



Executive summary

- 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' annual earnings have been devalued by nearly a fifth.
- Inadequate pay levels have made a significant contribution to challenges of workforce recruitment, retention, and morale.
- It is unlikely that these problems will be addressed through the NHS pay agreement. 98 per cent of our members believe that the pay agreement was inadequate, and the basic pay of most staff at the top of their pay bands is set to decline by 3.2 per cent in real terms by 2020/21.
- The closure of Annex 5 for unsociable hours payments is a specific concern for our members in ambulance services.

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Notes on submission

GMB is proud to represent NHS workers in England, Wales, Scotland, and Northern Ireland.

As previously stated, we are concerned about the growing differentials between some national Agenda for Change bands, as well as the continued problems of public sector pay setting in Northern Ireland in the absence of a functioning Executive.

In this submission, in common with the approach taken in the joint Staff Side evidence, references are based on data arising from the English NHS. We recognise that these are not necessarily reflective of NHS conditions within the devolved nations.

All quotes presented in orange bands are taken from a recent qualitative survey of GMB members in the NHS (example below):

'I love the NHS, the staff do a fantastic job, above and beyond, but the rewards don't meet our loyalty.'

General Clinical Administrator, Band 2

Introduction

'As a student paramedic and working full time as a single mum, I've been left short since working in the NHS. I give up time with my children to help others but I'm still made to feel worthless. I don't believe I'll stay with the NHS.'

Associate Practitioner, Band 4

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. While we are supportive of the Staff Side submission, it should be recognised that GMB's evidence reflects the decision of our members to reject the 2018/19 to 2020/21 pay offer. It remains our view that the pay offer was inadequate and overly complex.

NHS workers' earnings have been severely eroded in real terms since 2010. This has had a serious and measurable impact on recruitment, retention, and workforce morale.

An overwhelming majority (98 per cent) of our NHS members believe that increases under the pay agreement are not high enough. It is likely that earnings will continue to be devalued in real terms over the next three years - especially for staff at the top of their pay bands.

Our ambulance members are also specifically concerned about the closure of Annex 5 terms for unsociable hours payments to new entrants.

Pay is not the only factor that is driving recruitment, retention, and performance challenges. Other issues include poor work/life balance, violence at work, cuts to social care provision, and dependency on agency staffing.

Nevertheless, it should be recognised that staff often decide to leave the NHS for a combination of reasons, and inadequate earnings tend to exacerbate other feelings of dissatisfaction.

Trends in NHS pay

'I have had to cut back on many things so I can provide for the future. I am in debt due to trying to provide for my family.'

Nurse, Band 6

The value of NHS pay has been severely eroded over the last nine years. Our members have been subject to a corresponding decline in their standard of living, despite a seemingly exponential growth in the demands on the health service.

As internal Treasury advice, obtained by GMB, warned in 2015: the pay policies implemented in the NHS have had a 'negative impact on family relationships' and made it more difficult for NHS workers 'to access essential goods.'¹

Against RPI, the trade unions' preferred measure of inflation, average real annual earnings in the NHS have fallen by an eighth since 2010. Even on the Government's preferred measure of CPI, the real value of average earnings in the NHS has declined by seven per cent.

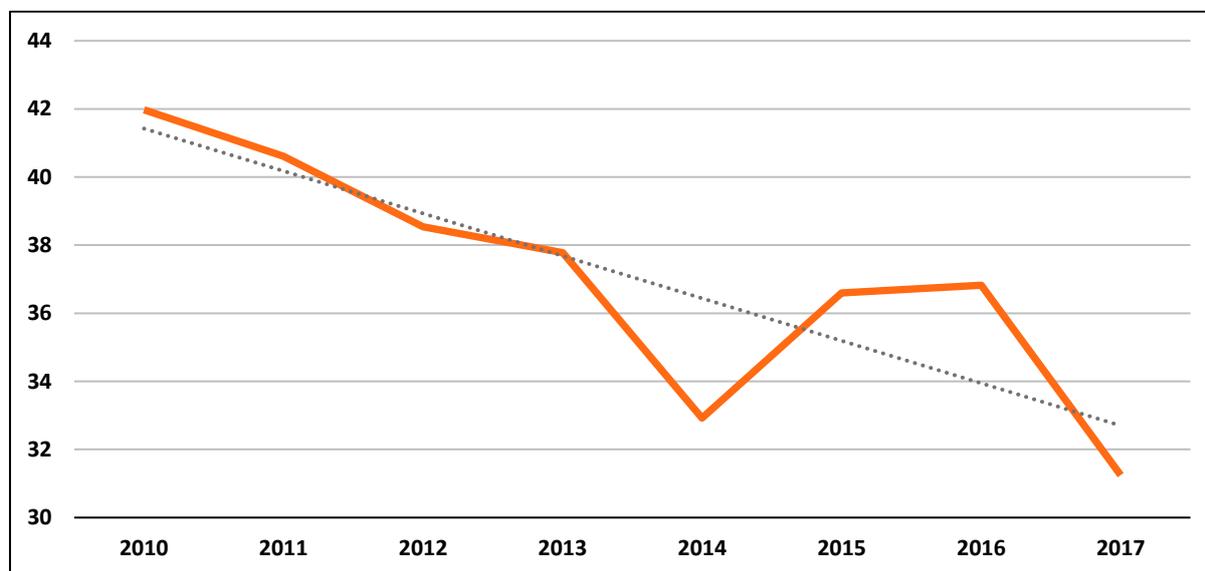
The erosion of real earnings has been most dramatic in ambulance services. Ambulance staff earnings have fallen by a fifth in real terms since 2010 (and have barely increased in cash terms).

