

(Updated 3 July 2018)

## **NHS PAY 2018-2021**

### **Frequently Asked Questions**

#### **Why is GMB recommending the rejection of this proposed agreement?**

When Agenda for Change was first agreed over 13 years ago it was far from perfect. There was unfinished business including pay bands that were too long, overlaps between bands, and points which were too close together. These issues have been made worse by eight years of pay restraint.

The pay deal is rather complicated and its impact will vary from individual to individual. The Framework agreement itself, gives some information about what will happen to you.

GMB opposes this framework agreement for a number of reasons.

1. While some of the pay increases for new staff will appear attractive for some roles, experienced, existing staff on the top of their pay bands will see increase over three years below the expected level of inflation – this is not acceptable. The pay of experienced staff should not be held back to allow NHS Trusts to recruit new staff.
  
2. The pay increase for those on the top points of their pay bands is only 6.5% over three years, while inflation is forecast to be 9.3% or higher. The increase is even lower for those on the top pay points in the higher grades.
  
3. Funding for some of the increases is through:
  - Cuts to unsocial hours payments for those in bands 1-3;

- Withdrawing of enhanced unsocial hours payments for new ambulance staff and those changing roles, and replacing them with a potentially inferior scheme;
- Ending the payment of unsocial hours payments during sick leave for all staff; (the equivalent of a fine for being off sick);
- Ending automatic annual increments, with staff staying on the same point for between two and five years, and then having to justify their progress to the new point. Many GMB activists and members are concerned that cash strapped departments and NHS Trusts will find ways of preventing staff from progression and a way of saving money and contributing to deficit reduction.

There was a proposal to cut a day's holiday from all staff, but this was withdrawn.

4. The agreement only applies to NHS Employers in England, and not to the devolved countries, wholly owned subsidiary companies, nor to NHS Contractors.
5. GMB is really concerned at the growth of the wholly owned subsidiaries, and GMB representatives involved in local negotiations feel that these Trust are being set up to avoid the Agenda for Change by transferring staff out of the NHS and into limited companies, as well as avoiding the payment of VAT.
6. The increase for Higher Cost Area Supplements, is pegged to the increase of the top pay point, ie 2018 3%, 2019 1.7%, 2020 1.67% - less than predicted inflation, which is often higher in HCAs anyway.

### **How did we get pay negotiations?**

The autumn of 2014 saw the first industrial action in the NHS over pay for 30 years. One of the things we got out of the settlement was agreement to hold

talks about refreshing the pay structure to make it work better for the NHS and staff in the future.

Since then the trade unions have pushed an agenda to establish that the rate of pay at the top of pay bands is regarded as the rate for the job; to ensure payment of at least the Foundation Living Wage (1); improve starting salaries; remove overlaps between bands; and reduce how long it takes to reach the top of bands.

The GMB Pay Pinch campaign, launched in March 2017 was instrumental in shifting Government pay policy. The GMB campaign got public opinion behind NHS staff and the unions, and was a major factor in ensuring that NHS Pay was a general election issue. The result of the election meant unions had an opportunity demand change, and substantial increases in pay for all NHS staff.

Trade Unions met in the summer of 2107 to compile a pay claim to present to the NHS employers. Continued pressure on the Government secured some funding in the 2017 Budget for a multi year pay deal.

### **What was in the 2018 pay claim?**

The joint union pay claim had three elements:

- an increase to match RPI inflation;
- a flat-rate additional sum of £800; and
- investment in reforms to the pay structure to improve starting salaries, remove band overlaps, make it quicker to get to the top of bands and to lift pay above the real living wage.

### **How does this compare to the pay offer from the employers?**

RPI inflation at the time of writing is 3.6%. The offer to staff on the top of their pay bands (around half of all NHS employees), is 3% in the first year – a cut in pay in real terms. In the second and third years it 1.7% per year.

There is no flat rate increase in pay, and individuals will get wildly different amounts dependent on their pay point.

The proposed agreement only delivers on the third element of the claim because there is new money committed to pay for some of the reforms that unions wanted. The new money is insufficient to deliver real pay increases for all, and comes with a number of strings, designed to make savings for the NHS, and to deliver more productivity.

