NHS Pay Offer

Frequently Asked Questions

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*What is the pay offer?*

On Thursday 13th March 2014 the Government announced that only staff that are at the top of their pay band would receive a ‘non consolidated’ 1% pay uplift for 2014/15 and staff who are receiving increments would not get the 1% pay uplift and would only receive their increment.

The pay award will be paid in monthly instalments, alongside normal salary and it is understood that the payments will start April 2014.

The Government have also said that they will take the same approach for 2015/16. They have said that because the announcement is for two years they will not ask the NHS Pay Review Body to report in 2015.
This means that about 600,000 NHS staff will not receive the 1% pay uplift that was promised to them by the Government.

**What does ‘non consolidated’ mean?**

The 1% pay uplift is a ‘non consolidated’ award which means that staff will only receive the payment for one year then it will be taken away. As the award is ‘non consolidated’ this means:

- the 1% uplift is not pensionable; and
- the 1% is only added to basic pay so will not be added to High Cost Area Supplements; overtime or unsocial hours payments.

The Government have announced that staff will receive a 2% uplift in 2015/16 (apart from staff who are receiving increments who will get no uplift) however, they will have lost the 1% uplift they will have received in 2014 as the award is ‘non consolidated’ so it is not actually a 2% uplift. Staff who reach the top of their pay band during the year 2014/15 will only receive a payment of 1% in the year 2015/16.

**What happens if I am not at the top of my pay band?**

If you are one of the 600,000 NHS staff who are not at the top of your pay band you will not receive the 1% pay uplift and you will only receive your increment.

If you do not meet the performance required to receive your increment you will still not receive the 1% pay uplift.

**Is this a UK wide deal?**

No, this will apply in England and Wales but not in Scotland as the Scottish Government have agreed to honour the recommendations of the NHS Pay Review Body. We are yet to hear about Northern Ireland.

**I thought we had already been promised a 1% uplift by the Government, what has changed?**

You were promised a 1% uplift.

In his Autumn Statement in November 2011 the Chancellor George Osborne announced that public sector workers pay would be capped at 1% for two years following the two
year pay freeze, and this is affordable for the NHS. This means this year you should be getting a 1% pay uplift as you did last year.

Each year the Pay Review Body have still considered evidence to determine what award NHS staff would get, subject to the pay freeze in 2011 and 2012 and the pay cap of 1% last year and this year. The NHS Pay Review Body recommended a 1% uplift for all staff and said this is affordable for the NHS.

Unfortunately, Jeremy Hunt, the Health Secretary, backtracked and said only NHS staff at the top of the pay band would get the 1%. He said 1% for everyone is unaffordable, despite the Chancellor of the Exchequer and the expert independent NHS Pay Review Body saying it is affordable.

**Is this really how NHS pay should be determined?**

No, the independent NHS Pay Review Body should determine all Agenda for Change staff pay uplifts, including midwives and maternity support workers pay. Every year, trade unions, employers and the Department of Health submit evidence to the Pay Review Body who then consider the evidence and determine an appropriate pay uplift for Agenda for Change staff which they recommend to the Government.

The report for the year 2014/15 will be the 28th report written by the independent Pay Review Body which clearly demonstrates that they are the experts in the pay structure of the NHS.

Since the Government has been in power they have put conditions on the amount of award the Pay Review Body can award. In 2010 the Government announced that the Pay Review Body must freeze pay in 2011 and 2012. Subsequently, the Government said there had to be continued pay restraint in the NHS and demanded a cap of 1% on any pay uplift for 2013, 2014 and 2015.

This is the first time that the Government has rejected the recommendation of the Pay Review Body and the Government has announced that they intend to stand the Pay Review Body down for next year.

**What did the independent NHS Pay Review Body say?**

In their report the NHS Pay Review Body recommended a 1% uplift for all NHS staff saying that it is affordable for the NHS.

Importantly, in their report they made several very important points that the Government has ignored:
“We are not persuaded that the short-term financial advantage to be gained from a non-consolidated award would outweigh the potentially adverse impact on staff engagement and motivation of a non-consolidated, non-pensionable uplift of what would be a relatively small amount of money for individual staff”

“The evidence we received from the Department of Health and NHS Employers implied that incremental progression cost 2 per cent per annum. However, we understand that the net cost was 0.6 per cent in 2012/13 and may well be lower this year as more staff reach the top of their pay band. Therefore, we do not consider incremental pay to be costly, in net terms, because of new staff being recruited to the bottom of the scale, replacing, in general, staff at the top point.”

“We have reflected upon whether we should recognise those staff at the top of the incremental scale, to target a greater proportion, or all, of the pay award at this group of staff. There is no evidence... that we should single out one group at the expense of others. However, even more importantly, the argument for a 1 per cent increase on pay scales being expected because of Government statements, and any shortfall in that 1 per cent potentially leading to a decline in motivation and engagement, applies to all wherever they sit within the scales.”