Changes in NHS average mean annual earnings, selected occupational groups²

	Actual earnings		Real terms loss		Real terms loss	
	2010	2018	CPI	RPI	CPI	RPI
All staff	£29,134	£32,180	-£2,372	-£4,702	-6.9%	-12.7%
Hotel, property & estates	£16,224	£18,097	-£1,144	-£2,441	-5.9%	-11.9%
Nurses & health visitors	£29,599	£32,014	-£3,089	-£5,456	-8.8%	-14.6%
Midwives	£30,527	£31,957	-£4,246	-£6,687	-11.7%	-17.3%
Ambulance staff	£35,801	£36,566	-£5,893	-£8,755	-13.9%	-19.3%

Overall pay satisfaction fell significantly in 2017. Pay satisfaction was down by 5.6 per cent compared to 2016 (a fall of 10.7 per cent since 2010). Despite a minor discontinuity in the series (response data is unweighted before 2013), the downward trend is clear.

All staff NHS total pay satisfaction (percentage)³



Impact on recruitment and retention

'I have found myself searching for new jobs, and found working in a shop such as Aldi, may be better paid than caring for people's lives and children.'

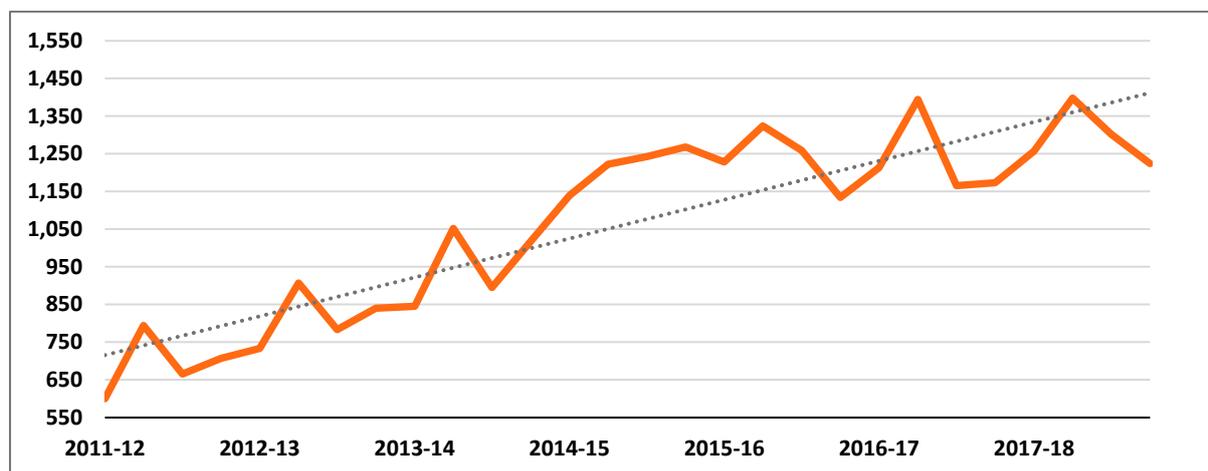
Midwife, Band 5

The NHS's labour requirements have expanded in recent years as the population continues to age and cuts to social care continue to bite. Unfortunately, the NHS is becoming increasingly uncompetitive in a tightening labour market: the number of vacancies in England increased by 24 per cent over the last three years.⁴

Pay is not just a factor for specialist and medical grades. 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.⁵ There is a clear need for substantial wage increases across the Agenda for Change scale.

Once reasons that are likely to be beyond employers' immediate control have been excluded – such as promotions and relocations⁶ – pay is the second most likely reason for staff electing to leave the NHS.

Number of NHS workers citing 'better reward package' as their main reason for leaving⁷



The future of NHS pay

'Friends who work in the local council can't believe my salary compared to similar roles in their workplace. I have always been loyal and proud to be a part of the NHS but I have been looking for jobs outside – both due to pay and treatment of staff.'

Assistant Team Leader, Band 3

We recognise that the Government has requested that the NHS Pay Review Body does not make new pay recommendations for the duration of the three-year pay agreement.

In our view, the pay agreement will not resolve – and it may exacerbate – the deep-seated problems of recruitment, retention, and motivation that are impairing services for patients.

In these circumstances, the interpretation of the Review Body's remaining remit 'to monitor the implementation of the deal and its impact over the duration of the agreement' assumes, we believe, a special significance.

It is important that the Review Body does not limit its considerations to a narrow assessment of whether the pay deal is being correctly implemented by all Trusts (as important as this work is).

As part of the Review Body's ongoing evaluation of whether the pay agreement is achieving its stated aim of having a 'significant [positive] impact on retention and recruitment issues,'⁸ we ask that the following factors, alongside others, are taken into account.

(1) Staff at the top of their pay band

'The pay award or lack of it has made me feel undervalued, like the long term loyal staff don't matter. ... It's taken me all this time to get to the top of my pay band, and because I'm at the top, I don't get much of a pay rise.'

Healthcare Assistant, Band 2

It is well known that roughly half of NHS staff are at the top of their pay band. The annual basic earnings of these workers (above the old Band 1 and below Band 8d) are due to change by 6.5 per cent over the course of the pay agreement.

This change is below the most recent OBR inflation forecasts (both for RPI and CPI). There is a real risk, therefore, that the NHS may continue to avoidably lose some of its most experienced workers, and indeed there is a danger that this trend may be accelerated.

GMB analysis shows that, compared to RPI, the financial position of most workers who were at the top of their band in 2017/18 will be substantially impaired by the end of the pay agreement, with the welcome exception of staff who were at the top of the old Band 1.

Real terms change in top of band basic earnings by the end in year three (2020/21)⁹

	In-year, real change by year 3		Cumulative change
	%	£	
Band 1	4.4%	£764	£2,935
Band 2	-3.2%	-£639	-£1,084

Band 3	-3.2%	-£698	-£1,186
Band 4	-3.2%	-£798	-£1,356
Band 5	-3.2%	-£1,010	-£1,717
Band 6	-3.2%	-£1,251	-£2,125

It is right that NHS workers should move more quickly through their respective bands, but this change could have been achieved without a further reduction in the living standards of staff at the top of their pay bands.

We ask that the Review Body subjects recruitment and retention trends for workers at the top of pay bands to close ongoing scrutiny.

(2) Changes to unsociable hours payments

'Changes to unsocial pay will dramatically affect my earning potential even if I work the same hours. I do not feel that practicing in the UK will be my main career trajectory in the future if the pay and conditions do not change to reflect the impact that the job has on family, earnings and health.'

Paramedic, Band 5

The transfer from Annex 5 to Section 2 terms and conditions for overtime payments is a particularly important issue for ambulance staff.

On average, 28 per cent of ambulance workers' earnings are made up of non-basic earnings (of which shift payments are by far the most significant component). This is double the average for all NHS staff, and the second highest rate of any occupational group.¹⁰

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.

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 proposed 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. We believe that it is already having a negative impact on recruitment and retention in ambulance services. We ask that the Pay Review Body evaluates this issue as part of its wider consideration of the pay agreement's impact.

(3) The impact of Brexit

A long-term pay agreement has been reached in the NHS at a time that is fraught with exceptional short-term uncertainties.

One in twenty NHS workers are EU nationals; the figure rises to as high as one in five in some Trusts.¹¹ The long-term impact of Brexit on labour supply is unknown but it has been widely reported that recruitment and retention has already been negatively affected.¹² The Institute for Employment Studies has warned that Brexit could 'have a significant impact on the nursing workforce in England, given that it is ageing and is increasingly reliant on the recruitment pipeline from Europe.'¹³

The OBR recently revised its inflation projections upwards, and the inherent uncertainty of long-term inflation projections is acknowledged as the likely form that Brexit will take is currently unknown.

In these circumstances, we believe that there should be an appropriate mechanism under which the NHS Pay Review Body can issue an urgent warning if it believes that the labour supply and inflationary assumptions that formed the basis for the pay agreement have been overtaken by events.

