



DEBATE PACK

Number CDP-2007/0038, 27 January 2017

Pay restraint for Agenda for Change NHS staff

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This document contains press coverage, parliamentary material, reports and Library briefing relevant to the Westminster Hall debate, on pay restraint for Agenda for Change NHS staff, scheduled for Monday 30 January 2017 at 4.30pm.

The Petitions Committee has scheduled this debate following an e-petition, started on petition.parliament.uk, which has received over 100,000 signatures:

E-petition 168127: Demand an end to the pay restraint imposed on agenda for change NHS staff

Agenda for change staff including nursing, midwifery, healthcare assistants and associated healthcare professionals have suffered a pay restraint since 2010. Losing approximately 14% in real terms of their pay, staff are struggling nationwide and many have been pushed into poverty.

The debate will be led by Catherine McKinnell MP, a member of the Petitions Committee, on the motion "That this House has considered e-petition 168127 relating to pay restraint for Agenda for Change NHS staff."

[Read full petition and Government response](#)

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

Contents

1.	Summary	3
2.	E-petition	5
3.	Campaigns	8
4.	Pay review reports	9
5.	Press articles	10
6.	Parliamentary questions	11

1. Summary

Agenda for Change is the system for pay, terms and conditions that applies to over a million directly employed NHS staff, with the exception of doctors, dentists and some very senior managers. Although the Agenda for Change agreement, introduced in 2004, applied across the UK, decisions on pay for NHS staff in Scotland, Wales and Northern Ireland are a matter for the devolved administrations, and decisions on pay for NHS staff have been set differently in each part of the UK. The UK-wide NHS Pay Review Body (NHSPRB) makes recommendations for Agenda for Change staff pay, and advises Ministers in each part of the UK.

Information on the different pay rates for NHS nurses in England and the devolved administrations can be found on the Royal College of Nursing (RCN) website:

<https://www.rcn.org.uk/employment-and-pay/nhs-pay-scales-2016-17>

The following information relates to Agenda for Change (AfC) staff pay in England, unless otherwise stated:

In the Summer 2015 Budget, the UK Government announced that it will fund average annual public sector pay awards of 1 percent for the four years from 2016/17. The UK Government has said its pay policy will help to ensure the NHS workforce is affordable and protect jobs. NHS staff in Scotland, Wales and Northern Ireland have also received a 1 percent pay increase in 2016/17, as recommended by the NHSPRB.

This follows a two year pay freeze in 2011/2012 and 2012/2013, and increases of 1 percent in 2013/14 and 2014/15. The Health Secretary rejected the NHSPRB recommendation of a further 1 percent pay rise in 2015/16 (Wales and Scotland accepted the NHSPRB's recommendation). However, the UK Department of Health stated there would be an annual increase of at least 1 percent for AfC staff in England through either contractual incremental pay or a non-consolidated payment. The latter included providing a 1 percent increase for nurses at the top of their pay bands to ensure that all staff received some raise – incremental rises within bands would typically be between 2 and 5 per cent. Those earning below £21,000 during the pay freeze received a £250 pay rise.

The RCN is calling for the scrapping of the 1 percent cap and an above inflation pay rise for NHS nursing staff. The RCN states that there has been a 14 percent real-terms fall in nursing pay since 2010 and that some nursing staff are now relying on foodbanks and second jobs. The 14 percent figure appears to be calculated using the RPI index, although there are some concerns about the use of this methodology to measure inflation.¹ Measuring inflation using the CPI index, pay for AfC Band 5 (which includes qualified adult nurses and midwives) has fallen by 9% between 2009/10 and 2016/17.

¹ <https://www.ons.gov.uk/economy/inflationandpriceindices>

An extract from the UK Government's response to the petition can be found below (the full response can be found in the following section)

Overall earnings for nurses and other non-medical staff have increased year-on-year since 2010/11, in total by 4.0% or 0.8% a year. Average basic pay per full time equivalent has increased by more than the impact of annual pay awards.

Average earnings for qualified nurses were £31,214 in the 12 months to June 2016, a slight increase from the same time last year and above the £31,189 figure for the NHS as a whole, which remains well above the national average salary for 2015 of £27,500 a year.

For nurses and midwives employed in the NHS between March 2010 and March 2015, average total earnings (adjusted for changes in contracted hours) increased by 2.2% a year.

