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NHS Pay Review Body 2022/23 pay round
Written evidence from NHS Providers

About NHS Providers

NHS Providers is the membership organisation for the NHS hospital, mental health, community, and ambulance services that treat patients and service users in the NHS. NHS Providers has all trusts in voluntary membership, collectively accounting for £92bn of annual expenditure and employing more than one million staff.

Our submission

We welcome the opportunity to submit evidence to the NHS Pay Review Body (PRB) on behalf of NHS trusts and foundation trusts, to inform the 2022/23 pay round. For the purposes of this submission, we have drawn on several information sources, including:

- An annual survey of trust HR directors by NHS Providers[1]
- National workforce data
- NHS Providers' previous written submissions to the NHS Pay Review Body
- Other surveys and sources of feedback from trust leaders, including our *State of the Provider Sector* survey, *NHS Winter watch*, and our HR directors network meetings in 2021.

Key messages

- The majority of HR directors responding to our survey support a pay award of at least 3% for 2022/23, with a significant proportion (28%) supporting an uplift of 5% or more. This year's results show an upswing in support for a higher pay award compared to last year's survey, given the context of rising inflation and cost of living
- Trusts are running at full capacity, with extensive and sustained operational pressure caused by COVID-19 infections, winter pressures, a nationwide vaccination campaign and a significant backlog in care. Trust leaders are concerned about the level of burnout across their workforce

[1] This online survey of HR directors in NHS trusts and foundation trusts was conducted from December 2021 to January 2022. Data is based on responses from 45 trusts, accounting for 20% of the provider sector, with all regions and trust types represented in the responses. This was a lower response rate than we have traditionally received, which was expected given the operational pressures which the NHS is currently under.

- Trust leaders are concerned about the possibility of partially funded pay uplifts, as trusts will have to make up any shortfall from existing budgets which have been allocated to ensuring service delivery. This would have operational impacts which will affect patients directly
- We continue to reject the concept of a "direct trade-off" between more funding for pay or staff numbers. These are interdependent factors, as fair pay helps to attract high quality staff and support their retention
- 71% of respondents to our survey support targeted pay initiatives for AfC staff groups experiencing particular workforce gaps, an increase of 7% compared to last year. The possibility of a pay premia for staff groups which the NHS is struggling to recruit to should be explored in this pay round
- Some trust leaders feel that the current Agenda for Change pay and progression structure is too rigid, based on length of service over ability. This has an effect on retention across all staff groups, with colleagues moving between organisations to accelerate their pay progression
- The delays to the announcement of pay awards each year have a negative impact on staff morale, increase uncertainty for staff and make trust financial planning more complicated. There is a specific recruitment and retention case for higher pay awards this year, given rising inflation, a National Insurance increase, and proposed changes to staff pension contribution rates predominantly affecting lower and middle banded NHS staff.
- Flexibility can be built into the service both through the fuller utilisation of new roles, and the provision of flexible working options for staff. A fully costed and funded national workforce plan is needed to realise this, to build resilience into the system and to plan sustainably for future demand

Remit

In his remit letter to the Chair of the NHS Pay Review Body (PRB),[2] the Secretary of State for Health and Social Care, Sajid Javid, repeatedly referenced the importance of affordability in the 2022/23 staff pay award. This was framed by his statement that "the NHS budget has already been set" until 2024/25, and as such there is a "direct relationship between pay and staff numbers." Instructions to consider the impact of pay awards on an existing NHS budget settlement and on the ability of the NHS to "recruit, retain and motivate" its workforce are a repetition of key messages provided by the Government to the PRB in recent years. The remit letter does not reference the economic conditions surrounding the ongoing COVID-19 pandemic, including increased costs of living, but we would expect this to be raised to the PRB by all stakeholders submitting evidence, including the government.

[2] NHS Pay Review Body remit letter 2022/23: https://www.gov.uk/government/publications/nhs-pay-review-body-remit-letter-2022-to-2023/nhs-pay-review-body-remit-letter-2022-to-2023

Pay decision for Agenda for Change staff 2022/23

Context

The 2021/22 PRB round marked the first financial year following the 2018 pay deal for Agenda for Change (AfC) staff expiring in March 2021. The 2021/22 pay award for AfC staff was a single year 3% increase, backdated to April 2021, as recommended by the PRB and accepted by Government. While NHS Providers welcomed this award –a significant improvement on the 1% proposed by the Department of Health and Social Care (DHSC) in their written submission – its value was severely impacted by the sharp increase across all measures of inflation as the year went on. The Consumer Price Index (CPI) rose from 0.7% in January 2021 to 5.4% in December; and the Retail Price Index from 1.4% to 7.5% in the same timescale. [3]

In HM Treasury's January 2021 written submission to the pay review bodies, the possibility of such increases was not considered, and instead an emphasis was placed on staff coming off a "third consecutive year of pay awards in excess of inflation" in 2020/21. At that time, it was not clear that inflationary pressures would reach current levels, however there was a sense that HMT was relying heavily on lower immediate costs of living caused by the winter lockdown and associated lack of economic activity as a precursor to a 1% in the next financial year. Ultimately, the government decision and announcement of a 3% pay award in July last year, came one week after CPI had risen beyond forecasted levels to 2.5%[4] and in the same month the OBR had raised the prospect of temporary or longer-term annual price rises of between 4-5% in their fiscal risks report.[5]

Trust leaders have repeatedly told us that they are concerned about the impacts of these cost of living increases on staff. Given the strength of inflationary pressures in the 2021/22 financial year – and given that the Bank of England expects inflation to reach 6% by Spring 2022[6] - we encourage the PRB to carefully scrutinise further forecasts, analysis and assumptions around the value of proposed pay awards and their impacts on the cost of living for NHS staff in their deliberations this year.

