

Unite evidence to the National Health Service Pay Review Body (NHSPRB), September 2011

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1. Introduction

- 1.1. This evidence is submitted by Unite the Union - the country's largest trade union. The union's members work in a range of industries including manufacturing, financial services, print, media, construction and not-for-profit sectors, local government, education and health services.
- 1.2. Unite is the third largest trade union in the National Health Service and represents approximately 100,000 health sector workers. This includes seven professional associations – the Community Practitioners and Health Visitors' Association (CPHVA), Guild of Healthcare Pharmacists (GHP), Medical Practitioners Union (MPU), Society of Sexual Health Advisors (SSHA), Hospital Physicists Association (HPA), College of Health Care Chaplains (CHCC) and the Mental Health Nurses Association (MNHA) – and members in occupations such as allied health professions, healthcare science, applied psychology, counselling and psychotherapy, dental professions, audiology, optometry, building trades, estates, craft and maintenance, administration, ICT, support services and ambulance services.
- 1.3. As well as submitting this written evidence Unite has participated in the Joint Trade Union evidence to the NHSPRB. This year the Joint Trade Union evidence includes a report by Dr. Ian Kessler from Fellow at Green Templeton College, University of Oxford that considers the system of national bargaining in the NHS. Dr. Kessler evidence clearly shows the benefits of national pay bargaining and the findings from his paper have informed this evidence submission. Unite has placed particular emphasis on groups of members that have specific concerns throughout the submission. In general, however, all the comments below apply across our membership, which covers a broad range of roles that are vital to the NHS being able to function.

2. Wider political context

- 2.1. Unite's NHSPRB evidence must be read in the context of this Government's policy of cuts to public services and public sector employees. These include a real term cut in NHS funding,¹ the implementation of 15-20% efficiency savings across the four countries of the UK, the radical changes in England under the Health and Social Care Bill currently going through parliament and moves to integrate health and social care provision in Scotland, Wales and Northern Ireland.
- 2.2. As a result of this wider political context the NHS labour market is in a state of flux. A number of NHS employers are going through significant organisation restructuring and the result has been major changes in working conditions that have resulted in serious

¹ <http://socialisteconomicbulletin.blogspot.com/2011/04/attack-on-nhs.html>

reductions in remuneration for groups of staff. This is particularly true for those who previously received the national recruitment and retention premium who are experiencing a reduction in pay of up to 14%.

- 2.3. Many staff are also experiencing large reductions in their incomes as a result of “efficiency savings”. For example staff are moved from on-call systems to a shift model of service provision. Some members have reported these cuts in remuneration to be as much as 20% of income. Pathology and pharmacy services are particular examples of where these reorganisations have taken place. Some staff have also experienced reductions in income due to down-banding, despite their job profile reflecting a higher grade.
- 2.4. Resulting from NHS restructuring, many new employers (including new social enterprises and third sector providers) are trying to renegotiate staff terms and conditions of employment, reducing the value of their overall benefits package. This will not only create reduced mobility in the system, but also growing inequality in the benefits package.
- 2.5. These wider changes should be seen as the context for overall public sector pay policy and Unite would like the NHSPRB to investigate the prevalence and impacts of such changes.

3. Public sector pay policy

- 3.1. The Government’s policy continues to be for there to be: *“a two year pay freeze ... introduced from 2011-12 for public sector workforces, except for those earning £21,000 or less, who will receive an increase of at least £250 a year”².*
- 3.2. Unite and the other trade unions strongly support the role of the NHSPRB as an independent body. The unilateral announcement by the Government of a real term pay cut for NHS and other public sector workers undermines the independent role of the NHSPRB.
- 3.3. This pay policy is part of the wider and deeper spending cuts the Government is implementing across public services, in the name of “deficit reduction”. Unite, the TUC, and many leading economists are clear that these spending cuts are ideologically driven and damaging for the economy. Contrary to Government claims, cuts to public services do not lead to economic growth and new jobs in the private sector. Instead, not only do they undermine our public services, but they also reduce the demand in the economy. Current evidence is showing that the economy is now stagnating and that cuts could push the economy back into recession.

² Budget 2010, paragraph 2.18, page 45, 22nd June 2010

4. Differences between public and private sector pay

- 4.1 The Government has tried to bolster its case for real term cuts in public sector pay by perpetuating the false impression that public sector workers are somehow 'overpaid' compared to workers in the private sector. For example in June this year the Prime Minister asserted that: "*according to the Office for National Statistics, the average gross pay in the public sector is now higher than in the private sector. So we need to rebalance the system.*"³

Table 1: Public and Private Sector Average Earnings 2010

	All employees – median		All employees – mean	
	Public sector	Private sector	Public sector	Private sector
Hourly pay – gross	£13.54	£10.06	£16.08	£13.94
Annual pay – gross	£22,902	£20,575	£25,892	£27,195
Source: ONS				

