusionists is the lack of supply. The trust has looked at bringing in trained perfusionists from Europe, upskilling their operating department practitioners so they can take on the role, and looking at two year structured training programmes. It has also considered establishing a regional training school and possibly sharing perfusionists around the hospitals in the region.

Clinical coding is also an issue at the trust. The trust has about 20-25 clinical coders across AfC Bands 2 to 5. It has had difficulties recruiting and retaining staff, with some private sector organisations offering better pay and bonuses. A bid was put forward in early 2008 for an RRP, which identified the private sector employers who were poaching the staff, and an RRP of ten per cent was agreed from 1 April 2008. Then another bid was put in a year later to increase it to 20 per cent as the trust was still having difficulties, and this was approved.

Clinical coding is a very important job but very boring. HR felt the solution should be around training more clinical coders, commenting that there are not any coders outside the NHS. So if you have premia you are just increasing pay for skills that are so specialised that they cannot be used outside of the NHS. Competition from other trusts is therefore an issue, with other trusts employing staff on higher bands by changing job descriptions.

The trust employs about 40-50 pharmacists and experiences high turnover. This is attributed to poor management style as well as salaries. Both junior and senior staff have left for other NHS trusts rather than community roles. The trust stated that in the past staff would go to community pharmacies (Boots, Lloyds etc.), but now they are leaving for other trusts. It stated the salaries in community pharmacy have dwindled in recent years and they could enter a community role at a level similar to or above Band 7, but would not have much scope for progression. It was also commented that annual leave is not as good as in the NHS. Moreover,

pharmacists are mainly female and during childrearing years they commonly do not want to work out of normal hours, so often move to PCTs from acute trusts.

The trust does not receive many applications at Band 8b and 8c levels, but receives more interest in junior posts. It also stated that in 2000, the pharmacy degree changed from a three year to a four year degree, so there was a year when there were not any graduates and that took a while to work through the system. There are now more courses which have increased supply, but there are not any more pre-registration places, so the bottleneck has moved from university to the pre-registration phase. Pre-registration is one year in duration, but the trust does not get paid for training, but pre-registration pharmacists are recruited in the hope that it can retain them after the year. It was suggested that this bottleneck might be a reason why salaries in the community sector have been kept down.

It was stated that the NHS cannot compete with commercial pharmacies in terms of salary; but people coming into hospital pharmacy are those people who are interested in the role. It can be made more attractive by making recruits part of multi-disciplinary teams where they are involved with clinicians and have a more interesting job and research opportunities.

An RRP is in place for purchase ledgers and invoice clerks, but it was felt that in the current economic climate there may no longer be a need for this. It is worth 8% of salary for about four or five staff.

## 8.12 Trust L

Trust L is a Mental Health Trust in South East England. IES interviewed the HR Manager, and Staff Side chair. The HR manager and Staff Side representative from the PCT were also interviewed.

### NRRP groups

The number of qualified maintenance staff employed by the trust is small, with fewer than ten working full-time. There are no qualified plumbing staff. All qualified maintenance workers are on AfC Band 4 and these are mainly 'handyman' type roles undertaking repairs. Larger jobs are contracted out. The trust employs one painter and decorator. The PCT does not directly employ any maintenance or building staff, and just one chaplain who works 0.3 FTE.

The numbers of maintenance staff at the mental health trust have been stable in recent years. It recruited qualified electrical and mechanical craftsmen a couple of years ago and did not experience any problems recruiting them. The trust also attempts only to recruit qualified staff and does not employ apprentices as it needs employees who are up to speed and it cannot have apprentices when there is often only one person per site. The trust only plans to recruit in future to replace leavers, and will not be expanding the estates department.

Applicants and recruits tend to be retired from industry and come into the NHS as older workers, with some receiving a pension from previous employment. The catchment area for staff is fairly wide, across two counties, so it is not attempting to recruit from an isolated local labour market.

There are no retention difficulties amongst maintenance staff and turnover has been low, although it has an ageing workforce, so turnover may be higher over the next few years. It does not anticipate any retention difficulties in the current economic climate.

The trust pays the NRRP at the nationally agreed level to maintenance craftspeople. There has not been any comparison with maintenance craft workers earnings outside of NHS in the area.

There was confusion at the trust over building craft workers. HR stated that the trust does not pay an RRP however the Staff Side claimed a payment of £3,096 is paid.

HR felt that if the RRP was not paid to maintenance workers it would not be too difficult to recruit them because the industry is cutting back and so there are not so many other opportunities out there and, in addition, the other NHS terms and conditions are a benefit, such as final salary pension scheme, annual leave and sick pay.

The PCT stated that in the current economic climate there does not seem to be a need for RRPs for the maintenance groups.

The trust does not employ chaplains. There is a team for Spiritual and Pastoral Care, but the Head of the team is a psychotherapist. The breakdown of the team is:

- AfC Band 8a – Head, 0.8 FTE
- AfC Band 6 – 2.2 FTE
- AfC Band 5 – 0.3 FTE
- AfC Band 3 – 0.4 FTE admin and clerical

The RRP is paid to those on Band 5 upwards. It is paid because of the national agreement and trade union colleagues would be unhappy if it was not paid. The Staff Side stated that the premium is worth £3,096 per year.

The last time the trust recruited / advertised for this post, the RRP was not mentioned in the advert and it managed to attract applicants. This was in March 2010. The last recruitment was to replace a leaver and the size of the team has been stable over the last few years.

### **Annex R groups**

The trust did not have many of the Annex R groups, other than the finance roles and pharmacists. They do have a local RRP in place for invoice clerks, worth 16.7 per cent of annual salary at AfC Band 3. This was implemented due to comparisons with the external market and an inability to attract staff of the right calibre. It has been in place for at least 2.5 years and possibly since AfC was introduced. About six staff receive it and all are located at head office so competing in an urban labour market for these staff. Invoice clerks at the trust cover some of the work for the PCT under an SLA. Recruitment takes place in the wider labour market as there is no difference in invoicing systems between the

NHS and other employers. The trust has not recruited for a while though, and the last time the vacancy was filled by an internal candidate.

The trust stated that pharmacy is always a difficult area to recruit into. There are about 30 employed by the trust, and HR is unsure if the recruitment problems exist because of pay levels or wider supply issues. When it advertises for pharmacists it does not get as many candidates as for other occupations at the trust. Turnover is low at the moment; and the trust recruited quite recently to replace a leaver. Pharmacists are on AfC Band 7.

The PCT does not have recruitment or retention issues with any of the Annex R groups. The Staff Side mentioned that the PCT paid some cost of living allowances worth £400-£600 for existing staff when AfC was introduced, but these allowances are not paid to new staff and if people change jobs or get promoted the allowances is removed.

## 8.13 Trust M

Trust M is a local health board (LHB) in Wales. IES met with the HR Manager, two Unite representatives, the Head of Estates and Chief Pharmacist.

### NRRP groups

Staff numbers across the maintenance and building craft groups have reduced over the past couple of years due to NHS mergers which placed recruitment limitations on the health board. The maintenance craft workforce is ageing and, due to this, apprenticeships are run in electrical and mechanical trades but not in large numbers. Currently there are two mechanical apprentices, and one electrical apprentice has just completed their apprenticeship, but has not been offered a position at the LHB. Recruitment is expected for all qualified trades in the next couple of years due to retirements and other natural wastage. This recruitment is expected to be easy as the HR manager stated that they receive numerous applications for estate worker posts. The Board uses contractors for specialised work, with estates staff mostly doing fault finding.

There is little movement between the local health boards due to geographical location and there is little self employment in the area, according to the HR manager. The LHB is the major employer in the area alongside the two local authorities and large local employers have closed such as Bosch, L'Oreal and Hoover.

The HR manager and Head of Estates reported no retention difficulties amongst maintenance or building craft trades and do not expect problems in the future. Mechanical and electrical workers receive the RRP worth £3,277 but plumbers employed by the board do not. All mechanical and electrical workers are paid at AfC Band 4. Building craft workers do not receive the RRP.

The HR manager thinks the Board could recruit without the RRP for electrical and mechanical workers, but this would be dependent on the economic climate.

Turnover for electrical, mechanical and plumbing staff is zero per cent and it is ten per cent for building craft. The HR manager reported no differences across trades in recruitment or retention pressures.

In the past 12 months one painter has retired. There are currently no vacancies in the maintenance or building craft trades. One appointment of a qualified mechanical worker was made in the last 12 months and it took between two to three months to recruit this individual due to internal processes.

The Head of Estates also confirmed that the estates workforce is a stable workforce, but expects 20 per cent to retire within the next five years. Earlier in 2010 three electricians were hired and a fitter plumber. These vacancies were created through retirements. The local press was used to advertise the vacancies and the Head of Estates confirmed that there was a good number of applications but the quality of the applicants was more of an issue. For the fitter plumber vacancy the majority of applicants were only plumbers without the mechanical abilities. Six were short listed for this vacancy and the first individual offered the position accepted the post. Two new electrical hires came from the Bosch closure and the fitter plumber came from the mining industry.

The electrical and mechanical trades require specific training on NHS sites. This is expensive and is sometimes offset by the use of contractors. However, the site is looking to do more work in-house due to budgetary pressures.

The Head of Estates stated that building craft workers have been downsized within the LHB through natural turnover and fewer building workers are required as the buildings are mostly new and less building work is required.

The economic climate plays an important role in the application of RRP. If the RRP was removed staff would be displeased, but the Head of Estates stated due to the economic climate they would have limited options for moving employer. The Head of Estates also stated that working in the NHS is seen as secure, stable and one site working is an attractive proposition for new recruits.

It was stated that no workers have left the trust to work for another private hospital or employer and the only recent leavers have been retirees. As a result only single vacancies as opposed to multiple vacancies are traditionally offered.

The Unite representatives stated that a fitter had left a '£26,000 job in a private coal mine to come to the NHS and would not have come here for an £18,152 role, if it hadn't have been for boost from RRP'. The Unite representatives agreed that the calibre of applicants for qualified posts is a cause of concern. Working in NHS offers more stable work, with less chance of redundancy and the pension is attractive to recruits, but this does not close the wage gap. The NHS is seen as a stop gap for younger workers, with mostly younger staff leaving over the last 10 years. The Unite representatives see the RRP as a way to retain maintenance workers and if it was removed those aged between about 20 and 40 years would leave the NHS. They stated that the LHB needs long tenure as local knowledge is important.

Of the seven fitters at the LHB, five are due for retirement and two electricians are due for retirement in coming years. About a quarter of estates officers are due for retirement. Estates officers are recruited from the shop floor.

It was considered that painters are easy to recruit, but Unite reported that a painter apprentice was recently lost to the private sector. They stated that plasterers will also not be replaced when they leave as most of the buildings are

new and do not require this work. They said the same is the case for bricklayers and carpenters.

The Unite representatives stated that if the RRP was removed, there skills would not be being recognised.

Chaplains are nominated by the Church Council and the Board has no problems recruiting chaplains. The last vacancy was filled in 2009. One chaplain is in receipt of the RRP worth £301.75 a month due to an historical agreement and movement across from another LHB. There is little turnover within the chaplaincy. For Chaplains the turnover rate is 5.35% driven by ill-health retirement.

### **Annex R groups**

Amongst the estates officers at the trust, three have been recruited and one has been promoted in the last couple of years. All were internal appointments. Supervisors on AfC Band 5 receive the RRP. These officers need local site knowledge and specific NHS knowledge such as experience of medical gases. The site employs seven estates officers in total and retirees in this group will cause future recruitment in this group. The Head of Estates stated that provided the economic climate stays the same the LHB will find it easy to recruit into these estates officers roles. Estates officers are not in receipt of an RRP although one is currently putting in a claim for the RRP based on the on-call requirement which requires them to have the qualifications of qualified maintenance workers.

Pharmacists are the most difficult to recruit and retain of the Annex R groups due to the competition with the retail sector. It was stated that NHS work is more interesting for pharmacists, but companies in the retail sector such as Tesco and Boots offer more competitive benefits. The LHB employs about 60 pharmacists and it is a fairly young profession within the LHB. The LHB portfolio has expanded to include medicine management. New pharmacy posts have been created in clinical trials and in chemotherapy in 2010 as the cancer hospital is establishing outreach clinics in the area. As a result three new pharmacy posts have been created in 2010.

The Chief Pharmacist headhunted pharmacists in order to fill the three new posts and stated that typically the LHB will get none or only one applicant for a pharmacy vacancy. It usually does not get any applicants for AfC Band 7 posts. He stated it can take 13 years to catch up to community pharmacist wages within the NHS, assuming there is no pay growth in the community sector. The retail sector is their biggest competitor and the LHB has offered a two-year post graduate diploma in clinical pharmacy in order to attract staff. Student debt also contributes towards the recruitment problem as students leaving university burdened by debt will seek posts in the higher paying private sector.

