

2009/10 Agenda for Change staff

The NHS Pay Review Body (NHS PRB) has decided not to re-open the [three-year pay agreement](#) for 2009/10. As a result, the pay uplift for Agenda for Change staff groups, which was agreed in early 2008, will be implemented from April 2009. This page gives details of NHS Employers [submission](#) for the 2009/10 pay round.

In addition to the decision on the pay uplift, the NHS PRB has concluded that there is insufficient evidence to support national recruitment and retention premiums for midwives or building craft workers. The NHS PRB will be reporting on issues arising from its 23rd report early in 2009.

Our evidence - 2009/10 pay round

NHS Employers recommended that the multi-year settlement should continue in line with the agreement for 2009/10 and 2010/11. Our submission reflected the views of employers that there is insufficient evidence to justify a review of the proposed pay awards for the remaining two years of the settlement. Employers also believe that the settlement strikes the right balance between fairness for staff and fairness for the taxpayer, whilst being affordable to the service.

Key messages

The key messages from NHS organisations to the NHS PRB for 2009/10 are outlined below:

- Employing organisations in the NHS continue to support the multi-year settlement on pay and conditions of service and wish to see it implemented in 2009/10 and 2010/11.
- NHS Employers do not consider that there is strong evidence available that suggests significant and material changes to the general position on recruitment and retention and the labour market as it affects the NHS. Recruitment and retention is generally stable and employers have not reported any particular labour market issues that would suggest further national pay action is needed. In general employers do not anticipate any difficulties during the period of the settlement.
- Whilst there is evidence of some problems with certain professional groups of staff, these shortages are not directly related to levels of pay. NHS Employers will continue to work with the Department of Health and Staff Side organisations to consider the particular issues relating to the supply of pharmacists.
- The multi-year settlement is a balanced package of pay and non pay issues that met interests of employers, staff and their representatives. Any changes to the uplifts previously agreed could, on affordability grounds, put at risk the implementation of the structural changes that were negotiated as part of the settlement.
- Employers consider the multi-year deal pay uplifts are set at an appropriate level that will enable NHS organisations to continue to compete in the labour market to recruit and retain the staff they need to deliver service targets.
- Evidence suggests that recruitment and retention will continue to be stable in the context of wider labour market developments and probable contractions in other employment sectors.
- The review clause requires significant evidence that there have been changes to recruitment and retention and the wider economic and labour market conditions.
- It is acknowledged that recent increases in inflation rates have an impact on the living standards of employees as well as imposing further financial pressures on employing organisations. However, it is our view that increases in inflation does not, in itself, meet the criteria needed to call for the NHS PRB to request a remit from the Secretary of State.
- NHS Employers recognise that the definitive sources of evidence on the wider economic context are issues for HM Treasury and the Health Departments.

Additional information

The multi-year settlement for Agenda for Change staff groups was agreed by health unions representing the majority of NHS staff. The settlement includes a review provision which will continue to apply for the next pay round for 2010/11.

From UNISON Web site

17/12/2008

HEALTH PAY DECISION – UNISON REACTION

UNISON, the UK's largest health union, today said it was "disappointed" by the NHS Pay Review Body's decision not to ask the Government to re-open the 3 year pay deal for health workers.

Karen Jennings, UNISON Head of Health, said:

"The Pay Review Body's decision not to call for the pay talks to be re-opened will be disappointing for nurses, midwives, paramedics and other health workers.

"Whilst inflation has started to come down, UNISON members entered into the 3-year deal in good faith, based on Government predictions that inflation had peaked and would fall. Yet health workers have experienced big increases in food prices and other costs over the past nine months.

"Having said that we respect the independence of the Pay Review Body and believe their report is a balanced judgement looking at all factors."

"We are pleased that the Review Body has stated that it will look again at the position in autumn 2009."

Notes for Editors

The 3-year deal gave 2.75% backdated to April 2008.

In year 2, it gave 2.54% and established a new minimum wage of £6.77 an hour.

