INTRODUCTION AND BACKGROUND

The NHS Pay Review Body (NHSPRB) is independent. Its role is to make recommendations to the Prime Minister and to the appropriate Ministers in Scotland, Wales and Northern Ireland on the remuneration of all staff paid under Agenda for Change and employed in the National Health Service (NHS).

In its 28th Report, the NHSPRB made the following two recommendations on pay:

1. A 1% increase to all Agenda for Change pay points from 1 April 2014.
2. A 1% increase to the high Cost Area Supplement minima and maxima from 1 April 2014.

They commented: “Our conclusion was that government statements have led staff to expect a pay settlement this year of around 1%. If these expectations were to be dashed, patients would be impacted through declining staff morale and engagement.”

THE GOVERNMENT’S RESPONSE

On 13 March 2014, the Secretary of State for Health (Mr Jeremy Hunt) made the following statement to Parliament:

“I am responding on behalf of my Rt Hon Friend the Prime Minister to the 28th Report of the NHS Pay Review Body (NHSPRB) and to the 42nd Report of the Review Body on Doctors’ and Dentists’ Remuneration (DDRB).

INTRODUCTION AND BACKGROUND

The NHS Pay Review Body (NHSPRB) is independent. Its role is to make recommendations to the Prime Minister and to the appropriate Ministers in Scotland, Wales and Northern Ireland on the remuneration of all staff paid under Agenda for Change and employed in the National Health Service (NHS). In its 28th Report, the NHSPRB made the following two recommendations on pay:

1. A 1% increase to all Agenda for Change pay points from 1 April 2014.
2. A 1% increase to the high Cost Area Supplement minima and maxima from 1 April 2014.

They commented: “Our conclusion was that government statements have led staff to expect a pay settlement this year of around 1%. If these expectations were to be dashed, patients would be impacted through declining staff morale and engagement.”

THE GOVERNMENT’S RESPONSE

On 13 March 2014, the Secretary of State for Health (Mr Jeremy Hunt) made the following statement to Parliament:

“I am responding on behalf of my Rt Hon Friend the Prime Minister to the 28th Report of the NHS Pay Review Body (NHSPRB) and to the 42nd Report of the Review Body on Doctors’ and Dentists’ Remuneration (DDRB).

NHS PAY REVIEW BODY

We thank the NHS Pay Review Body for its 28th report and note its recommendations and observations. We are clear that in the wake of the public inquiry into Mid Staffordshire NHS Foundation Trust, our first priority must be to ensure that the NHS can afford to employ the

UK Council next meets on Wednesday 14 May 2014 and will consider the survey results.

NHS Trades Unions meet on 15 May to review any developments to-date and to hear reports from the individual unions. A formal communication to members will be made following that meeting.

Members are urged to complete the survey at www.surveymonkey.com/s/HKJGPXZ

The survey closes at 17:00 on Monday 12 May.

April 2014
right number of frontline staff needed to ensure the safe, effective and compassionate care that patients have a right to expect.

“The NHSPRB’s recommendations for a 1% consolidated rise for all staff, on top of automatic increments, are unaffordable and would risk the quality of patient care. Without a pay rise, incremental pay increases already commit nearly £1 billion every year for all NHS employees and add 2% each year to the NHS pay bill for Agenda for Change staff. The PRB proposals suggest a pay rise that would risk reductions in frontline staff that could lead to unsafe patient care. It is not possible to maintain appropriate numbers of frontline staff, give a general pay rise of 1% and pay for incremental progression.

“The Government is therefore adopting an approach by which all staff will receive at least an additional 1% of their basic pay next year. All staff who are not eligible to receive incremental pay will be given a 1% non-consolidated payment in 2014-15. Other staff will receive an increase of at least 1% through incremental progression.

“It is our intention that in 2015-2016 the same approach will apply and staff who are not eligible to receive incremental pay will receive a non-consolidated payment of 2% of pay, whilst other staff receive incremental progression. As this will be a two year pay award, this NHSPRB will not be asked to make recommendations on a pay award for Agenda for Change staff in the 2015 pay round.”