For staff below the top of the bands the increases proposed over the three years are between 9% and 29%, **but** less than 1% of staff will get 29%. Forecast inflation for the three years of the pay agreement is at least 9.3%, and could be substantially higher, as this takes no account of the impact of Brexit. So in not only are those on the top of their pay band going to see a real terms cut, after 8 years of pay restraint, but many staff one or sometimes two points below the top will see a real terms pay cut as well.

The situation is even worse for those on the top of bands 8c to 9 where the increases will 5.4% and 4.48% respectively, substantially less than the forecast level of inflation.

### **Who does this proposal apply to?**

This offer only applies to directly employed staff of NHS Employers in England, in pay bands 1 to 9.

### **Who does this offer not apply to**

It does not apply to NHS Employers in Scotland, Wales, Northern Ireland, and wholly owned subsidiary Limited Companies, or NHS contractors.

There would need to be separate negotiations with the NHS employers in the devolved countries around how any agreement might be applied.

### **How will this deal be paid for?**

The Treasury has committed to providing £3.3 billion to pay for the deal, however the Chancellor has only guaranteed the first year of funding. During the period of the pay deal, there is likely to be a Comprehensive Spending Review, which could lead to a totally different scenario. In addition, many NHS Trusts already have substantial deficits, and Trusts will be under pressure from the Treasury and The Department of Health to reduce these deficits during the time of this agreement. The Department and NHS Improvement has yet to work out how any extra money will be allocated.

### **If we don't accept this deal, what's the alternative?**

The Government may re-open talks with the unions, or they might revert to the Pay Review Body and ask it to recommend a one-year award. Trade Unions have already met the PRB, presented evidence and shown that the NHS has severe recruitment and retention problems, which can only be resolved through substantial pay rises for all. We would either have to accept that outcome or try to force the issue through a dispute that members would need to be prepared to participate in.

The Treasury has said they will provide the additional funding only if the deal is accepted. However, the funding allocation was decided in advance of the negotiations, and Treasury had a presence throughout, to ensure that the negotiations remained within a pre-determined envelope and that concessions were sought from unions to part pay for the agreement.

If we reject the deal there is no guarantee that any additional money will be forthcoming. This would be a political decision made by the Prime Minister and the Chancellor. The Government does not have a strong position in Parliament,

relying on the DUP to force through legislation. The weakness of the Government was seen when they were forced to withdraw plans to cut annual holiday entitlement.

87% of GMB members rejected the pay offer. All members will now be consulted on what action they would be willing to take to continue this campaign for fair pay and secure terms of employment. Further details regarding this process can be found towards the end of this document.

### **What happens if inflation rises in the latter part of the deal?**

While some analysts forecast a fall in the level of inflation, over the next couple of years, others believe the impact of Brexit and possible trade wars involving the US could lead to rising inflation. These are very uncertain times for the economy, not least because the effects of EU exit are not yet known.

The NHS Pay Review Body will have a role to monitor implementation of the agreement and that parties will be able to go to the PRB with concerns about how it is panning out in practice. While unions hope if the economic situation changes significantly we will be able make a case to the PRB for additional pay awards, there is nothing in the agreement to guarantee the outcome.

### **How can I be sure I won't lose out because of my particular individual circumstances?**

The proposed deal was supposed to deliver real gains for every member of staff but those on the top of the band will see increase below the forecast level of inflation, and others will see tiny rises which recover little of the thousands lost during the eight years of pay restraint.

For staff in bands 1-3 the percentage rates for unsocial hours will be cut compared with the existing policy of pay awards capped at 1% and any incremental progression due. In the unlikely event that a combination of special circumstances would mean this was not the case, the trade unions secured a 'no detriment' clause which would protect any such individuals.

### **Our pay rise was due from April 2018, will it be back-dated?**

At present the intention is that the agreement would be effective from 1 April 2018 and increases would be backdated to this date.

### **What do employers get out of the deal?**

Employers in the NHS have been increasingly concerned that pay restraint was a prime difficulty in recruiting new staff into the NHS and retaining the staff they already have. There are 100,000 vacancies in the NHS and the situation has got worse since the Brexit referendum. NHS Trusts recruiting from outside the EU must pay a £1,000 fee to the Home Office/Borders Agency for staff requiring a non-EU visa.

Pay in the NHS has fallen further behind comparator occupations, and the financial pressure on staff and damage to morale are making existing staffing shortages considerably worse. The employers hope that the proposals should help to recruit new staff.

In addition, the employers want reduce sickness levels. The national agreement provisions on managing sickness absence would be reviewed as part of that work.

Finally, the proposed agreement would introduce a new system for pay progression – coming in from April 2019 – linking pay progression to appraisals so that increments no longer happen automatically.

The employers were keen to make this standard practice and use pay progression as a tool to drive up the importance of appraisals, line management and staff development.

### **Will I have to give up a day's holiday?**

No. Annual leave was one of the things put forward during the negotiations by employers and a leak to the press suggested that this would be in the final package. The trade unions made it clear at the time of the leak that members should wait until they heard from us about what was in the final proposals rather than believe rumours and speculation. All annual leave entitlements will stay as they are. However, what happened showed how weak the Government is and how desperate they were to agree change.

### **I'm on band 1, what's going to happen to my pay?**

Your pay will rise to £17,460 from 1 April 2018. The proposed agreement would also mean that at some point before 31 March 2021 your band 1 job descriptions will change so that they become band 2 jobs. This would be done in consultation with you and your colleagues. The type of changes involved could include more interaction with patients (such as serving drinks) or more responsible for ordering and maintaining stock and supplies.

During the three-year proposed agreement the band 1 rate will increase to £17,652 in April 2019 and in April 2020 it will hit £18,005, which will also be the bottom rate of band 2.

At some point before April 2021 you should have completed your move into band 2 and after two years in that band you would be eligible – through the new pay progression system linked to appraisals – to progress to the top of band 2. From

April 2020 this is £19,337 and will get updated by any annual pay awards due from April 2021 onwards. However, you may have to stay in band 2 for two years before hitting the top point.

We are aware that the new rate of pay at Band 1, may have implications for benefit payments, but this will depend on your particular circumstances.

### **Why are staff in bands 8abcd and 9 being treated differently?**

**Cap for 8d and 9:** If you are on the top of band in bands 8d and 9 you will receive a lower percentage increase than colleagues at the top of other bands. This is because the Government insisted on limiting the award to staff on the highest points of the top two pay bands. If you are on the top of pay band 8d you will get 5.4% over three years (rather than 6.5%) plus the same 1.1% lump sum as other staff in 2019. If you are on the top of pay band 9 you will get 4.6% over three years (rather than 6.5%). Both these figures are lower than expected inflation. Those on the second highest pay point will see an increase just about the rate of inflation over the next three years, and this may be a real terms cut in pay.

**Length of stay unchanged** New starters to pay bands 8 and 9 will remain on the same pay point for five years before being eligible to prove they should be raised to the top point. The length of stay for other bands has been reduced because it has been much longer, although they will have an incremental pay increase, if they manage to jump through any hoops.

**Re-earnable pay for pay bands 8c, d and 9:** There will continue to be an element of re-earnable pay for staff in pay bands 8c, d and 9. However, annually earned pay will only be used in the year after you have reached the top of the band. Subject to performance, you will keep your basic salary or your employer will reduce your salary by 5 or 10 per cent. If your salary is reduced, you will be able to restore it the following year by achieving agreed levels of performance.

You may have a reserved right to one of the top two points when re-earnable pay was introduced for pay bands 8c, d and 9 in 2013. If so you will keep that reserved right on a marked time basis.

### **Why is my colleague getting a much bigger increase than me when we're on the same band?**

New staff and those below the top point of the pay scale will reach the top of the scale within three years. They will then be earning the same as those staff who have been on the top of their scales for some time.

GMB objects to the way that staff on the top of their scales will have to suffer increases below inflation in order to give substantial increases to others.

The proposals give greater increases over the three years to those staff at or near the bottom of the pay bands. This arises from deleting pay points from the bands and merging points upwards, at the same time as individuals may be moving up an increment. This is complicated and means that the proposed pay deal would mean different things for different people.

### **What would happen to my High Cost Area Supplement?**

The current arrangements for calculating HCAS remain unchanged. The minimum and maximum thresholds for each tier of HCAS will be uplifted by the headline top-of-band consolidated awards for each year. That means they will rise by 3% from 1 April 2018, 1.7% from 1 April 2019 and 1.7% from 1 April 2020.

