

UNISON evidence
NHS Pay Review Body 2017-18
September 2016

Introduction

“Most NHS staff work in their jobs because they care about improving the health and well-being of their patients. This is their main motivation for work - not money.

However, people need money to live so there is a balance to be struck. The NHS as an employer should ensure that their staff feel valued financially as well as in their job to ensure their continued commitment.

Allied Health Professional, Band 6 - Yorkshire and Humberside

We welcome the opportunity to give evidence on behalf of over 500,000 UNISON and BAOT members in the health service across the UK.

As in previous years, UNISON contributed a great deal of work to the evidence submitted by the Staff-Side to this year's Pay Review Body round. We fully support that evidence, and support staff-side proposals as the first steps towards meeting our aspirations for fair pay in the NHS.

This submission supplements that evidence, highlighting UNISON member views on many of the themes highlighted in the joint staff-side evidence. This document also outlines specific UNISON policy on pay and reward.

Fair pay in Agenda for Change – moving towards a fairer pay structure

UNISON has been consistent and forthright on the moral case for the NHS to pay the real Living Wage. UNISON supports the staff-side evidence and greatly welcomes the cross-union approach to supporting this vital ask.

The Living Wage is an important emblem of an NHS that pays staff fairly. UNISON wants to see NHS return to being an employer of choice, with fair annual pay awards and a fair deal for the lowest paid in our health service. Going further than the Living Wage and moving to a pay structure with a minimum pay point equivalent to £10 an hour would send a clear signal that the NHS valued all staff. Planning for such an increase would also safeguard NHS pay points against rising Living Wage rates, and provide a stable medium-term basis for planning.

UNISON supports the staff-side asks on pay realignment, as below:

1. A realignment in order to deal with structural issues and ensure the framework is fit for purpose. This entails:
 - a. returning to a UK-wide pay scale using Scotland as a reference point
 - b. restructuring Bands 1-3 to pay the Living Wage and maintain pay differentials
2. a pay award in line with RPI, applied equally to all staff in Agenda for Change

In addition, UNISON strongly believes that where the combination of realignment and annual pay award falls short of a £1 an hour increase that the shortfall is made up.

Additionally, UNISON wants to see clear commitment for the value of Agenda for Change to be increased so a minimum pay rate of £10 an hour can be reached. If a proper realignment of the pay scales is carried out and proper cost of living awards are made each year, in line with likely RPI, that rate could be reached by 2020.

UNISON pay survey

As in previous years, UNISON surveyed members working in the NHS across the UK to seek views, experiences and strength of feeling on pay. The response was overwhelming. Over twice the number of UNISON members responded in 2016 as had done the previous year with over 21,000 members completing the pay survey.

The human cost of austerity pay

“Council tax increased this year by 3.99% Pension contributions increased. National insurance contributions increased. What did I get? Pay rise 1%”

IT worker, Band 2 - Yorkshire and Humberside

We asked staff how they felt their pay had changed relative to their cost of living. 63% of respondents feel worse off than they did 12 months ago.

Staff identify food, transport and utility bills as the areas that have increased in price the most compared with their income. A sizeable minority (40%) also identified increased housing costs as having a negative impact on their spending power.

Whilst a clear majority of staff feel worse off pay restraint has hit a smaller but significant group of staff particularly hard. Two-thirds of staff used financial products or made a major change to their standards of living over the last 12 months. Of that group¹:

- 73% asked for financial support from family or friends
- 20% used a debt advice service
- 17% had pawned possessions
- 16% used a payday loan company
- 23% moved to a less expensive home or remortgaged their house

Just under 200 respondents to the survey had used a food bank in the last year. It is appalling that any NHS employee should be in a position to have to use a food bank service.

Work and earnings

Discretionary effort

“The NHS are dependent on goodwill but it’s slowly running out”

Midwife, Band 6 - North West

More than half of UNISON members work unpaid overtime, with 42% of survey respondents working up to 5 hours unpaid overtime and 12% working more than 5 hours unpaid overtime in a typical week.

