



Executive summary

- In our view, the 2018/19 to 2020/21 pay settlement was flawed, inadequate, and overly complex. Significant issues have also been encountered during implementation.
- The value of NHS pay has been severely eroded since 2010. NHS workers have cumulatively lost thousands of pounds in real terms, and some of our members' earnings have been devalued by nearly a fifth.
- The settlement is having particularly negative consequences for NHS workers who are at the top of their pay band, and/or those who work in ambulance services.
- A wide range of non-pay issues are also having a negative impact on recruitment and retention trends.

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Notes on submission

GMB, incorporating the Ambulance Service Union, is proud to represent NHS workers in England, Wales, Scotland, and Northern Ireland.

In keeping with GMB's last submission to the Pay Review Body, our evidence here focuses on the NHS in England. We remain concerned about trends in the devolved nations and differentials between Agenda for Change bands.

GMB recently conducted a representative survey of NHS members which has informed this response. The survey was conducted in November to December 2019 and it received 557 responses. A summary of results can be found in the appendix.

All quotes presented in orange bands are taken from this survey (example below):

'It does not feel like we have had a pay rise as the cost of living has gone up dramatically. I feel that I am a lot worse off than I was 5/6 years ago. I don't feel that the NHS pay is as competitive as some roles in the private sector.'

Introduction

GMB, the union for NHS staff, represents more than 600,000 workers in the public and private sectors. We are the largest union in ambulance services.

This submission is additional to the joint Staff Side evidence, which GMB is a signatory to. Our members overwhelmingly voted to reject the 2018/19 to 2020/21 pay offer and this submission is reflective of that stance. It remains our view that the pay settlement was inadequate, unnecessarily complex, and in some cases actively damaging to our members' terms and conditions.

We recognise that the Department of Health and Social Care (DHSC) has not invited the NHS Pay Review Body (NHSPRB) to make a pay recommendation this year. We believe however that, as we approach the final year of the current settlement, serious problems of both substance and implementation are apparent.

NHS pay remains well below pre-pay constraint levels in real terms, resulting in a serious decline in our members' quality of life. Public sector workers' pay is below comparable private sector rates. The squeeze has been particularly acute on NHS workers at the top of their pay band, who have received below-inflation increases under the terms of the pay settlement. This factor is reflected in the responses to our members' survey.

As we warned last year, the closure of Annex 5 to new entrants has had a serious effect on our members in ambulance services. Our members report that the transition to inferior Schedule 2 terms and conditions for unsociable hours payments for workers who change contracts is a source of significant tension that is having a negative impact on retention.

It is important to recognise that pay is not the only factor that is relevant to recruitment and retention. Other issues raised by our members include workload, bullying and harassment, the threat of violence, and outsourcing and privatisation (and the resulting fragmentation of the Agenda for Change agreement).

These issues are covered in more depth in this submission.

The state of NHS pay

The value of NHS pay has fallen significantly since the adoption of artificial pay constraints at the start of the 2010s. During that period, NHS workers have been in the grip of the most acute Government assault on public sector wages since the 1930s.

'The last pay award didn't really re-coup any of the losses from the pay freeze years.'

This trend has had serious consequences for our members' quality of life and family relationships. Against the RPI, the trade unions' preferred measure of inflation, average real earnings have fallen by an eighth since the start of the pay constraint period. Even on the Government's preferred measure of the CPI, the real value of average earnings has fallen by six per cent.

'I could get better pay if I worked as a driver for DPD.'