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[3] Office for National Statistics, Inflation and Price Indices: https://www.ons.gov.uk/economy/inflationandpriceindices

[4] Office for National Statistics, Consumer price inflation, UK: June 2021: https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/june2021

[5] Office for Budgetary Responsibility Fiscal Risks Report, July 2021, page 181-182: https://obr.uk/docs/dlm_uploads/Fiscal_risks_report_July_2021.pdf

[6] Bank of England, "Will inflation in the UK keep rising?" https://www.bankofengland.co.uk/knowledgebank/will-inflation-in-the-uk-keep-rising

Against a backdrop of increased and long-lasting demands on staff during the pandemic, the curtailed value of the 3% pay award led to dissatisfaction. This in turn led to an increase in trade union protest and demonstration in the latter half of 2021, with the Royal College of Nursing (RCN), Unison, Unite, and GMB surveying members on the possibility of taking industrial action in response to the pay award.[7, 8, 9, 10.] The Royal College of Midwives also found that 95% of its surveyed members wanted the organisation to review its support of the PRB process due to the 3% recommendation.[11] Looking ahead to the coming months, the RCN are continuing their "Fair Pay for Nursing" campaign, seeking to alter AfC to better support the pay and progression of nursing staff,[12] and a joint submission to the PRB from NHS staff unions has called for an above inflation pay rise.[13]

At the time of writing this submission, the NHS is combatting the toughest winter on record, with increasing demand for care far outstripping capacity given that the service has almost 100,000 staff vacancies,[14] and large numbers of staff self-isolating from week to week due to the ongoing COVID-19 pandemic. Despite these constraints, in November 2021 there were record numbers of patients seen by a consultant following an urgent two-week GP referral, all activity in cancer care increased, and diagnostic activity reached the highest level since January 2020.[15] This is testament to the dedication of NHS staff.

National workforce policy interventions have brought some benefits to service delivery. In particular, the introduction of the Health and Care Worker visa in August 2020 continues to be helpful for international recruitment efforts and reflects a largely favourable new immigration system for the NHS. The introduction of £5,000 training grants for degree-level nursing, midwifery and many allied

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[7] Royal College of Nursing, indicative ballot results: https://www.rcn.org.uk/news-and-events/news/uk-nhs-pay-in-england-and-wales-results-of-indicative-ballots-on-industrial-action-announced-021221

[8] Unison, NHS pay rise: https://www.unison.org.uk/our-campaigns/nhs-pay-rise-consultation/

[9] Unite, "members reject government's pay award by 90%": https://www.unitetheunion.org/news-events/news/2021/october/unites-nhs-england-members-reject-government-s-pay-award-by-90-per-cent-as-campaign-of-action-builds/

[10] GMC, NHS pay ballot: https://www.gmb.org.uk/nhs-pay-ballot-faqs

[11] Royal College of Midwives, pay campaign: https://www.rcm.org.uk/news-views/news/2021/december/improving-pay-for-rcm-members-top-priority-for-2022/

[12] Royal College of Nursing, pay campaign: https://www.rcn.org.uk/news-and-events/news/uk-next-steps-in-our-fight-for-fair-nhs-pay-161221

[13] Unison, pay campaign: https://www.unison.org.uk/news/press-release/2022/01/its-time-to-halt-nhs-staff-exodus-with-game-changing-pay-rise-say-health-unions/

[14] NHS Digital: NHS Vacancy Statistics England April 2015 – September 2021 Experimental Statistics: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey/april-2015---september-2021-experimental-statistics

[15] NHS Providers, blog, "We must keep recognising the extraordinary efforts of NHS staff": https://nhsproviders.org/news-blogs/blogs/we-must-keep-recognising-the-extraordinary-efforts-of-nhs-staff

health students from September 2020 has had a tangible effect on trainee numbers, with the highest combined number of acceptances for nursing and midwifery courses on record, in both years since the policy's introduction.[16] While we do not yet know how many of these trainees will go on to pursue a sustained career in healthcare, it is a positive step.

Despite these positive developments, overall staffing levels are still well below where they need to be in the NHS to deliver services sustainably, and far more investment is needed to support retention initiatives and train a workforce fit to meet future care demands. The government missed an opportunity to commit to a long-term fully funded workforce education and training plan – or short of this provide a multi-year increase in the HEE budget – in last autumn's budget, which we expand on further in our evidence below. It is in this context of severe, sustained pressure on NHS staff, uncertainty around national workforce budgets, dissatisfaction with the last NHS pay award, and continuing cost of living increases, that the 2022/23 pay round begins. This context was cited by most of the HR directors we surveyed, with the general feeling that this year's pay round could be contentious, and a higher pay award than last year's is needed.[17]

Our view

Trusts have told us that it is critical for staff throughout the NHS to receive a meaningful pay increase in 2022/23. A significant majority (81%) of respondents to our survey of HR directors favoured a pay uplift of 3% or more to support improved recruitment, retention, and morale for AfC staff at their trust, with 28% supporting 5% or more. Importantly, only one respondent said the uplift should be 2%, and none called for a value less than that. By comparison, 14% of respondents to the same survey question last year favoured a pay rise of 2% or less. Whilst this was also a small minority of overall respondents at the time, the 12% swing on this option speaks to the importance of and support for a higher pay award from this year's round.