- 4.2 The statistics that the Prime Minister is referring to appear to be from the Annual Survey of Hours and Earnings (ASHE). As Table 1 shows this data is open to interpretation. If median gross pay is used it shows that during 2010 public sector employees earned more than private sector - £22,902, compared to median gross pay of £20,575 in the private sector – whereas if mean gross pay is used it shows the opposite - £25,892 in the public sector and £27,195 in the private.
- 4.3 Pay specialists Incomes Data Services (IDS) have raised several concerns about the arbitrary use of ASHE statistics⁴. IDS argue that the difference between the mean and median gross pay is due to the greater inequality in the private sector⁵ and the relatively better pay for low paid workers in the public sector. They argue that ASHE averages fail to make meaningful comparisons between employees across the two sectors. They raise a number of key structural differences between the sectors including:
- i. The public sector employs a higher proportion of professionally trained staff (undertaking specialist roles in areas such as healthcare and education), meaning that a higher proportion of public sector staff are degree educated.
 - ii. The private sector contains a much wider variety of employees, with a higher ratio of unskilled workers with few qualifications at the bottom of the income distribution as well as far higher pay than the public sector at the top
 - iii. Low paid jobs in the public sector may attract higher pay due to greater levels of responsibility e.g. hospital cleaners or catering in schools.
- 4.4 Lastly IDS point out that the 2010 ASHE figures also include the nationalised banks in the public sector pay figures. This has had an upward impact on public sector earnings, with

³ <http://conservativehome.blogs.com/localgovernment/2011/06/prime-ministers-speech-to-the-local-government-association-conference.html>

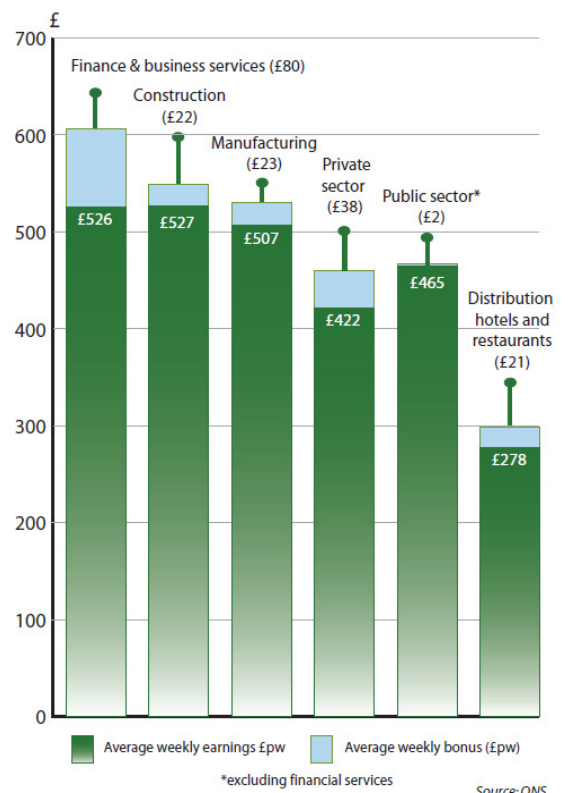
⁴ IDS Pay Report 1075 • June 2011

⁵ <http://touchstoneblog.org.uk/2009/12/more-about-public-versus-private-sector-pay/>

200,000 finance sector employees (the highest paid sector in the country) moving from the private to the public count (see Figure 1).

- 4.5 These differences account for the ASHE pay differentials. As the Institute of Fiscal Studies put it: “The raw differential does not take into account the fact that the skill compositions of the two sectors are markedly different: it is like using the average pay of neurosurgeons and the average pay of bartenders to conclude that neurosurgeons are overpaid!”⁶

Figure 1: Average weekly earnings by sector at March 2011



5. Pay deals across the economy

- 5.1 The same arguments must be levelled at the myth that all or much of pay in the private sector was frozen in response to the recession. The Chancellor’s 2010 Budget statement justified the government pay policy on the assertion that while the private sector experienced frozen pay over the past couple of years the public sector “was insulated from these pressures... [and]... must share the burden”⁷.

- 5.2 Last year’s evidence clearly showed that these claims were misleading, as in fact only 1 in 10 workers were covered by pay freezes in 2009⁸. Since then IDS reports that the private sector has consistently reported higher pay rises than the public sector, albeit still mostly below inflation. In June 2011 the median settlement level for private sector deals has risen to 2.9 per cent, up from 2.5 per cent from the previous month. A slight increase in the

