

To: Secretary of State, Minister of State
cc: Stephen Boyle, NHS Pay Review Body Interim Chair

By email

Responses to staff side chair and secretary:
headofhealth@unison.co.uk;
jimfahie@csp.org.uk

26th November 2024

Dear Secretary of State, Minister of State

We write in relation to the 2025/26 pay round for NHS Agenda for Change (AfC) staff.

After the introductory meeting with the staff side chair and secretary in the summer, we were pleased to receive the follow-up letter confirming your priorities of easing cost-of-living pressures for lower paid staff and establishing a sense of fairness across the wider health family.

We also appreciated the opportunity in September to meet collectively with the Minister of State to discuss some of our joint union priorities on pay, terms and conditions. We had a good discussion on how they relate to the goals we share with your government for improving staff morale, recruitment and retention as part of the mission to rebuild the NHS into the service patients want and need.

We warmly welcomed your decision to accept the NHS Pay Review Body (PRB)'s 'Recommendation three' from the 2024/25 report and to therefore agree to provide the Staff Council with a funded mandate for fixing structural problems within the AfC framework.

As you know we urgently wish to progress this and the staff we represent are rightly asking for updates on how soon these talks will get underway and when we can expect outcomes to be delivered.

We recognise that in starting the PRB process at the end of September your government has acted to address the long delays NHS staff were suffering under previous governments. However, we are concerned that for 2025/26, the PRB process will still not conclude in time for pay to be settled by April when it is due. This is a



general problem but also a very specific one in relation to the new National Minimum Wage rate. We are also unclear how the PRB's deliberations will inter-relate with the Staff Council structural talks you have agreed.

Position in relation to the PRB process

You will be aware that there are differences in policy and approach among our unions regarding the legitimacy of the PRB process. These reflect how individual union structures have responded to what is a general loss of confidence in the current system. This means it is no longer possible for us to submit collective staff side evidence to the PRB as we have done in the past.

However, all our unions are concerned that the review of the pay setting process linked to the 2023 AfC deal has made limited progress. We are not confident it will conclude with any meaningful way forward on the fundamental issue of how to deliver both headline pay awards and structural maintenance/reform more efficiently.

Furthermore, we are collectively clear about the key outcomes we want to see from the pay round for staff employed on an Agenda for Change (AfC) contract. We are therefore taking this opportunity to write to you jointly to set these out and we are copying our letter to the Interim Chair of the PRB – for information and in recognition that those unions which do participate in the PRB process may refer to it.

Roadmap to build on 24/25 outcome

For a decade and a half, pay rises for Agenda for Change staff have not kept pace with cost-of-living increases and the results of this are clear to see in persistent vacancy levels, low staff morale, stress and burnout. We are seeing high leaver rates within the first few years of service and lower uptake of registrant degree courses. The challenges are even greater because of the legacy of the pandemic in terms of staff leaving, unsafe staffing levels and the knock-on impacts on patient care and the treatment backlog.

In accepting the recommendation for a 5.5% increase, your government provided staff with a long-overdue above-inflation award and a commitment to fund talks to address structural problems in their pay system that act as barriers to recruitment and retention.



The award was enough then to restore the bottom of the structure to a position in excess of the real living wage – a position essential to the NHS' ability to compete with the many supermarkets, hospitality and logistics firms that benchmark pay at this level.

But the bottom of the structure now sits well behind the real living wage again and, worse still, below the legal minimum that comes into effect in April.

And AfC staff across the bands were concerned that the 5.5% award compared unfavourably with outcomes for their medical colleagues.

All of this heightens the need for AfC staff to receive assurances that 2024/25 was the *start* of a process for restoring the value lost from the AfC pay scales and for fixing the many problems with the pay structure.

2025/26 outcomes

For 2025/26 that must mean headline awards which continue the restoration journey, positive outcomes for staff from the structural talks and a roadmap for continuing work on strategic improvements to pay and conditions as a key lever in workforce policy.

We know that the current NHS PRB remit includes consideration of the government's position on affordability and its inflation target. We were pleased when earlier this year the Governor of the Bank of England confirmed, in response to the PRB outcomes, our position that above-inflation pay rises for public sector workers have negligible effects on the government's inflation target.

Improving access to NHS services is crucial to tackling the health-related inactivity that is holding back economic growth – and that means retaining and attracting staff. The Institute for Fiscal Studies has confirmed our view that delivering the Long-Term Workforce Plan will '*require NHS wages to become more generous in real terms*'. Investment in real terms wage improvements for the NHS will deliver considerable returns for patients and their quality of life and in turn for the economy – including through boosting the local economies where NHS staff live, work and spend.

We understand the enormity of the problems in the NHS your government is inheriting and the very challenging position on public finances you face. However, we are clear that investment in staff at this stage is vital to turning the NHS around.



Priorities for the Staff Council structural talks

*Tackling low pay

Urgent action is needed to agree a future-proofed solution to the low pay and statutory minimum wage problem. We must avoid a repeat of the considerable disruption and damage to motivation and morale that interim/ad hoc minimum wage compliance measures cause. And we must ensure employers no longer have to exclude the lowest paid staff from salary deduction schemes which they rely on to manage the cost of working.

Mechanisms to ensure that NHS pay stays above the real living wage are essential to make good on NHS anchor employer/health equality/anti-poverty commitments and to give employers a fighting chance of competing in the labour market for these staff.

*Banding structures which support career progression and upskilling

AfC pay bands need to be restructured so that they incentivise and recognise skills acquisition and the take-up of promotion; and better support recruitment and retention. This must include addressing the compression issues in bands 1-4; improvements in 5-7 on starting salaries, in-band progression and career progression pathways between bands; and tackling the ongoing disincentives for staff to move from band 7 into 8a.

*Rescue and reform package for job evaluation

There is abundant evidence that the job evaluation scheme is not being implemented correctly at local level. Far too many staff have not had job descriptions reviewed for many years despite taking on the duties of higher banded roles – with no effective accountability systems at employer or system level.

This is building up considerable litigation risk at employer level and is reflected in the current spate of local disputes and in the strains caused when updates to JE profiles act as a catalyst for waves of latent re-banding claims. With the work to update the nursing and midwifery profiles due to be published in Spring 2025, this will only intensify. These issues have been neglected by previous governments to the detriment of staff, employers and services to patients.



We want to work in partnership with you to ensure we move to a system where staff can be confident they will be placed on the right band for the job they are doing and employers will be held accountable for this. Developing a programme of investment in modernising job evaluation infrastructure and restoring consistent local standards of delivery will be a fitting way to mark the 20 years since the last Labour government delivered the landmark Agenda for Change agreement.

Conclusion

The package we have described will improve staffing; reduce agency spend and wasted recruitment costs; boost productivity by retaining skills and experience; and ultimately deliver better patient outcomes.

This is also about ensuring that good NHS employment acts as an engine for delivering economic growth.

We all know that fixing the problems with the NHS overall – and with NHS pay – will take time. Starting with this pay round, we are committed to working with you to achieve this.

Yours sincerely

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