

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

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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 survey of trade union members working in the NHS conducted by Incomes Data Services. The findings from that survey have informed this evidence submission and where necessary Unite has made reference to the results of a particular occupational group that we represent. 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.

Public sector pay policy

- 2.1. It is simply not possible to submit evidence to this year's NHSPRB without reference to the drastically altered political context in which this evidence round is taking place. In this section Unite focuses on public sector pay policy, and the impact of this on the NHS and its employees.
- 2.2. The Government's policy is that;
“A two year pay freeze will be 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”¹.
- 2.3. Unite and the other trade unions have supported the role of the NHSPRB as an independent body on previous occasions where the last Government acted in a way that undermined or

¹ Budget 2010, paragraph 2.18, page 45, 22nd June 2010

eroded that independence. Unite continues to support the NHSPRB and its independent role. Unite believes that the announcement of the Government's implementation of a pay cut for NHS and other public sector workers rode roughshod over the role of the NHSPRB.

- 2.4. This pay policy is part of the wider deep and damaging spending cuts the Government wishes to inflict on public services. Unite, the TUC, and many leading economists are clear that these spending cuts are economically wrong-headed. Cuts do not lead to economic growth and create jobs, instead they threaten to ruin our public services and push the economy back into recession.

Public and private sector pay in recent years

- 2.5. In respect of public sector pay, the Government has further tried to bolster its case for a pay cut in real terms by perpetuating the false impression that public sector workers are somehow 'overpaid' compared to workers in the private sector and the myth that all or much of pay in the private sector was frozen in 2009. The Chancellor's Budget statement included 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"*².
- 2.6. It is worth briefly recapping what actually happened to pay in the private sector during 2009 where according to Incomes Data Services *"one of the most remarkable aspects of the last few years is how, notwithstanding the recession, a large tranche of major private sector firms has continued to award pay rises"*³. In 2009 a third of pay awards resulted in pay freezes which were almost exclusively confined to the private sector – and tended to be concentrated in particular industrial sectors. Just over 20% of pay deals were for between 2.1% and 3% and a further 20% of pay deals were above 3%⁴. The proportion of *employees* covered by pay freezes in 2009 according to IDS monitoring did not go higher than 1 in 10⁵.
- 2.7. 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

² Budget Statement by the Chancellor of the Exchequer, 22nd June 2010

³ IDS Pay Report 1053, page 2, July 2010

⁴ IDS Pay Report 1049, page 9, May 2010

⁵ IDS Pay Report 1053, page 20, July 2010

2004. This levelled out in 2005, and the private sector earning growth was then larger than the public sector in 2006-2008⁶. Chart 1, below, illustrates NHS pay against RPI since April 2005 and gives a projection going forward.

2.8. The longer term view of pay in both the private and the public sector given above paints a much more complex picture than the Government, and much of the media, has often repeated. 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 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.

A pay cut, not a pay freeze

2.9. As a general union covering workers in the private and the public sector 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 at least in line with inflation.

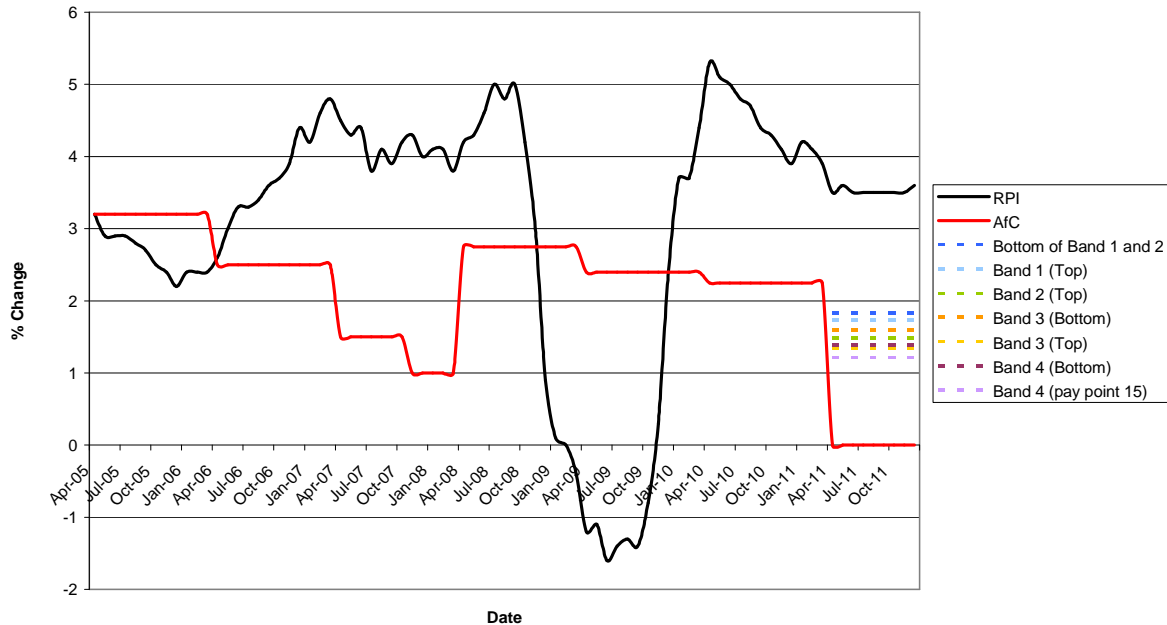
2.10. The imposition of a pay freeze on NHS and other public sector workers is a pay cut in real terms. As can be seen from Table 1 below the projected rate of inflation is projected to be consistently above 0% - the amount that the Government wishes most NHS workers to receive.