⁶ <http://www.ifs.org.uk/budgets/gb2011/11chap7.pdf>

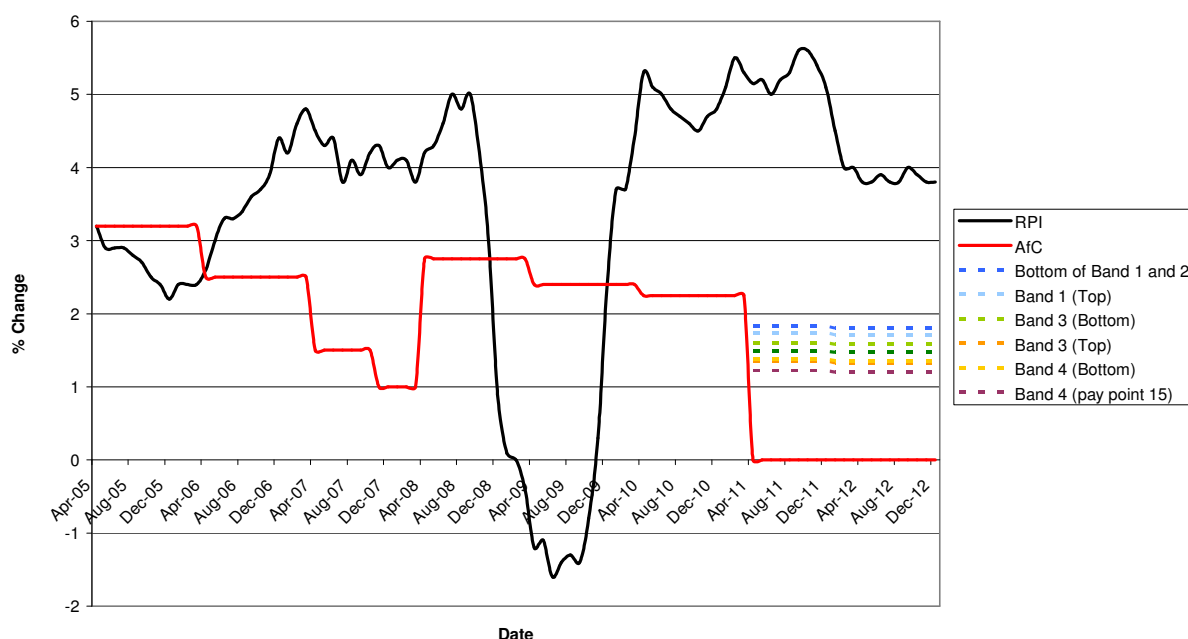
⁷ Budget Statement by the Chancellor of the Exchequer, 22nd June 2010

⁸ IDS Pay Report 1053, page 20, July 2010

number of pay awards in the 2 to 3.99 per cent range, particularly in the manufacturing sector, has contributed to this increase in the median pay award. The divide between the level of pay awards in the private and public sector continues to widen as the median in the public sector is zero. In the not-for-profit sector, the median pay award has fallen to 1.3 per cent, down from 1.5 per cent in the previous month⁹.

5.3 If we take a longer view of pay in the public sector we recall that there was a policy of limiting public sector pay increases to 2% or under at a time of record high inflation. This led to many public sector workers experiencing a pay cut in real terms from 2005 when inflation began increasing until the end of 2008 when it fell off. The underlying trend in public sector pay has been upwards over the past decade as it was necessary to close the income gap between the public and private sector that had made keeping experienced, trained staff difficult. Public sector pay fell below private sector pay between 1993 and 1999. The modernisation and improvements in pay structures across the public sector in the first half of this decade meant public sector pay rose faster than private sector pay between 2002 and 2004. This levelled out in 2005, and the private sector earning growth was then larger than the public sector in 2006-2008¹⁰. Figure 2, below, illustrates NHS pay against RPI since April 2005 and gives a projection going forward.

Figure 2 – Illustrating NHS pay versus RPI since April 2005, giving a projection from July 2011



5.4 This longer term view of pay in both the private and the public sector provides a much more complex picture than the Government would like. It also gives the lie to the assertion that public sector workers have been “insulated” from pay cuts and that somehow their jobs are ‘feather bedded’ in this respect. It has become clear that the Government has deliberately

⁹ IDS Pay Report 1078, August 2011

¹⁰ TUC, ‘6 Million pay cuts’

failed to correct the myths and outright lies that have circulated about public sector pay – indeed it has helped to add and enhance these myths.

6. Government Policy is for a real terms pay cut, not a pay freeze

6.1 As the UK's largest employer, NHS pay rates plays a major role in setting UK pay trends overall. Unite is a general union that covers workers in most sectors of the economy, public, private and not for profit. Unite believes that all workers should receive a fair pay rise no matter what sector they work in. All of those working in the NHS should be protected from a fall in living standards and receive a fair pay increase.

6.2 The imposition of a pay freeze on NHS and other public sector workers is a pay cut in real terms. As can be seen from Table 2 below the rate of inflation is projected to be consistently above 0% - the amount that the Government wishes most NHS workers to receive.

Table 2 – Projected RPI over the next year (rounded average*)

Date	Projected RPI	Date	Projected RPI
September 2011	5.6	May 2012	3.8
October 2011	5.6	June 2012	3.9
November 2011	5.4	July 2012	3.8
December 2011	5.1	August 2012	3.8
January 2012	4.5	September 2012	4.0
February 2012	4.0	October 2012	3.9
March 2012	4.0	November 2012	3.8
April 2012	3.8	December 2012	3.8

*Forecasts made 13 June 2011: Citigroup, Commerzbank, Deutsche Bank, Morgan Stanley, Royal Bank of Scotland and UBS

Source: IDS Pay Report 1076 – July 2011

6.3 The Government continues to push for the use of the Consumer Price Index (CPI) for negotiations around pay and terms – most recently in debates about public sector pensions. Unite would like to reiterate that the most appropriate measure of inflation to use for decisions concerning pay, is the Retail Price Index – the RPI. This is because RPI includes a broader range of important items that households spend money on. In comparison the CPI measure of inflation excludes items such as owner-occupier housing costs and other housing costs such as council tax, vehicle excise duty and TV licenses.