This real terms erosion of wages has been most acute in ambulance services, where gross real pay has fallen by nearly a fifth (reflecting, in part, a loss of access to overtime payments). As the NHSPRB's own analysis suggests, the real terms cut to take home pay is likely to be even more severe.¹

Real terms changes to average NHS earnings²

	Actual earnings		Real terms loss (£)		Real terms loss (%)	
	2010	2019	CPI	RPI	CPI	RPI
All staff	£29,134	£33,218	-£1,983	-£4,546	-5.6%	-12.0%
Hotel, property & estates	£16,224	£18,841	-£761	-£2,189	-3.9%	-10.4%
Nurses & health visitors	£29,599	£33,105	-£2,658	-£5,262	-7.4%	-13.7%
Midwives	£30,527	£33,049	-£3,835	-£6,520	-10.4%	-16.5%
Ambulance staff	£35,801	£38,624	-£4,632	-£7,782	-10.7%	-16.8%
Scientific, therapeutic & technical staff	£31,446	£34,053	-£3,942	-£6,708	-10.4%	-16.5%

These headline figures do not tell the whole story. As we warned in last year’s evidence, workers who were at the top of their pay band in 2017/18 would likely see their earnings rise either at or below inflation, depending on the measure of inflation that is used (with the welcome exception of staff who transition from the top of the old Band 1).

The pay settlement stated that most staff at the top of their band would receive an increase of 6.5 per cent on basic pay over three years. This represents a continued real-terms cut on top the longest public sector pay squeeze since the 1930s. The OBR projects that RPI inflation will have increased by almost 10 per cent over the same period³ – and these projections do not take account of any impacts on inflation arising from Brexit. The real extent of the costs of this deal on our members’ standard of living may be even worse than currently understood.

‘The pay award ... has done nothing to enhance staff at the top of their pay scale and due to cost of living has made my financial position worse, so has not reward 30 years of work in the NHS. I am now worse off and have had to change many of my regular activities as I can no longer afford them.’

This dynamic was reflected in the responses to our recent survey. GMB members at the top of their pay band were much more likely to report that they felt worse off under the pay deal.

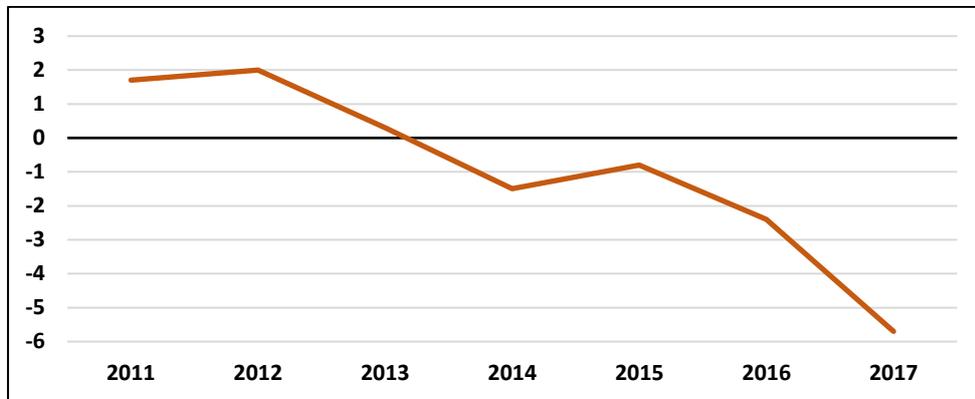
Responses to: ‘How do you feel financially 18 months into the pay award?’ (%)

	Better off	The same	Worse off
Not top of band	9.2	61.3	29.5
Top of band	3.3	48.1	48.6

It is clear that public sector pay is below comparable private sector rates. Official estimates demonstrate that public sector pay rates are now uncompetitive. According to the most recent ONS modelling, public sector

pay (including overtime and bonuses) was 5.7 per cent below comparable private sector rates in 2017 (the latest year for which figures are available).

ONS weighted estimate of the public/private percentage pay differential⁴



The global financial crisis was not caused by NHS workers. GMB believes that it is outrageous that, more than a decade on, public service workers are still paying the price for financial traders' reckless excess. If austerity really is over, as the Government has claimed, then future pay settlements that provide a real increase and restitution for lost earnings for all NHS workers will be the test of that commitment.

In order to succeed, the NHS must be an attractive employer to new joiners, but retention must not be a poor relation to recruitment. This is particularly true for the 43 per cent of NHS staff who are at the top of their pay band.

