

NHS Pay Awards 2022-2023 – analysis and next steps

On 19 July 2022, Steve Barclay, the Secretary of State for Health and Social Care, announced the NHS pay awards for the current financial year (2022-23). Government accepted in full the recommendations of the pay review bodies. The reports from each pay review body have also now been published, and can be found as follows:

- [NHS Pay Review Body Thirty-Fifth Report: 2022](#)
- [Review Body on Doctors' and Dentists' Remuneration 50th Report: 2022](#)
- [Senior Salaries Review Body Report: 2022](#) (see pages 9-11 for the section on senior leaders in the NHS in England)

As you know, NHS Providers has remained active in seeking to influence the debate on NHS pay constructively on behalf of trusts as well as highlighting the critical need for any uplift to be fully funded by government. This briefing sets out what has been announced for each staff group, where we think more detail is needed, and the work which NHS Providers will be taking forwards on this matter.

Headline pay awards

All awards are backdated to April 2022. The headline pay increases for different staff groups are as follows:

Junior doctors

- 2% pre-agreed uplift, as per the 2018 pay and contractual agreements (no new pay deal)

Specialty and Associate Specialist (SAS) doctors

- 3% pre-agreed uplift for SAS doctors on the new 2021 specialist and specialty doctor contracts (no new pay deal)
- 4.5% uplift for SAS doctors who remain on the 2008 contracts

Consultants

- 4.5% uplift

- No uplift to Local Clinical Excellence Awards, and seemingly no uplift to the recently reformed National Clinical Impact Awards (though the latter is unclear in the [written ministerial statement](#))

Salaried GPs

- 4.5% uplift to the minimum and maximum pay range set out in the model terms and conditions, though it remains the case that GP practices ultimately determine uplifts in pay for their employees

General dental practitioners

- 4.5% uplift

Very Senior Managers (VSM)

- 3% uplift, with organisations given flexibility to award an additional 0.5% to “ameliorate the erosion of the differential with the top of Agenda for Change (AfC) band 9 and to make it easier to facilitate the introduction of the new VSM pay framework.” ([SSRB report](#), page 9, paragraph 1.64)

Agenda for Change staff

- £1,400 full-time equivalent consolidated uplift for bands 1 to mid-band 6
 - This figure is additional to the uplift for Band 1 and Band 2 staff [given in April this year](#), in order to ensure that these salaries did not fall below the legally mandated national living wage.
- An enhanced 4% uplift has been applied for staff at the top of band 6, and at all points in band 7 (meaning all staff will see at least a 4% nominal terms pay rise).

The Agenda for Change uplift represents a more progressive pay award than in recent years, in which the PRB and government have favoured flat rate percentage rises (e.g. 3% for all staff at all pay points). Lower banded staff have gained proportionately more than those in higher bands.

However, given the current rate of annual inflation, the pay award represents a real terms loss for all staff, regardless of band and spine point. For example, a 3.7% decline (just over £1,000 in cash terms) for those at the entry point in band 5 and a 5.1% real terms loss (just over £1,800) for those at the intermediate point of band 6. Our table below shows an indicative outline of this affect for all staff between bands 1-7:

Pay position for AfC staff following 22/23 award – indicative real terms positions – bands 1-7					
Pay Band	Pay pre-announcement	Pay after announcement	Percentage rise	Real terms % change*	Real terms £ change

1 – entry point	£18,870	£20,270	7.4%	- 1.8%	- £374
1 – top of band	£19,918	£21,318	7%	- 2.2%	- £472
2 – entry point	£18,870	£20,270	7.4%	- 1.8%	- £374
2 – top of band	£19,918	£21,318	7%	- 2.2%	- £472
3 – entry point	£20,330	£21,730	6.9%	- 2.4%	- £511
3 – top of band	£21,777	£23,177	6.4%	- 2.8%	- £647
4 – entry point	£22,549	£23,949	6.2%	- 3%	- £719
4 – top of band	£24,882	£26,282	5.6%	- 3.6%	- £939
5 – entry point	£25,655	£27,055	5.5%	- 3.7%	- £1,012
5 – mid point	£27,780	£29,190	5%	- 4.1%	- £1,201
5 – top of band	£31,534	£32,934	4.4%	- 4.7%	- £1,564
6 – entry point	£32,306	£33,703	4.3%	- 4.9%	- £1,640
6 – mid point	£34,172	£35,572	4.1%	- 5.1%	- £1,812
6 – top of band **	£39,027	£40,588	4%	- 5.2%	- £2,108
7 – entry point **	£40,057	£41,659	4%	- 5.2%	- £2,163
7 – mid point **	£42,121	£43,806	4%	- 5.2%	- £2,226
7 – top of band **	£45,839	£47,672	4%	- 5.2%	- £2,476

*Based on annual inflation, which is 9.4% as at 20 July 2022 according to the consumer price index (CPI)

** Figures for the top of band 6, and all points in band 7 are based on government confirmation of an enhanced 4% rise for staff at these pay points

NB: figures used in table above **are not official figures** such as those provided by NHS Employers and the NHS Staff Council, and **should be seen as an indicative analysis** based on publicly available information as at 20 July 2022. Pay points in bands 8 and 9 are not included here due to differential outcomes caused by the ongoing receipt of temporary consolidated payments for some staff.