In their comments, respondents repeatedly expressed concern over significantly rising inflation and costs of living, stating that an adequate pay uplift for staff was essential to keep up with this. One HR director said, "the AFC pay increase needs to be substantial in order to respond to significant inflationary pressures (notably fuel prices) and the uplift in national insurance payments", while others noted the difficulty competing – particularly in lower pay bands – with employers outside of the

[16] UCAS, end of cycle 2021 nursing acceptances: https://www.ucas.com/data-and-analysis/undergraduate-statistics-and-reports/ucas-undergraduate-sector-level-end-cycle-data-resources-2021

[17] NHS Providers pay survey of HR directors, December 2021-January 2022. Unless stated otherwise, subsequent references to 'this year's' or 'our' pay survey refer to the same exercise. Please see a contextual note on responses at the beginning of this submission.

sector, including those offering "less physically and mentally demanding" jobs. Losing staff to supermarket chains and other private sector employers due to pay issues was mentioned by many with one respondent saying that "many staff in the NHS are already suffering from food poverty and current salaries make it difficult to attract and retain", while another HRD said "the rate of inflation makes it difficult for some staff to stay loyal to the NHS".

Our surveys have traditionally only asked for HRDs to consider appropriate percentage pay rises across the board for staff, partly given this is the way PRB recommendations tend to be made and in which government pay awards tend to be confirmed. However, we believe there should be more exploration around the value of progressive pay rises for staff, with the potential for greater investment in lower and middle pay bands in a similar manner to the 2018 three-year deal. 15% of respondents favoured a single uplift applied to all points on the pay spine, rather than a percentage increase this year, noting that this would ensure that staff in lower bands would receive a more significant increase. A meaningful pay rise for lower paid staff will be particularly important this year, given that the proposed changes to pension arrangements (coming into effect at the end of March 2022) will see higher deductions for NHS pension scheme members in bands, on top of the upcoming increase in National Insurance in April 2022. This is discussed in more detail later in this submission, but we believe it will be important for the PRB to take this into specific consideration for their recommendation.

Also worth consideration is the fact that 71% of the HR directors we surveyed were supportive of targeted pay initiatives this year for AfC staff groups which have particular workforce gaps (28% very supportive, 43% somewhat supportive). This is an overall increase of 7% on the same question last year (21% very supportive, 43% somewhat supportive). By comparison, in the same survey, 65% of respondents did not support targeting between grades of medical staff this year. As such, there does seem to be specific support among trust leaders for pay premia directed towards AfC staff groups to which the NHS is struggling to recruit.

In response to the government's repeated assertion that there is a "direct trade-off" between more funding for pay or staff numbers, 69% of HRDs in our survey said that both aspects are equally important priorities for their trusts (a 19% increase on last year's responses to the same question). 27% prioritised more staff (33% last year), and 4% prioritised better pay for staff (18% last year). In their comments, most respondents who answered that both are equally important felt that these factors are interdependent, as good pay both attracts a high quality of staff and supports their retention. Respondents who prioritised "more staff" felt that there are more significant factors to recruitment and retention than pay, which would be enabled by having more staff in the service (including flexible

working options, ensuring ability to take annual leave, and reducing staff relocation to new workplaces at short notice). Overwhelmingly, though, the message from respondents to this year's survey on this question was that it is vitally important that pay is not a reason for staff leaving the service, and investment in pay equates to investment in staff retention.

Following the PRB's specific request last year for "evidence concerning whether the AfC system accurately reflects the relative job weight of nursing as a modern graduate profession",[18] our survey included a new question asking whether respondents agreed that the current structure is appropriate to support the development of nursing careers. Over a third (38%) of respondents agreed, whereas 40% disagreed (31%) or strongly disagreed (9%). 13% neither agreed nor disagreed and 9% did not know. Respondents argued that the current pay and progression structure is too rigid, based on length of service rather than ability, which is seen as "unhelpful" and often leads to staff "moving from one organisation to another to accelerate their pay progression". These ensuing issues with retention were highlighted by several respondents. We would support an examination of how AfC can be better structured to support NHS careers and staff progression, but this work will require considerable thought before it begins, and will likely need to look beyond registered nurses to all AFC staff. With increasing multidisciplinary team working, it is important to ensure that silos are not inadvertently created between staff groups. One HR Director explicitly stated that "addressing one group in isolation is always short term and ultimately damaging across the rest of professional groups regardless of the short term 'win'."

Implementation and affordability

It is important to state that if the staff pay award is not fully funded this year, there will be operational impacts. Trusts will have to make up any shortfall from existing funding which has already been allocated to ensuring service delivery. This would directly affect the quality of, and access to care for patients.

Unfunded pay uplifts place particular burden on community trusts which employ staff on local authority contracts, as local authorities do not receive funding for the NHS pay increases which these staff are eligible for. Respondents to our survey who said their trust employed NHS staff working on local authority contracts were asked how confident they were that they would receive funding to cover the costs of AfC pay uplifts in the next financial year. 44% were either not very confident (33%)

[18] NHS Pay Review Body Thirty-Fourth Report 2021, chapter 5, paragraph 5.56 https://www.gov.uk/government/publications/nhs-pay-review-body-thirty-fourth-report-2021

or not at all confident (11%). 22% were neither confident nor not confident, and 33% did not know. No respondents were confident ("very" or "fairly") that they would receive the necessary funding. When asked what the impact will be if pay uplifts are not funded for NHS staff working on local authority contracts in the next financial year, 50% of respondents said they would absorb the unfunded costs, but service provision would be impacted. This is significant. 13% said they would absorb the unfunded costs and continue to provide the contracted services; 38% were unsure or did not know. We ask that the PRB makes specific reference to the issue of funding for pay awards for NHS staff on local authority contracts in its report to government and ask for this to be addressed.

As for the national fiscal implications of NHS staff pay increases in 2022/23, we would repeat the overarching point we made in last year's submission to the PRB: while there will always be challenges presented by the wider economic context, it is up to the government to prioritise areas for funding and/or consider new ways of increasing revenue to ensure ongoing and appropriate levels of financial support for key public services and public sector staff.