Of staff who worked any unpaid overtime:

- 63% wanted to provide the best care they could for patients and service users
- 59% did not want to let their colleagues down
- 51% said it was necessary to meet deadlines
- 44% said it was to help out with staff shortages

Over a quarter of staff said unpaid work was necessary to meet management or Government targets.

Some 13% said unpaid work was expected by their immediate manager.

It is not surprising so many UNISON members are put in a position to contribute so much unpaid work: 70% of staff say there are not enough staff in their unit to do the work required.

Additional hours

Over a quarter of respondents worked paid overtime in their usual role. Of these:

¹ Note: as a percentage of all respondents:

- 49% had asked for financial support from family or friend; 13% had used a debt advice service; 11% had pawned possessions; 11% had used a payday loan company; 15% had moved to a less expensive home or remortgaged their house

- 43% said their basic salary was not enough to meet living costs
- 29% said the extra hours were necessary to deal with the workload
- 16% said they did the work to earn extra money to save

Additional earnings

UNISON members were also asked about additional earnings derived from their usual role.

Members also reported that:

- 59% relied on unsocial hours payments to sustain their standard of living.
- 34% relied on overtime payments to maintain their standard of living.

Additional work

“I feel insulted when I received a 1% pay rise following my first year in employment but my national insurance contributions are also increased, therefore I am no better off. The cost of my childcare has also increased 'in line with the increased national minimal wage.’”

Community Nurse, Band 5 - North West

Just under one-fifth of staff took on work in addition to their main job. That is, paid work in a role other than their main NHS post.

Of those:

- 7% did agency work in the NHS
- 45% did bank work
- 10% worked another role in the NHS
- 38% worked outside the NHS

Of all those reporting taking on additional work:

- 64% worked because basic salary is not enough to meet basic living costs
- 35% worked to earn extra money to save
- 13% worked because they enjoy the role they work additional hours in
- 7% took additional work to help with career progression

Morale, retention and recruitment

“Our workload has increased significantly due to the aging population, more complex illnesses such as dementia and the ‘worried well’ using A/E putting strain on my hospital. Absolutely demoralised with the continual measly 1% pay freeze ...I personally cannot wait to semi retire next April.”

Staff Nurse, Band 5 - East Midlands

UNISON members were asked to describe morale in their place of work. Over half reported morale being low or very low. Only 7% of respondents said morale was high or very high.

More alarmingly, 65% of respondents said moral had fallen over the last 12 months. Only 8% said morale had improved.

“My pay has not kept pace with the cost of living, and combined with increases in pension contributions and higher NI I am worse off than I have been in years.”

Senior Manager, Band 9 - South East

Members were asked both whether they would recommend their employer and their occupation or profession to someone looking for a career or a job.

Just under half of respondents would not recommend their profession to someone looking for a career. Only 32% would positively recommend their occupation or profession to someone looking for a career.

Two-fifths would not recommend their employer to someone looking for a job. Only 37% would positively recommend their employer to someone looking for a job.

Staff considering leaving

“I was getting a higher hourly rate as a teaching assistant”

Health Care Assistant, Band 2 - South East

Over four-fifths said they had considered leaving the NHS over the last year. Over half had fairly or very seriously considered leaving their current position.

We wanted to understand what the conditions were which made staff consider leaving, but also explore why – in fact – they had not.

The top factors for staff considering leaving their posts were:

- Increased workload – 67%
- Stress at work – 67%
- Feeling undervalued by management – 59%
- Feeling undervalued due to low levels of pay – 58%

Other significant reported factors were a lack of career or promotion prospects (45%), feeling undervalued due to job grading (43%), and having to compromise standards of work (41%).

Reasons for staff staying

“Most NHS staff work in their jobs because they care about improving the health and well-being of their patients. This is their main motivation for work - not money.

However, people need money to live so there is a balance to be struck. The NHS as an employer should ensure that their staff feel valued financially as well as in their job to ensure their continued commitment.