Some 80 per cent of the pharmacy population is female and if it takes 13 years to reach parity with the community sector, this is typically at the point in a career when women will take up part-time work due to family commitments so they will never catch up with the earnings of those in the private sector.

The Chief Pharmacist thought it more appropriate to offer those on pay Bands 6 and 7 contributions towards paying off student debt rather than applying an RRP to address the problem, 'which would likely stimulate wage inflation'.

It took two attempts to recruit into the new posts within pharmacy in 2010 and the trust had to seek out its own applicants and encourage them to apply through guarantees of career development opportunities and using the good reputation of the LHB. At pay Bands 8a and above retention is good for pharmacists as this level is more comparable with earnings outside of the NHS. There is a low turnover rate at this level whilst at pay Bands 6 and 7 pharmacists regularly leave in order to work in the retail sector or go travelling after years of studying for qualifications. The Chief Pharmacist stated that it has recently headhunted an AfC Band 7 recruit who will take up employment on 1 June 2011 after qualification. The LHB has never made a case for an RRP for pharmacists.

There are particular problems with quality control and technical services pharmacists as this work is seen as not as interesting. All staff within this group are over 55 years old and it predicts future recruitment difficulties into this group.

No groups in the Annex R list are in receipt of an RRP.

### Local labour market

The trust competes with Tesco, Asda and local authorities for staff, but there are no other major employers in the area. There are big cities nearby which the HR manager thinks makes them well placed for the recruitment of trades people.

### Table A10: Numbers employed

Qualified mechanical worker	15
Qualified electrical worker	25
Qualified plumbers	2
Building craft workers	21
Chaplains	10 (no full-time, all sessional)

Note: Total workforce of 8,504

## 8.14 Trust N

Trust N is an acute trust in South West England. IES interviewed the Deputy Director of HR, HR Project Manager and Trade union representatives from the mechanical and electrical teams.

The local labour market is relatively large but geographically isolated, with little travelling into or out of the area. There is above average unemployment in the area and below average vacancy levels. There is a relatively high proportion of individuals with craft skills, high levels of public sector employment and a small construction sector. It is a fairly static labour market, because of few people moving into or out of the area. Salaries are relatively low, whilst house prices are relatively high.

## National RRP groups

The numbers of qualified mechanical, electrical, plumbing, building craft workers and chaplains employed at the trust are low (see table A11). There is a fairly stable workforce for these groups. The numbers of maintenance craft workers are slightly reduced relative to previous years, but this reduction is in the context of a drive to reduce headcount numbers across the trust. There is some flexible retirement among maintenance workers through which staff have returned to work on a part-time basis.

The trust stated they always aim to employ two apprentices at any one time; one in the mechanical and another in electrical trades, to help grow their own staff. The trust stated that most of the buildings are about 30 years old. This means that, for example, the pipe system is complicated and it can take new recruits a while to get up to speed on the buildings and due to the on-call element of the job, staff need to know about all the different elements of the job. The trust stated that it is likely that more maintenance staff will be required in future as the building continues to age, as it was felt that the trust currently operates with a very lean maintenance team. This is why apprentices are an important potential labour supply.

The maintenance workforce is ageing, with about three-quarters of maintenance staff in their 50s or 60s. The age profile of the maintenance workers is shown below:

- Maintenance tradesmen: one aged 65 years, one aged 64, one aged 62, one aged 61, one aged 59, two aged 58.
- Maintenance technicians: two aged 62, one aged 60, one aged 59 years.

The trust said that this 'age profile represents a ticking time bomb and there will be a lot of skills to replace over the next five years or so'.

Recently, with a downturn in MoD work at the local dockyard there has been a pool of maintenance workers coming onto the labour market, and also manufacturing companies have been shedding staff. But the trust stated that this will not continue indefinitely and if there is no work locally these skilled people will leave the area. The trust stated that a lot of recent recruits have come from the local dockyard, but the dockyard is not investing in training as it once did, so skill shortages are expected over the next five years.

The calibre of the applications received during a recent recruitment drive has recently been an issue at the trust. It did not get the skills they were looking for. The problem was that if an applicant comes from a contractor where they have been doing house re-wiring or plumbing, it would take them up to five years to get up to speed with the building works required at the trust (for example, high voltage and low voltage electrical systems, high pressure hot water and ventilation systems etc). The work is specialised and required additional training, for example, in maintaining sterilisers. Therefore the trust requires two skills sets from maintenance workers; the ability to perform a trade and then additional trust-specific, building-specific skills, which can take a minimum of two years to acquire. The trust stated that they would not have difficulty attracting new applicants, but whether they would be the right applicants is another matter. A lot

of applicants are typically older workers who no longer want to be on the outdoor building sites.

The trust pays the RRP to AfC Band 4 and 5 at the nationally agreed level. It felt it needs to pay the RRP at AfC Band 4 to retain people on the lower points of the band, as in other local firms the starting pay is about £22,000 for new joiners who are trade qualified. It stated you cannot recruit a trained air conditioning technician for less than £24,000 a year.

There was doubt over whether the RRP is necessary for those on AfC Band 5, as this recruitment is typically internal. However, removal of the RRP may impact retention at this level. The trust stated that if people leave the NHS for another company, with the addition of the RRP in the NHS, wages are comparable, but if they leave to become self-employed then potential earnings are higher. The trust stated that JIB rates are higher outside the NHS, but is unsure if all companies pay these rates and some will pay above JIB rates to retain their best workers. The trust stated that a JIB technician earns £15.38 an hour, an approved electrician earns £13.59 and an electrician earns £12.45.

The trust stated that it would be difficult to keep apprentices on once they have finished their training without the RRP. Out of the two apprentices, typically one will remain with the trust after completion of their apprenticeship. Apprentices usually move on to earn more money; for example, one went into the petroleum industry and doubled his earnings. The turnover figures for maintenance staff for last year were:

Maintenance Craft	4.76%
Carpenters	0%
Technicians	33.3% but skewed by two people acting up in a supervisory position
Chaplains	0%

The trust stated that they do not have any retention problems with maintenance staff, with turnover mostly driven by retirement. Only a couple have resigned over the past few years. The last voluntary resignation was a few years ago and he went to work for the local council. The majority of the maintenance staff have been with the trust for about 20 to 25 years. If the RRP was removed there could be a retention problem, and potential loss of key skills concerning the building and NHS equipment.