The NHS is one of few public sector workforces that receive incremental pay. Around half of AfC staff receive incremental pay of around 3% on average. A typical qualified nurse (Band 5) can expect seven years of pay progression averaging around 3.8% a year, in addition to annual pay awards.²

The Department of Health also note that the reward package for AfC staff that work in and around London includes High Cost Area Supplements (see the full response to the petition in the following section for further details).

Further information on Agenda for Change pay can be found on the NHS Employers and RCN websites:

<http://www.nhsemployers.org/agendaforchange>

<https://www.rcn.org.uk/employment-and-pay>

² <https://petition.parliament.uk/petitions/168127>

2. E-petition

An e-petition, started on petition.parliament.uk has called for an end to the pay restraint imposed on Agenda for Change NHS staff. Petition 168127, which has received over 100,000 signatures, states that:

Agenda for change staff including nursing, midwifery, healthcare assistants and associated healthcare professionals have suffered a pay restraint since 2010. Losing approximately 14% in real terms of their pay, staff are struggling nationwide and many have been pushed into poverty.

The impact of the pay restraint is harsh. Many are sadly leaving the professions they love. There is an NHS staff crisis. In London we lack 10,000 nurses. Yet two fifths of nurses living in the capital plan to leave as they are unable to pay their rent. Staff reporting using food banks and hardship funds is increasing. The pay restraint must end.

<https://www.nursingtimes.net/news/workforce/london-nurses-priced-out-of-capital-by-housing-costs/7004379.article>

<https://www.rcn.org.uk/nursingcounts>

The UK Government has responded as follows:

Agenda for Change staff are vital. They work incredibly hard for patients and deserve to be fairly rewarded. We are committed to ensuring trusts can afford to employ the staff the NHS needs.

NHS staff are our greatest asset. Despite the pressures on the NHS driven by an increasingly aged and frail population, nurses, and all our hard working NHS staff continue to put patients first, keeping them safe whilst providing the high quality care patients and their families expect.

The Government has protected NHS front line funding whilst increasing staffing levels with over 3,500 more nurses and midwives employed since May 2010 and over 51,000 nurses currently in training.

Health Education England, NHS England and the Department have taken a range of actions to boost the supply of domestically trained staff and to increase the efficiency and productivity of the existing workforce. The NHS is already recruiting more home-grown nurses, promoting return to practice programmes and improving retention of existing staff. For example, an additional £5 million will support the Return to Practice scheme, aimed at encouraging and supporting experienced nurses who have left the profession to return. More than 2,300 returners have been on the programme, with over 700 now back in employment. Reforms to the funding of pre-registration nurse education will enable universities to significantly expand training places by the end of the parliament.

The Government greatly values the important work that Agenda for Change (AfC) staff do in delivering essential public services and it is crucial that the public sector continues to recruit, retain and motivate the highest quality staff. In responding to the 2013 Francis Enquiry into the appalling events at Mid Staffordshire NHS Foundation Trust, it was right that trusts wanted to ensure they had the right number of nurses to provide safe quality care. The demand for nurses was much higher than planned, but nearly

three years on, trusts cannot either provide safe quality care or balance their books; they must do both.

There is a trade-off between pay and jobs in many public services, and pay restraint is one of the many difficult choices the Government has had to make. At Summer Budget 2015, the Government announced that it will fund public sector workforces for an average pay award of 1 percent for four years from 2016/2017. The Office for Budget Responsibility estimates that this policy will protect 200,000 public sector jobs. Whilst pay restraint is challenging, CPI inflation has been at historic low levels, currently 0.6%. Overall earnings for nurses and other non-medical staff have increased year-on-year since 2010/11, in total by 4.0% or 0.8% a year. Average basic pay per full time equivalent has increased by more than the impact of annual pay awards.

Average earnings for qualified nurses were £31,214 in the 12 months to June 2016, a slight increase from the same time last year and above the £31,189 figure for the NHS as a whole, which remains well above the national average salary for 2015 of £27,500 a year.

For nurses and midwives employed in the NHS between March 2010 and March 2015, average total earnings (adjusted for changes in contracted hours) increased by 2.2% a year.

The NHS is one of few public sector workforces that receive incremental pay. Around half of AfC staff receive incremental pay of around 3% on average. A typical qualified nurse (Band 5) can expect seven years of pay progression averaging around 3.8% a year, in addition to annual pay awards.