Funding for the pay awards

Funding for each of these pay awards is to be taken from existing national health budgets, except for the 3-3.5% VSM uplift, which DHSC's [press release](#) stated will come out of local budgets.

The NHS funding settlement only accounts for a pay uplift of 3% across the board. As such there is a reprioritisation exercise ongoing between DHSC and NHS England (NHSE) to address the shortfall. Our understanding is that NHSE is currently working through the detail of exactly how much additional funding needs to be found from its budgets in this financial year, and where it can most easily be redirected from. However, NHSE has confirmed that commitments on community-based diagnostics and technology will be delayed. DHSC and NHS England are continuing to discuss the financial impact of the pay uplift in future years given that the pay uplifts are a recurrent commitment.

DHSC has [stated](#) that "the 22/23 pay uplift for NHS staff directly employed by NHS providers will be funded by NHSE through system allocations."

Next steps

We are taking forward engagement, influencing, and lobbying work across a number of areas following this pay announcement. The key areas are as follows:

- We are working closely with NHSE as they assess where funding can be diverted from in order to fund the pay awards and to capture the full impact of inflation on NHS budgets nationally and locally.
- We are engaging with stakeholders to ascertain whether funding is being made available for pay uplifts for community services with NHS staff employed under local authority contracts. We have previously addressed this issue with ministers and DHSC, and stand ready to raise this issue again.
- We will be monitoring the impact of the pay awards on staff experience and, ultimately, service provision. This will be of particular importance given the cost of living crisis, and with the fuel price cap increase alongside increased pension contribution rates for many staff in autumn. We are also keenly aware of the sense of unfairness which these awards have already begun to create between staff groups.
- We are in regular contact with the trade unions and will remain so as the picture becomes clearer around possible industrial action. We will also remain in close contact with government officials to ensure that your concerns on this matter are being raised as strongly and regularly as possible.

- We are in regular contact with the team at NHSE who are redesigning the VSM pay framework. We have been feeding into the redesign, which is now expected to be published in autumn. We will be keeping members abreast of any updates on this work as it develops.
- We have already begun gathering intelligence from members which is underpinning our response and interventions regarding the pay awards, and will form part of our written and oral evidence to the pay review bodies next year.
- We are considering our organisational position on the pay award processes as a whole. We believe there are areas which need improvement, including the consistent delays in the process, a lack of alignment or negotiation between government and NHS unions, and knock on effects on staff morale and financial planning.

NHS Providers view

Commenting on the government's pay award for NHS staff, the director of policy and strategy and interim deputy chief executive of NHS Providers, Miriam Deakin, **said**:

"NHS staff have shown great commitment through the challenges of recent times, not least the pandemic. Trust leaders are clear their contribution and efforts should be recognised in the pay award.

"This announcement shows some movement towards a higher pay award for some staff groups and it is positive to see a targeted approach for the very lowest earners. But, for many, it still falls well short of acknowledging the increased cost of living, which means NHS staff face real hardship.

"Trust leaders will be frustrated and concerned too that certain staff groups have been excluded from this award, including junior doctors, given the potential this has to create division in the wider workforce. We will also need to study the full details of this announcement closely once they are made available.

"There is also a critical and wider problem here for the NHS. Time and again we have told the government that any award must be fully funded. Failure to do so will eat into budgets that are already overstretched, impacting on services for patients.

"Unfortunately, that is precisely the risk we face right now.

"NHS England has a 3% pay uplift baked into national funding pots. In the absence of a fully funded offer, this announcement will result in a hit to health budgets which will be passed on to frontline care.

"Trusts and the wider NHS already face stretching efficiency targets so there is no prospect this funding shortfall could be filled by further efficiencies on the front line.

"As inflation eats away at the NHS settlement, amid rising costs and the need to cover the withdrawal of COVID-19 funding, it's hard to say with certainty what that would mean. But it puts at risk funding for key services like cancer. Planned development of other vital services, including primary care, could also be disrupted.

"A further major concern is funding for local-authority commissioned roles, including many staff working in community services. Urgent clarity is required on the pay award funding for these roles, which are so crucial in plans to help people live independently and deliver care closer to home.

"Trust leaders understand the demands on the public purse but pay is the bottom line when it comes to recruiting and retaining the NHS workers we need.

"This is a pay award that will fall short of what many staff expect, yet the further risk here is that it is one the NHS can ill afford."