It was recognised that other NHS terms and conditions, such as sickness pay, annual leave and pension are good and better than any other local employers in the private sector, and comparable to other public sector employers such as the local authority. It may be that the terms and conditions improve the employment offer somewhat, and perhaps the current level of RRP for maintenance staff is not needed, for example it may be that c. £2,000 would be enough when you take the terms and conditions into account.

HR view based on what is needed to run the estates service was *'numbers are shrinking slightly, but we will need to recruit in future due to retirements. Without the RRP it would be difficult to get new entrants in at bottom of Band 4 level'*.

One chaplain left recently and a replacement was recruited. The vacancy was not easy to fill due to a lack of supply. The trust stated that the RRP for chaplains is a housing allowance, as if they were posted in a parish they would get

accommodation The RRP is set at £4,093. Two chaplains are full-time and receive the full amount; two are part-time and get it pro-rated. It is generally considered that it is hard to recruit chaplains and without the RRP it would never be able to recruit a chaplain because of the local housing market and high house prices in the South West.

The trust pays an RRP to builders/carpenters if they are trade qualified. It pays the RRP 'out of fairness', as if they have a qualification, then it 'seems only fair that they pay it'. This decision was made when there were only two people that it would affect, and currently it is only paid to one builder as the four carpenters at the trust are still under old terms and conditions under TUPE. These staff were transferred across on a salary of £20,554.

The trust stated that it would struggle to recruit building craft workers at AfC Band 4 without the RRP. Building work at the trust has been contracted out for a long time. However, the previous contractor did not win the latest contract so staff were brought back in house. It stated that it is unlikely to need to recruit building staff in the near future as it just brought the four carpenters back in-house. There was always a small in-house capability for small building jobs, but the trust contracted out all the major work.

### Annex R groups

A local RRP is paid to clinical coding officers at AfC Band 3 worth about £1,200. This is paid in order to retain these staff. The trust also 'grows their own qualified coders'. Clinical coding is a very important role, if clinical coding is incorrect, it can be fatal and there are financial, audit and clinical governance issues as well. However, the trust reported that clinical coding is a boring job. The specific qualification level for clinical coders is AfC Band 4, but the trusts recruits at Band 3 then invest in training. The trust experiences retention problems once coders become qualified as they move to other Trusts who place them on a higher band; it recently lost three coders to two nearby trusts. It also reported that there seems to be a shortage of qualified coders stating '*other trusts will poach your clinical coding staff in the blink of an eye*'. However, the trust stated that the RRP for coders should be local that is specific to the trust's needs, rather than applying a national RRP.

The trust's position is not to pay any RRP unless they have to. So it only pay RRP for maintenance worker and clinical coders. It is happy to pay these, but does not want to have to pay anymore.

The trust stated that for a lot of the NHS-specific roles there is an internal NHS market with trusts poaching staff. Some trusts have used local RRP to poach staff, but this is not what an RRP is intended for. Also trusts use payment of relocation expenses to poach staff, as a proxy for an RRP.

The trust has difficulty recruiting pharmacists and biomedical scientists, but this is more to do with supply issues than salary levels. It stated that this needs to be addressed through national training schemes at a national DoH level. It stated that qualified pharmacists can earn more in the community sector, earning £10,000 more straight away by working for private sector. However, NHS terms and conditions and the actual work helps to retain pharmacists, as they can specialise and get into research and design in the large hospitals.

## HR Director's view

The RRP was never meant to be a bonus/make-up payment. If roles are not paid enough for the external market then that is an issue for job evaluation. There does not need to be a national position, but there should be local flexibility.

**Table A11: Numbers employed**

Mechanical/ plumbing workers	Band 3 - support assistants	1
	Band 4 - tradesman	8
	Band 5 - technicians	4
	Band 6 - supervisors	1
Electrical	1 (part qualified Apprentices)	
	9 (qualified with full C&G etc.)	
	7 (technician rate)	
	Band 6 - supervisors	1
Building craft worker	1 painter and decorator (An odd-job man and four carpenters been brought over under TUPE but are on existing terms and conditions rather than AfC.)	
Chaplains	4 (One Band 7 and three Band 6's, one of whom only works 1 day a week.)	

Note: The total trust workforce is 6,460.

## 8.15 Trust O

Trust O is an acute, foundation trust in London. IES interviewed the Reward Manager, Estates Operations Manager, and two Staff Side representatives.

There are a number of large construction projects in London, which the Trust competes with for maintenance staff such as the Olympic Development and CrossRail.

### National RRP groups

The number of qualified mechanical, electrical, plumbing workers employed by the trust has changed over the past two years. Across the maintenance groups, there are unfilled vacancies for each of the roles. Since 2008, two mechanical workers have left the trust, two new electricians have been hired; four plumbers have been hired and of the shift workers, one has been recruited, and two have left the trust. This recruitment has still not filled all vacancies and the trust reported they cannot find the right calibre of applicant to fill the posts. Those leaving have moved to the private sector for better paid jobs. Maintenance workers are on AfC Band 4 and shift team leaders are on AfC Band 5.

Over the next couple of years the trust expects to recruit maintenance workers in an attempt to achieve a full establishment and fill the vacancies for these posts. This would require eight mechanical workers to be hired (four posts were recently offered), ten electrical workers, one plumber and five shift workers. Recruitment of fitters and electricians is not expected to be easy as the trust receives very few applications from people with the correct qualifications and experience. The trust has experienced recruitment problems with fitters and electricians due to the limited number of apprenticeships being taken up, which means fewer people are being equipped with the correct skill sets; applicants have had limited experience

and the trust also stated there are pay scale barriers to recruitment as maintenance workers can earn higher wages working outside of the NHS. It reported that a loss in investment in housing projects has provided a good supply of plumbers in the labour market and the trust has had a lot of applications from plumbers, but these mostly have installation experience and not the maintenance or fault finding experience required in the NHS. The trust also stated that there are very few applicants for shift, mechanical or electrical workers who meet the requirements of the job description. A lot of applicants are either reaching retirement age or do not possess the correct skills.

Staff that have been recruited have come from all sectors. The trust did state that it is hard to recruit staff from other NHS organisations given that with AfC pay scales all trusts pay the same.