6.4 The Royal Statistical Society has raised concerns regarding the increasing prominence given to the CPI measure of inflation because of policy decisions by the Chancellor. In a letter to the Head of the UK Statistics Authority the President of the RSS has given the view of the Society as:

“We do not feel that CPI should have sole star billing in this way. While the policy use of the CPI clearly makes it a key index, other indices are key for other uses. Giving prominence to CPI ahead of other indices means that users are implicitly being encouraged to use it for purposes, such as wage negotiations, for which it is not ideal.”¹¹

- 6.5 The letter went on to note that Britain is unusual in giving such prominence to the CPI – other comparable EU countries, such as France, Germany, Italy, Spain and the Netherlands, publish a national index with the CPI as an additional index.
- 6.6 In summary, Unite continues to argue that the Government’s imposition of a real term pay cut on NHS and other public sector workers is based on myths about the state of pay in the private sector and is not based on any rationale of improving public services. This policy is part of a dogmatic policy to pay off sovereign debts caused by failures in the banking sector through cuts to public services and reduced terms and conditions for dedicated public sector workers.

7. An increase of at least £250 a year for those earning £21,000 or less

- 7.1 Unite continues to oppose the arbitrary pay freeze for those workers on point 16 and above. Workers in the NHS should be protected from a fall in living standards and receive a fair pay increase at least in line with inflation. Unite hopes that the NHSPRB will support us in this.
- 7.2 When announcing its pay freeze policy the Government assured Unions that the £250 pay increase, for workers earning up to £21,000, was a minimum. In April 2011 that below inflation increase was in fact treated as a maximum. Unite believes that the Government has been disingenuous to NHS workers and this year it should compensate these workers with a higher pay deal of at the very least the rate of RPI inflation.
- 7.3 As Figure 2 showed £250 still represented a pay cut in real terms for all grades that received it. Table 3 shows what the percentage increase would be if this minimum uplift were implemented again this year for those up to £21,000. (Under Agenda for Change pay rates from 1st April this gives a ‘cut-off’ point for receiving any uplift as pay point 15 at £20,804.) Based on current projections such a pay increase would still be considerably below inflation.

¹¹ <http://www.rssnews.org.uk/articles/20100831>

Table 3 - £250 as a % increase for Agenda for Change pay points 1 -15

Point	Pay rates as at 1st April 2011				£250 as a % increase			
	Band 1	Band 2	Band 3	Band 4	Band 1	Band 2	Band 3	Band 4
1	£13,903	£13,903			1.80	1.80		
2	£14,258	£14,258			1.75	1.75		
3	£14,614	£14,614			1.71	1.71		
4		£15,029				1.66		
5		£15,444				1.65		
6		£15,860	£15,860			1.58	1.58	
7		£16,395	£16,395			1.52	1.52	
8		£17,003	£17,003			1.47	1.47	
9			£17,368				1.44	
10			£17,854				1.40	
11			£18,402	£18,402			1.36	1.36
12			£18,827	£18,827			1.33	1.33
13				£19,500				1.28
14				£20,183				1.24
15				£20,804				1.20
16				£21,176				0
17				£21,798				0

7.4 These miserly increases are an insult to NHS staff, especially when they read reports of senior figures receiving large bonuses. *The Daily Telegraph* reported that former Department of Health (DH) director general of workforce, Clare Chapman, received a bonus of between £35,000 and £40,000 in the most recent financial year, almost twice what a newly qualified nurse earns in a year. Official accounts show that Ms Chapman also accrued a pension pot worth £229,000 during her four years in the job, and was earning a salary of between £220,000 and £225,000 by 2010-11¹².

8. Impact of wider government agenda for low paid workers

8.1 The gross median income for all employees in the UK was £21,221¹³ and is presumably the guide the government have used for drawing this arbitrary line across public sector workers and their pay.

8.2 Over the last year low income workers have faced a barrage of regressive tax policies, cuts to public services, price inflation and welfare benefits changes. While it has not been possible for this submission to calculate how hard these added costs have hit those earning below £21,000 (as the impact of these are a function of household composition as well as earnings) we can look at the impact of inflation on these lower earning groups. The Institute of Fiscal Studies has found that lower income households tend to experience higher than average levels of inflation¹⁴. This is because these households have a greater tendency to spend a higher proportion of their income on fuel and water.

¹² <http://www.telegraph.co.uk/health/healthnews/8755951/Department-of-Health-HR-head-gets-bonus-up-to-40000.html>

¹³ ONS, Annual Survey of Hours and Earnings, 2010

¹⁴ Peter Levell and Zoe Oldfield, The spending patterns and inflation experience of low-income households over the past decade, Institute of Fiscal Studies, June 2011

- 8.3 The Joseph Rowntree Foundation (JRF) latest minimum income standard report recommends that a single person needs to earn £15,000 a year before tax to afford a basic but acceptable standard of living. There remain three Agenda for Change spine points below this level, covering workers in pay bands 1 and 2. A couple with a single earner and two children would need at least £31,600. Further, JRF note that, over the past decade, the cost of a “minimum” basket of goods and services has risen by 43 per cent compared with 27 per cent for CPI and 35 per cent for RPI¹⁵.
- 8.4 This effectively means that a minimum basket became 13 per cent more expensive relative to a general (CPI) basket (A basket of goods costing £100 in 2001 would cost £127 in 2011 if inflated by CPI but £143 if inflated by MISPI; £143 is 13 per cent greater than £127). Given that for the last 6 years NHS workers have experienced pay uplifts below inflation this overall drop in living standards will be much larger.
- 8.5 This point was recognised in January by the Governor of the Bank of England, Mervyn King, when he stated that “*in 2011, real wages are likely to be no higher than they were in 2005. One has to go back to the 1920s to find a time when real wages fell over a period of six years.*”¹⁶ King was highlighting the impacts of higher import price, energy prices and taxes that had combined to squeeze take-home pay by around 12 per cent in recent years.
- 2.6. It is fair to conclude that there will be a substantial overlap between those that earn up to £21,000 and those in the lower 5 income deciles when income is adjusted for household size using the McClements equivalence scale. These people will be particularly affected by the Government’s tax and benefit changes. For families with children, the earnings required to make ends meet have risen much faster than living costs, because child benefit has been frozen and tax credits reduced for many families. Most importantly, tax credits helping low-income families to cover childcare costs have been cut. Typically, families requiring childcare would have to earn over 20 per cent more in 2011 than in 2010 to meet the shortfall¹⁷.
- 8.6 The Horton-Reed model¹⁸ assesses the impact of cuts in public spending on the different income deciles, finding that before cuts to benefits and tax credits is taken into account the average cuts to households is £1308. The cuts are deeply regressive, with the bottom tenth experiencing a loss of 20.3% of their income. Households with children and pensioners are also disproportionately affected. IFS have concluded that the effect of direct tax and benefit reforms introduced between June 2010 and April 2014 are also deeply regressive, with the

¹⁵ Joseph Rowntree Foundation, ‘A Minimum Income Standard for the UK’, July 2011

<http://www.jrf.org.uk/sites/files/jrf/minimum-income-standard-2011-full.pdf>

¹⁶ Quoted in IDS Pay Report 1069, March 2011

¹⁷ <http://www.jrf.org.uk/sites/files/jrf/minimum-income-standard-2011-summary.pdf>

¹⁸ TUC, Where the money goes, September 2010 <http://www.tuc.org.uk/extras/wherethemoneygoes.pdf>

bottom third losing 2% or more of their annual income (approximately £1200 a year) and the fourth and fifth deciles losing just under 2% and 1.5% of their annual income respectively¹⁹.

9. Impacts on Agenda for Change

- 9.1 The multiple changes going on in the NHS are having some worrying impacts for national agreements under Agenda for Change.
- 9.2 Firstly Unite would like to reiterated that any uplift is separate to staff receiving incremental points – as discussed and reaffirmed in previous years' NHSPRB Reports. All NHS workers, regardless of pay grade or point, continue to be entitled to incremental point increases under Agenda for Change.
- 9.3 The Staff Side evidence highlights that, across the UK, 32% of NHS employees are at the top of their pay bands. This trend is growing and will mean a problem of staff increasingly bunching up around the top of their grade.
- 9.4 Similarly when the Agenda for Change pay spine was negotiated it was based on a system of evenly spaced spine points. The difference between spine increments is an average of 3.6%. One impact of the pay freeze has been the bunching up of pay points 15 and 16 that after April 2012 will be a maximum of £122 different.
- 9.5 Unite is also concerned that pay policy in the NHS, such as through consultant contracts and flat percentage increases across the Agenda for Change spine, have created increased pay inequality across the NHS. While arbitrary pay freezes are clearly not the solution to this problem, Unite would like the PRB to thoroughly investigate pay relativities and growing inequality in the NHS pay bill as part of their report.
- 9.6 Lastly the Scottish governments commitment to pay at least the Scottish living wage of £7.15 per hour in the NHS will create another anomaly:

“The Scottish Living Wage of £7.15 per hour should be applied as requiring public bodies to introduce an annual gross base salary of £13,996. This has been assessed as the applicable rate for the 2011-12 pay round. Any uprating will be considered as part of the 2011-12 pay policy decision making process.”²⁰

- 9.7 Point 1 of the Agenda for Change pay scales is currently £13,653. With an additional £250 this will move the point to £13,903, i.e. £93 short of the Scottish Living Wage (incidentally still below well below inflation).

¹⁹ IFS, The Distributional effect of tax and benefit reforms to be introduced between June 2010 and April 2014: a revised assessment, 2010.

²⁰ <http://www.scotland.gov.uk/Resource/Doc/1124/0113196.pdf>

- 9.8 This change will undermine UK wide bargaining and the Agenda for Change spine unless other UK countries also receive the same pay increase.
- 9.9 Dr Ian Kessler's report for the staff side evidence strongly argues the merits of national bargaining in the NHS. He argues that the alternative of local bargaining, made more likely by the Health and Social Care bill, will lead to worse results for all concerned. Kessler concludes that:

"the resilience and continuity of national pay determination in the public sector lie in its sensitivity to the sector's contextual features and to its efficiency and effectiveness in dealing with the diverse goals held by multiple stake holders. This has been achieved by a national wage setting model with the capacity to generate and sustain; discipline and control cost efficiency and effectiveness; and transparency and consistency."

10. Staff Workload

- 10.1 Unite and Joint Staff Side evidence has reported that staff in the NHS experience consistently high workload volumes. Although this year's evidence does not include an IDS Survey there is no suggestion that this issue has gone away.
- 10.2 Unite's predictions of cuts to jobs and services as a result of the ring fenced NHS funding, 20% efficiency savings and the Health and Social Care Bill are sadly coming true. In February the False Economy campaign conducted a freedom of information request from NHS trusts across the UK²¹. They found that the total confirmed, planned and potential job cuts across the NHS were 53,150, which at the time were almost double previous estimates.
- 10.3 These figures represent data across the UK including Northern Ireland but were published before many Trusts had released figures. In particular the data did not include Welsh trusts as budget proposals were still going through. Unite therefore expects these figures to be even higher.
- 10.4 The False Economy blog of cuts to the health service shows that cuts are widespread and endemic²². This is backed by the comments coming from Unite reps across the UK.
- 10.5 Unite's most recent workplace representatives survey on issues in the Health Sector (May, 2011) is grim reading. Unite representatives overwhelmingly reported vacancy freezes, cuts to services, reduced staffing levels, down-banding of roles, as well as massive increases to caseloads. They also reported decreases in long-term preventative health strategies,

²¹ <http://falseeconomy.org.uk/blog/more-than-50k-nhs-job-losses>

²² List of specific examples of Health Cuts on False Economy: <http://falseeconomy.org.uk/cuts/sectors/type/health>

increases in waiting time, stress and overwork, reduced training and the knock-on effect of cuts to other sectors, such as in local government and education, that are impacting on the health service. On top of a real term pay cut, Unite members have faced attacks on their other terms and conditions too. Trusts are cutting out of hours payments, and looking to attack incremental progression, sickness and unsocial hours agreements, as well as restructuring their skill and grade mix.

10.6 Just under 70% of respondents across Unite's occupations had seen reductions or rationing of services in the previous six months. This coincided with the so called "efficiency savings" and instability caused by the Government's unnecessary Health and Social Care Bill. At the same time just under 90% of the 677 Unite workplace reps who responded said they had no confidence in the Coalition's handling of the NHS, with only 1.6% in support.

10.7 These kinds of reports mirror trends reported in the NHS Staff Survey 2010 which said that:

*"there has been a significant decline of staff optimism regarding future patient care, a drop from 39% in Summer 2009 to 22% in Winter 2010 thinking that it would get better (Chart 5). Almost half of NHS staff (49%) feel that the care the NHS delivers to patients will get worse over the next few years."*²³

10.8 Excessive workloads are detrimental to staff morale, motivation and health and this inevitably has a negative, knock-on consequence for the quality of service delivered to service users and patients. It is clear that NHS workers regularly work long, unpaid overtime because of their dedication to the service and are essentially subsidising the running of the NHS as a result. There are some choice quotes from Unite reps to illustrate this point in the appendix at the end of this evidence.

10.9 As the Joint Staff Side evidence argues, there is no suggestion that this situation will get better. The NHS is being expected to do more with less money while at the same time demand for health services will increase as poverty deepens, combined with a growing and ageing population. Unite is deeply concerned about the impact of this on staff workloads, health and wellbeing and the services they provide.

11. Recruitment and Retention

11.1 Staff morale, as highlighted above, is increasingly fragile and there is a danger that a wealth of experienced staff will be lost through redundancy and early retirement – for example, through ill health.

²³ <http://commissioning.rcgp.org.uk/wp-content/uploads/2011/06/NHS-Staff-Tracking-Research.pdf>

- 11.2 Unite would like to remind the PRB of the experience of the early 1990s, which saw recruitment and retention difficulties as pay in the public sector, and the NHS, fell behind those in the private sector. This history lesson is strengthened by the Institute of Fiscal Studies report that stated that:

“Pay freezes ultimately cause labour market distortions, with implications for the quality and composition of the public sector workforce. If private sector employment does begin to increase, recruitment of more able workers from the public sector will be easier when public sector pay is relatively less attractive; moreover, any difficulties that arise in recruiting new staff to the public sector (or, indeed, freezes in recruitment, as discussed in the next section) will lead to a public sector workforce that is ageing and losing its most able employees to the private sector.”²⁴

- 11.3 As mentioned in the joint staff side evidence Unions are concerned that the NHS Information Centre has not produced revised figures for turnover or vacancies in the NHS this year. This limits the ability of Unions to provide detailed evidence on these issues. Unite would however like to highlight three specific groups Pharmacists, Estates and Maintenance workers and Chaplains

i) Pharmacists

- 11.4 There continues to be a need to address shortages in the pharmacy workforce in the NHS. The NHSPRB will be well aware that this has been a long and on-going issue. Unite is pleased that for the last two years the Pay Review Body has made recommendations that there should be a Recruitment and Retention Premia for Pharmacists working in the NHS. There are a growing number of voices now calling for this. Since 2009 the Royal Pharmaceutical Society has argued that they feel there is a serious issue with the pharmacy vacancy levels prevalent in the NHS. Unite also had Ministerial meetings with both this Government and the previous about this issue but with limited results.
- 11.5 Full results are not yet available for pharmacy vacancy rates and Unite intends to submit supplementary evidence on this issue once the data is available. Figures in Table 4, shows provisional figures for established pharmacy posts for bands 6, 7 and 8a. These illustrate that there has not been a substantial change in trends from the previous year especially for band 6 pharmacists.
- 11.6 Provisional results also show there remains a reliance on locum/agency staff to deliver pharmacy services. Unite maintains that it would be more cost effective to implement the RRP as recommended by the NHSPRB, and therefore increase the number of employed staff, than continue to pay large fees to agencies.

