

NHS Pay

A critical investment for
the UK

WITH NHS
STAFF

January 2023

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Introduction

Much has been written over the last year about NHS pay and the process for awarding pay rises for NHS workers. This paper represents the collective view of the 14 Agenda for Change (AfC) staff side unions that represent the non-medical staff in the NHS.

In this paper we set the decisions impacting the NHS in the broader context of the UK economy, and specifically in the context of the UK Labour market. We look at the response of employers across the economy to these challenges and specifically at how expectations of employees are changing.

We set out why an investment in pay is necessary, non-inflationary and good value for taxpayers' money.

The staff side unions



Executive Summary

ECONOMIC CONTEXT

- **The UK economy is in recession**, with high inflation impacting business and household budgets and confidence levels falling.
- **The recession is underpinned by a tight labour market and extremely high employment levels**, albeit in one in which economic growth is static.
- **The UK focus is on ensuring a short and shallow recession**, where inflationary pressures are curbed and the persistent challenge of low productivity is addressed.
- **The post-Brexit vision is for the UK to be a high-wage, high-skill, high-productivity economy**, in which immigration is controlled and our population is supported to develop new skills.
- **Keeping people healthy is key to the success of our economy.** A functioning and universal healthcare system is a critical part of our national infrastructure which is fundamental to supporting our economy in a competitive global market.
- **Investment in pay is good value for money.** Better pay provides value for money by:
 - Reducing recruitment and training costs
 - Retaining skills in the NHS
 - Improving productivity
 - Reducing reliance on expensive agency and bank staff
 - Returning more to the Treasury
 - Supporting local economies
- **An Inflation level pay award will not drive further inflation.** Economists including the IFS have debunked the argument that public sector pay will create a price-wage spiral: “it is difficult to see how an increase in public sector wages could directly contribute to a wage-price spiral, owing to the lack of prices in the public sector.”¹

¹ <https://ifs.org.uk/articles/what-should-public-sector-pay-policy-be-trying-to-achieve>

THE NHS IS COMPETING IN A CHALLENGING LABOUR MARKET

- **There is very low unemployment**, In December 2022, the UK unemployment rate was estimated at 3.7%, 0.3 percentage points below pre-pandemic levels².
- **We have persistent high economic inactivity**, at the end of 2022, there are over 600,000 more economically inactive people of working age than there were in early 2020³.
- **Vacancy rates remain high and growing in the health sector**, ONS data for September to November 2022, show the total number of vacancies 391,000 above the January to March 2020 pre-pandemic level, with the most significant increase in 'human health and social work'⁴.
- **Intention to recruit remains high**, seven out of ten (69%) employers plan to recruit in the next three months, with recruitment intentions highest in the public sector (80%), followed by the voluntary sector (74%) and the private sector (66%). These figures represent a 9-year high⁵.
- **Healthcare professionals are in high demand**, The 'UK Report on Jobs survey' from KPMG and REC in November 2022 found that out of 10 sectors they analysed, the strongest demand for staff came in the Nursing/Medical/Care professions⁶.
- **Healthcare vacancies are particularly hard to fill**, 46% of recruiting employers have hard-to-fill vacancies. These are most common in transport and storage (60%), voluntary (56%) and healthcare (55%)⁷. Asked in the same survey about how they planned to fill these vacancies 44% of employers said they would raise pay.



² <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment>

³ <https://www.ft.com/content/dee332d0-0c1d-4590-bad5-2c37006d9b90>

⁴

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/december2022>

⁵ <https://www.hays.co.uk/salary-guide>

⁶ <https://home.kpmg/uk/en/home/media/press-releases/2022/12/kpmg-and-rec.html>

⁷ <https://www.cipd.co.uk/knowledge/work/trends/labour-market-outlook#gref>

- **There are high levels of labour mobility** with concern about unemployment reaching its lowest-ever score of 2% in October 2022.
- **Attitudes to work are changing**, workers are changing jobs more often, ‘job hopping’ is an acceptable way to drive up your salary, side hustles help to supplement income, flexibility is non-negotiable and the balance between home and work fiercely protected.
- **There are fewer barriers to leaving jobs and changing careers** moving jobs has become an established route to pay progression. As the cost-of-living increases, pay is becoming a more important driver for people to change jobs.

EMPLOYERS OUTSIDE THE PUBLIC SECTOR ARE RESPONDING

- **93% of employers said they have experienced hiring difficulties** over the past 12 months, up from 86% in 2021 and 77% in 2020⁸.
- **85% of business leaders are concerned about attracting candidates⁹**, and recruiting and retaining talent was their number one concern for the year ahead¹⁰. Employers are spending more to recruit and retain staff.
- **Employers are upskilling existing staff.** EY’s ‘2022 Work Reimagined Survey’ of more than 17,000 people found that employers rated ‘learning and skills’ as the most important factor to helping employees thrive¹¹.
- **83% of employers had increased staff salaries last year¹²**, 36% of organisations had offered better pay and/or benefits to address recruitment difficulties (36%, up from 29% last year) and this is now the most common response to retention difficulties (2022: 54%; 2021: 32%).
- **Alongside enhanced pay, many employers are offering flexibility** and softer benefits to enhance their packages. Flexible working conditions are the second highest consideration when looking for work, with 64% of Millennials citing flexible working as an important job factor.¹³

⁸ <https://www.hays.co.uk/salary-guide>

⁹ <https://www.roberthalf.co.uk/salary-guide/national-trends>

¹⁰ <https://www.consultancy.uk/news/33065/talent-retention-the-top-worry-for-businesses-over-next-decade>

¹¹ https://www.ey.com/en_uk/workforce/work-reimagined-survey

¹² <https://salary-guide.hays.co.uk/salary-guide-2022/p/3>

¹³ <https://www.thehrdirector.com/features/recruitment/workforce-trends-will-impact-employment-2023/>

- **42% of employers are worried about the financial well-being of their staff¹⁴**, however, private sector employers felt significantly more confident they could help (32%), compared to public sector organisations (12%)¹⁵.
- **The private sector has shown that it is able to be more flexible**, more responsive and is better able to support staff and attract new recruits.
- **The NHS is relying on the goodwill and commitment of staff**, when in practice they could be earning more elsewhere, with less stress and enjoying a better work-life balance.