Table 1 – Projected RPI over the next year

Date	Projected RPI	Date	Projected RPI
September 2010	4.4	May 2011	3.5
October 2010	4.3	June 2011	3.5
November 2010	4.1	July 2011	3.5
December 2010	3.9	August 2011	3.5
January 2011	4.2	September 2011	3.5
February 2011	4.1	October 2011	3.5
March 2011	3.9	November 2011	3.5
April 2011	3.5	December 2011	3.6

⁶ TUC, ‘6 Million pay cuts’

Chart 1 – Illustrating NHS pay versus RPI since April 2005, and giving a projection from April 2011



RPI versus CPI

2.11. The measure of inflation that Unite has used above, and that Unite and the rest of the Staff Side feel is the 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, compared to the Consumer Price Index (CPI). 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.

2.12. The Royal Statistical Society has raised concerns regarding the increasing prominence given to the CPI measure of inflation as a result 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.”

- 2.13. The letter goes 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.
- 2.14. In summary, the Government's imposition of a 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 not just the continuation of a pay policy that sought to hold down pay, which NHS workers have been subject to over the past few years, but it is a policy that seeks to tighten the screw on NHS workers and cause a further two years of falling living standards.

“Those earning £21,000 or less, who will receive an increase of at least £250 a year”

- 2.15. Unite believes, as stated above, that all of those working in the NHS should be protected from a fall in living standards and receive a fair pay increase at least in line with inflation.
- 2.16. Though some leeway in the government's pay freeze policy has been incorporated for those earning up to £21,000 it should be noted that **the Government's suggestion of £250 is a minimum** and this minimum still represents a pay cut in real terms. Table 2 shows what the percentage increase would be if the minimum of a £250 uplift were implemented 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 £20,554.)
- 2.17. It should also be reiterated that this uplift is separate to staff receiving incremental points – as discussed and reaffirmed in previous years' NHRPB Reports. All NHS, regardless of pay grade or point, continue to be entitled to incremental point increases under Agenda for Change.

Table 2 - £250 as a % increase for Agenda for Change pay points 1 -15

Point	Pay rates as at 1st April 2010				£250 as a % increase			
	Band 1	Band 2	Band 3	Band 4	Band 1	Band 2	Band 3	Band 4
1	£13,653	£13,653			1.83	1.83		
2	£14,008	£14,008			1.78	1.78		
3	£14,363	£14,364			1.74	1.74		
4		£14,779				1.69		
5		£15,194				1.65		
6		£15,610	£15,610			1.60	1.60	
7		£16,145	£16,145			1.55	1.55	
8		£16,753	£16,753			1.49	1.49	
9			£17,118				1.46	
10			£17,604				1.42	
11			£18,152	£18,152			1.38	1.38
12			£18,577	£18,577			1.35	1.35
13				£19,250				1.30
14				£19,933				1.25
15				£20,554				1.22
16				£21,176				0
17				£21,798				0

2.18. Unite believes that staff earning up to £21,000 should receive an uplift greater than the £250 minimum. The median income in the UK is £21,320 and is presumably the guide the government have used for drawing their arbitrary line across public sector workers and their pay.

2.19. While it has not been possible for this submission to calculate how hard those earning below £21,000 will be hit by the government's regressive tax and welfare benefit changes (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 inflation⁷. The Joseph Rowntree Foundation has also calculated that a single person needs to earn £14,000 a year before tax to afford a basic but acceptable standard of living. There remain Agenda for Change pay bands below this level. Further, JRF note that,

"...new calculations show that over the past decade, the rising cost of food, public transport and other essentials means that a minimum budget costs 38 per cent more, despite general inflation at just 23 per cent"⁸.

2.20. They go on to note that a single person who had experienced wage increases in line with inflation would have still experienced a fall in living standards of over 10%. But, as seen in

⁷ IFS, March 2009, 'How does inflation affect different households?'