We know pay is not the only reason nurses and other health workers choose a career in the NHS. The reward package also includes a valued pension scheme and other non-pay benefits. Members of the pension scheme can generally expect to receive around £3 to £6 in pension benefits value for every £1 they contribute, while flexible working patterns help staff better manage their personal commitments.

We appreciate that housing and travel costs in London can be a barrier to recruiting and retaining the nurses and other key workers the NHS needs. The reward package for AfC staff that work in and around London includes High Cost Area Supplements:

- 20% of basic salary, subject to a minimum payment of £4,158 and a maximum payment of £6,405 for staff that work in 'inner' London;
- 15% of basic salary subject to a minimum payment of £3,518 and a maximum payment of £4,483 for 'outer' London; and
- 5% of basic salary, subject to a minimum payment of £961 and a maximum payment of £1,665 for the London 'fringe'.

The Department is also considering how best to take account of the housing requirements for NHS staff, particularly in high-cost areas to support permanent staffing.

The 2015 NHS Staff Survey shows that for nurses and midwives morale and motivation has improved since 2014. It is critical that the NHS continues to work hard on its staff engagement strategies. We want the NHS to be a place where nurses want to work, where poor care, poor behaviour, bullying and harassment is not tolerated. We know there is a strong link between the

reduction in patient standardised mortality rates and organisations with high staff engagement.

Department of Health

3. Campaigns

[Nursing Counts](#)

The campaign from the Royal College of Nursing, campaigning for:

- Scrapping the 1% public sector pay cap for NHS staff
- Awarding NHS staff with an above-inflation pay increase
- Returning to UK-wide pay rate in the NHS.

[Josie Irwin: Campaign for fair pay is a fight for future of the NHS](#)

The 1% pay cap is causing low morale among nurses, has destabilised the workforce and is now putting patient care at risk, says the RCN's lead pay negotiator

Nursing Standard, 11 November 2016

[Public Sector Pay Restraint in England](#)

Includes information about nurses and midwives

TUC, 18 January 2017

[Skint, shaken yet still caring](#)

An analysis of the lives of nurses, including financial hardship

Cavell, Nurses Trust, December 2016

[Health service workers resort to loans and food banks after years of cash cuts, UNISON survey finds](#)

The findings from the union's annual survey of health staff across the UK underline the real financial cost of years of pay freezes as UNISON makes its case to the NHS Pay Review Body.

UNISON, 27 October 2016

4. Pay review reports

[NHS Pay Review Body Twenty-Ninth Report 2016](#)

March 2016

[Evidence submitted by the Department of Health to the NHS Pay Review Body \(NHSPRB\): pay round 2017 to 2018](#)

October 2016

[Staff Side Evidence to the NHS Pay Review Body 2017-18](#)

Contribution from British Association of Occupational Therapists, British Dietetic Association, British and Irish Orthoptic Society, Chartered Society of Physiotherapy, Federation of Clinical Scientists, GMB, Royal College of Midwives, Royal College of Nursing, Society of Chiropractors and Podiatrists, Society of Radiographers, UCATT, Unison, Unite

September 2016

[Royal College of Nursing Evidence to the NHS Pay Review Body 2017-18](#)

September 2016

5. Press articles

NHS workers are gripped in a financial crisis after years of pay freezes, a Unison survey reveals; NHS workers are locked in a shocking spiral of financial hardship after years of pay freezes imposed by the Tories and are now suffering

Mirror, 27 October 2016

[Available via Nexis News]

[NHS workers 'are quitting to stack shelves because it pays more'](#)

Telegraph, 29 November 2016

[NHS Wales announces 1% staff pay rise](#)

Western Telegraph, 18 March 2016

[Hamilton awards health service workers 1% pay rise in bid to ward off unrest but union brands increase miserly](#)

Belfast Telegraph, 9 March 2016

[Work for the NHS? You are about to get a pay rise](#)

NHS staff in Scotland will receive a 1% pay rise, with lower-paid workers to receive an additional boost to their salaries, Health Secretary Shona Robison has announced. The Scottish government claims these are the highest pay rates in the UK

Evening Times, 8 March 2016

[All NHS staff to get 1 per cent pay rise](#)

Health Service Journal, 8 March 2016

[Public sector workers get 1% pay rise - but unions say it's nowhere near enough](#)