THE NHS IS UNDER-RESOURCED, UNDERSTAFFED & IN CRISIS

- **NHS budgets have been built on forecasts that have proved inaccurate and unreliable.** The IFS has acknowledged the lack of flexibility and the challenge of fixed budgets based on forecasts that are buffered by events and turn out to be inaccurate.
- **The NHS is under-resourced.** Health spending in the UK would have needed to rise by an average of £40bn per year in the past decade to match per capita health spending across 14 EU countries¹⁶.
- **Costs are rising.** The NHS could face £6-7bn of additional costs next year due to the impact of rising prices¹⁷ and just 57.3% of staff say they have “adequate materials, supplies and equipment to do their work”¹⁸.
- **There is a backlog of unmet demand.** There are more than 7.2 million people on NHS waiting lists in England alone, including more than 410,000 who have been waiting for more than a year.
- **Pressure is intensifying**, with NHS leaders predicting that this winter will cause the service to be “pressurised like never before”.

¹⁴ <https://www.cipd.co.uk/knowledge/work/trends/labour-market-outlook#gref>

¹⁵ https://community.cipd.co.uk/cipd-blogs/b/cipd_voice_on/posts/wage-rises-and-other-cost-of-living-support-provided-by-employers

¹⁶ <https://www.ft.com/content/f752a1ad-4a23-408f-a549-4909974c6a2c>

¹⁷ <https://www.england.nhs.uk/wp-content/uploads/2022/10/item-4.2-public-board-meeting-financial-position-and-the-future-financial-outlook-.pdf>

¹⁸ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

- **There is a crisis in primary care**, a shortage of GPs means 28% of people were not able to book “any appointments available for the time or day I wanted”¹⁹ leading to increased pressure on A&E.
- **There is a crisis in social care**, lack of capacity is leading to delayed discharges from acute care settings, with the latest NHS England data showing more than 13,000 people ready to be discharged but with nowhere to be discharged - up 28% year on year²⁰.
- **There is a crisis in emergency care**, NHS England data showed November 2022 to be the worst on record, with just 54% of people being seen within 4 hours and almost 38,000 patients waiting more than 12 hours, the second-highest figure on record²¹. Reports in January 2023 indicated a significant worsening of this position, with A&E departments around the country issuing some reports of “extreme pressure” and several ambulance services declaring critical incidents in December 2022 and January 2023 as a result of demand, turnover and waiting times.
- **Use of agency staff is increasing** Although there have been repeated efforts to curb the spending on agency staff, with spending rising by 20% last year to hit £3bn in England”.
- **Infrastructure and equipment are deteriorating**, 2021 NHS Staff Survey, only “57.3% of staff say have adequate materials, supplies and equipment to do their work”²², which is having a material impact on patient safety, and there is a maintenance backlog of £10.2 billion, up 11% over the past year, of which £1.8 billion is “high risk”.
- **Key NHS Targets are not being met**, recruitment targets, waiting times, waiting lists for elective and diagnostics including cancer referral targets are all being significantly missed.
- **These pressures are harming patient safety**, The Health and Social Care Select Committee warned in July 2022 that “persistent understaffing of the NHS is a serious risk to patient safety”.²³ Since then the pressure has intensified.
- **Staff are concerned**. Just 67.8% of staff are happy with the standard of care

¹⁹ <https://www.gp-patient.co.uk/>

²⁰ <https://www.england.nhs.uk/statistics/statistical-work-areas/uec-sitrep/urgent-and-emergency-care-daily-situation-reports-2022-23/>

²¹ <https://www.england.nhs.uk/statistics/statistical-work-areas/ae-waiting-times-and-activity/>

²² <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

²³ <https://committees.parliament.uk/committee/81/health-and-social-care-committee/news/172310/persistent-understaffing-of-nhs-a-serious-risk-to-patient-safety-warn-mps/>

provided and only 59.4% confident that their organisation would address a concern about clinical safety.²⁴

THE NHS WORKFORCE IS UNDER INCREASING PRESSURE

- **There is chronic understaffing.** Just 27.2% of respondents told the NHS Staff Survey that there were enough staff at their organisation to do the job properly, down 11% year on year to the lowest level ever recorded.
- **93% of Trust leaders are worried about recruitment.** to fill existing vacancies and 75% are extremely concerned that existing workforce challenges will be exacerbated by the recent NHS pay awards not matching inflation.²⁵
- **There is declining well-being amongst staff.** 78% of Trust leaders are extremely concerned about the mental well-being of staff given the psychological impacts of the cost of living and the pandemic.²⁶
- **Morale is at an all-time low.** Just 52.5% of staff say they look forward to going to work (down 6% year on year) and 76.5% say they face unrealistic time pressures²⁷.
- **There is poor staff retention.** the latest NHS workforce figures show that a record number of people resigned voluntarily from the service, almost 35,000 in the first quarter of the financial year²⁸.
- **Intention to leave is increasing.** Respondents to the latest 2021 NHS Staff Survey saying they think often about leaving and 22.9% saying they will look for a new job in the next 12 months²⁹.
- **NHS pay has fallen further behind the private sector.** public sector workers are getting relatively poorer compared to private sector comparators, average regular pay growth for the private sector was 6.9% in August to October 2022, and 2.7% for the public sector.
- **The NHS is losing staff to hospitality and retail.** NHS Providers found that “two-thirds of Trusts (68%) report a significant or severe impact from staff leaving the

²⁴ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

²⁵ <https://nhsproviders.org/media/694201/nhs-providers-cost-of-living-survey-briefing-september-2022.pdf>

²⁶ <https://nhsproviders.org/media/694201/nhs-providers-cost-of-living-survey-briefing-september-2022.pdf>

²⁷ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

²⁸ <https://www.hsjobs.com/article/record-number-of-nhs-staff-hand-in-resignation>

²⁹ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

trust for other sectors, such as hospitality or retail, where employers can offer competitive terms.”³⁰

THE COST-OF-LIVING CRISIS IS HITTING NHS STAFF HARD

- **Costs are rising.** UK inflation hit 11.1% in October 2022 reflecting rises in the cost of goods and services forcing the Bank of England to raise interest rates to 3.5% - the highest level in 14 years.
- **Household incomes are falling.** Real post-tax household income to fall by 4.3% in 2022-23, the biggest fall since comparable records began in 1956³¹.
- **As many as 7.2 million are going without the basics,** and 4.7 million are behind on their bills.³²
- **Food inflation is growing significantly ahead of the headline inflation figure,** hitting 16.5% in the 12 months to November 2022³³.
- **Energy costs have almost doubled.** the cost of energy has increased by 96% since the 2021/22 winter price cap³⁴.
- **Housing costs are increasing.** five million households are set for average mortgage bill increases of £5,100 by end of 2024.
- **Living standards are falling.** The OBR stated in its November 2022 forecasts that the current outlook will “reduce living standards by 7 per cent in total over the two financial years to 2023-24 (wiping out the previous eight years’ growth), despite over £100 billion of additional government support.”³⁵

SUMMARY OF CONCLUSION & SPECIFIC RECOMMENDATIONS

Increasing pay is critical for a functioning NHS which in turn is crucial to the success of the UK economy. Our position as unions is to be constructive partners in building an NHS of

³⁰ <https://nhsproviders.org/rising-living-costs-the-impact-on-nhs-staff-and-patients/key-messages>

³¹ <https://obr.uk/efo/economic-and-fiscal-outlook-november-2022/>

³² <https://www.jrf.org.uk/report/going-under-and-without-jrfs-cost-living-tracker-winter-202223>

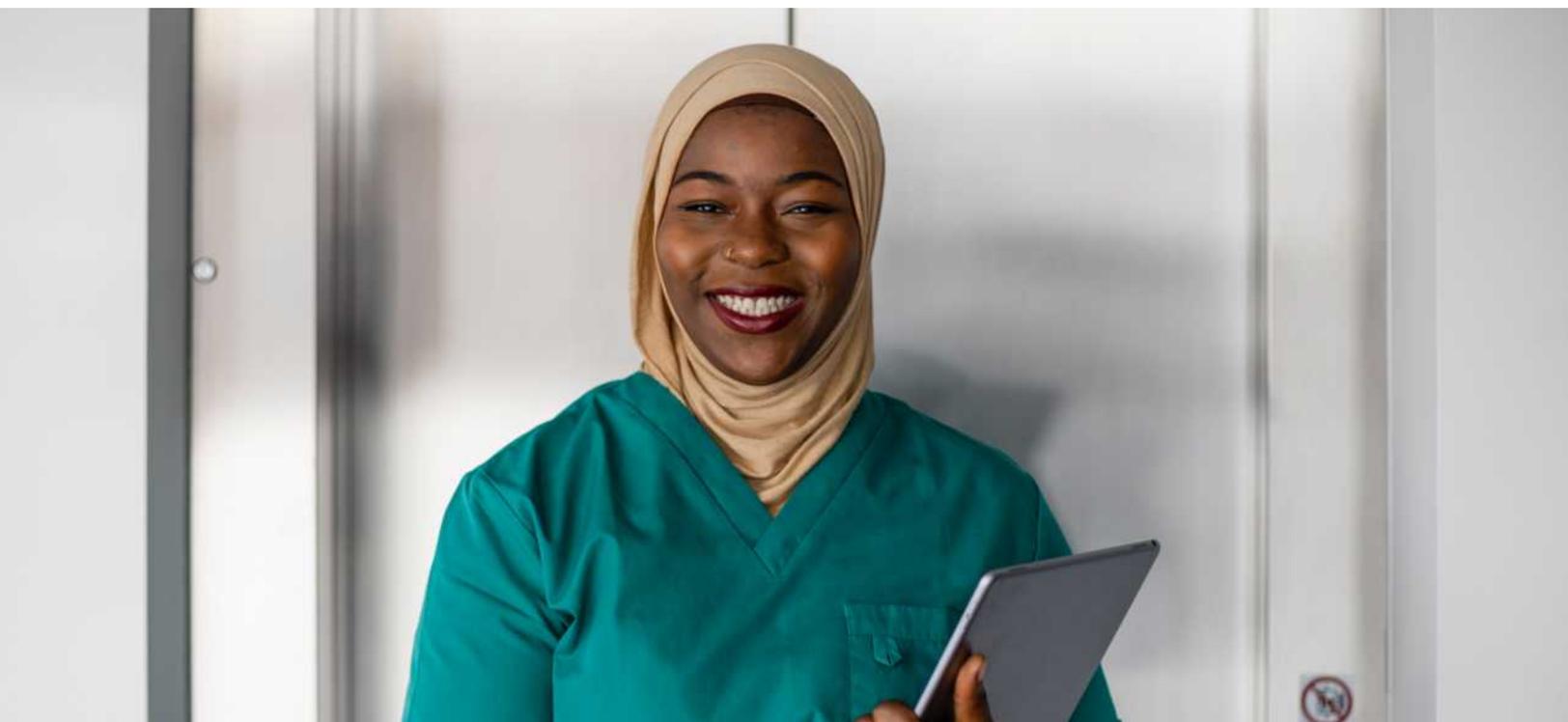
³³ <https://foodfoundation.org.uk/news/food-prices-tracker-december-2022>

³⁴ <https://commonslibrary.parliament.uk/research-briefings/cbp-9491/>

³⁵ https://obr.uk/docs/dlm_uploads/EFO_Nov22_PN.pdf

which we can all be proud. We will continue to support the development of a new workforce strategy for the NHS and to develop proposals that will address the challenges that the NHS faces:

- **A decent pay rise for all staff is absolutely essential.** We would like a commitment that the value of NHS pay scales will be restored over a clear timetable and to return to a situation where health workers can expect their pay will increase to match costs.
- We would also like to see **the bottom of the pay structure benchmarked against the Real Living Wage** to ensure that pay does not fall below this level at any time during the year.
- **Staff Side Recruitment and Retention Plan.** The staff side unions have set out our joint position on the detailed measures that we feel are essential to support the retention of existing staff and attract the workforce we need for the future:
 1. Ensure banding outcomes reflect job content
 2. Reward additional hours fairly
 3. Prevent burnout by limiting excess hours
 4. Support progression and career development
 5. Encourage employers to use RRP to retain staff where shortages are a risk to staff well-being and quality of care





WITH NHS
STAFF

The case for investment in NHS pay

SECTION 1 THE UK ECONOMIC CONTEXT

The UK economy has felt the full force of global pressures this year. Hot on the heels of the economic turbulence of the Covid pandemic and the disruption of Brexit, 2022 has seen war in Europe destabilise energy supplies, threaten food security and drive inflation to a 30-year high.

The UK Government has been unstable, with three prime ministers in office over the course of the last 12 months and 4 Chancellors. The market instability that we saw in September under the leadership of Liz Truss and Kwasi Kwarteng, has had an impact on our medium-term economic performance and left a legacy of higher-than-predicted interest rates, driving up borrowing and housing costs for millions of businesses and households, exacerbating the cost-of-living crisis.

Despite the political focus on the need to grow the UK economy, in November the OECD published new forecasts for the world economy forecasting UK GDP growth of -0.4% for 2023, the lowest in the G7³⁶.

With the UK economy now in recession, both business and household budgets are tightening as confidence levels are falling. As we start 2023, there is a legacy of unsettled pay disputes, leading to strikes across much of the public sector, causing further disruption, and the global economy is bracing for the economic impact of the relaxation of the “zero Covid”



*Prime Minister Rishi Sunak visits Leeds Community Healthcare 9th January 2023
Number 10 Flickr Account*

³⁶ <https://www.oecd.org/economic-outlook/november-2022#gdp>

policy in China, with the slowest growth in decades and manufacturing slowdowns likely to place a drag on the global economy³⁷.

Despite the challenging economic picture, the recession of 2022/3 looks and feels unlike the recessions of 2008 or the 1980s and 1990s. It is underpinned by a tight labour market and extremely high employment levels, albeit in one in which economic growth is static.

The UK focus is on ensuring a short and shallow recession, where inflationary pressures are curbed and the persistent challenge of low productivity is addressed. The post-Brexit vision is for the UK to be a high-wage, high-skill, high-productivity economy, in which immigration is controlled and our population is supported to develop the right skills to thrive.

There is an established consensus around our post-Brexit economic strategy As former PM Boris Johnson said in 2021, we should not *“use immigration as an excuse for failure to invest in people in skills and in equipment and facilities the machinery they need to do their jobs.”*³⁸

In November 2022, the new Prime Minister’s official spokesperson restated this objective, saying

“

I think on legal migration, the Prime Minister has been clear that he wants to bring migration levels down over time and have a system that works best in the UK’s interests.

*That’s why we have the points-based system, it’s why we’re encouraging businesses to invest in British people. We have significant labour market inactivity in this country and we’re taking steps to encourage more people to help fill the vacancies.*³⁹

”

³⁷ <https://www.ft.com/content/665f4254-f0d5-4f98-bee5-879995ef149d>

³⁸ <https://www.conservatives.com/news/2021/boris-johnson-s-keynote-speech---we-re-getting-on-with-the-job>

³⁹ <https://www.telegraph.co.uk/politics/2022/11/21/rishi-sunak-latest-news-brexit-swiss-eu-tax-budget-starmer-lords/>

Keir Starmer has agreed, "Our common goal must be to help the British economy off its immigration dependency to start investing more in training workers who are already here".⁴⁰

Less immigration means a more competitive domestic recruitment environment where employers have to invest more in building the workforce they need. Employers across all sectors are focused on developing a strong pipeline of skills to meet their organisational needs, through strategic planning, collaboration with the education system and significant investment in training and retraining programmes.

As the UK's largest employer, the NHS is not immune to these forces. It recruits from the same labour market as other employers and must be competitive to attract talent, but moreover, it also needs to play its part in supporting the transformation of our economy and the drive to a high-wage, high-skill economy, both by supporting its own workforce and by keeping the nation healthy and active, particularly as they age.

The NHS is critical for economic growth and prosperity

Keeping people healthy is key to the success of the nation. A functioning and universal healthcare system is a critical part of our national infrastructure which is not only a measure of an advanced society but is also fundamental to supporting our economy in a competitive global market. Without good health, our economy will not grow.

The think tank, the IPPR, published a report titled 'Getting better?: Health and the labour market'⁴¹ in December 2022, which explores the relationship between good health and our ability to support the labour requirements of our economy. They found that our health service was failing to keep pace with international benchmarks which explains why poor health is having such a significant impact on our ageing population's ability and desire to stay in work.

⁴⁰ <https://labour.org.uk/press/keir-starmer-speech-to-the-confederation-of-british-industry-conference-2022/>

⁴¹ <https://www.ippr.org/research/publications/getting-better-health-and-labour-market>



After decades of improvement, the rate of progress on population health has stagnated in the UK – including in relation to all-cause mortality, mortality attributable to preventable risk factors, disability adjusted life years and healthy life expectancy.

“Between May and July 2022, economic inactivity primarily due to long-term illness reached 2.5 million... 1.5 million of the 2.5 million who are out of the labour market due to long-term illness are living with at least one mental health problem. People who are economically inactive primarily because of their health tend to have complicated health needs.



NHS will support the UK out of recession

Key to getting the economy growing is getting the workforce healthy and working again. Whilst the unemployment rate is at near an all-time low, the UK is one of the only developed nations where employment is still below pre-pandemic levels, with more than 600,000 more “economically inactive” people than at the start of 2020⁴².

This phenomenon has been driven by two key factors - long-term sickness and early retirement. According to the Office of National Statistics (ONS), by the summer of 2022, there were half a million more people economically inactive due to long-term sickness than in 2019⁴³. Whilst data on early retirement is patchy, a House of Lords Economic Affairs Committee report from December 2022 identifies it as a key driver behind the drop in



⁴² <https://www.ft.com/content/dee332d0-0c1d-4590-bad5-2c37006d9b90>

⁴³

<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/articles/halfamillionmorepeopleareoutofthelabourforcebecauseoflongtermsickness/2022-11-10>

economically active individuals, citing that the pandemic, changes to pensions flexibility and the relative affluence of a proportion of the asset-owning older population have already contributed to the trend and that these people will be extremely hard to tempt back to the labour market⁴⁴.

As such, getting those who want to work but are not able back into the employment market is crucial and only the NHS can play a fundamental role in delivering this.

Investment in pay is good value for taxpayers' money

There is a powerful value for money argument in making an investment in pay to support the NHS, grow the UK economy and improve the quality of life of the population. There is a real cost in failing to keep staff in the NHS.

- **Better pay will reduce recruitment and training costs**

Keeping existing staff is better value for money than recruiting and training new staff. Recruitment is expensive and the failure to recruit is even more so. Increasing pay helps retain staff and reduce recruitment, induction and staff training costs. A London Economics report from October 2022 found that retaining a nurse costs £16,900 less than recruiting one from overseas⁴⁵, whilst in 2021 the University of Kent's Personal Social Services Research Unit estimated the cost of training a new nurse to be £60,000⁴⁶.

- **Better pay will help retain skills in the NHS and improve productivity**

Skilled staff are more productive and better able to manage the demands of a stressful job. By losing trained staff to the private sector, the NHS is training staff just for them to leave for better-paid roles elsewhere. This represents a false economy.

⁴⁴ <https://publications.parliament.uk/pa/ld5803/ldselect/ldeconaf/115/115.pdf>

⁴⁵ <https://londoneconomics.co.uk/wp-content/uploads/2022/10/LE-RCN-Pay-campaigning-comms-FINAL-report-SENT2CLIENT-27-10-2022.pdf>

⁴⁶ <https://www.pssru.ac.uk/project-pages/unit-costs/unit-costs-of-health-and-social-care-2021/>

To support our 2020/21 PRB submission, Staff Side unions commissioned London Economics to undertake some independent research on the net impact to the Exchequer of increasing pay for Agenda for Change staff. The research undertook detailed economic modelling of the impact of a £1.70bn and £3.40bn increase in the total Agenda for Change (AfC) pay bill which represented 5% and 10% pay increases (for AfC staff in England) in that year.

- **Better pay will reduce reliance on agency and bank staff**

Their modelling showed that there would be a significant impact on recruitment and retention and reduced reliance on bank and agency staff over a 10-year period, resulting in overall cost savings to the Treasury corresponding to £0.06bn (for a 5% pay bill increase) or £0.13bn (for a 10% pay bill increase).

- **Better pay returns more to the Treasury**

The Treasury would recoup 47% of the additional pay bill cost through collecting the income tax and NI insurance contributions of AfC staff and their employers alone.

- **Better pay will support local economies**

The Treasury would recoup a further 26% of the additional pay bill costs through direct, indirect and induced taxation receipts resulting from the impact of AfC staff spending of the additional disposable income throughout the wider economy.

An inflation-level public sector pay award will not drive further inflation

There is no evidence that an inflation-level pay award will increase inflationary pressures in the economy, holding down public sector pay as a measure to tackle inflation is not supported by economists. Increasing pay behind private sector comparators will not drive-up wages, or prices, it will only serve to starve the NHS of the staff it needs.

The IFS has debunked the argument that public sector pay will create a price wage spiral: “it is difficult to see how an increase in public sector wages could directly contribute to a wage-price spiral, owing to the lack of prices in the public sector.”⁴⁷

This is supported by a broader analysis from the International Monetary Fund (IMF) in its World Economic Outlook for October 2022 which found that “risks of a sustained wage-price spiral appear limited since underlying inflation shocks come from outside the labour market and monetary policy is tightening aggressively.”⁴⁸

Increasing NHS pay cannot be passed on in increased consumer costs for NHS services, so will have no material effect on prices.

So, it is clear that an inflation-level public sector pay award will not drive further inflation, and not providing one will simply deny the NHS access to the staff it needs, and drive-up costs further as the service tries to mitigate shortages of personnel.

The UK Labour Market

For our economy to grow, the UK must resolve some of the issues inherent in our labour market which are impacting the ability of the NHS to recruit the workforce it needs. Currently, the UK labour market provides a challenging environment in which the NHS must compete for staff:

There is very low unemployment

Britain’s labour market is an international outlier. While joblessness is near all-time lows, the UK is on track to be the only country in the developed world with employment still below its pre-pandemic level. In December 2022, the UK unemployment rate was estimated at 3.7%, 0.3 percentage points below pre-pandemic levels⁴⁹.

⁴⁷ <https://ifs.org.uk/articles/what-should-public-sector-pay-policy-be-trying-to-achieve>

⁴⁸ <https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>

⁴⁹ <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment>



We have persistent high economic inactivity

At the end of 2022, there are over 600,000 more economically inactive people of working age than there were in early 2020⁵⁰. There are also 500,000 more people who have stopped working due to health reasons since 2019, making the UK the only developed nation where the share of working-age people outside of employment has continued to rise after the initial pandemic shock⁵¹.

The Government is so concerned about the pressure that this is putting on our labour market that they are in the process of conducting a review into this phenomenon to better understand the drivers for its persistence, and how to encourage more people back into the labour market

Vacancy rates remain high and growing in the health sector

Whilst vacancy rates have fallen back from their all-time peak in summer 2022, ONS data for September to November 2022, show the total number of vacancies 391,000 above the January to March 2020 pre-pandemic level, with the most significant increase in 'human health and social work', up by 72,000⁵².

⁵⁰ <https://www.ft.com/content/dee332d0-0c1d-4590-bad5-2c37006d9b90>

⁵¹ <https://www.ft.com/content/b197e9e0-dd53-4d77-a84f-a94824100ed5>

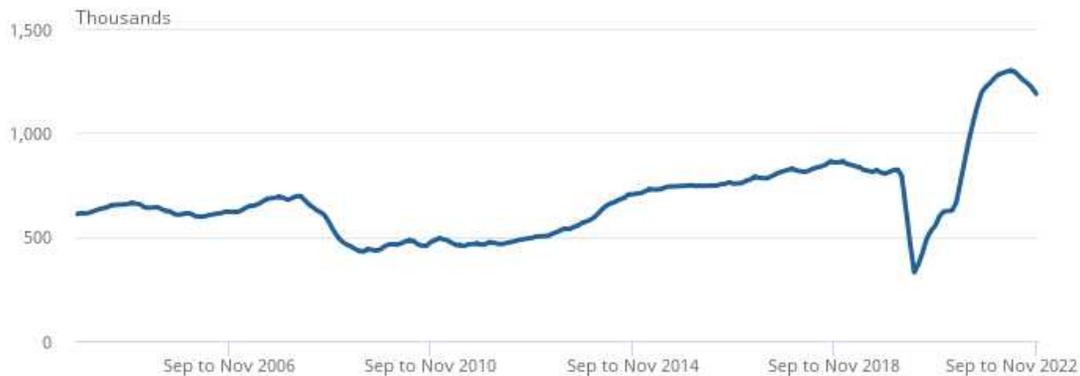
⁵²

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/december2022>

The latest NHS vacancy statistics found that the total number of vacancies in September 2022 was 133,446, a vacancy rate of 9.7%⁵³, with the ONS stating that there are record levels of jobs and demand in healthcare as of September 2022⁵⁴.

Figure 1: The estimated number of vacancies fell on the quarter to 1,187,000

Number of vacancies in the UK, seasonally adjusted, September to November 2003 to September to November 2022



Source: Office for National Statistics – Vacancy Survey

Intention to recruit remains high

Even as vacancy rates across the economy look to be falling slightly, employer intentions to recruit remain strong. Despite a slight drop in overall confidence, according to the Autumn

⁵³ <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey/april-2015---june-2022-experimental-statistics>

⁵⁴ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/december2022>

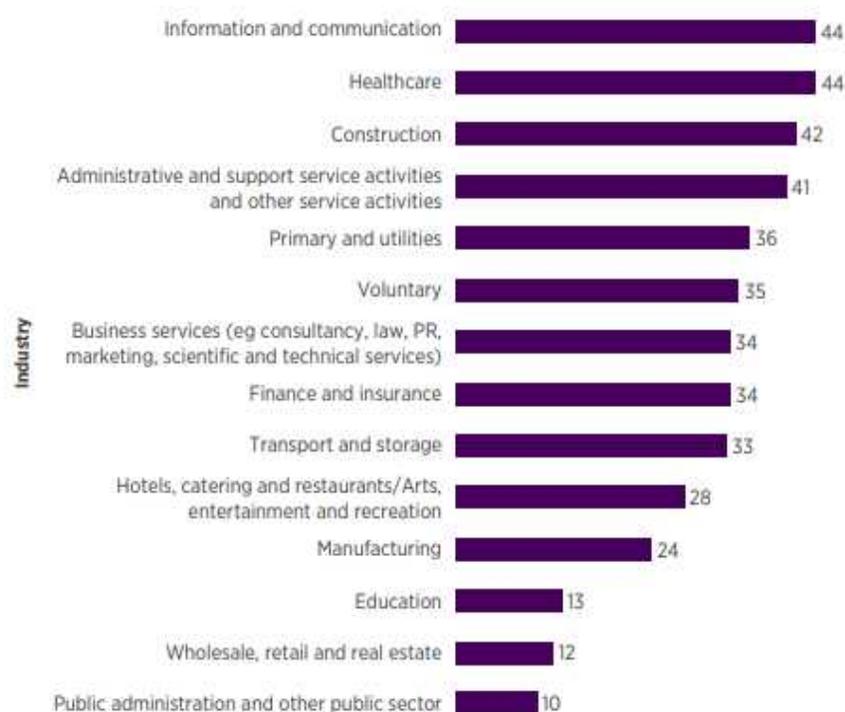
CIPD labour market outlook, recruitment intentions remain significantly above pre-pandemic levels⁵⁵.

Seven out of ten (69%) employers surveyed indicated that they plan to recruit in the next three months, with recruitment intentions highest in the public sector (80%), followed by the voluntary sector (74%) and the private sector (66%) - with these figures representing a 9-year high⁵⁶.

Healthcare professionals are in high demand

Whilst there is strong demand for staff across the economy, it is particularly acute in the health sector. Employers in healthcare have the second highest intention to recruit in the economy as a whole, after workers in the information and communications sector:

Figure 3: Net employment balance, by industry



57

⁵⁵ <https://www.cipd.co.uk/knowledge/work/trends/labour-market-outlook#gref>

⁵⁶ <https://www.hays.co.uk/salary-guide>

⁵⁷ <https://www.cipd.co.uk/knowledge/work/trends/labour-market-outlook#gref>

The latest 'UK Report on Jobs survey' from KPMG and REC in November 2022 corroborated this strong demand, finding that out of 10 sectors they analysed, the strongest demand for staff came in the nursing/medical/care professions⁵⁸.

Healthcare vacancies are particularly hard to fill

Given the shortage of staff, it is not surprising that healthcare vacancies are among the hardest to fill in any sector of the economy. According to the quarterly CIPD Autumn labour market outlook, 46% of recruiting employers have hard-to-fill vacancies. These are most common in transport and storage (60%), voluntary (56%) and healthcare (55%)⁵⁹.

Asked in the same survey about how they planned to fill these vacancies 44% of employers said they would raise pay.

Many NHS Employers are recruiting already trained staff from abroad to fill their vacancies, for example, Ambulance Trusts are regularly recruiting paramedics from New Zealand & Australia.