There have been delays to the announcement of pay awards for several years (always due by April, but usually announced early in the summer), and our survey asked trust leaders to report the effect this has on their organisations. 77% of respondents said it has a negative impact on staff morale, followed by 74% who said it brings uncertainty for staff. 64% referenced the increased administration work involved in arranging back payment of pay awards to staff, and 62% pointed to the difficulty delays cause to trust financial planning, given that it makes this element of spending fall out of step with the financial year.

Given the nature and prevalence of these concerns, there is a specific recruitment and retention case for higher pay awards this year. Low morale and increased uncertainty from delays are likely to be compounded by ongoing cost of living increases, a National Insurance increase, and changes to staff pension contribution rates, all of which will come into effect by April, before the pay award is announced and enacted. We are concerned about the potential for staff to feel demoralised and consider leaving the service as their take home pay loses value throughout the first half of this calendar year. While trusts will be working hard to ensure high levels of staff satisfaction and wellbeing in the coming months, a higher annual pay award might mitigate the effects of broader economic conditions and tax policy changes in the early part of 2022.

Living wage employers

We are aware a growing number of trusts already offer, or are taking steps towards offering, the real living wage for all staff.[19] We are supportive of this approach and expect the numbers of living wage accredited employers in the NHS to rise in the near future. Current trusts which are accredited include Guys and St Thomas' NHS Foundation Trust[20], Greater Manchester Mental Health Foundation Trust[21], Whittington Health NHS Trust[22], and South London and Maudsley NHS Foundation Trust[23], which has committed to being a living wage employer as part of its wider strategy to tackle issues around racial inequality and cultural inclusion.

We recognise that for some trusts, there remain financial and operational challenges when it comes to repurposing existing funding in order to make up any shortfall between national pay awards and the real living wage. Due to the mismatch in timings between real living wage uplifts and the staff pay uplift announcement each year, there is usually six months when the salaries of some NHS staff fall below real living wage levels, and six months when they meet them. To mitigate against this issue, pay awards should be set at such a level to ensure that NHS staff at all bands and spine points will be earning earn above the real living wage at any given point of the year.

Wider issues

There are a broad range of factors influencing the experience of staff working in the NHS and their decision to join or remain in the NHS workforce. And, while it is essential to wellbeing and morale for pay to be set at a level which ensures staff feel valued, progress on these wider measures remains an important part of supporting both the success of the pay deal in improving the satisfaction of NHS staff and making the NHS a better place to work.

Operational pressures and pandemic impact

Throughout the COVID-19 pandemic, there has been considerable and sustained pressure on the NHS and its workforce as the country has moved through a number of waves of increased COVID-19 transmission and an unprecedented national vaccination programme, while a large care backlog has emerged. The service entered the pandemic with 100,000 vacancies, and 22 months of additional

[19] Living Wage Foundation, "What is the real living wage?", https://www.livingwage.org.uk/what-real-living-wage

[20] https://www.livingwage.org.uk/news/guy%E2%80%99s-and-st-thomas%E2%80%99-becomes-6000th-living-wage-employer

[21] https://www.livingwage.org.uk/news/healthy-living-why-living-wage-vital-wellbeing

[22] https://www.whittington.nhs.uk/mini-apps/news/newsPage.asp?NewsID=2223

[23] https://www.slam.nhs.uk/media/news/south-london-trust-proud-to-be-awarded-living-wage-accreditation/

pressure has led to 94% of trust leaders telling us they are 'extremely or moderately' concerned about levels of burnout across their workforce[24].

It is important to acknowledge the impact this immense pressure and service demand has on staff wellbeing, morale and ultimately retention – in turn, this underlines the importance of ensuring staff are remunerated fairly. Research clearly shows that the pressure on the health service will continue to grow as the population ages; a report published by the National Audit Office (NAO) projects that the NHS elective care waiting lists could reach between seven and 12 million by spring 2025,[25] while the Health Foundation estimates one million more health and care staff will be required by 2030/31 to meet demand for services[26]. Trusts are working at full pelt to tackle this backlog and mitigate the impact of growing demand for services; however, they are constrained primarily by a lack of workforce capacity to achieve these goals.

Unstainable workloads are a concern for staff and trust leaders, with recent research by the NMC showing the number of experienced staff leavers is at the highest level since 2017.[27] The RCN's member experience survey showed shortages in staffing numbers have normalised excessive workloads and stress, which cyclically increases the loss of valuable staff, knowledge and expertise.[28] The last annual NHS staff survey found 44% of staff reported feeling unwell as a result of their work, while 55.2% of staff reported working additional unpaid hours on a weekly basis – this is a reduction on the previous year, but still represents an unacceptable majority of staff.[29]

National workforce plans and funding

The 2021 autumn budget and spending review did not include a specific funding rise for the DHSC workforce budget, which sits outside the NHS England and NHS Improvement (NHSE/I) ringfence. It only stated that there will be "hundreds of millions of pounds in additional funding over the SR21 period (2021/22-24/25)" in order to build the workforce (noting the need to support training for

[24] NHS Providers, State of the Provider Sector 2021: https://nhsproviders.org/state-of-the-provider-sector-2021-survey-findings/key-findings

[25] NAO, NHS backlogs and waiting times in England: https://www.nao.org.uk/report/nhs-backlogs-and-waiting-times-in-england/

[26] The Health Foundation, blog, "Over a million more health and care staff needed in the next decade": https://www.health.org.uk/news-and-comment/news/over-a-million-more-health-and-care-staff-needed-in-the-next-decade

[27] NHS Providers, press release, "Some growth in nursing numbers but losing too many experienced staff": https://nhsproviders.org/news-blogs/news/some-growth-in-nursing-numbers-but-losing-too-many-experienced-staff

[28] NHS Provider, press release, "Response to the Royal College of Midwives member experience survey": https://nhsproviders.org/news-blogs/news/response-to-the-royal-college-of-midwives-members-experience-survey

[29] NHS England and NHS Improvement, NHS staff survey results: https://www.nhsstaffsurveys.com/results/national-results/

medical and nursing students, meet the manifesto commitment for 50,000 more nurses, and create a new pipeline of midwives and allied health professionals).[30] This lack of clarity means that there is currently no confirmation over the size and nature of the Health Education England budget for 2022/23, or any indication that a multi-year settlement will be forthcoming. The HEE budget – £4.5bn in 2021/22 – has declined by around half a billion pounds in real terms since the arms-length body's first settlement in 2013/14, when there were significantly fewer staff in the NHS than there are now.

This has meant that the HEE training and workforce development budget is spread far too thin and cannot adequately support either the size and nature of workforce expansion required, nor the training and development needs of the existing workforce. HEE is due to merge with NHSE/I in 2023, and while there are pros and cons to this shift, the most important factor going forward will continue to be ensuring appropriate investment in the development of the current workforce and future domestic pipeline of staff into the NHS, regardless of whether funding for HEE as an agency moves into the NHSE/I revenue budget ringfence. In other parts of this submission, we have noted encouraging signs around student numbers, particularly in nursing, and it will be important to ensure this progress is effectively utilised and sustained in future years.

Trust leaders have been clear that to retain staff, access to continued professional development (CPD) needs to be improved. Barriers to the use of funding as well as a lack of flexibility in the system to allow for protected time to undertake CPD training are ongoing issues, yet access to CPD is crucial to retention and career progression. There is some anecdotal evidence, and an indication in our survey to suggest that financial support from the centre to support CPD is slightly less of a barrier for some trusts than in recent years. 78% of HRD's told us that additional funding to support CPD is very important (40%) or important (38%), and this is a slight decline on last year's findings, where 88% said extra financial support was very important or important. This could reflect the small increase in CPD funding shown in HEE's business plan for 2021/22[31], however it is important to note investment in this area remains significantly below the levels of funding we saw prior to large cuts to HEE's budget in the middle of the last decade. Trust leaders continue to cite the difficulty of releasing staff for training and development given considerable capacity constraints, even in instances where money is available to spend on CPD.

[30] NHS Providers, on the day briefing, "Autumn Budget and Spending Review 2021": https://nhsproviders.org/media/692396/october-2021-budget-and-csr.pdf

[31] 2021/22 business planning/budget setting: https://www.hee.nhs.uk/about/work-us/recovery-delivery-hee-business-plan-202122/202122-business-planningbudget-setting

Trusts have been innovating to improve the employment offer for their staff and implement the NHS People Plan, however this is set against the backdrop of 48% of respondents to our survey saying they had seen evidence of staff leaving due to early retirement, burnout, and other impacts of working throughout the pandemic[32]. It is reassuring to see that trusts are confident that their organisations are progressing in implementing the People Plan. 89% of HRDs were very confident or confident in their progress, and that these actions are making a positive impact on staff (66% of respondents were confident or very confident in this).

However, there remains uncertainty as to how this plan will develop, and whether a next 'phase' or new form of workforce plan through DHSC and NHSE/I might be forthcoming in the near future. HEE's Framework 15 update, formally the "Long-Term Strategic Framework for Health and Social Care Workforce Planning", is a welcome development overall, but the terms of reference and HEE officials have both made it clear that this work will focus on setting the foundations and principles for future workforce growth without any specific assessments or projections on required workforce numbers to meet demand for care in the short, medium or long-term.

We wholeheartedly support HEE's aim to grow the workforce through the inclusion of 'more and different' types of healthcare professionals, but the omission of true workforce supply and demand projections will greatly diminish its value to trusts and the sector as a whole. To meet current and future demand, trust leaders are clear that a fully costed and funded workforce plan is needed to ensure long-term stability and to offer greater flexibility to staff and the service[33]. This could be achieved on the back of legislative change, should parliament accept an amendment to workforce planning provisions in the Health and Care Bill in the coming months, which calls for a statutory requirement for the government to produce independently assessed workforce projections. NHS Providers has been working with a number of key stakeholders across the sector to support the development of this amendment – tabled and supported by former Health and Social Care Secretary Jeremy Hunt, alongside other prominent parliamentarians[34] – which has considerable support across all parties in both houses and has been signed by a coalition of 90 health and care bodies in the UK.[35]

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[32] NHS Providers, report, "Providers deliver: recruiting, retaining and sustaining the NHS workforce": https://nhsproviders.org/providers-deliver-recruiting-retaining-and-sustaining-the-nhs-workforce

[33] NHS Providers, blog, "Government must publicly acknowledge scale of NHS workforce problems": https://nhsproviders.org/news-blogs/news/government-must-publicly-acknowledge-scale-of-nhs-workforce-problems

[34] https://www.standard.co.uk/news/uk/jeremy-hunt-care-quality-commission-health-care-government-b973830.html

[35] Strengthening workforce planning in the health and care bill: coalition principles: https://www.rcplondon.ac.uk/guidelines-policy/strengthening-workforce-planning-health-and-care-bill-coalition-principles

Inequalities

The NHS People Plan 2020/21 is clear that a sense of belonging for staff in the NHS is crucial, and that this should be underpinned by changes to ensure the workforce reflects local, regional and national communities, and to remove biases in systems and processes at work. The COVID-19 pandemic has renewed focus on disproportionate inequalities within our society, and in turn, within the NHS. The latest Workforce Race Equality Standard (WRES) findings, published in February 2021, show that the workforce as a whole is increasingly diverse – with 21% staff from a minority ethnic background, up from 17.7% in 2016.[36] Yet, when considered by AfC pay band, the data shows that the number of minority ethnic staff decreases with seniority. Across all AfC bands, NHSE/I has set an overarching target of 19% representation, but currently this is met only at Band 1 and 5 (19.5% and 27.5% respectively). From Band 7 onwards, minority ethnic staff representation reduces and shows significant underrepresentation at the highest levels of pay and seniority.