Mirror, 8 March 2016

[Unions angered by 'miserly' 1% pay rise for public sector workers](#)

Guardian, 8 March 2016

[All NHS staff to get 1 per cent pay rise](#)

BMJ, 8 March 2016

6. Parliamentary questions

[Nurses: Take-home Pay](#)

Asked by: Anderson, Mr David | **Party:** Labour Party

To ask the Secretary of State for Health, if he will make an assessment of the combined effect of the (a) increase in national insurance contributions and (b) one per cent 2015-16 pay increase for NHS staff which both took effect from 1 April 2016 on the take-home pay of NHS nurses.

Answering member: Alistair Burt | **Party:** Conservative Party |

Department: Department of Health

The impact on take-home pay for National Health Service nurses, of the combined effect of these measures will depend on individual circumstances, in particular how much they are paid, whether they are members of the NHS Pension Scheme, whether they also received an annual increment and their personal tax allowance.

03 May 2016 | Written questions | Answered | House of Commons | 35117

Date tabled: 22 Apr 2016 | **Date for answer:** 26 Apr 2016 | **Date answered:** 03 May 2016

[NHS: Pay](#)

Asked by: Madders, Justin | **Party:** Labour Party

To ask the Secretary of State for Health, what proportion of the NHS workforce he expects to receive a real-terms pay increase over the next four years; and if he will make a statement.

Answering member: Alistair Burt | **Party:** Conservative Party |

Department: Department of Health

The Government announced that it would fund public sector pay increases at an average of 1% for four years from 2016/17. For National Health Service staff, the NHS Pay Review Body and Review Body on Doctors' and Dentists' Remuneration will take evidence from a range of stakeholders, including Government, trades unions, NHS Providers, NHS Employers, NHS England and Health Education England and will make recommendations to Government.

10 Nov 2015 | Written questions | Answered | House of Commons | 14394

Date tabled: 02 Nov 2015 | **Date for answer:** 04 Nov 2015 | **Date answered:** 10 Nov 2015

[NHS: Pay](#)

Asked by: Smith, Mr Andrew | **Party:** Labour Party

To ask the Secretary of State for Health, what recent assessment he has made of the effect of public sector pay restraint on (a) staff recruitment, (b) staff retention and (c) expenditure on agency staff in the NHS.

Answering member: Alistair Burt | **Party:** Conservative Party |
Department: Department of Health

Over the last five years, neither the NHS Pay Review Body (NHSPRB) nor the Doctors and Dentist Pay Review Body (DDRB) which make pay recommendations to government for employed non-medical and medical National Health Service staff, have identified any significant recruitment and retention issues because of pay restraint or expenditure on agency staff. In fact there are 8,500 more full time equivalent doctors and 6,800 more nurses since 2010.

In addition to consolidated and non-consolidated pay increases, over the last five years, just under half of all employed NHS staff also received incremental pay at an average of over 3% each year.

The Government has said that it will fund public sector workforces for a pay award of 1% for four years from 2016/17. The NHSPRB and DDRB will make recommendations to Government for 2016/17 and in making their recommendations will take into account the funding available to the NHS and expenditure on the workforce, including temporary staffing through agencies. They will also consider how their recommendations might affect the retention, recruitment and motivation of all their remit group.

It is recognised that the policy of pay restraint is challenging and difficult for NHS staff, however at a time of necessary decisions, the Government's pay policy will help to ensure the NHS workforce is affordable and protect jobs.

19 Oct 2015 | Written questions | Answered | House of Commons | 10812

Date tabled: 09 Oct 2015 | **Date for answer:** 13 Oct 2015 | **Date answered:** 19 Oct 2015

[NHS: Pay](#)

Asked by: Cooper, Rosie | **Party:** Labour Party

To ask the Secretary of State for Health, what steps he has taken to encourage restraint in increases in senior NHS executive's pay.

Answering member: Alistair Burt | **Party:** Conservative Party |
Department: Department of Health

My Rt. hon. Friend the Secretary of State wrote to all Chairs of NHS organisations on 2 June 2015 setting out a range of measures to ensure executive pay is proportionate and justifiable. He asked the Chairs urgently to review their policies on executive pay; to seek the views of Ministers before making any executive appointment paid more than £142,500 per year; to advise him of all current executive pay more than £142,500 and to provide a justification; to ensure that the HM Treasury

guidance on off-payroll executive appointments is followed rigorously. He also announced his intention of introducing a limit on the rates payable to off-payroll interim executives; of introducing a national framework for deciding executive pay throughout the NHS; of clamping down on executives who retire and then return to NHS employment so that they do not gain financially from this; and set out his expectation that new redundancy terms should apply to all executive staff. We are taking this work forward.

14 Oct 2015 | Written questions | Answered | House of Commons | 11199

Date tabled: 09 Oct 2015 | **Date for answer:** 14 Oct 2015 | **Date answered:** 14 Oct 2015

[NHS: Pay](#)

Asked by: Haigh, Louise | **Party:** Labour Party

To ask the Secretary of State for Health, what assessment he has made of the effect of the public sector pay freeze on NHS staff morale; and whether he plans to survey NHS staff on that matter.

Answering member: Alistair Burt | **Party:** Conservative Party | **Department:** Department of Health

National Health Service staff earning above £21,000 had their pay frozen during 2011/12 and 2012/13 with, since then, most staff receiving at least 1% increases. This approach to pay has helped protect jobs in the NHS and maintain services for patients.

There is no evidence that the pay freeze affected staff morale. While the NHS Staff Survey, which provides the most comprehensive assessment of staff views about working in the NHS, does not directly measure staff morale, staff engagement, which includes staff motivation at work, staff recommending their trust as a place to work or receive treatment, and the percentage of staff able to contribute towards improvements at work, has remained high with a score of 3.76/5 in 2014 (latest available) rising from 3.68/5 in 2012 (the first year staff engagement was included).

17 Sep 2015 | Written questions | Answered | House of Commons | 10139

Date tabled: 14 Sep 2015 | **Date for answer:** 17 Sep 2015 | **Date answered:** 17 Sep 2015

[NHS: Pay](#)

Asked by: Leslie, Charlotte | **Party:** Conservative Party

To ask the Secretary of State for Health, what assessment he has made of the effect of the pay freeze on long-term retention rates for NHS nurses and support staff.

Answering member: Alistair Burt | **Party:** Conservative Party |
Department: Department of Health

For just two years (2011/2012 and 2012/2013) most public sector, including National Health Service staff were subject to a pay freeze. Staff earning £21,000 or less were excluded from the pay freeze and received a consolidated payment of £250.00 in each year.

Over the following three years (2013/2014 to 2015/2016) all employed NHS staff received at least 1% in consolidated or non-consolidated pay increases.

In addition to consolidated and non-consolidated pay increases, over the last five years, just over half of all employed NHS staff also received incremental pay at an average of over 3% each year.

Over the last five years, the NHS Pay Review Body which makes pay recommendations to government for non-medical NHS staff (which includes nurses and support staff) did not identify any significant recruitment and retention issues for nurses or support staff.

Since May 2010 there are 7,140 more nurses and midwives, an increase of 2.3%.

At a time of difficult decisions, the Government's pay policy will help to ensure the NHS workforce is affordable and protect jobs.

14 Sep 2015 | Written questions | Answered | House of Commons | 8646

Date tabled: 04 Sep 2015 | **Date for answer:** 08 Sep 2015 | **Date answered:** 14 Sep 2015

[NHS: Pay](#)

Asked by: Haigh, Louise | **Party:** Labour Party

To ask the Secretary of State for Health, what his policy is on pay levels in the NHS.

Answering member: Alistair Burt | **Party:** Conservative Party |
Department: Department of Health

Pay levels in the National Health Service should support NHS organisations to recruit, retain and motivate the staff they need to care for patients whether in hospitals or patient's own homes.

Pay is not the only part of the NHS employment offer. NHS staff now receive Total Reward Statements which show the value of other benefits, for example, the NHS occupational pension scheme which includes Life Assurance, child care voucher schemes, health and wellbeing benefits. Supported by good staff engagement strategies it is the overall employment offer that helps the NHS to attract and keep the staff it needs.

Since 2010, there are more than 9,100 additional doctors and 8,200 nurses, midwives and health visitors employed in the NHS.

04 Jun 2015 | Written questions | Answered | House of Commons | 187

Date tabled: 27 May 2015 | **Date for answer:** 01 Jun 2015 | **Date answered:** 04 Jun 2015

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