But it is not simply down to pay and conditions that current vacancies in the health sector are hard to resolve. The House of Commons Health and Social Care Committee report into the health and social care workforce published in July 2022 criticised the government for a "refusal to do proper workforce planning" and called on the Government to "publish the full report of the NHS workforce strategy complete with gap analysis and workforce projections for the next five, 10, and 15 years for each profession by the end of 2022"⁶⁰.

This assertion was backed up by a King's Fund report published in November 2022 written by Bill Morgan, who is now a healthcare special adviser to Prime Minister Rishi Sunak, which cites the "difficulties in workforce forecasting" in part due to the length of time it

⁵⁸ <https://home.kpmg/uk/en/home/media/press-releases/2022/12/kpmg-and-rec.html>

⁵⁹ <https://www.cipd.co.uk/knowledge/work/trends/labour-market-outlook#gref>

⁶⁰ <https://committees.parliament.uk/publications/23246/documents/171671/default/#page=5>

takes to train future workers, but also due to NHS reorganisation and the “insufficiently strategic use of recruitment from outside of the United Kingdom”⁶¹.

These factors are exacerbating a challenging talent recruitment and retention market for all healthcare jobs, particularly the NHS.

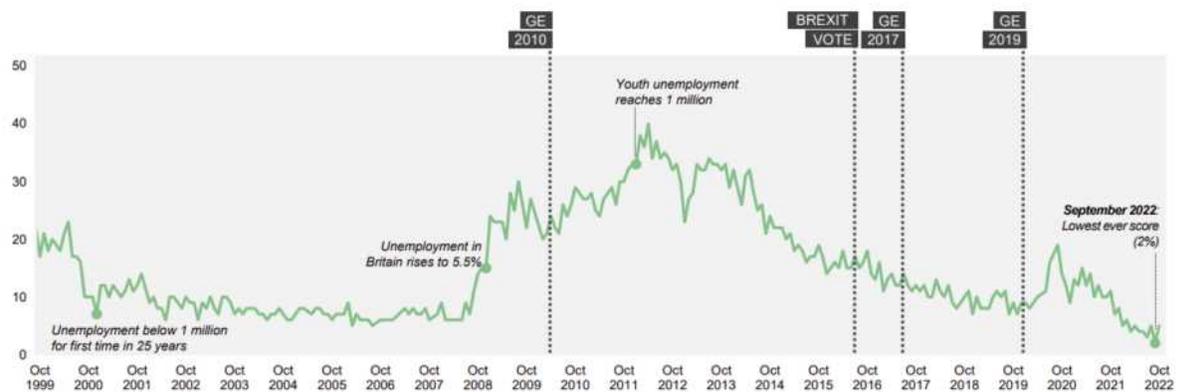
Concern about unemployment is at an all-time low, driving workforce mobility

With high employment and large numbers of vacancies in the economy, it is unsurprising that there is little concern about unemployment from the public.

According to the monthly Ipsos Mori tracker, which asks the general public what they see as the most important issues facing Britain, concern about unemployment reached its lowest-ever score of 2% in October 2022:

Unemployment / Factory closure / Lack of industry

What do you see as the most/other important issues facing Britain today?



Base: representative sample of c.1,000 British adults age 18+ each month, interviewed face-to-face in home
N.B. April 2020 data onwards is collected by telephone; previous months are face-to-face

Source: Ipsos Issues Index

⁶¹ https://www.kingsfund.org.uk/sites/default/files/2022-11/NHS_staffing_shortages_final_web%20%282%29.pdf

⁶² <https://www.ipsos.com/en-uk/issues-index-december-2022>

Despite the wider economic picture, this lack of concern about unemployment is driving a significant proportion of the workforce to plan to move jobs in search of better pay and conditions. A survey of more than 3,000 people from insurance company Unum has found that “19% of employees expect to have to look for a new job with better benefits or a higher salary in 2023” in response to the cost-of-living crisis, equivalent to 5.4 million workers⁶³.

This can also be seen across the NHS, with the latest workforce numbers showing record numbers of staff voluntarily resigning from the service, with the most common reason for leaving being “work-life balance” and the second most common being desire for a “better reward package”⁶⁴.

Attitudes to work are changing

These changes to the labour market are not just short-term phenomena, or simply a reaction to cost of living pressures, but long-term structural changes to attitudes to work that have been accelerated by the Covid-19 pandemic - something global audit and accountancy firm EY has described as “a wholesale shift of what employees value at work and in life”⁶⁵.

The impact of this sustained period of low unemployment and high vacancy rates has changed the relationship between employers and employees. Social and cultural norms are changing and with them, expectations of work are evolving. Workers hold more power and are more likely to search for a job that ticks a number of boxes, rather than just meeting pay demands.

Research exploring Gen Z's expectations of work found that “flexibility in when and where they work is important for 81%”, while 77% thought it was important to work for “a company that cares about diversity, equity and inclusion”⁶⁶.

⁶³ <https://www.unum.com/about/newsroom/2022/December/Cost-of-living-crisis-expected-to-spark-the-Great-Resignation-of-2023>

⁶⁴ <https://www.hsjobs.com/article/record-number-of-nhs-staff-hand-in-resignation>

⁶⁵ https://www.ey.com/en_uk/board-matters/the-board-imperative-unlock-the-strategic-value-of-chros

⁶⁶ <https://www.talentlms.com/research/gen-z-workplace-statistics#what-matters-to-Gen-Z>

On top of this, workers are changing jobs more often, and are more demanding. Retaining staff has become much more challenging for employers. For younger workers in particular, 'job hopping' is an acceptable way to drive up your salary, side hustles help to supplement income, flexibility is non-negotiable and the balance between home and work is fiercely protected.

There are fewer barriers to leaving jobs and changing careers

Jobs and careers for life are no longer the norm. Young people today are likely to move through multiple employers, several careers and are more likely than ever to have a stint in self-employment. Changing jobs has become an established route to pay progression. As the cost-of-living increases, pay is becoming a more important driver for people to change jobs.