WHAT THE PAY AWARD MEANS FOR MEMBERS
1. Staff who, on 31 March 2014, are on a top pay point in their pay band, will receive a non-consolidated increase of 1%, payable in monthly instalments, with effect from 1 April 2014 and ending on 31 March 2015.
2. A small adjustment has been made to the value of pay spine point 16, to ensure that all staff on pay spine point 15 will have the opportunity to receive an incremental pay increase of 1% during 2014/15.
3. The values of all other pay points remain unchanged from the previous year.
4. These non-consolidated payments are payable from 1 April 2014 until they cease on 31 March 2015. They will not count for pensionable pay, nor any of the other allowances and additions to pay in the NHS Terms and Conditions of Service handbook. They will not, for example, count in the calculation of high cost area supplements, unsocial hours or overtime payments.
5. The provisions for incremental pay progression in Section 1(a) (England) and Annex W (England) will continue to apply.

NON-CONSOLIDATED PAYMENTS FROM 1 APRIL 2014
Staff who, on 31 March 2014, are on the top pay point in their pay band, will receive a non-consolidated lump sum, payable in monthly instalments, with effect from 1 April 2014 and ending on 31 March 2015.

The pay points affected and the values of the lump sums are set out in the table opposite.

TWO YEAR PAY AWARD

<table>
<thead>
<tr>
<th>Pay Band</th>
<th>Pay spine point (top pay point in each pay band)</th>
<th>Non-consolidated sum effective from 1 April 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>£151</td>
</tr>
<tr>
<td>2</td>
<td>8</td>
<td>£175</td>
</tr>
<tr>
<td>3</td>
<td>12</td>
<td>£193</td>
</tr>
<tr>
<td>4</td>
<td>17</td>
<td>£221</td>
</tr>
<tr>
<td>5</td>
<td>23</td>
<td>£280</td>
</tr>
<tr>
<td>6</td>
<td>29</td>
<td>£346</td>
</tr>
<tr>
<td>7</td>
<td>34</td>
<td>£406</td>
</tr>
<tr>
<td>8A</td>
<td>38</td>
<td>£471</td>
</tr>
<tr>
<td>8B</td>
<td>42</td>
<td>£566</td>
</tr>
<tr>
<td>8C</td>
<td>46</td>
<td>£679</td>
</tr>
<tr>
<td>8D</td>
<td>50</td>
<td>£817</td>
</tr>
<tr>
<td>9</td>
<td>54</td>
<td>£985</td>
</tr>
</tbody>
</table>

Is this a two year award? The government has said the intention is that in the year 2015-16 the same approach will apply, and staff who are at the top of their pay bands, and who are not eligible for incremental pay, will receive a non-consolidated payment of 2% of pay, whilst other staff receive incremental progression. The exception is those who reach the top of their pay band in the year 2014-15. These staff will receive a non-consolidated payment of 1% in the year 2015-16. As this will be a two year pay award, the pay review bodies will not be asked to make recommendations on a pay award for NHS staff in the 2015 pay round.

HOW WILL THE TWO YEAR AWARD WORK?
A 1% non-consolidated payment will apply to basic pay for staff at the top of their pay bands. For example, a full-time employee currently at the top of AfC pay band five will continue to receive annual basic pay of £27,901 in both the year 2014-15 and the year 2015-16. In addition they will receive non-consolidated payments worth £279 in the year 2014-15 and £558 in the year 2015-16. Their total earnings will depend on their individual non-basic pay.

SCOTLAND, WALES AND NORTHERN IRELAND
The Scottish Government has decided to implement the Review Body recommendations in full and in Scotland there will be a 1% rise for all pay points, plus changes to bring the lowest points above the living wage.

Wales will mirror the overall cost, but have said they are prepared to talk to the trade unions about how it will be applied.

At the time of going to press, a formal announcement is still pending in Northern Ireland.

SOR COMMENT
By 2017, NHS staff on Agenda for Change contracts will have had six years worth of what effectively amount to pay cuts – pay increases below the rate of inflation – while senior staff have received average increases in pay of just over 15% and the NHS has thrown money at redundancy pay for managers. This is double standards.

What this decision means for staff in England: