



Department
of Health

From the Rt Hon Jeremy Hunt MP
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The Rt Hon George Howarth MP
By email to: george.howarth.mp@parliament.uk

20 APR 2017

Dear George,

Thank you for your correspondence of 29 March on behalf of a number of your constituents about NHS pay.

I note your constituents' concerns.

NHS staff are our greatest asset. Even with increasing pressures on the NHS due to, amongst other things, an ageing population and changing public expectations, they work incredibly hard, always putting patients first and keeping them safe whilst providing the high quality care we all expect. As such, we are committed to ensuring they have access to the training and support they need.

The NHS spends around two thirds of its entire budget on pay (the NHS pay bill is currently £46billion) and our priority is to balance the needs of patients with the interests of hardworking staff. To do this we rely on the independent pay review body process, which has been in place for decades and takes evidence from a range of stakeholders including government, NHS trades unions, NHS Employers, NHS Providers, NHS England and NHS Improvement. The NHS Pay Review Body includes independent experts and carries out its work in a transparent manner, considering very carefully all the evidence it receives on the state of recruitment, retention and motivation of staff employed under the Agenda for Change pay framework.

Last year, for the 2016/2017 annual pay round, the NHS Pay Review Body recommended a pay award of one per cent, which the Government accepted.

On 28 March 2017, we announced that we had accepted the NHS Pay Review Body's recommendation of a one per cent pay award for all Agenda for Change staff for

2017/18. All Agenda for Change staff will receive a one per cent pay award on top of incremental pay, if they are eligible.

The NHS Pay Review Body also made a recommendation relating to the impact of the pay award on take-home pay for some staff, because higher pay may mean they have to pay higher pension scheme contributions. This recommendation will be considered as part of the four-yearly NHS Pension Scheme valuation exercise, which involves Scheme Actuaries, NHS Employers and NHS trades unions, and which will determine the level of employee and employer pension contributions from April 2019.

The NHS Pay Review Body's 2017 report can be found at www.gov.uk, by searching for 'NHS pay review body report 2017', then clicking on the second link.

We have also listened to staff who tell us that they want to know they will have the right number of colleagues working alongside them in hospital or in the community. This, unfortunately, requires a measure of pay restraint so we can continue to increase staffing levels, which we hope helps hard-pressed staff on the frontline. There are currently over 12,100 more nurses on our wards since May 2010 and over 52,000 nurses currently in training. In addition, more than 2,300 nurses have participated in the Return to Practice Scheme, with over 700 now back in employment.

We know pay restraint is challenging for staff, but it is worth stressing that the NHS is one of very few public sector workforces that receives incremental pay progression. In the NHS, over half a million Agenda for Change staff receive incremental pay of around three per cent a year on average, in addition to annual pay awards. A qualified nurse can typically expect seven years of pay progression averaging 3.8 per cent a year, in addition to annual pay awards. NHS staff also have access to a competitive pension scheme, generous annual leave, benefits that go well beyond the statutory minimum and the right to request flexible working to help them better manage their personal and family commitments.

The Government is doing its part to ensure the NHS can afford to employ the permanent staff it needs by clamping down on temporary staffing agencies taking advantage of local staff shortages, encouraging employers to develop their own staff banks and to make the purchasing power of the NHS work for them so they can reduce costs. We want all NHS employers to invest in and focus on their permanent workforce.

How staff feel about their employer and their working environment is of course crucial. The independent pay review body looks carefully at a range of indicators to determine how staff engagement affects the morale and motivation of NHS staff. The 2016 NHS Staff Survey (the latest available) shows that overall staff engagement



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continues to improve for the majority of Agenda for Change staff. Although we know that there are variations for some staff groups and that we must not be complacent, for nurses and midwives, morale and motivation has improved since 2015. We continue to encourage employers to focus hard on the overall employment offer and through pay and non-pay benefits to make their organisation a place where every single member of the healthcare team wants to work, where staff receive the training and support they deserve and where poor care, poor behaviour, bullying and harassment is not tolerated.

I hope this reply is helpful.

A handwritten signature in black ink, appearing to read 'J. Hunt'.

JEREMY HUNT