Representation is an important measure, but staff experience is critical and data from the 2020 WRES report demonstrates that too many ethnic minority staff within the NHS experience bullying, harassment and abuse from patients (30.3%, compared to 27.9% of white staff), and from their colleagues (28.4%, compared to 23.6% of white staff). Furthermore, 14.5% of minority ethnic employees report personally experiencing discrimination from their manager or team leader compared to 6% of their white colleagues. There was a slight improvement in perception of access to career progression and promotion for minority ethnic staff (71.2%, compared to 69.9% in the previous year) but this was still much below the 86.9% for white employees who felt they had access to these opportunities.

With regard to pay, data from May 2020 highlights that Black staff had lower monthly basic pay compared to white staff, across both medical and non-medical roles in the NHS.[37] Other research demonstrates that monthly basic pay has increased between May 2016 and May 2020 for all ethnic groups within the NHS,[38] however this finding needs to be considered against the fact that ethnic

[36] NHS England and NHS Improvement, Workforce Race Equality Standard 2020: https://www.england.nhs.uk/publication/workforce-race-equality-standard-2020-supporting-data/

[37] UK Government, ethnicity facts and figures: https://www.ethnicity-facts-figures.service.gov.uk/workforce-and-business/public-sector-pay/nhs-basic-pay/latest#main-facts-and-figures

[38] UK Government, ethnicity facts and figures: https://www.ethnicity-facts-figures.service.gov.uk/workforce-and-business/public-sector-pay/nhs-basic-pay/latest#main-facts-and-figures

minority staff consistently enjoy fewer opportunities for promotion, and are less likely to appointed from a shortlist than white colleagues when applying for a role.[39]

NHS Providers and trust leaders believe it is a critical priority for the NHS to both accept the existence of structural racism in the service, and work to dismantle it. We are working to support trust leaders in this goal through our member benefits and board development programmes. As part of our 2021 'Race and health equality survey', 72% of responding trust leaders told us that evidence-based case studies would assist in accelerating their pace of change, while 67% felt that best practice learnings from other sectors would be a significant aid. To date (particularly since 2020) trust leaders feel that the most progress has been made in increasing leadership focus on the importance of staff networks (85%) and staff wellbeing (77%). However, only 4% felt that race equality is fully embedded as a core part of the board's business, demonstrating that there is still significant work to be done in this area. A diverse and inclusive workforce also ensures equality of opportunity and treatment for staff based on gender, sexuality, age, religion and disability all of which intersect with race, both inside the NHS and nationally. Pay analysis is limited for many protected characteristics however available data shows that across all ethnicities in May 2020, women were paid less than men in the NHS[40]. Women make up the majority of staff in the NHS and the Agenda for Change workforce, where there is a 3.9% pay gap in favour of women. Across the NHS as a whole, however, the median gender pay gap is 8.6% in favour of men.[41]

Pensions

In previous submissions, we have shared with the PRB our concerns regarding the design of the NHS pension scheme as it interacts with taxation reform affecting mostly higher earning members of the workforce over the past 4-5 years. The NHS pension scheme is undoubtedly a scheme that provides generous benefits to its members and compares favourably in many respects to other public and private sector schemes across the economy. However, changes to tax rules and pension growth allowance 'thresholds' in recent years have created well publicised issues for senior clinicians, including some staff in higher AfC pay bands. The impact has been caused most notably by large – and sometimes unexpected – annual tax bills resulting from salary increases, promotions and/or working of additional hours.

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[39] WRES 2020

[40] UK Government, ethnicity facts and figures: https://www.ethnicity-facts-figures.service.gov.uk/workforce-and-business/public-sector-pay/nhs-basic-pay/latest#gender-pay-gap-by-type-of-role

[41] NHS Providers, report, "a leadership issue: exploring the gender pay gap": https://nhsproviders.org/inclusive-leadership/a-leadership-issue-exploring-the-gender-pay-gap

In 2019, we canvassed members extensively on the effects of pension issues and in our briefing reported the finding that in 60% of trusts, clinical staff were less willing to take on leadership roles, and in 37% of trusts fewer staff were seeking or accepting promotions due to annual allowance taxation specifically.[42]

The situation has improved following the government's welcome changes to tax rules – which increased the annual allowance income 'taper' thresholds – in March 2020,[43] however we are aware that some senior clinicians are still affected by annual pension tax issues given the decision to retain limits on pension growth and the associated financial penalties. The extent of the current impact is not clear, while considerations around equity and fairness across staff groups remains a factor for trusts using 'workaround' policies to allow higher earners to receive additional income if they drop out of the scheme.

The larger concern for the PRB remit group at this stage relates to DHSC's proposed changes to pension contribution rates. While some elements of these proposals – including alignment of tiers to AfC pay uplifts and fairer contribution rates for less than full time staff – are positive, we believe the central initiative to flatten the contribution rate structure and increase employee contribution levels for some lower and middle banded staff is ill-advised. In our survey, there was a fairly even split of HRDs against the proposed changes (34% disagreed or strongly disagreed), supportive (36% agreed or strongly agreed), or neutral (31% neither agreed nor disagreed, or answered 'don't know). A significant majority of respondents (85%) were somewhat concerned (58%) or very concerned (27%) about the potential for lower and middle banded staff to leave the pension scheme as a result of higher rates, with only one respondent expressing no level of concern.