²⁴ <http://www.ifs.org.uk/budgets/gb2011/11chap7.pdf>

Table 4 - Changes in Pharmacy Established Posts 2010-2011, Band 6, Band 7 and Band 8a

	Band 6			Band 7			Band 8a		
	Established posts (FTE)			Established posts (FTE)			Established posts (FTE)		
	2010	2011	Change	2010	2011	Change	2010	2011	Change
England	1218	1226	8	1578	1635	57	1757	1802	45
Wales	70	64	-6	77	81	4	208	203	-5
Scotland*	131	-	-	223	-	-	216	-	-
NI	85	86	1	182	146	-36	48	80	32

Note: Established post figures have been rounded to nearest whole number
*2011 data is not available for Scotland

11.7 In previous years, IDS surveys have shown that pharmacists are the second largest occupational group to work above their contracted hours, with many of them stating all of these hours are unpaid. The taking on of additional duties and responsibilities, and insufficient cover for leave, sickness and maternity absence are the top reasons for extra hours for this occupational group. This chimes with what Unite pharmacy members have repeatedly said over the past few years.

11.8 This evidence suggests that problems would be alleviated by the payment of a Recruitment and Retention Premium and will support the previous recommendation of the NHS PRB, which Unite believes should have been implemented by the government.

11.9 This position has been strongly supported by the Centre for Workforce Intelligence report into the pharmacy workforce (July 2011). This emphasises that the problem of staff shortages for the pharmacy workforce has not been dealt with and argues for the need for a national RRP, stating:

“There is evidence to suggest that NHS pre-registration trainee pharmacists move to community pharmacy upon qualification, potentially because starting wages are on average higher. In their longitudinal study of pharmacy careers, Willis, Seston and Hassell (2010) found that 50.5% of hospital pharmacist respondents earned under £25,000, while amongst those employed in the community sector only 5% earned under £25,000. Other evidence indicates that upon completing pre-registration pharmacist training, a number of staff are moving into non NHS sectors, indicating that the NHS may be losing staff to other more highly paid sectors after training provision (NHS Pharmacy Education and Development Committee, 2010). Public sector pay restraints may mean that recruitment into Band 6 posts continues to be challenging.

CfWI recommends that recruitment and retention mechanisms are researched and established in order to retain a greater number of band 6 staff. This is supported by the findings of the national NHS Pharmacy Staffing Establishment and Vacancy survey (2010), which highlighted significant vacancy rates at Bands 6 and 7.²⁵

ii) Estates and Maintenance

11.10 The estates and maintenance RRP is in the process of being removed over two years, costing staff in these grades £3,277 per annum. In response to this, there is strong evidence that individual NHS trusts are negotiating local RRP arrangements due to concerns about the impact on their workforce.

11.11 Hull and East Yorkshire Hospitals NHS trust has already implemented a premium and negotiations are at advanced stages for a London wide RRP. At the same time two major private sector companies providing building maintenance in the NHS, Skanska and Interserve, have both agreed to keep the national RRP for their staff working in the NHS. Unite has had several other approaches from companies seeking to do the same.

11.12 Unite would therefore strongly recommend that the PRB makes a recommendation for the NHS staff council to commission an early independent review of local RRP arrangements and the evidence for a national RRP no later than September 2012, before the national RRP is withdrawn.

iii) Chaplains

11.13 The RRP was established to replace the Whitley Council accommodation allowance during the transition to Agenda for Change. Unite is now seeking to establish the case for the restoration of the housing allowance for chaplains with evidence submitted to the Staff Council. Unite estimates that Chaplains in the NHS now earn around £20,000 less than similar faith workers employed by the Church of England. This is due to the range of additional benefits such as housing, non-contributory pension and payments of bills and taxation that Church of England ministers of religion receive.

12. Training

12.1 It has been a frequently raised concern from the Joint Staff Side that training for staff is regarded as a 'soft touch' when it comes to scaling back budgets. Comments submitted by Unite in the last couple of years, highlight that there are a number of developing issues around training.

²⁵ <http://www.cfw.org.uk/documents/workforce-risks-and-opportunities-pharmacy>

- 12.2 Firstly, training opportunities continue to have diminished in the past three years²⁶. The time that staff are able to dedicate to training appears to be decreasing, with staff commenting that workload pressures mean training is done in their own time, or with interruptions in order to maintain staffing levels.
- 12.3 Unite has previously highlighted our concern that in certain cases staff are being asked to shoulder the financial burden of training, even where this training is mandatory to maintain professional registration. In some cases these costs are not insignificant, and can run to hundreds of pounds. Unite is concerned that the percentage of staff paying for their own training will grow over the coming years. This is not in accordance with the commitments under Agenda for Change or the Knowledge and Skills Framework (KSF).
- 12.4 Cutting back on staff training has a negative impact on staff morale and confidence, and harms the quality of service delivered to patients and service users. The culture change needed in the NHS to bring about on-going staff development has not yet been achieved, and Unite fears that this is an area of spending that is vulnerable over the coming years.

13. Registration fees

- 13.1 Unite continues to believe the costs of professional registration should be borne by the employer. Over the past few years NHS employees in England at Band 5 or above receive £38 a year towards their registration costs. Unite believes this is unfair as this registration is obligatory. As highlighted, in previous years, the widening pool of occupations that need to be HPC registered in order to practice means there are now those on grades lower than Band 5 which have to pay registration fees. There is also a great deal of variance in registration costs across the different professional bodies, with £38 not even covering half of some member's fees. This unfairness should be addressed, and can, if necessary, be tackled in stages. For example, by first recommending that the registration fees of Band 4 staff across all four administrations be paid by that person's employer.

Conclusion and recommendations

- 14.1 Dedicated NHS staff are experiencing a toxic combination of increasing demand, shrinking resources, restructurings and pay freezes. This is having a significant impact on staff living standards, morale and the services that they deliver.
- 14.2 The NHSPRB should use its independent voice to send a clear signal that enough is enough. The Government's pay policy is unfair and unjust and this should be acknowledged. Unite believe that all those working in the NHS should receive a fair uplift in their pay, recognising the commitment and dedication shown by staff to delivering services, and should not experience a pay cut in real terms.

²⁶ IDS NHS Staff Survey: A research report for the NHS trade unions, September 2010, page 119

14.3 The NHSPRB should therefore make the following recommendations:

- Register opposition and concerns about the arbitrary pay freeze for workers on point 16 and above.
- Recommend an uplift that is at least in line with RPI inflation increases for those earning up to £21,000.
- Investigate the impact and prevalence of organisational restructuring on terms and working conditions in the NHS.
- Make recommendations to deal with recruitment and retention issues for NHS pharmacists based on a national RRP, along the lines of the formula previously devised by the NHSPRB.
- Recommend that the NHS staff council commission an early independent review of local RRP arrangements for Estates and Maintenance workers and the evidence for a national RRP no later than September 2012, before the national RRP is withdrawn.
- Investigate the impact of pay policy on the Agenda for Change pay structure, particularly in terms of distortions to the pay spine, inequality and moves that undermine national pay bargaining.
- Recommend that the cost of mandatory registration fees of employees is borne by the employer; and that consideration is given to beginning to tackle this issue.

Appendix – Comments from Unite Survey

Below are some choice quotes that sum up the mood:

- *“My boss recently tried to employ a qualified volunteer into a Band 7 role without paying them - fortunately I managed to put a stop to this with the help of other Unite reps, but I expect she will try to do other similarly unethical things in future.”*
- *“We are being moved to a payment by results system which means that patients who we would normally try and help, even if there is no guarantee of success, are now being turned away as we will not get paid if they do not get 'better'.”*
- *The consequence is a dehumanised service, and stressed, demoralised staff that cannot consequently be as sensitive as needed to patients. For some patients this can feel like it repeats experience in early dehumanising environments in their lives.”*
- *“Market style competition is impacting negatively on collaboration between parts of the NHS resulting in poorer quality care, reduced respect and compassion toward patients, suffering and probably risk. Pinched resources exacerbate this, with targets resulting in short term financially driven decisions, while understaffing is leading to longer waiting times.”*
- *“The profession is being run into the ground, de-professionalised and dumbed down to appease an economic argument that promised us greater access to psychological therapies with no regard to the health and welfare of the people having to deliver it.”*
- *“At the moment I stay because I love my job, my colleagues and my patients. However, if things get any worse I will look for better/more positive job opportunities.”*
- *“Due to current cuts, threshold criteria for the service are increasing. This means children won't be seen until their problems are more severe, when they have already had a significant (and sometimes irreversible) effect on their health, education and family life.”*
- *“Members of staff who are leaving, either permanently or because of maternity leave etc, are not being replaced which increases waiting lists and the burden of work for remaining staff.”*
- *“At present I don't think we have seen the full force of the financial cuts and therefore I expect things to become worse. There is talk of re-banding posts and merging teams. This is bad news for staff and therefore bad news for clients.”*

- *“No actual cuts have been made as of yet however vacant posts are being frozen rather than filled. This has led to increased waiting times and in some cases deaths as people have not been seen in time.”*
- *“The service for children at risk of developing infant and child mental health problems has been cut (under 5's) as funding was withdrawn. The merging of the 0-11 and 12-18 teams has meant that a reduced service is on offer for the younger aged children as staff are fire-fighting and working mainly with adolescents who self-harm or are very high risk.”*
- *“I have been through 4 'redesigns' in about 5 years, staff have never been involved in this process despite the 'consultations' offered which actually act to just inform staff of latest round of cuts rather than seek opinions.”*
- *“The speed and degree of change is staggering and there is little to counteract the bullish way change is being implemented by senior staff inept at coping with the level of emotional dis-organisation they are triggering.”*
- *“When the workforce has been culled and the survivors get tired I dread to think about the impact on client care. The saddest part is that it will be the most under represented groups that will lose out and its very likely not many will notice as the push is for briefer and briefer interventions its no time to be vulnerable or in need of care.”*
- *“Staff are highly stressed and overworked as we are being told our jobs are at risk unless we meet targets for waiting times.”*
- *“We are all extremely stressed by the constant cutting back on everything. We are all trying to do our best to maintain high standards, however, working at this level/pace is unsustainable long-term and we all risk suffering 'burn out'. There are days when we have to turn patients away as we simply do not have enough staff to see them. This causes further stress for both patients & staff and has a knock-on effect on Public Health.”*