Retention difficulties have been experienced with electricians because of external private sector wages being much higher than AfC pay rates, particularly for large projects such as the Olympic Development. The trust stated that the continuation of retention difficulties will depend on the economic climate and investment in building projects.

The trust does not pay a locally agreed RRP for building craft workers. It was thought by Estates and the trade union that the RRP paid to qualified maintenance workers should be higher in order to attract a younger workforce and high quality applicants, especially in large conurbations.

Six mechanical workers out of eight are close to retirement; four out of eight electrical workers, two out of eleven plumbers and five out of eleven shift workers are close to retirement age. Most have long tenure at the trust.

Currently the trust has eight vacancies for mechanical workers, compared to six vacancies two years ago. There are currently ten vacancies for electrical workers, which has increased by one since two years ago; there is one vacancy for a plumber, whereas two years ago there were four vacancies and there are currently five vacancies for shift workers compared to four, two years ago. The vacant posts have been unfilled for a long time - in excess of two years - and it is only amongst plumbers that there has been successful recruitment. It is the quality of applicants which is the biggest barrier to recruitment. The trust has received a lot of applicants recently due to the recession hitting the building industry and two years ago the trust received very few applicants for vacancies. However, the applicants do not have the knowledge and experience needed for the NHS.

The trust employs apprentices in mechanical, electrical and plumbing and currently has nine apprentices. Five are in their final year and four are in year three. The trust stated that AfC helped apprenticeships as movement to AfC pay scales increased the pay of apprentices 'dramatically'. Apprenticeships are for multi-skilled workers and apprentices can then specialise in their final year. One apprentice recently left to work for Formula One, but returned to the trust after one year, as the time spent away from home was unattractive, despite the higher pay.

## Annex R groups

The trust employs four estates officers and plans to recruit one mechanical estates officer in the next couple of years. The trust has not experienced recruitment difficulties amongst this group as most are recruited internally and there is an internal programme for development. For example, the trust is now supporting an individual who finished his apprenticeship with the trust in studying for a degree. There is no retention problem amongst this group. The shift work is problematic as people do not want to work nights and weekends. The shifts have been restructured and most of the trusts shift workers have been promoted to Band 5, which left Band 4 posts vacant. The trust stated it is difficult to find staff with the correct skills to fill shift posts.

No locally agreed RRPs are paid, but a couple of years ago Estates wrote a paper which highlighted recruitment areas which were difficult to fill and local RRPs were going to be requested for shift team leaders and shift electricians. In 2008, the estates department had 37 vacancies. It had recently gone through a recruitment process for 20 vacancies which was unsuccessful. Four internal candidates were appointed to posts and four posts were offered to external candidates, two of which were turned down by candidates. The estates department stated that:

*'with reduced staff coverage there is a risk of inadequate response and performance of the maintenance function. This in turn can lead to a poor environmental for patients and staff, and increased failures of engineering services interrupting the clinical service. The increased time managers have recently spent carrying out recruitment exercises with limited success prevents them from concentrating on managing the service.'*

## Local labour market

The trust competes with the London construction and property maintenance market for maintenance workers. It is aware of agency rates for maintenance workers, but does not formally collect pay rates and employment intentions of other competitor organisations. It, however, provided some evidence for this review of current vacancies being advertised externally in the local area; a shift maintenance electrician with a salary of up to £37,000; a continental shift leader advertised at £36,000 a year; a mechanical and electrical shift engineer advertised at £32,000; an electrical maintenance technician at £ 33,200 a year; a mechanical steam engineer at £28,000 to £30,000 a senior electrician advertised at £28,000 to £35,000 and an electrician vacancy at Heathrow Airport with potential earnings of £16.50 to £23.50 an hour.

## 8.16 Trust P

Trust P is a PCT in North West England. IES interviewed the Unite Staff-Side Partnership Chair, who is also the maintenance manager at the trust, and the Head of HR.

## National RRP groups

The trust employs only small numbers of qualified maintenance workers; employing seven and one electrical apprentice. The trust employs qualified

workers in mechanical, plumbing and electrical trades, as well as two joiners and a bricklayer; but the workers are multi-skilled. Numbers employed by the trust have been stable over recent years, with no individuals leaving in the last eight years. A joiner and an electrician were recruited about two years ago and the apprentice was hired in October 2009, but no other recruitment has taken place in recent years. The vacancies for these were created due to work load expansion. The electrician hire came from another NHS trust but typically staff do not come from within the NHS.

All workers in estates are paid the RRP as the workforce is small and, due to the multi-skilled element of their job descriptions, all perform the same type of work where necessary. The on-call aspect of the job also demands that all workers are multi-skilled and can deal with whatever problem arises within reason. The Staff-Side Chair stated it was 'only appropriate to reward them all the same, as they are all doing the same type of work.'

All the qualified workers are on AfC Band 4 and there are two electrical technicians paid at AfC Band 5 as these mend specialist equipment. The joiner and bricklayer are also on Band 4. There is a maintenance assistant at the trust who is employed on AfC Band 3.

No future recruitment is planned as the trust is consolidating its workforce rather than expanding because of future changes in the organisation of the PCT.

The biggest barrier to recruitment has been the quality of the applicants. Four years ago when the joiner vacancy was advertised, the trust received in excess of 60 applications, yet once called into interview only two of the short-listed candidates could perform the tasks required. Even recruitment of the apprentice was problematic as only a few applicants were suitable.

HR and the Staff-Side Chair discussed the different skill set that is required in the NHS compared to maintenance workers on building sites or working as private contractors. The working environment is different with interaction with patients and ward staff. The nature of the work is also different with staff required to work in the mortuary or see patients on the ward, which does not appeal to all workers. Access to work areas is also restricted and requires due consideration and in some instances workers have to make adaptations in patient's own homes. HR stated that the RRP helps to attract workers with the right technical but also interpersonal skills for this type of work.

The trust typically recruits from industry and private contractors and very rarely are individuals employed from other NHS trusts, despite the recent electrical recruitment. The Staff-Side Chair stated most coming from outside industry to the NHS take a pay cut, but that the whole NHS package is attractive. He also stated that the NHS is a job these workers come to in later life and then tend to stay with the trust.

Retention was reported to be good across the maintenance and building craft workers. Apart from the new joiner, all staff in estates have at least 15 years tenure. This, however, does mean that it is an ageing workforce. Two electricians are aged 62 years; a plumber is 62; the two joiners are 60 and 45 years old, the bricklayer is 50 years old and the maintenance assistant is 56 years old.