For example, in my role you could potentially earn more and also have more worthwhile therapeutic interventions working privately, and I have seen colleagues leave the NHS to pursue more rewarding jobs, both clinically and financially.”

Allied Health Professional, Band 6 - Yorkshire and Humber

Members were asked why they were still working in the NHS. Half of respondents said it was because they enjoyed their job and 41% said it was because they were committed to the job.

Of pay and reward factors, 37% said the NHS pension scheme was a key reason they had remained in the NHS. Only 14% cited NHS pay and conditions as a reason to remain in the NHS.

Just under a fifth of respondents said they had not left the NHS as they were unable to find other employment.

Career progression and staff development

We asked members whether they had gone through a development review in the last 12 months. 68% said yes, 29% said no and 3% said they did not know.

We also asked members if they had received mandatory training, if required, over the last 12 months. 88% said yes, 11% said no and 1% said they did not know.

We also asked members what they think about how their work is managed.

82% of respondents agreed that they were clear about what was expected of them in their job. However, only 33% of respondents agreed that they were given clear and timely feedback on their performance at work, and only 30% agreed they were given opportunities to develop new knowledge and skills.

Apprentices

UNISON first highlighted concerns in our evidence last year about the growing number of apprentices employed in the NHS, and the implications for Agenda for Change. UNISON supports the use of high quality apprenticeships as a means of widening participation and enabling candidates from disadvantaged groups to gain a start in the NHS. However, we believe that they should receive fair pay and the same terms and conditions as any other NHS staff.

UNISON fully supports the position on apprenticeship pay set out in the Staff Side evidence. In support of it we offer the following evidence taken from Freedom of Information (Fol) research, published in April 2016 in our report *You're hired! A UNISON report on apprenticeships in the NHS*²

In total, 233 NHS organisations from across the UK completed responses to our FOI request giving us a response rate of 83%. Of those employing apprentices in 2014/15, 48% were in clinical roles and 52% were in non-clinical.

In our experience existing staff are currently unlikely to see any change to their pay as a result of being put through an apprenticeship programme. So our FOI request only asked employers about pay rates for those hired as apprentices.

The table below gives examples of the most widely used apprenticeship roles and the data on pay rates we received. The results show wide divergences in pay rates for the same roles. They also show considerable variation in the methodology for determining pay rates reflecting the lack of guidance on the topic, and the absence of an accepted pay framework for apprentices within the NHS.

Pay rates for new starters in the most widely-used apprentice roles, 2014-15

Apprentice job role	% of employers using apprentice NMW rate	Ave £ph	Range lowest to highest £ph*
Finance	36%	£3.43	£2.65 to £5.79
Pharmacy	33%	£3.47	£2.69 to £5.48
IT	33%	£3.62	£2.68 to £7.85
Healthcare assistant	63%	£3.92	£2.73 to £8.32
Administrative	37%	£3.93	£2.65 to £9.63
HR	24%	£4.01	£2.67 to £9.09
Clerical	38%	£4.03	£2.65 to £9.75
Healthcare support worker	36%	£4.22	£2.73 to £8.32
Housekeeper/domestic	40%	£4.37	£2.68 to £7.31
Electrician	33%	£5.16	£2.68 to £9.63

*Some rates may include High Cost Area Supplement

² https://www.unison.org.uk/content/uploads/2016/06/NHS-Apprenticeships-UNISON-Fol_report_final.pdf

Key pay benchmarks

To put this pay data into context, in this section we provide the key pay benchmarks that applied in the year 2014/15:

National Minimum Wage (NMW) rates in 2014 and 2015

	October 2013 to September 2014	October 2014 to September 2015	October 2015 to date
Apprentice*	£2.68	£2.73	£3.30
Adult	£6.31	£6.50	£6.70

*For those aged 19 or over this can only be paid for the first 12 months of the apprenticeship

Living Wage rates (Living Wage Foundation) in 2014 and 2015

	November 2013 to October 2014	November 2014 to October 2015	November 2015 to date
UK	£7.65	£7.85	£8.25
London	£8.80	£9.15	£9.40

Agenda for Change band minimums £ph – 2014/15

Band	England and Northern Ireland	Scotland	Wales
Band 1	£7.31	£7.70	£7.85
Band 2	£7.31	£7.70	£7.85
Band 3	£8.32	£8.52	£8.32
Band 4	£9.63	£9.82	£9.63
Band 5	£10.98	£11.04	£10.98

The most prevalent approach to starting pay was the use of the statutory minimum wage for apprentices, regardless of the job role. For most of the popular apprenticeships, between a third and two-fifths of all employers were paying just the apprenticeship statutory minimum.