### **The government cut unsocial hours payments for doctors, aren't they cutting ours too?**

Yes, there are changes to unsocial hours payments. Staff in bands 1,2 and 3 who are on pay points 1-8 currently get paid unsocial hours payments if they are off sick. The proposal is that eligibility for unsocial hours in sick pay will be pegged at £18,160. In future those earning up to this cash amount will still get

the unsocial hours in sick pay. Those above will not. As salary bands rise this provision will be phased out altogether as minimum salary levels overtake £18,160.

No staff appointed after 1 July will get no unsocial hours payments included in occupational sick pay.

For staff in bands 1-3, the current percentage value of your unsocial hours payments will be reduced over three years:

|   | 2018/9        | 2019/20       | 2020/21       |
|---|---------------|---------------|---------------|
| <b>Band 1</b> (Sat and weekdays 8pm to 6 am)                      | Time plus 49% | Time plus 48% | Time plus 47% |
| <b>Band 1</b> (Sunday and Public holidays – midnight to midnight) | Time plus 97% | Time plus 95% | Time plus 94% |
| <b>Band 2</b> (Sat and weekdays 8pm to 6 am)                      | Time plus 43% | Time plus 42% | Time plus 41% |

|   |               |               |               |
|---|---------------|---------------|---------------|
| <b>Band 2</b> (Sunday and Public holidays – midnight to midnight) | Time plus 85% | Time plus 84% | Time plus 83% |
| <b>Band 3</b> (Sat and weekdays 8pm to 6 am)                      | Time plus 36% | Time plus 35% | Time plus 35% |
| <b>Band 3</b> (Sunday and Public holidays – midnight to midnight) | Time plus 72% | Time plus 70% | Time plus 69% |

Finally, for current ambulance staff there was supposed to be an individual choice as to whether to continue with the unsocial hours entitlements in annex 5 of the NHS terms and Conditions handbook or to switch to the system that applies to all other staff in section 2 of the handbook. New recruits will be recruited onto the section 2 arrangements and existing staff will be moved where there is any change of role.

### **I work in the ambulance service, what is happening to our terms and conditions?**

New recruits would be recruited onto the section 2 arrangements and this would also apply for existing staff who change roles where a new contract is required, at some stage the numbers of those on previous arrangements will have reduced to the point where the employers may seek to force through a change.

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### **What was the result of the pay ballot?**

87% of GMB members in NHS England voted to reject the pay offer. All other NHS Trade Unions voted to accept the pay offer.

### **What happens now?**

**All other trade unions have accepted the pay offer and therefore it will be imposed.**

### **What is GMB doing?**

GMB members voted to reject the pay offer and therefore our campaign for fair pay and secure terms within the NHS continues.

Regions will be consulting with their members on what steps they wish to take next via a consultative ballot. The ballot will be a full consultative ballot of all members via a combination of workplace ballots and postal votes.

### **What is a consultative ballot?**

This is a ballot paper asking members whether they would be willing to take part in industrial action up to and including strike action, industrial action short of strike or not willing to take part in any industrial action. At this stage, this is not a formal ballot for industrial action. It is for regions to consult with their members on whether this is something they want.

### **What questions will be on the ballot paper?**

There will be three options on the ballot paper. Please only mark one box.

- I am prepared to take part in Industrial Action up to and including Strike Action
- I am prepared to take part in Industrial Action short of Strike Action
- I do not wish to take part in any Industrial Action

### **When will the ballot open?**

The ballot will open on Monday 9<sup>th</sup> July and closes on Wednesday 8<sup>th</sup> August. Any papers received after this date will not be valid.

### **What if I don't receive a ballot paper?**

Each region will be running their own consultative ballot, so ballot papers will be issued in a variety of ways, including workplace ballots and postal methods. For more details on how you can expect to receive your ballot paper, or to request another ballot paper to be issued, please contact your local rep. Ensure that your membership details are up to date now so that you receive your ballot paper.

### **Who gets a vote?**

Only GMB members are eligible to vote in this consultative ballot. Non-union members are able to join and have a vote.

### **What happens after the ballot closes?**

Once the ballot closes, GMB Organisers and reps will meet to consider the results and determine the next steps in this campaign.