The trust works closely with the local college. A course was designed to multi-skill the existing estates workforce in order to provide flexibility and the college also designed a course for dental 'cadets' to fulfil a demand from the trust for this type of worker.

Both HR and the Staff Side Chair stated that the RRP is necessary and with the addition of the RRP salaries are comparable to the JIB rates. The level of RRP should be the same for all trades as they work alongside each other and at this trust the workers are multi-skilled. The Staff-Side Chair stated that the RRP is not really an RRP but more a supplement to bring wages into line with the JIB, but if the RRP was removed it would cause retention problems and the current workforce would reconsider retirement plans and younger workers would move to the private sector for the higher wages. HR also agreed with this point.

## 8.17 Trust Q

Trust Q is a trust an acute trust in London. This trust was a late addition and IES only had the opportunity to interview the Assistant Director of HR.

### NRRP groups

The trust does not employ mechanical, electrical, plumbing or building craft workers, having transferred these employees to its PFI partner in 2006 on AfC terms and conditions. The PFI partner already had a number of former NHS staff and private sector employees in its employment and therefore conditions would not have been different to some of those already working for the contractor.

The trust employs 5.5 FTE chaplains. In the last two years, the chaplaincy has reduced by one post. Chaplains are on AfC pay Band 6, with a Lead Chaplain on AfC pay Band 7. The trust expects to possibly recruit one chaplain each year and expects to be able to recruit relatively easily into these posts, although the trust has experienced recruitment difficulties with Anglican and Catholic Chaplains which it finds more difficult to recruit. It, however, does not report experiencing retention difficulties with chaplains (although the turnover rate for chaplains is 28 per cent) and expects retention to remain the same in future. There are no current chaplaincy vacancies. The chaplain that left in the past year wanted to pursue a different role. Three chaplains are aged over 60 years.

The nationally agreed RRP for chaplains is paid worth £2,085 each year for Band 6 Full Time, £3,774.6 for Band 7 full-time, but this is currently being reviewed as the national pay increase has not been applied for two years.

### Annex R occupations

The trust employs all of the Annex R occupations with the exception of estates officers. It expects to recruit into these occupations over the next couple of years due to normal turnover within the trust. It has experienced recruitment and retention difficulties with clinical coders due to: national demand; competition from agencies; and the internal structure and development issues which are being resolved. The turnover rate for clinical coders is 15 per cent.

It has also experienced recruitment and retention problems with financial accountants due to their specialised role and lower AfC bandings than other roles. Recruitment and retention problems have been experienced with pharmacists due to competition from the NHS and other employers. It is expected that because of the economic downturn and NHS efficiency / productivity programmes, competition or employment options for coders and accountants will be reduced, easing recruitment for these groups over the coming years. Pharmacists however will continue to be a profession in shortage over the short term. In terms of retention, development of local new hospitals should be more attractive to current and prospective staff.

Local premia are paid to clinical coding officers, worth 12 per cent of salary to stabilise the team whilst structure and training plans are implemented. Dental technicians also receive £80 a year as part of assimilation to AfC. Qualified medical technical officers (Cardiac) receive 15 per cent of salary due to AfC assimilation and continuing recruitment issues. Pharmacists receive £500 a year for assimilation to AfC, but an RRP is not paid to this group even though there are some recruitment issues at post registration grades due to competition and the national shortage.

### **Local labour market**

The trust competes for staff with other London teaching trusts and the national NHS labour market. It collects information about pay rates and employment intentions of competing organisations through NHS jobs / recruitment adverts; network contacts and specific surveys. The higher rate HCAS is paid to staff on inner London sites and there is no differentiation between AfC staff groups. Outer or fringe HCAS is paid to Trust staff who are not based in Inner London.

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## 9 Appendix 2

# Trust Interview Questionnaire

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1. How many of the following occupational groups do you employ?:
  - qualified mechanical workers
  - qualified electrical workers
  - qualified plumbing workers
  - building craft workers
  - chaplains
2. Have these numbers gone up or down in the last two years? By how many?
3. On which AfC pay bands are these occupations located?
4. Do you expect to recruit into any of these occupations over the next couple of years and if so, how many?
5. If you do expect to recruit, how easy do you expect recruitment to be over the next couple of years? Please provide reasons for your answer.
6. Have you experienced any recruitment difficulties with any of those occupational groups, and if so, why?
7. Where do you tend to recruit these occupations from, i.e. local authorities, other NHS organisations, the private sector?
8. Have you experienced retention difficulties with any of the following groups and if so, why?
  - qualified mechanical,
  - qualified electrical
  - qualified plumbing workers
  - Building craft workers
  - Chaplains

9. Do you anticipate any retention difficulties with these groups will get easier, more challenging, or stay the same, over the next couple of years? Please provide reasons for your answers.
10. Do you pay the nationally agreed recruitment and retention premium for Chaplains, if yes, what do you pay?
11. Do you pay locally agreed recruitment and retention premia for building craft workers? If yes, what do you pay and why?
12. Do you think the NRRP should be maintained for the following groups and do you think it is set at the correct level (£3,277). Please provide reasons for your answers:
  - qualified mechanical workers
  - qualified electrical workers
  - qualified plumbing workers

### Turnover & vacancies

13. What was the turnover rate for the following occupations in the last 12 months?
  - qualified mechanical,
  - qualified electrical
  - qualified plumbing workers
  - Building craft workers
  - Chaplains
14. If any of the above occupations left your organisation over the past 12 months, do you know why and where they went? ie to the private sector, to better paid jobs etc
15. Are any of the above employees close to retirement?
16. How many vacancies for those occupations do you have currently, and how does this compare with each of the past two years?
17. How long does it take on average to fill any vacancies in these occupations?
18. Have you had problems with the quality or number of job applicants for these posts? If so, please describe
19. Are these vacancy rates higher, the same or lower than the average for other workers at the trust?
20. Do you 'grow your own' (ie train up, either through an apprenticeship or otherwise) for any of the following occupational groups?:
  - qualified mechanical workers
  - qualified electrical workers
  - qualified plumbing workers

- Building craft workers

### Recruitment and retention of locally agreed national RRP groups

21. How many of the following occupations do you employ?

- Clinical coding officers,
- Cytology screeners
- Dental nurses, technicians, therapists and hygienists
- Estates officers/works officers
- Financial accountants
- Invoice clerks
- Biomedical scientists
- Payroll team leaders
- Pharmacists
- Qualified medical technical officers
- Qualified midwives (new entrant)
- Qualified perfusionists

22. Do you expect to recruit into any of those occupations over the next couple of years, and if so how many?

23. Have you experienced any recruitment difficulties with any of these occupations and if so, what have been the reasons?