In the third year the deal gave 2.5% and included a flat rate increase of £420 for the bottom three grades.

Ends

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From RCN Web site

RCN expresses disappointment at Review Body decision

Published: 17 December 2008

The Royal College of Nursing has expressed "extreme disappointment" at the Pay Review Body's decision not to request a remit from the Secretary of State to review the 2009 / 2010 pay settlement.

Dr Peter Carter, RCN Chief Executive & General Secretary, said:

“We are extremely disappointed that the Review Body is not recommending reopening NHS pay talks. But the fact is the economy has changed dramatically since the three year deal was signed, lurching from the highest inflation levels in 16 years to recession and associated job losses.

“These are tough times for everyone, including hard working nurses and low paid health care assistants. Record numbers of our members have turned to the RCN for help dealing with financial difficulties, including home repossession over the past few months. While there are signs inflation is now falling, the impact of spiralling inflation earlier this year – on mortgages, utility bills and costs of living continues to have a devastating effect on the everyday lives of our members.”

However, the economic situation has changed since the RCN submitted written evidence in October and it continues to be volatile.

As well as taking into account the staff side's evidence of the impact of the highest levels of inflation in 16 years on our members, the Review Body also considered the impact going forward of a potentially minus rate of inflation in 2009 and how the NHS pay award of 2.4% would compare.

The RCN's view remains that negotiators did a good job to secure a deal that remains the highest award negotiated for public sector staff for 2008 to 2010 and which compares very favourably with private sector settlements.

The Pay Review Body has said it does not think it appropriate to take a view on the increases for 2010/11, but will review all the available evidence in autumn 2009 to consider whether to seek a remit from the Secretary of State to review the pay settlement contained in the agreement for 2010/11.

The RCN will resubmit evidence to the Pay Review Body on the impact of the economic changes on our members, the labour market and recruitment and retention levels in the NHS next year.

Further information

Pay Review Body evidence

The Review Body has considered all the available evidence and found the following:

- There is no new evidence of a significant and material change in recruitment and retention (although they have concerns about levels of 'on the day' vacancies and morale indicators and want to keep these under review).
- The wider economic and labour market situation has changed significantly but it does not consider these changes have materially affected the relative position of NHS staff, or that the Agenda for Change pay structure is getting out of line with the wider labour market.

The Independent Pay Review Body has therefore decided not to request a remit from the Secretary of State to review the pay settlement contained in the agreement between the parties for 2009/10.

As a result, all NHS staff will receive a 2.4% pay increase from 1 April 2009 but the structural changes mean that staff on bands one, two, three, four, five and six (pay points 1-13 and 17-25) will receive higher percentage uplifts.

After collecting evidence from all parties involved in pay negotiations, the key findings of the independent Pay Review Body are as follows:

- Low vacancy rates and vacancy rates had decreased for all staff groups in 2008.
- There was low turnover compared with the rest of the economy.
- Headline average earnings growth in the public sector currently exceeds the private sector.
- Median pay settlements for the public sector 2.6% are lower than for the private sector 3.8% but the median pay of full time nurses and midwives is higher than the whole economy median and has been consistently higher.
- Between 2007 and 2008, median weekly pay of NHS staff increased by 5% compared with an increase of 4.6% for all full-time employees.
- Median weekly pay of all NHS staff exceeded that of the wider UK economy in all regions and countries except London.
- Inflation is on a downward trajectory – CPI at 4.1% and RPI at 3% in November.

Considerations in the RCN's response

- Staff side negotiators have been outspoken in support for the Review Body. The RCN has consistently supported the Pay Review Body and the current process in place.
- The three year deal remains the best deal negotiated for public sector staff.
- The public will have little sympathy for staff already guaranteed a pay increase in 2009 given many others will have no idea what their salary will be or even if they will have a job in April 2009.
- There is no process by which the staff side can challenge the Review Body's decision and any challenge is unlikely to be seen sympathetically by the public.