

NHS Pay – ‘looking ahead’ – An outline of the Formal position

Friday, 04 December 2009

We are receiving a lot of enquiries about NHS pay looking ahead. I thought it would be useful if I outlined the formal position.

We are currently in the second year of a multi-year pay agreement in the NHS across the UK.

All rates of pay are due to be uplifted by 2.25% on the 1st April 2010 as part of the third year of the agreement.

There will be a flat rate increase for Bands 1,2 and 3 and other adjustments making the total value of the uplift 2.5%

The multi-year agreement contained a ‘re-opening’ clause that provided for the NHS Pay Review Body (NHSPRB) to gather evidence on whether there had been significant changes in economic factors (inflation) labour market conditions or recruitment and retention of staff. If the NHSPRB felt that there had been significant changes in all three factors it could ask for a remit from the Secretary of State to review the uplift in the rates of pay.

The trade unions, including UNISON, the NHS Employers and the Westminster, Scottish and Wales governments all submitted evidence stating that the agreed uplift for the third year should not be disturbed. The government has said that the 2010 pay uplift is fully funded. The NHSPRB is due to publish its view on this during week commencing 14th December 2009. In the current circumstances we hope that the NHSPRB accept the evidence of the parties.

However, there has been a campaign by a small minority of English NHS Trusts in conjunction with the Health Service Journal arguing that given the looming financial difficulties for the NHS from 2011 onwards, that there should be a pay freeze in 2010, i.e. that the 2010 agreed uplift should not be paid.

In addition we are receiving reports that in some parts of the UK, local NHS organisations are ‘sounding out’ staff sides on their likely reaction to the non-payment of the 2010 uplift. In some cases employers are offering ‘deals’ on job security in return but implying that if the 2010 uplift goes ahead there will be redundancies.

Our response to these ‘soundings’ has been that the third year of the multi-year should be paid in full. Whilst the 2009 uplift was above inflation and 2010 may well be as well, the 2007 and 2008 uplifts were below inflation at the time. The trade unions accepted a risk in agreeing a multi-year agreement which has given stability and pay certainty to the NHS. The government has said that these uplifts are fully funded. It would be intolerable now for this agreement to be reneged upon by any party whether it be a government or a local NHS employer. Were this to happen there would be a robust response from UNISON and indeed all trade unions.

Insofar as job security ahead is concerned, various predictions and scenarios have been published about the impact of the end of growth funding from April 2011 onwards. Although we do not know the government’s funding and spending assumptions until the Pre Budget Report by the Chancellor on the 9th December 2009, we know that there are difficult times ahead in all four countries of the UK.

Both government and trade unions have stated their opposition to irresponsible ‘slash and burn’ cuts now or in the future. NHS funding has risen from £37 billion in 1997 to £110 billion in 2010.

By contrast to 13 years ago, the NHS is now well funded and this money is not being taken away. It is the rate of growth that will end. The NHS will continue to need all of its staff to deliver high quality services. What it will need to do is become more efficient to meet future health needs and new models of care.

UNISON along with other unions has indicated a willingness and wish to be involved in this discussion in partnership with employers and governments. We have a shared responsibility to meet the challenges ahead and to continue to improve healthcare. From feedback we have received, it is clear that job security is high on our members' agenda and we share their concerns. Discussions are taking place about plans from 2011 onwards through the social partnership processes.

We will keep you apprised of national discussions and it will be very helpful if you keep the national Health Group here at Head of Office apprised of any regional or local developments – as many of you have already been doing.

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