24. Do you think recruitment of any of these groups will change over the next couple of years, i.e. become more challenging or easier? Please provide reasons for your answers.

25. Have you experienced any retention problems with any of those occupations and if so, what have these been?

26. Do you think retention of any of those groups will change over the next couple of years i.e. become more challenging or easier? Please provide reasons for your answers.

27. Do you pay locally agreed national RRP with respect to any of the following roles, if yes, what do you pay and what are the reasons?

- Clinical coding officers,
- Cytology screeners
- Dental nurses, technicians, therapists and hygienists
- Estates officers/works officers
- Financial accountants
- Invoice clerks
- Biomedical scientists

- Payroll team leaders
- Pharmacists
- Qualified medical technical officers
- Qualified midwives (new entrant)
- Qualified perfusionists

### Local labour market

- 28 With which local employers do you compete for the above occupations and do you know what level of pay and benefits they offer compared with your trust?
39. Do you collect information about pay rates and employment intentions of other competitor organisations in your local labour market? If so, how?
30. Do you pay **locally agreed** recruitment and retention premia (in addition or on top of any nationally agreed RRP or 'no loss' arrangements with respect to following roles? If yes, what do you pay?
- qualified mechanical workers
  - qualified electrical workers
  - qualified plumbing workers
  - Clinical coding officers,
  - Cytology screeners
  - Dental nurses, technicians, therapists and hygienists
  - Estates officers/works officers
  - Financial accountants
  - Invoice clerks
  - Biomedical scientists
  - Payroll team leaders
  - Pharmacists
  - Qualified medical technical officers
  - Qualified midwives (new entrant)
  - Qualified perfusionists

## 10 Appendix 3

### Example of Labour Market Data based on the Trust's Local Area

To protect the confidentiality of the participating trusts, we give here an example of the some of data report<sup>1</sup> we took on our trust visits. The example used is from an entirely different geographic area.

#### Labour market profile: Bedford

The profile brings together data from several sources. Details about these and related terminology are given in the definitions section.



#### Resident population

##### Total population (2008)

Bedford (No.)	East (No.)	Huntingdonshire (No.)
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<sup>1</sup> Source: NOMIS, official labour market statistics.

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All people	155,700	5,728,700	168,900
Males	77,100	2,820,500	84,200
Females	78,700	2,908,200	84,700

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*Source: ONS mid-year population estimates*

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### **Working age population (2008)**

	<b>Bedford (No.)</b>	<b>Bedford (%)</b>	<b>East (%)</b>	<b>Huntingdonshire (%)</b>
All people - working age	96,300	61.9	60.9	62.5
Males - working age	50,400	65.4	65.1	66.5
Females - working age	45,900	58.3	56.8	58.6

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*Source: ONS mid-year population estimates*

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Notes: % is a proportion of total population

Working age includes males aged 16-64 and females aged 16-59<sup>2</sup>

## LABOUR SUPPLY

### Employment and unemployment (Oct 2008-Sep 2009)

	Bedford (No.)	Bedford (%)	East (%)	Huntingdonshire (%)
<b>All people</b>				
Economically active†	83,400	83.0	82.0	85.4
In employment†	76,200	75.6	76.9	79.0
Employees†	68,500	68.9	66.3	69.7
Self employed†	7,700	6.7	10.3	9.3
Unemployed (model-based)§	5,800	7.0	6.0	5.4
<b>Males</b>				
Economically active†	44,600	86.3	86.2	89.6
In employment†	39,500	76.1	80.4	82.0
Employees†	33,900	66.2	65.7	69.5
Self employed†	5,600	9.9	14.4	12.5
Unemployed§	5,100	11.4	6.6	8.3
<b>Females</b>				
Economically active†	38,800	79.4	77.4	80.6
In employment†	36,700	75.2	73.0	75.6
Employees†	34,600	72.0	66.9	69.9
Self employed†	#	#	5.7	#
Unemployed§	#	#	5.4	#

Source: ONS annual population survey

Notes: # Sample size too small for reliable estimate

† numbers are for those aged 16 and over, % are for those of working age (16-59/64)

§ numbers and % are for those aged 16 and over. % is a proportion of economically active

**Economic inactivity (Oct 2008-Sep 2009)**

	Bedford (No.)	Bedford (%)	East (%)	Huntingdonshire (%)
All people				
Economically inactive	16,200	17.0	18.0	14.6
Wanting a job	4,600	4.9	5.1	3.3
Not wanting a job	11,600	12.2	12.9	11.3
Males				
Economically inactive	6,900	13.7	13.8	10.4
Wanting a job	#	#	4.2	#
Not wanting a job	4,700	9.3	9.6	7.5
Females				
Economically inactive	9,400	20.6	22.6	19.4
Wanting a job	#	#	6.0	#
Not wanting a job	6,900	15.3	16.6	15.6

*Source: ONS annual population survey*

Notes: # Sample size too small for reliable estimate

Notes: Numbers and % are for those of working age

% is a proportion of resident working age population of area and gender

**Employment by occupation (Oct 2008-Sep 2009)**

	Bedford (No.)	Bedford (%)	East (%)	Huntingdonshire (%)
Soc 2000 major group 1-3	33,100	43.4	45.6	50.5
1 Managers and senior officials	12,000	15.8	17.6	20.4
2 Professional occupations	13,300	17.4	13.4	12.6
3 Associate professional & technical	7,800	10.2	14.4	17.5
Soc 2000 major group 4-5	12,200	16.0	21.9	22.7
4 Administrative & secretarial	6,200	8.1	11.0	10.6
5 Skilled trades occupations	6,000	7.9	10.8	12.1
Soc 2000 major group 6-7	13,700	17.9	14.8	9.7
6 Personal service occupations	5,600	7.4	7.6	5.4
7 Sales and customer service occs	8,000	10.5	7.2	4.4
Soc 2000 major group 8-9	17,200	22.6	17.8	17.1
8 Process plant & machine operatives	5,200	6.8	6.4	7.6
9 Elementary occupations	12,000	15.8	11.2	9.4

*Source: ONS annual population survey*

Notes: Numbers and % are for those of 16+

% is a proportion of all persons in employment

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**Qualifications (Jan 2008-Dec 2008)**

	<b>Bedford (No)</b>	<b>Bedford (%)</b>	<b>East (%)</b>	<b>Huntingdonshire (%)</b>
NVQ4 and above	25,000	25.9	26.1	33.4
NVQ3 and above	40,600	42.0	43.4	49.2
NVQ2 and above	57,600	59.5	62.8	69.6
NVQ1 and above	71,800	74.2	78.8	86.7
Other qualifications	14,500	14.9	9.3	6.1
No qualifications	10,500	10.9	11.8	7.2

*Source: ONS annual population survey*

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Notes: For an explanation of the qualification levels see the definitions section.  
 Numbers and % are for those of working age  
 % is a proportion of resident working age population of area

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**Earnings by residence (2009)**

	<b>Bedford (pounds)</b>	<b>East (pounds)</b>	<b>Huntingdonshire (pounds)</b>
Gross weekly pay			
Full-time workers	484.7	509.4	531.0
Male full-time workers	535.6	565.8	584.6
Female full-time workers	450.1	432.6	421.1
Hourly pay			
Full-time workers	12.36	12.89	13.28
Male full-time workers	12.66	13.78	14.63
Female full-time workers	11.39	11.42	11.00

*Source: ONS annual survey of hours and earnings - resident analysis*

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Note: Median earnings in pounds for employees living in the area.

## WORKING-AGE BENEFITS

The Jobseeker's Allowance (JSA) is payable to people under pensionable age who are available for, and actively seeking, work of at least 40 hours a week.

### Total JSA claimants (June 2010)

	Bedford (No.)	Bedford (%)	East (%)	Huntingdonshire (%)
All people	3,621	3.8	3.1	2.3
Males	2,498	5.0	4.1	3.1
Females	1,123	2.4	1.9	1.5

Source: ONS claimant count with rates and proportions

Note: % is a proportion of resident working age population of area and gender

### JSA claimants by age and duration (June 2010)

	Bedford (No.)	Bedford (%)	East (%)	Huntingdonshire (%)
<b>By age of claimant</b>				
Aged 18-24	835	23.1	26.2	26.9
Aged 25-49	2,115	58.5	55.9	54.5
Aged 50 and over	655	18.1	17.5	17.9
<b>By duration of claim</b>				
Up to 6 months	2,225	61.5	61.5	59.2
Over 6 up to 12 months	800	22.2	21.3	21.2
Over 12 months	590	16.4	17.2	19.7

Source: ONS claimant count - age and duration

Note: % is a proportion of all JSA claimants

### Working-age client group - key benefit claimants (November 2009)

	Bedford (No.)	Bedford (%)	East (%)	Huntingdonshire (%)
Total claimants	13,110	13.6	12.5	9.5
Job seekers	3,720	3.9	3.2	2.4
ESA and incapacity benefits	5,380	5.6	5.2	3.9
Lone parents	1,720	1.8	1.5	1.0
Carers	880	0.9	1.0	0.9
Others on income related benefits	380	0.4	0.4	0.3
Disabled	790	0.8	0.9	0.8
Bereaved	240	0.3	0.2	0.2
Key out-of-work benefits†	11,200	11.6	10.4	7.6

Source: DWP benefit claimants - working age client group

† Key out-of-work benefits consists of the groups: job seekers, incapacity benefits, lone parents and others on income related benefits

Note: % is a proportion of resident working age population of area

## LABOUR DEMAND

### Jobs density (2008)

	Bedford (jobs)	Bedford (density)	East (density)	Huntingdonshire (density)
Jobs density	79,000	0.82	0.81	0.80

Source: ONS jobs density

Notes: The density figures represent the ratio of total jobs to working-age population.

Total jobs includes employees, self-employed, government-supported trainees and HM Forces

### Employee jobs (2008)

	Bedford (employee jobs)	Bedford (%)	East (%)	Huntingdonshire (%)
Total employee jobs	70,800	-	-	-
Full-time	48,100	67.9	67.2	71.8
Part-time	22,700	32.1	32.8	28.2
<b>Employee jobs by industry</b>				
Manufacturing	5,700	8.0	10.3	13.7
Construction	4,300	6.0	5.4	4.4
Services	60,300	85.1	82.5	79.4
Distribution, hotels & restaurants	18,000	25.4	25.0	22.3
Transport & communications	4,400	6.1	6.0	4.9
Finance, IT, other business activities	12,700	18.0	21.4	18.7
Public admin, education & health	22,400	31.6	25.3	30.0
Other services	2,900	4.0	4.8	3.5
Tourism-related†	4,100	5.8	7.7	6.5

Source: ONS annual business inquiry employee analysis

Notes: - Data unavailable. † Tourism consists of industries that are also part of the services industry (see the definitions section). % is a proportion of total employee jobs  
Employee jobs excludes self-employed, government-supported trainees and HM Forces

### Earnings by workplace (2009)

	Bedford (pounds)	East (pounds)	Huntingdonshire (pounds)
<b>Gross weekly pay</b>			
Full-time workers	450.6	479.1	479.1
Male full-time workers	464.6	524.3	508.9
Female full-time workers	417.8	409.4	400.1
<b>Hourly pay</b>			
Full-time workers	10.70	11.89	11.75
Male full-time workers	10.94	12.64	12.54
Female full-time workers	10.20	10.73	10.45

Source: ONS annual survey of hours and earnings - workplace analysis

Note: Median earnings in pounds for employees working in the area.

**Jobcentre plus vacancies (June 2010)**

	<b>Bedford</b>	<b>East</b>	<b>Huntingdonshire</b>
Unfilled jobcentre vacancies (numbers)	772	27,301	887
Unfilled jobcentre vacancies per 10,000 working age population	80	78	84
JSA claimants per unfilled jobcentre vacancy	4.7	3.9	2.8

*Source: Jobcentre Plus vacancies - summary analysis*

**BUSINESSES****VAT registered businesses (2007)**

	<b>Bedford (numbers)</b>	<b>Bedford (%)</b>	<b>East (%)</b>	<b>Huntingdonshire (%)</b>
Registrations	550	10.4	9.6	9.1
Deregistrations	400	7.6	7.2	6.3
Stock (at end of year)	5,280	-	-	-

*Source: BERR - vat registrations/deregistrations by industry*

Note: % is a proportion of stock (at end of year)