As the NHSPRB noted in its 2019 report, under the new system a greater proportion of staff should reach the top of their pay band faster, 'which could be demotivating, put pressure on the grading system and could influence retention.'⁵ These staff have also received the most parsimonious increases under the pay settlement. As part of its ongoing evaluation of the impact of the pay settlement on recruitment and retention trends, we ask that the NHSPRB considers undertaking a specific analysis of the impact of the pay settlement on retention trends for staff at the top of their pay band.

'Working in the NHS has become more difficult for many reasons but if we were paid better it would indicate that we are valued.'

The NHS and the labour market

It would be complacent to assume that the NHS is a labour monopsony that is therefore insulated from wider labour market effects. A significant number of our members have told us that they are considering alternative careers in the private sector. Against a backdrop of a tight labour market, and with average earnings projected to increase by at least 3 per cent in each year through to at least 2023, it is clear that NHS pay will continue to be uncompetitive without serious investment.⁶

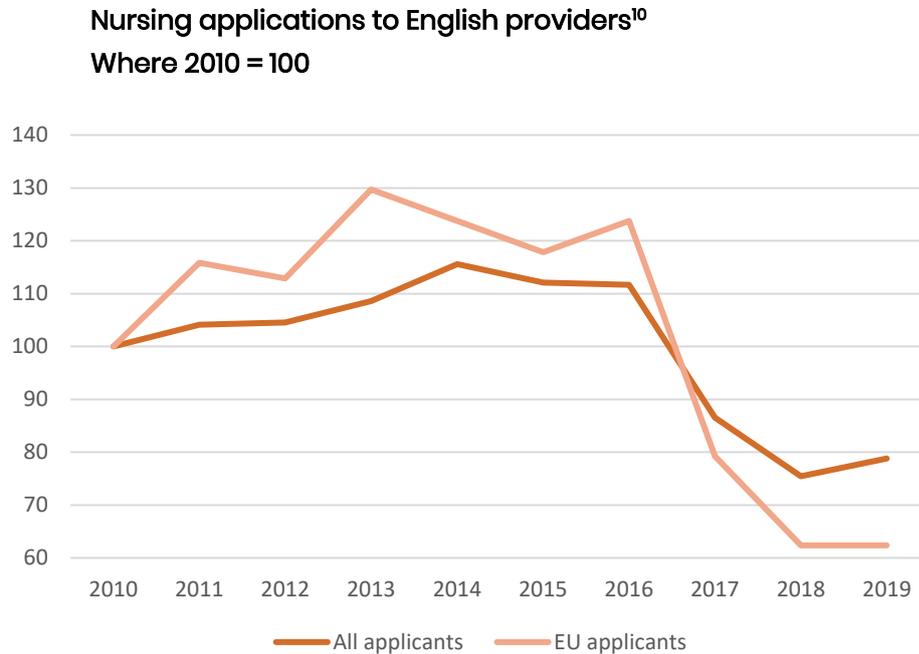
We believe that these effects can be seen in social care, a sector from which there is a significant degree of direct competition for NHS staff. The Bank of England's Agents' 2019 Q3 survey of private sector employers reported particularly elevated vacancy rates for nurses and care workers. According to the Bank of England's tracker of perceptions of recruitment difficulties, employers across the wider economy are experiencing the most serious recruitment challenges since 2001.⁷

The ONS has warned that 'vacancy rates in the NHS and adult social care are high relative to rates in other public services and, with a growing ageing population pushing up demand for labour, rates may increase further.' In 2018 the NHS had the highest vacancy rate of any part of the public sector at 8.5 per cent (which was only slightly higher than adult social care at 8 per cent), which compared to an 'all industries' average of 2.8 per cent.⁸ According to the latest available figures, the vacancy rate stood at 8.7 per cent – or 105,518 FTE vacancies – in the second quarter of 2019/20.⁹

The supply of new nursing entrants has been hit by the toxic combination of the removal of bursaries and uncertainty in the aftermath of the 2016 referendum. Despite a welcome but small increase in 2018, overall applications have fallen by 29.4 per cent since 2016.