(4) NHS pay in the long-term

The longer I remain working within the NHS the harder my life gets. My bills for everything that is needed in life to just get by continue to escalate ... yet year after year my pay continues to get less and the government doesn't seem to care.'

Senior Emergency Medical Technician, Band 2

As we argued in our evidence for the 2018/19 report, NHS workers have experienced a substantial real terms wage reduction over the past decade, with a consequential loss of quality of life, which in some cases has caused personal and family financial distress.

We note that the NHS Regulator, in its former incarnation as Monitor, warned that 'periods of wage restraint are generally followed by periods of "catch up" with their trend level in subsequent years.'¹⁴

Under the pay agreement, there will not be such a 'catch up' period for most NHS workers. This is especially true of staff at the top of their pay band.

We appreciate that modelling future inflationary pressures and long-term labour demand dynamics is inherently difficult. Nevertheless, by mid-2021 it is likely that NHS workers measured as a whole will not have received a pay increase that matched inflation for a decade.

We therefore ask that the Pay Review Body begins the process of examining long term pay requirements in the NHS. We believe that such a process would collect valuable evidence that would support the case for a significant, above-inflation pay increase.

Finally, we said in our last submission that our members report a 'real loss of faith in the independence of the Review Body process. It has become increasingly difficult to reconcile the conclusions of past reports to our members' lived experiences.'

These sentiments have not abated. We seek to impress on the Review Body's Members that real damage has been done to NHS workers' confidence in the independence of the Review Body process over the last decade.

'I love my job but the thanks I receive from my patients is the only thing that keeps me going. I want to be there for the patients but I don't know if long term I can sustain it financially.'

Registered Nurse, Band 6

Other issues

Unpaid overtime

In our last evidence submission, we said that we were concerned about the very high incidences of unpaid overtime in the NHS.

No meaningful change in unpaid working rates was reported in the latest staff survey. 58 per cent of NHS staff say that they regularly work unpaid hours (compared to 59 per cent in 2016).¹⁵

If the NHS is unable to meet its recruitment requirements in a tightening labour market then it is likely that additional pressure will be placed on existing staff to work unpaid overtime.

Our members are clear that such a development would worsen retention rates amongst experienced staff, giving rise to a viscous cycle that could only be broken by remunerating all hours worked, or by substantially increasing the value of Agenda for Change pay points, or both.

Privatisation and outsourcing

Privatisation, outsourcing, and the associated fragmentation of NHS services are ongoing workforce concerns.

The value of public sector health contracts for 'services' – as opposed to the provision of goods or works – increased by four per cent between 2016 and 2017.¹⁶ This is despite the fact that the risk of MRSA infection is almost 50 per cent higher in hospitals that outsource cleaning services.¹⁷ Some £2 billion a year is spent each year on PFI charges associated with health contracts.¹⁸

The privatisation of services is associated with the undermining of terms and conditions and the impairment of public services – such as the high-profile failure of the Sussex patient transfer services contract. The growth of a new form of fragmentation, wholly owned subsidiary companies, has been a particular concern over the last twelve months.

At least 42 wholly owned subsidiary companies have been created.¹⁹ Staff employed through these companies are not automatically entitled to Agenda for Change terms and conditions. We believe that the continued use of these companies represents a serious threat to the integrity of the national agreement.

Bullying and workplace culture

NHS staffing levels are not growing at the same rate of demand. Although it is not the only cause of bullying, political pressure to meet performance targets is all too often translating into an abusive workplace culture.

35 per cent of GMB members in the NHS identify bullying as one of their main workplace concerns, according to our recent survey.

Our members report that bullying is a serious issue that is affecting retention. Although relevant data may not be collected under a single category, the number of NHS workers leaving their jobs due to 'incompatible working relationships' doubled between 2011/12 and 2017/18.²⁰

We recognise that NHS Employers have identified the tackling of bullying as an important means of improving retention and reducing sickness absence rates.²¹

Unfortunately, the NHS Staff Survey records no progress. In each of the last three years, 18 per cent of NHS workers said that they experienced harassment, bullying or abuse at work from other staff, and 13 per cent reported being bullied by managers. Most shockingly, two per cent reported experiencing physical violence from colleagues, and one per cent said they experienced violence from managers.²²

More progress is needed in this important area.

Violence and abuse against NHS workers

Violence and abuse against NHS workers by members of the public are retention issues. 28 per cent of GMB members identify the threat of violence, assaults and abuse as an immediate concern.

GMB research has found that 37 per cent of ambulance workers have considered leaving their jobs due to the threat of violent attack. NHS ambulance employers recorded a 34 per cent increase in physical assaults between 2013/14 and 2016/17.²³

GMB, alongside other unions, played an important role in securing the recent passage of the Assaults on Emergency Workers (Offences) Act 2018, which was promoted by Holly Lynch MP and Chris Bryant MP, which makes the assault of an NHS worker an aggravating factor for sentencing purposes in England and Wales.

Specifically, GMB members led a campaign which secured an amendment that included sexual assaults within the scope of the Act.²⁴

If it is fully publicised by employers and enforced by the appropriate authorities then the new legislation could have a positive effect on retention rates. This may be an area that the Pay Review Body wishes to consider monitoring as part of its wider view of NHS staff morale.

Conclusion

The value of NHS pay, terms, and conditions have been eroded over the last decade. These trends have had a serious, negative impact on recruitment, retention, patient services, and our members' quality of life.

These problems will not be resolved by the pay agreement. It is likely that they will be exacerbated by it.

In our view, the NHS Pay Review Body should be prepared to make a urgent warning should trends in recruitment, retention, and workforce morale fail to substantially improve over the lifetime of the agreement.

The case for a significant, above-inflation pay increase is already compelling, and it is likely that this case will strengthen over the next three years. The current pay agreement must be superseded by the real pay rise that NHS workers need and deserve.

References

¹ BBC News, George Osborne kept pay cap despite child poverty warning, 28 October 2018 <https://www.bbc.co.uk/news/uk-politics-45994303>

² NHS Digital, NHS Staff Earnings Estimates – September 2018, Provisional Statistics, published 20 December 2018, Table 2b; GMB calculations based on the ONS consumer price inflation time series.

Earnings figures are 12-month averages as of August 2010 and August 2018. Inflation was estimated at 18.6% (CPI) and 26.6% (RPI) over the same period.

³ Percentage of NHS workers satisfied or very satisfied with their level of pay as recorded by the NHS Staff Survey.

⁴ Table 1, NHS Vacancy Statistics England – February 2015 – March 2018, Provisional Experimental Statistics, 26 July 2018 <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey/nhs-vacancy-statistics-england---february-2015---march-2018-provisional-experimental-statistics>

⁵ 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>

⁶ In practice these staff are likely to be retained within the NHS.

⁷ NHS Digital, quarterly Timeseries of Reasons for Leaving / Staff Movements and Redundancies, included in NHS Workforce Statistics – March 2018, published 21 June 2018 <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/nhs-workforce-statistics---march-2018-provisional-statistics>

⁸ Written Ministerial Statement in the name of the Secretary of State for Health and Social Care, on the NHS Pay Review Body Report 2018/19 and Agenda for Change Multi-Year pay deal, 27 June 2018 (HCWS803) <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-06-27/HCWS803/>

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¹³ Institute for Employment Studies, Beyond Brexit: Assessing key risks to the nursing workforce in England, December 2016, page 2 <https://www.employment-studies.co.uk/system/files/resources/files/hrp12.pdf>

¹⁴ Monitor, Closing the NHS funding gap: how to get better value health care for patients, 09 October 2013, page 3
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/284044/ClosingTheGap091013.pdf

¹⁵ All staff response to question 10c of the 2017 NHS Staff Survey
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¹⁶ Tussell contracting database.

¹⁷ Oxford University, NHS hospitals that outsource cleaning 'linked with higher rates of MRSA,' 20 December 2016 <http://www.ox.ac.uk/news/2016-12-20-nhs-hospitals-outsource-cleaning-%E2%80%98linked-higher-rates-mrsa%E2%80%99>

¹⁸ HM Treasury and Infrastructure and Projects Authority, Private Finance Initiative and Private Finance 2 projects: 2017 summary data, 07 December 2018
<https://www.gov.uk/government/publications/private-finance-initiative-and-private-finance-2-projects-2017-summary-data>

¹⁹ Written Parliamentary Answer on NHS Trusts: Subsidiary Companies, 28 March 2018
<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2018-03-23/134072/>

²⁰ 1,773 exits were recorded under this category in 2017/18 compared to 879 in 2011/12.

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²¹ NHS Employers, Improving Staff Retention: A Guide For Employers, 26 September 2017, page 26 <https://www.nhsemployers.org/case-studies-and-resources/2017/09/improving-staff-retention-a-guide-for-employers>

²² NHS Staff Survey five year trend weighted average data. Responses to questions 14b, 14c, 15b, and 15c

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