A small number of employers hired apprentices on the bottom of the Agenda for Change (AfC) band for the relevant job, recognising that after a short time the apprentice would be carrying out the basic responsibilities of the role and their pay would progress up the band as they trained and gained experience.

Percentage reductions to the salary band maximum under Para 3, Annex U of the AfC handbook were used by a significant minority of employers.

There were a few isolated examples of employers applying the Living Wage for their apprentices (note this data pre-dated the agreement in Scotland on Living wage for all apprentices).

Some employers appeared to be applying pay rates entirely of their own devising. For example, Aintree University Hospital NHS Foundation Trust paid a new clerical apprentice

75% of the Band 3 minimum and Burton Hospitals NHS Foundation Trust paid clerical and pharmacy apprentices 55% of the Band 2 minimum. (Note Annex U applies a percentage to the *maximum* of the band).

Cheap labour or genuine trade-off?

The wide variation in approach to setting apprentice pay rates brings with it the risk that some employers will seek to replace large numbers of substantive posts with apprenticeships in order to meet targets, and to access a supply of cheap labour as they are hit by the levy, and the general financial squeeze continues. Previously these posts might have attracted the payband minimum while providing on-the-job training – because the AfC bands are based on developing skills and expertise while progressing towards the rate for the job.

UNISON accepts that a salary adjustment may be justifiable where the apprentice would take a substantial period of time to attain the skills, qualifications and competence levels that are normally job entry requirements. This might involve access to high value training/qualifications which unlock enhanced career prospects and earnings potential, especially for degree level apprenticeships which spare participants from university tuition fees. In these situations there is a clear trade-off for the apprentice in return for accepting a lower initial salary.

However, in the NHS to date and for the foreseeable future apprenticeships are concentrated at the lower levels where candidates are quickly fulfilling the basic requirements of the job. On completion they are going on to the Band minimum, having already been in post for a year or more and the apprenticeship has not delivered career progression opportunities into higher banded jobs. In these situations there is no clear trade-off for the apprentice and what they are getting is a raw deal.

Feedback from members recruited as apprentices suggests they are struggling to cover the basic costs of attending work and college. This is not an auspicious start to a career in the NHS as this case study from a UNISON member illustrates:

Paul, 18, works in mental health, handling the legal side of cases and liaising between medical staff, solicitors and social workers. He earns around £3.70 an hour for his work. He has been very happy with his apprenticeship, and hopes to stay on in a permanent role if possible. But Paul feels ‘undermined’ by the level of payment he receives. He is covering for an ill colleague and taking on her workload, but knows he is earning considerably less than she does. He feels like he has to do “twice the work for half the pay”.

Although in the NHS in England only around 1 in 5 apprentices are under 19, there are additional financial impacts for them of doing a low-paid apprenticeship. If they were in full-time education eligible families can continue to claim child tax credits and child benefit for 16-19 year olds. But if they are doing an apprenticeship these entitlements cease.

We believe that unless a fair pay system for apprentices is introduced there will be reputational damage to the NHS as an employment sector and to the apprenticeship brand that the government is trying to protect. There will also be a divisive and demoralising two-tier workforce in large parts of the NHS workforce, and the use of poverty pay rates will damage the ability to recruit and retain apprentices, and subject patients to a high turnover of staff. We also contend that the ad hoc nature of pay rates for apprentices, not linked to robust job evaluation, could leave employers without a defence against equal pay challenges.