The fall in applicants from other EU nations has been even more dramatic – applications have fallen by 49.6 per cent in the last three years. The new Government has set a target of recruiting and retaining 50,000 nurses above current levels. Ministers should therefore immediately reintroduce

the bursary at a generous level, and take all possible steps to end the ambiguity over the status of, and hostility towards, our members who are EU nationals that work in the NHS.



It is important to stress, however, that the NHS’s recruitment problems are not limited to nursing and midwifery. This is reflected in NHS Providers’ warning – reinforced by our members’ experiences – that a significant number of lower-paid workers have left the service as they can obtain better remuneration in supermarkets.¹¹ Indeed, GMB has Band 5 members who estimate that they would be financially better off if they exited the NHS for the retail sector. The NHS’s final People Plan should be more reflective of the recruitment and retention challenges facing the whole range of NHS occupational groups.

‘[I am] at the top of my band. I already feel undervalued with no reward for being loyal. Once the new pay banding is in force there will be no reward for experience. ALDI would pay me 23p per hour more for less responsibility.’

It is disappointing, and limiting, that the final NHS People Plan has still not been published. We note that the DHSC said in early November that the

final plan would be published 'in the next few months.'¹² The publication date is still not known. It is important that the plan is published soon, based on a fulsome and realistic assessment of the NHS's recruitment challenges, so that an integrated approach that incorporates that analysis can be taken when the NHSPRB next considers its recommendations on pay.

Heading into the final year of the pay settlement, the NHS faces labour challenges that are both generalised and particular. Recruitment and retention trends are driven by a complex interaction of factors, of which pay is both an important component and the variable that is most immediately under the control of Ministers. 2021/22 should therefore see a long delayed and long denied return to the real pay levels in place before the pay cap was imposed.

Implementation of the pay settlement

Annex 5 closure

The closure of Annex 5 to new starters, and the transfer to Section 2 terms and conditions, is a particular area of concern for GMB's members in ambulance services.

'The Section 2 has stopped any progression because changing roles will leave me financially worse off.'

Unsociable hours payments are especially important for ambulance staff. On average, 27 per cent of ambulance workers' earnings are made up of non-basic payments (of which shift payments are by the far the most significant component). By contrast, non-basic payments account for 14 per cent of average earnings for all staff. Ambulance workers are the second most dependent group on additional payments after specialist registrars.¹³

Although the transfer is in theory elective for existing members of staff, it will be enforced on workers who transfer between NHS employers or who otherwise receive a new contract of employment. Under Section 2, fewer hours are classified as unsociable during the working week (Monday to

Friday), and the maximum enhancement is reduced from 25 per cent of total basic pay to 30 per cent of time worked.

In practice, this change in terms and conditions represents a significant loss in earning potential. GMB has members on the old technician grade who calculate that they will be financially worse off if they become a paramedic. The impact of Section 2 should be seen in the context of other financial pressures, such as the 18 per cent increase in Health and Care Professions Council registration and renewal fees.

The closing of Annex 5 to new entrants is an issue of serious concern for GMB's ambulance members, and we believe that it already having a negative impact on recruitment and retention in ambulance services. 57 per cent of our ambulance members report that they would not pursue a promotion due to the requirement to transfer to Section 2.

'I'm concern about the morale, staff retention and overall mental wellbeing the pay reduction is having on my colleagues. I know of four paramedics that are looking to leave by 2020 because of the unsocial pay change.'

Reviews

There are worrying signs that the assessment and personnel development review process is not fully functioning as intended. A quarter of our members report that they have not had a PDR, or they are not scheduled to have one. Other members reported that the quality of their PDR meetings were low and focussed on target metrics instead of personal development.

'PDR is pointless. No-one ever actions anything in it.'

At this stage it is difficult to have confidence in the review system, which gives rise to wider concerns about the integrity of progression under the settlement

Band 1 transition

Half (50.8 per cent) of respondents employed on Band 1 at the point of its closure to new entrants report that they have successfully transitioned to Band 2.