Our response to this consultation, submitted to DHSC last month, sets out in full our position on these proposed changes, including our concerns over the impact on take home pay for lower paid staff across the NHS workforce.[44]

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[42] NHS Providers, An Unnecessary Divide: The impact of NHS pension taxation on trust leaders: https://nhsproviders.org/media/689074/pensions-20-briefing-1a.pdf

[43] https://www.gov.uk/government/publications/pensions-tax-changes-to-income-thresholds-for-calculating-the-tapered-annual-allowance-from-6-april-2020/pensions-tax-changes-to-income-thresholds-for-calculating-the-tapered-annual-allowance-from-6-april-2020

[44] See supplementary evidence: NHS Providers submission to DHSC pensions contribution rate consultation

[45] NHS England and NHS Improvement, "We are the NHS: People Plan for 2020/21 – action for us all", 30 July 2020: https://www.england.nhs.uk/publication/we-are-the-nhs-people-plan-for-2020-21-action-for-us-all/

Integrated Care Boards

It is clear that integrated care boards (ICBs) will eventually become the principle organising function for workforce planning moving forwards, coordinating a "one workforce" approach across each system (as per the ambitions of the People Plan 2020/21).[45] ICBs[46] will hold responsibility for clinical and non-clinical staff working in primary and community care (alongside secondary and tertiary care) and will be expected to support and collaborate with those who provide wider community services, including in local government, other public services and in the voluntary sector. If undertaken with full input from constituent partners, the process of fulfilling this responsibility may be a very useful grounding – but not a replacement – for national-level health and social care workforce planning, as it should capture levels of local need and opportunities for collaboration. Given that ICBs are also mandated to have both a medical director and a nursing director sitting on them, the input of frontline service leaders should be embedded in this work, which is welcome.[47]

However, there are many elements of workforce management and employment relations which are not entirely possible, nor desirable, to undertake at system level. Local providers, including trusts, remain the principal employer of their staff, and therefore legally responsible for their wellbeing, satisfaction, performance and other aspects of employment. Consequently, whilst ICBs will hold responsibility for workforce planning and the deployment of skilled staff to parts of a local system where they are most needed, the constituent organisations within an ICB still have a significant role to play in attracting and retaining staff. National guidance continues to emphasise that systems will mature at their own pace, and the focus of evolving ICB workforce policy should therefore be on supporting structures which enable regional and system people boards to align in the correct way, with a mix of organisational representatives around the proverbial table, to input into the workforce planning process for their area.

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[45] NHS England and NHS Improvement, "We are the NHS: People Plan for 2020/21 – action for us all", 30 July 2020: https://www.england.nhs.uk/publication/we-are-the-nhs-people-plan-for-2020-21-action-for-us-all/

[46] We have described systems as ICBs for the purposes of this submission, although they will not officially transition from Integrated Care Systems in name and structure until the anticipated passage of the Health and Care Bill through parliament in 2022.

[47] NHS England and NHS Improvement, "Interim guidance on the functions and governance of the integrated care board", page 8: https://www.england.nhs.uk/wp-content/uploads/2021/06/B0886_Interim-guidance-on-the-functions-and-governance-of-the-integrated-care-board-August-2021.pdf

New roles and workforce expansion

In our 2021 submission to the PRB we highlighted the need for codifying and adopting flexible practices around deployment seen during the early stages of the Covid-19 pandemic, as discussed in our *'Workforce Flexibility in the NHS'* report in summer 2020.[48] As part of this report, trusts told us of examples where redeployment has benefited patient care and eased workforce gaps, while offering staff the opportunity to develop new skills and experience increased motivation in a varied role.

Trusts support alternative roles within the health service that support staff development and increase flexibility, including those under the Medical Associate Professions (MAPs) umbrella such as Physician Associates (PAs) and Anaesthesia Associates (AAs). Despite this support, our members have told us these roles are significantly underutilised due to restrictions on fully incorporating them into workforce planning. These restrictions include a mixture of perceived lack of flexibility over skills mix, inadequate access to training and development, and in the case of PAs and AAs, a delay in the implementation of GMC regulation to 2023. Nursing associates and nursing associate apprenticeships also play important roles in diversifying entry routes into the health service, increasing flexibility for those undertaking training and for trusts, and in turn could improve access to employment for underrepresented groups. Respondents to our annual pay survey this year told us that additional funding and reform of apprenticeships is crucial to improving the viability of these roles, with 88% of respondents to our annual pay survey saying additional funding for, or reform of apprenticeships is very important or important to their organisation. This could be achieved through greater flexibility in the apprenticeship levy, while a significant majority of trusts told us they would support additional funding from the government to ensure better utilisation of staff in new roles (53% said this is very important, 40% said important).

Mental health and community trust leaders have told us of their concern at the shortage of nurses specialising in mental health and learning disabilities, while a recent report by the Paediatric Intensive Care Audit Network (PICANet) highlighted a shortage of paediatric intensive care nurses, which is particularly acute in London's units. PICANet's research found that nurses' salaries and the high cost of living in capital cities were barriers to increasing staffing levels.[49] Ambulance trusts have also reported concern at the direct employment of paramedics at primary care network (PCN) level, as this increases demand for an already limited group of NHS staff. PCNs are also limited in the training and

[48] NHS Providers, report, "workforce flexibility during Covid-19": https://nhsproviders.org/media/690388/workforce-flexibility-during-covid19.pdf

[49] Paediatric Intensive Care Audit Network (PICANet), annual report 2021: https://www.picanet.org.uk/wp-content/uploads/sites/25/2022/01/PICANet-2021-Annual-Report_v1.0-13Jan2022-2.pdf

guidance they can offer to directly employed paramedics, meaning that their professional development is not always prioritised. This highlights the importance of a coherent 'one workforce' approach across systems, with buy in from all partners, to ensure that there is not competition for staff within these systems that acts to exacerbate shortages.