⁸ Joseph Rowntree Foundation, 'A Minimum Income Standard for the UK', July 2010 <http://www.jrf.org.uk/system/files/MIS-2010-findings.pdf>

the graph above, for the last 5 years NHS workers have experienced pay uplifts below inflation making the overall drop in living standards possibly much larger.

2.21. It is also fair to conclude that there will be a not insubstantial 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. It is therefore right that we briefly outline the impacts of the government's tax and benefit changes.

2.22. The Horton-Reed model⁹ 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 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 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 respectively¹⁰.

Staff Workload

3.1. As highlighted in previous years' Unite and Joint Staff Side evidence, the experience of staff in the NHS is of consistently high workload volumes. In the 2010 IDS Survey 51.4% of respondents said their individual workload has increased a lot compared to the same time last year. In total 83.5% reported an increase in individual workload. A similar percentage – 83% - reported an increase in their individual workload in 2007. This was also the story told by Unite members, highlighted in our submission last year.

3.2. Workloads that are consistently at too high a volume are detrimental to staff morale, motivation and health. This has a negative, knock-on consequence for the quality of service delivered to service users and patients. But the two IDS surveys suggest that workloads are not just too high, there are too high *and growing*. Unite would add that this is supported by the comments, anecdotes and incidents reported by our members to us.

3.3. In effect what has taken place over a number of years through the regular working of un-contracted, unpaid extra hours NHS staff have been subsidising the running of the NHS. Yet rather than this being recognised they are being given a pay cut in real terms and face being further run into the ground.

⁹ TUC, Where the money goes, September 2010 <http://www.tuc.org.uk/extras/wherethemoneygoes.pdf>

¹⁰ IFS, The Distributional effect of tax and benefit reforms to be introduced between June 2010 and April 2014: a revised assessment, 2010.

- 3.4. The IDS survey shows that there are already vacancy freezes in the NHS that are affecting the workload of remaining staff (33.9% reported that vacancy freezes were a cause of increased workload), and redundancies were reported by a small group as a cause.
- 3.5. However, it is a fair assumption that the number of vacancy freezes and redundancies will increase in the coming few years following the announcement of the need to find £20billion 'efficiency savings' in England and the cuts that will be experienced in the devolved administrations announced in the Comprehensive Spending Review in October 2010. Yet, as the Joint Staff Side evidence argues, there will be an increase in demand for health services as poverty deepens, combined with a growing and ageing population. This is a toxic combination, and Unite is greatly concerned that staff will face further dramatically increasing workloads causing stress, and having a detrimental impact on their health and the services delivered. This is further expanded upon in the Joint Staff Side evidence.
- 3.6. The IDS survey from 2010 also highlights that each time a reorganisation takes place staff experience an increase in workload. In England staff are about to be hit by the implications of the Government's White Paper, which proposes a massive upheaval for staff through re-organisaton, privatisation and cutting costs. This is reflected in the IDS survey, which shows that NHS staff are fearful of the future, with concerns over the future of their pension, privatisation, pay and job security.
- 3.7. The Joint Staff Side evidence and Unite evidence in recent years have pointed towards the increasing fragility of NHS staff morale and motivation. In 2007 60% said their morale had become worse or a lot worse over the previous year, and in the 2010 survey a total of 55% report a worsening of morale. Not only are staff left struggling with growing workloads, below inflation pay but now also fears over their future job security.

Recruitment and Retention

- 4.1. There is a substantial section in the Joint Staff Side evidence submission about the current recruitment and retention situation of NHS staff, and Unite do not wish to repeat those arguments here. What is worth reiterating though is the experience of the early 1990s, which saw recruitment and retention difficulties as pay in the public sector, and the NHS is cited specifically in the IDS research, fell behind those in the private sector. The combined prospect of much higher university tuition fees and falling wages in comparison to the private sector will create recruitment and retention difficulties, severely affecting service delivery and the workloads of those that do choose to enter the NHS.
- 4.2. As pointed out in the Joint Staff Side evidence, though vacancies currently appear to be low there is no room for complacency, and indeed there has long been concerns about the accuracy of the data collected on NHS vacancies.

- 4.3. As highlighted in the previous section, staff morale 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.

Training

- 5.1. Nearly a third of those responding to the IDS survey reported they had not had any training other than mandatory training over the past year. 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 last year, and comments given in the telephone interviews this year, highlight that there are a number of developing issues around training.
- 5.2. Firstly, training opportunities have diminished in the past three years¹¹. 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.
- 5.3. 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.
- 5.4. 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.

Pharmacists and the Recruitment and Retention Premia

- 6.1. This has been a long, and on-going issue, as the NHSPRB are aware. At the time of submitting this evidence we will be nearly 18 months after the Pay Review Body first recommended that there should be a Recruitment and Retention Premia for Pharmacists working in the NHS. Since that first recommendation the Royal Pharmaceutical Society have stated that they feel there is a serious issue with the pharmacy vacancy levels prevalent in the NHS. Unite also had Ministerial meetings with the last government on this issue. The current Minister responsible – Simon Burns – has now said he will meet with us

¹¹ IDS NHS Staff Survey: A research report for the NHS trade unions, September 2010, page 119

when the results from the 2010 Pharmacy Staffing, Establishment and Vacancy survey are published.

- 6.2. Overall, Unite believes that though there has been a dip in the vacancy levels this should not disguise the fact that the vacancy levels remain far too high. Additionally, Unite believes that the dip has largely been achieved by reducing available posts and an element of 'up banding', so the numbers of Band 6 pharmacy posts have reduced, whereas the numbers of Band 7 and Band 8a have increased. This was also identified in the 2009 survey¹².

Table 3 - Changes in Pharmacy Established Posts over the past year, Band 6, Band 7 and Band 8a

	Band 6			Band 7			Band 8a		
	Established posts (FTE)			Established posts (FTE)			Established posts (FTE)		
	2009	2010	Change	2009	2010	Change	2009	2010	Change
England	1242	1218	-24	1481	1578	97	1622	1757	135
Wales	62	70	8	70	77	7	167	208	41
Scotland	158	131	-27	268	223	-45	219	216	-3
NI	88	85	-3	182	182	0	45	48	3
Note: Established post figures have been rounded to nearest whole number									

- 6.3. 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.
- 6.4. In the IDS survey 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.
- 6.5. This chimes with the pharmacy results from the 2009 NHS Staff Survey which indicates that work pressure felt by staff was above the norm with around 67% of pharmacy staff required to work extra hours. The percentage of staff witnessing an error, incident or near miss in the last month was nearly 50% above the national norms - about all of which can indicate an "error prone" environment lacking in resources causing stress to pharmacy practitioners. Unite members have also reported that they believe the results also show that there appears to be some internal pharmacy support with pharmacy staff reporting 100% reporting of incidents within a fair and effective reporting system.

¹² National NHS Pharmacy Staffing Establishment and Vacancy Survey 2009, page 14

- 6.6. A survey of the NHS Hospital Band 6 and 7 Pharmacist workforce in North East & Cumbria earlier this year found that pay was the main dissatisfaction amongst this group and when asked for areas for improvement to increase job satisfaction it was found that “*Not surprisingly the main area for improvement suggested was improving the basic salary and emergency duty payments, and paying recruitment and retention premia*”. Additionally, it was noted that;

“A number of pharmacists commented about being stressed. This was mainly in relation to trying to complete all the required work within normal working hours, and covering other areas due to holidays and vacancies”.

- 6.7. The trade publication ‘C+D’ reported in May this year that their survey of community pharmacists found that the average salary for full-time employed pharmacists was £42,806 last year. Further, that almost two thirds of respondents said they had received a pay rise - three quarters of these reported that the rise had been 1 or 2 per cent¹³.
- 6.8. Unite continues to believe that payment of the RRP as recommended by the NHSPRB is an important step in reducing the levels of Band 6 and 7 vacancies and is the most cost effective method of delivering a pharmacy service when compared to the cost of locums and agency staff.

Registration fees

- 7.1. Unite continues to believe the costs of professional registration should be borne by the employer. It has been an unfairness over the past few years that NHS employees in England at Band 5 or above receive £38 a year towards their registration costs. 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 covering half of some members fees. This unfairness should be addressed, and can be tackled in stages if necessary. 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

- 8.1. NHS staff are committed to their job and hardworking – regularly putting in extra, unpaid hours. This effectively subsidises the running of the NHS. But their commitment and

¹³ Chemist + Druggist, ‘Exclusive: C+D and PDA Salary Survey results revealed’, 11th May 2010 <http://tinyurl.com/3x59ver>

dedication is being taken advantage of – they have received below inflation increases for a number of years, reducing their standard of living.

- 8.2. The NHSPRB should use the leeway it has 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.
- 8.3. For those earning up to £21,000 that the NHSPRB feels it can make a recommendation on, the recommendation should be that they receive more than the £250 annual uplift minimum and should receive an award in line with inflation increases to prevent staff from experiencing further falls in their living standards.

Summary of recommendations

- For those earning up to £21,000 that the NHSPRB feels it can make a recommendation on, the recommendation should be that they receive more than the £250 annual uplift minimum and should receive an award in line with inflation increases.
- Reaffirm that Pharmacists should receive a RRP, along the lines of the formula previously devised by the NHSPRB.
- 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 in stages.