The remaining respondents were fairly evenly split between people who wished to remain on Band 1, and those who did wish to transfer and had not been given ‘the opportunity and support’ to do so.

Other issues

Workload

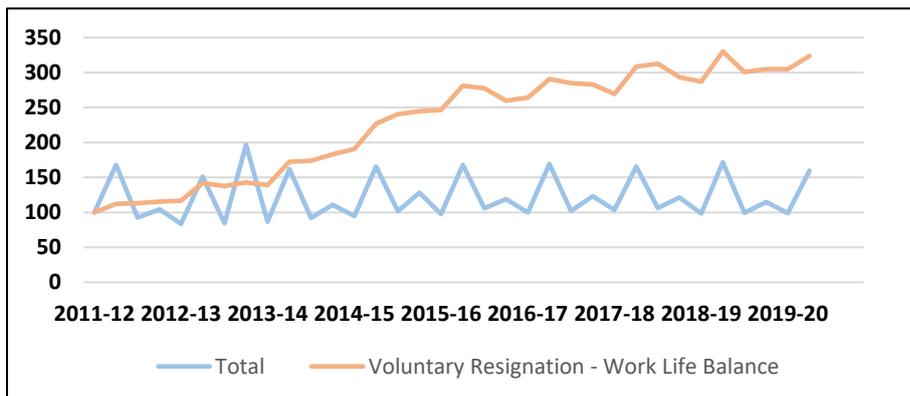
The most commonly raised complaint by our members is workload, which has become progressively more unmanageable as demand on NHS services outstrips investment.

‘We are now doing more admin work as well as doing our own role. Workload is increasing and overall we are being pushed to the limit.’

Seeking a better work/life balance continues to be the most frequently recorded reason for leaving staff the NHS (excluding factors such as reaching retirement age and relocation), While overall levels of staff leavers have remained broadly stable (if subject to a high degree of seasonal fluctuation), exits attributed to the desire for a better work/life balance have increased more than threefold since 2011/12.

Indexed reasons for leaving¹⁴

Where Q1 2011/12 = 100



Unmanageable workloads are leading to very high rates of unpaid overtime working. The average GMB respondent who regularly works unpaid overtime contributes on average five additional hours each week (and some work significantly more unpaid hours). It is time that both the recorded and hidden contributions of NHS workers is recognised.

Bullying and harassment

A small number of respondents to GMB's survey said that their workplace was supportive and inclusive. However, a much higher volume reported experiencing bullying and harassment, including from managers.

'Constant bullying by management. No recognition for length of service. Never thanked for the work I do.'

Too many of our members says that they have been subjected to undue pressure to meet targets – as one respondent put it, the 'KPI clock' took precedence over staff wellbeing or patient safety.

'Bullying in the NHS by management is out of control and nobody listens when it's reported. We've lost multiple staff and after 17 years I'm now actively job hunting.'

It would be wrong to assume that all bullying derives from target-setting. Some of our members said that they had been victim to sexual harassment or racist abuse.

Job substitution

Although overall headcount NHS employment is increasing, there is some evidence that employers are using low-paid apprentice roles and volunteers to cover work formally undertaken by regularly salaried staff. Over a third of respondents said that the use of apprentices and volunteers for this purpose had increased, with the trend being more marked in ambulance services.

GMB welcomes apprentices into the sector but it is vital that they are integrated into the Agenda for Change framework, and it is disappointing that progress in this area has stalled. It is not difficult to find examples of NHS apprenticeships being advertised on the year one statutory minimum rate of £3.90 an hour.¹⁵

'I am an apprentice. On my night shift the nurse was moved, and I was left alone with no registered nurse with the patient.'

The responsibility for training a large number of apprenticeships and volunteers is placing an additional strain on our members at a time when they have no spare capacity. It is also leading to inappropriate responsibilities being fostered on inexperienced apprentice staff, which potentially poses risks for their and patients' safety.

Outsourcing and privatisation

Privatisation, including outsourcing, has been repeatedly raised by GMB members as a factor that is undermining the NHS ethos and causing disillusionment for people working in the service.

Research commissioned by GMB has found that two-thirds of NHS contracts that can be reasonably identified as outsourcing, and which were listed on the gov.uk Contracts Finder service and through Tenders Electronic Daily since 2015, have been won by private providers.¹⁶ These figures do not include the creation of wholly-owned subsidiary companies by employers.

'Younger members of staff who are employment through apprenticeship schemes are being used to fill substantive positions. ... Absences may well be covered by an apprentice rather than employing agency or overtime.'

The fragmentation of the national agreement, and the associated undermining of terms and conditions, as well as the interface costs that are associated with privatisation/outsourcing, is a cause of deep and ongoing

concern.

The ongoing reliance on agency staffing, which is driven in large part by a desire for a more positive work/life balance, represents a subtler form of privatisation. Members who are directly employed report an increase in their workloads due to agency working, which in turn is having negative implications for retention.

'Because of the limited work the agency staff can cover ... I do feel it adds more pressure and stress on regular staff.'

Violence at work

As we argued in last year's submission, violence against NHS workers is a retention issue. 37 per cent of ambulance workers have considered leaving their job due to the threat of violence.¹⁷ Unfortunately, fewer than 5 per cent of respondents to our recent survey said that they thought violence levels had reduced since the Assaults on Emergency Workers (Offences) Act was enacted in November 2018.

Having secured the passage of this landmark legislation, much more must now be done to secure closer working between employers and agencies to ensure that more prosecutions are brought and offenders held to account.

Inappropriate banding

Another factor raised by our members was a perceived increase in the combination of various (and non-comparable) roles under the same bands, perhaps reflecting inadequate funding levels. This is a cause of resentment and dissatisfaction for a number of GMB NHS members.

'There are too many staff groups on the same pay band. Paramedics, specialist paramedics, my role, and clinical supervisors are all on the same band despite varying degrees of responsibility.'

Pensions and retirement

Many of our members spontaneously raised issues relating to pensions in the context of retention. There was a widespread view that the value of pensions had been eroded while contributions had been hiked, cutting take-home pay and creating a barrier to progression.

'Pension contributions are very high compared to other public sector schemes, and the tiers need to be in line with pay bands. Staff can get promoted or receive an increment and be worse off with higher pension contributions.'

It is disappointing that more progress has not been made in identifying and applying a suitable remedy for NHS Pension Scheme members following the McCloud Judgement, and we await the advice of the Government Legal Department.

The lack of an occupational retirement age for ambulance workers – in contrast to police office officers and firefighters – is a recurring retention issue, and one that requires resolution if the flow of ambulance workers leaving the profession before the normal legal retirement age is to be stemmed.

Conclusion

In our view, the pay settlement was flawed, overly complex, and inadequate. In some cases it has actually undermined the previous terms and conditions of our members, or otherwise prevented them from progressing in their careers.

GMB's members have reported a wide range of problems regarding implementation of the deal, as well as other matters that have a bearing on recruitment and retention.

We urge the Review Body to examine the arguments made in this evidence, ahead of the anticipated invitation to return to pay recommendations next year.

Appendix – survey results

How much do you agree that your current level of pay reflects the work that you are expected to perform?

	Ambulance	NHS	Total
Strongly agree	1.7	2.1	1.9
Agree	9.8	18.4	14.5
Disagree	39.3	39.4	39.3
Strongly disagree	49.1	40.1	44.2

How do you feel financially 18 months into the pay award?

	Ambulance	NHS	Total
Better off	6.8	7.1	7.0
The same	59.4	54.6	56.8
Worse off	33.8	38.2	36.2

Do you believe the pay award has delivered on improving recruitment and retention of staff?

	Ambulance	NHS	Total
Don't know	7.7	13.7	11.0
No	90.6	84.1	87.1
Yes	1.7	2.2	2.0

Are you working short staffed in your place of work?

	Ambulance	NHS	Total
Don't know	9.4	4.0	6.5
No	7.7	14.1	11.2
Yes	82.9	82.7	82.8

Do you regularly work additional unpaid hours?

	Ambulance	NHS	Total
No	65.8	56.1	60.5
Yes	34.2	43.9	39.5

Do you believe you get the correct pay when on annual leave?

	Ambulance	NHS	Total
Don't know	33.2	31.8	32.4
No	23.3	16.4	19.5
Yes	43.5	51.8	48.0

Pay progression requires annual appraisals. Have you had one, or are you expecting to have one shortly?

	Ambulance	NHS	Total
Don't know	13.7	6.8	10.0
No	28.3	23.4	25.6
Yes	57.9	69.8	64.4

[Ambulance respondents only] have you decided not to pursue a promotion in order to protect your Unsocial Hours Payments?

	Total
No	43.0
Yes	57.0

In your view, has there been a reduction in violence against NHS staff in the last year since the enactment of the 'Protect the Protectors Legislation'?

	Ambulance	NHS	Total
Don't know	22.3	56.8	41.1
No	74.2	38.6	54.8
Yes	3.4	4.6	4.1

Does your employer rely on volunteers to replace vacant paid positions? If so, has this increased since April 2018?

	Ambulance	NHS	Total
No	52.8	69.3	61.9
Yes	47.2	30.7	38.1
<i>Of which, yes & it has increased</i>	<i>26.6</i>	<i>19.5</i>	<i>22.7</i>

Does your employer rely on apprentices to replace vacant paid positions? If so, has this increased since April 2018?

	Ambulance	NHS	Total
No	58.7	70.9	65.3
Yes	41.3	29.1	34.7
<i>Of which, yes & it has increased</i>	<i>34.8</i>	<i>17.8</i>	<i>25.5</i>

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- ¹ See NHS Pay Review Body Thirty-Second Report 2019, July 2019, table 4.3, page 56
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- Earnings figures are 12-month averages as of August 2010 and September 2019. Inflation was estimated at 20.8% (CPI) and 29.6% (RPI) over the same period.
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<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/adhocs/10665publicversusprivatesectorearningsintheuk2011to2017>
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<https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicspending/articles/whatarethevacancytrendsinthepublicsector/2019-08-06#the-nhs-had-the-highest-vacancy-rates-in-2018-compared-with-other-public-sector-occupations>
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- ¹⁰ Data taken from UCAS, 2019 cycle applicant figures – January deadline
<https://www.ucas.com/data-and-analysis/undergraduate-statistics-and-reports/ucas-undergraduate-releases/applicant-releases-2019-cycle/2019-cycle-applicant-figures-january-deadline>

¹¹ Guardian, NHS staff 'quitting to work in supermarkets because of poor pay', 08 May 2017, <https://www.theguardian.com/society/2017/may/08/nhs-staff-quitting-to-work-in-supermarkets-because-of-poor-pay>

¹² Answer to Written Parliamentary Question 8226, on Health Services, published 05 November 2019 <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-10-31/8226/>

¹³ NHS Digital, NHS Staff Earnings Estimates September 2019, Provisional statistics, 19 December 2019 <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-staff-earnings-estimates/september-2019-provisional-statistics>

¹⁴ NHS Digital, September 2019 Reasons for Leaving Data, published

¹⁵ See, for example, <https://www.findapprenticeship.service.gov.uk/apprenticeship/-457890>

¹⁶ Guardian, Private firms handed £15bn in NHS contracts over past five years, 29 November 2019 <https://www.theguardian.com/society/2019/nov/29/private-firms-handed-15bn-in-nhs-contracts-over-past-five-years>

¹⁷ GMB, In Harm's Way: Confronting Violence Against NHS Ambulance Staff, September 2018, page 32 <https://www.gmb.org.uk/sites/default/files/IN-HARMS-WAY.pdf>