It was a welcome development to see UCAS reporting a record number of 18-year-olds applying to study nursing in England, with applications up 38% since 2019 against a 2% increase in 18-year-olds in the population over the same period. Applications have also increased by 34% among mature students aged 21 and over selecting nursing as their first choice. 69% of nursing applicants in 2021 stated that the Covid-19 pandemic had inspired their application, and data suggests that there has been a 30% increase in the number of students applying to mental health nursing courses specifically, which in the medium-term should assist in increasing the number of mental health specialist nurses working across the service.[50] The NMC reported that there has been a slight increase in the number of registered mental health nurses (1.0%) and learning disability nurses (0.9%) between April and September 2021[51], but these minor rises will not be enough to alleviate existing pressures unless they are increased and maintained. This must come alongside improved retention for this staff group.

While the increased number of applicants to nursing courses is promising, the NMC's annual leavers report shows that the third most common reason for leaving the register is 'too much pressure' that impacts on physical and mental wellbeing.[52] Furthermore, the current level of vacancies has increased slightly over the past year, with a gap of 40,000 FTE registered nursing staff recorded in NHSE/I's most recent data.[53] To ensure increased student nurse numbers translates into sustained growth for the workforce in the long-term, workforce shortages that add to the pressure on staff need to be addressed urgently by way of a national, fully costed and funded, multi-year workforce plan.

Flexible working and productivity

NHSE/I published *'the future of NHS human resources and organisational development'* report in November 2021, which builds on the foundations laid out in the People Plan 2020/21 to improve

[50] UCAS, "pandemic inspires 'future nurses' with a welcome increase in school and college leavers looking to enter the profession", https://www.ucas.com/corporate/news-and-key-documents/news/pandemic-inspires-future-nurses-welcome-increase-school-and-college-leavers-looking-enter-profession

[51] NMC, the NMC register mid-year update 1 April – 30 September 2021: https://www.nmc.org.uk/globalassets/sitedocuments/data-reports/september-2021/nmc-register-september-2021.pdf

[52] NMC, leavers' survey 2020: https://www.nmc.org.uk/globalassets/sitedocuments/councilpapersanddocuments/leavers-survey-2021.pdf

[53] NHS Vacancy Statistics England April 2015 – September 2021 Experimental Statistics.

flexibility and new ways of working in the health service. The report notes a shift to portfolio careers, increased importance of work/life balance and flexibility, and a need for flexible training offers.[54] Trust leaders have told us that they are seeing increased desire for flexibility from their workforce, with non-linear career pathways more common, as well as requests for flexibility as staff approach retirement.[55]

However, data from the most recent NHS staff survey shows that only 38.4% of respondents agree that there are enough staff within their organisation to allow them to do their job properly, while 47.7% agreed they were able to meet the demands on their time at work.[56] Our *'Providers Deliver'* report, published in November 2021, showcases the efforts and best practice examples of trusts working to support their workforce and improve flexible working options.[57]

Despite the actions laid out in NHSE/I's *'future of NHS human resources and organisational development'* report, and the efforts of trust leaders, it is clear that attempts to implement meaningful, long-term flexibility are hampered by a lack of resilience in the service due to an overstretched workforce and a large number of open vacancies. Without both increased staffing capacity in the short-term and a fully costed and funded workforce plan that accounts for future demand on the service, it will be difficult to implement and maintain these flexible practices in a meaningful way. It is also crucial that there is a system level focus embodying the 'one workforce' approach – this will allow for equity across systems, while ensuring pressure is not exacerbated within those same systems.

As in past years, our survey of HR Directors this winter asked about interventions which could enable greater workforce productivity within trusts. Flexible working was a feature of the responses to this question, with 30% of trusts saying more flexibility to deploy staff across a system would be one of the three most beneficial interventions. The most selected responses, however, were improved use of technology (chosen by 85% of HRDs), greater use of staff in new roles (66%), and enhanced support for staff mental health and wellbeing (36%).

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[54] NHS England and NHS Improvement, the future of NHS human resources and organisational development: https://www.england.nhs.uk/wp-content/uploads/2021/11/B0659_The-future-of-NHS-human-resources-and-organisational-development-report_22112021.pdf

[55] NHS Providers, report, "providers deliver: recruiting, retaining and sustaining the NHS workforce": https://nhsproviders.org/providers-deliver-recruiting-retaining-and-sustaining-the-nhs-workforce

[56] NHS England and NHS Improvement, NHS staff survey results: https://www.nhsstaffsurveys.com/static/afb76a44d16ee5bbc764b6382efa1dc8/ST20-national-briefing-doc.pdf

[57] NHS Providers, report, "providers deliver: recruiting, retaining and sustaining the NHS workforce": https://nhsproviders.org/providers-deliver-recruiting-retaining-and-sustaining-the-nhs-workforce

Further information and contact

We would be pleased to supply any further supplementary information and respond to questions from the NHS Pay Review Body. We look forwards to discussing the evidence further in our scheduled oral evidence session.

For more information, please contact NHS Providers' workforce policy advisor, Sarah White, via email at Sarah.White@nhsproviders.org