**Are all public sector workers being treated the same?**

No, the Government have singled out NHS workers as the only public sector workers who will not all receive a 1% uplift for all staff.

**Why is the Government doing this?**

It is clear that the Government want to remove incremental progression in the NHS pay structure. In the Spending Round speech in George Osborne said:

“The biggest reform we make on pay is to automatic progression pay. This is the practice whereby many employees not only get a pay rise every year, but also automatically move up a pay grade every single year – regardless of performance... Progression pay can at best be described as antiquated; at worst, it’s deeply unfair to other parts of the public sector who don’t get it and to the private sector who have to pay for it. So we will end automatic progression pay in the Civil Service by 2015-16.And we are working to remove automatic pay rises simply for time served in our schools, NHS, prisons and police.”
What is the RCM doing?

The RCM responded quickly to the condemn the announcement. We had interviews on Sky News, BBC News and Radio Five Live as well as being quoted in The Guardian, The Mirror, The Metro, The Independent and many other newspapers.

We have clearly stated that this is not good enough and the Government needs to honour their own promise and the recommendations of the Pay Review Body. We will meet with other NHS trade unions to coordinate activity and we will start the preparation to consult our members about taking industrial action.

In the meantime we are urging the Government to rethink their decision and pay hard working midwives and maternity support workers a 1% uplift on their pay. Staff receive increments for increased knowledge, skills and experience and incremental progression is not a substitute for an annual uplift.

Midwives and maternity support workers have had three years of pay restraint in the NHS; are about to have a third year of increases to their pension contributions; in England they have agreed reductions to their terms and conditions and we are just starting to consult with members in Wales about changes to their terms and conditions. On top of this, midwives have seen an increase to their NMC registration fees that they have to pay in order to be able to practice as a midwife. Enough is enough.

Morale is already rock bottom in maternity services, the shortage of midwives and the rising birth rate means midwives are working harder than ever before without any reward. When morale is low and staff are disaffected they are not able to give the best care.

Importantly, in the Pay Review Body report (quoted above) they are clearly concerned about the effect of a divisive award on staff engagement and the effect this will have on care. John Appleby, chief economist at the influential King’s Fund think tank has warned that holding down staff pay risked affecting morale, which could have the effect of harming patient care regardless of staffing levels. The Francis report into the failings at Mid Staffordshire NHS Foundation Trust emphasised the importance of having an organisational culture that promotes high-quality care. Many research studies have shown that the more positive experiences of staff within an NHS trust, the better the outcomes for that trust, both in terms of patient care and financial performance – in particular, making savings through improving patient outcomes and staff sickness absence rates.

We are particularly concerned that this pay announcement hits newly qualified and younger staff the hardest as they are denied their annual uplift just because they are not yet at the top of their pay band. Staff receive incremental progression for increased knowledge, skills and experience and it is not a substitute for an annual uplift.
Incremental progression saves the NHS money because it rewards increasing experience rather than just starting everyone at the top of their pay band. Newly qualified midwives have joined a profession that is desperately understaffed to provide essential care for women and babies and this decision could seriously damage the morale of enthusiastic new midwives and at worse cause them to leave midwifery and detract others from joining the profession.

Not only has the decision hit younger staff the hardest, the NHS has also been singled out with all the other public sector groups are getting the 1% uplift for all staff apart from the NHS, which is a female dominated workforce.

**Why is this important?**

This is about more than just a 1% pay uplift, this is an unprecedented attack on the NHS pay structure.

The Government have made it clear that they do not agree with incremental progression in the NHS and this is their attempt to end incremental progression. Additionally, non consolidated awards are essentially a move towards a bonus style pay structure with uplifts that are only temporary and do not get awarded to everyone. This moves the NHS closer to performance related pay. And finally, this is a very clear attack on the Pay Review Body, the Government have put constraints on them since 2010 but this is the first time they have rejected their recommendations and have stood down the PRB for next year.

**What happens next?**

We are preparing to consult with members about whether they are prepared to take industrial action on this issue.

We are working closely with other trade unions so we are communicating the same messages and are doing things are the same time.

**What should RCM members do?**

**Check your membership details:** In order to ballot for industrial action we will need to make sure your details are correct, in particular your workplace.

**Join the RCM:** If you know midwives and maternity support workers who are not members of the RCM please let them know they can join the RCM to stand together to get a fair pay rise for the NHS. If they are not a member of a trade union they will not get a say. They can join online by clicking here: [http://www.rcm.org.uk/college/membership/categories/](http://www.rcm.org.uk/college/membership/categories/).

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