Many younger people recruited by the NHS are increasingly using it as a direct route to gain a degree-level qualification but then move to jobs with better pay, better hours and better terms and conditions. Meaning that unlike previously, staff in the NHS do not stay and treat it as a career choice but as a stepping stone to achieving qualifications to be used elsewhere.

This is the labour market in which the NHS is competing for staff.



How organisations are responding to our constrained labour market

With a constrained labour market, the potential for limited access to a skilled workforce is impacting confidence, constraining growth and will impact the ability of organisations to weather this recession. In this environment, employers whether in the public, private or voluntary sector need to work much harder to attract and retain staff.

1. Investment in the recruitment and retention of staff

Data from the Hays UK Salary & Recruiting Trends survey of over 13,000 employers and professionals found 93% of employers said they have experienced hiring difficulties over the past 12 months, up from 86% in 2021 and 77% in 2020⁶⁷.

This was in turn undermining confidence in their ability to source candidates going forward, with 85% of business leaders concerned about attracting candidates over the next 12 months⁶⁸, with a survey of global executives finding that recruiting and retaining talent was their number one concern for the year ahead⁶⁹.

Retention is also proving more challenging, the annual CIPD Resourcing and talent planning report from September 2022 drawn from a survey of 1,000 HR professionals in April 2022:

“ Talent is becoming harder to retain, but organisations are taking steps to improve the situation. 60% report that talent is more difficult to retain compared with a year ago and over a third (37%) undertook initiatives to improve employee retention over the last year, up from 29% in 2021⁷⁰ ”

This same survey showed how organisations are planning to spend more on their recruitment and retention going forward.

⁶⁷ <https://www.hays.co.uk/salary-guide>

⁶⁸ <https://www.roberthalf.co.uk/salary-guide/national-trends>

⁶⁹ <https://www.consultancy.uk/news/33065/talent-retention-the-top-worry-for-businesses-over-next-decade>

⁷⁰ https://www.cipd.co.uk/Images/resourcing-and-talent-planning-report-2022-1_tcm18-111500.pdf

“ Looking forward, around two-fifths of organisations anticipate an increase to their recruitment and talent management budgets over the next year, a step increase on previous years, reflecting increasing resourcing challenges and costs ”

Faced with a competitive market for labour, employers have a range of choices available to them.

2. Investment in upskilling

According to the World Economic Forum, by 2025 44% of the skills that employees need to perform their roles effectively will have changed and 90% of workers will need some form of reskilling⁷¹. These changes, combined with the constrained labour market are forcing organisations to invest more in the training and development of their existing staff to meet future needs.

The UK has been historically poor at developing skills - UK employers invest just half of the EU average in training and employer investment in training fell by 60% between 1997 and 2017⁷². A December 2022 report from the House of Commons Committee of Public Accounts entitled 'Developing workforce skills for a strong economy' stated that this decline "risks leaving the economy without the skills it needs."⁷³

The need for investment in skills runs counter to the challenging economic environment, with the CBI forecasting that business investment will remain 9% below pre-pandemic levels even at the end of 2023⁷⁴.

⁷¹ https://www3.weforum.org/docs/WEF_Future_of_Jobs_2020.pdf

⁷² <https://www.fenews.co.uk/exclusive/upskilling-and-reskilling-adult-workers-the-problem-of-employer-demand-2/>

⁷³ <https://committees.parliament.uk/publications/33177/documents/179860/default/>

⁷⁴ <https://www.cbi.org.uk/media-centre/articles/no-new-year-cheer-for-uk-economy-with-productivity-and-business-investment-weakening-cbi-economic-forecast/>

Despite this, many businesses are now looking to enhance their skills programmes as a means of recruiting and retaining staff, as well as meeting the future needs of their organisations.

EY's '2022 Work Reimagined Survey' of more than 17,000 people found that employers rated 'learning and skills' as the most important factor to helping employees thrive⁷⁵

3. Increased pay, benefits and flexibility

Due to these workforce pressures, many organisations are enhancing their pay and benefits packages to boost their staff retention.

The Hays research found that 83% of employers had increased staff salaries last year⁷⁶, whilst a survey by the online job board CV-Library found more than 50.6 per cent of UK workers are realistically expecting a pay rise of 10 per cent or more next year⁷⁷.

These trends are reinforced by the CIPD Resourcing and talent planning report⁷⁸, which found that:

“ Organisations are increasingly offering better pay and/or benefits to address recruitment difficulties (36%, up from 29% last year) and this is now the most common response to retention difficulties (2022: 54%; 2021: 32%). There are considerable sector differences, however, with private sector organisations far more likely to increase pay than public sector organisations. ”

Pay and benefits is now most commonly ranked among the three most important elements of employer brand for attracting candidates. Overall, however, nearly three fifths (58%) do not include pay and benefits among their top attractors.

⁷⁵ https://www.ey.com/en_uk/workforce/work-reimagined-survey

⁷⁶ <https://salary-guide.hays.co.uk/salary-guide-2022/p/3>

⁷⁷ <https://www.cv-library.co.uk/recruitment-insight/half-of-uk-workers-realistically-expect-a-pay-increase-of-more-than-10-in-2023-job-market-will-be-dominated-by-workers-trying-to-secure-a-pay-rise-that-keeps-up-with-cost-of-living-next-year/>

⁷⁸ https://www.cipd.co.uk/Images/resourcing-and-talent-planning-report-2022-1_tcm18-111500.pdf

Other factors such as perception of organisation as an employer, career development opportunities, organisational values, perception of job security and flexible working are also considered important.



Alongside enhanced pay, many employers are offering flexibility and softer benefits to enhance their packages. Hays found that 72% of employers who responded now offer hybrid working (up from 47% last year)⁷⁹, while YouGov research found that over half a million small and medium-sized enterprises (SMEs) are rewarding their staff with additional days of holiday allowance⁸⁰.

This kind of flexibility is increasingly demanded by employees - a recent survey by HR Director magazine found that “respondents sought flexible working conditions as their second highest consideration when looking for work. This was most noticeable in the younger age categories, with 64% of millennials citing flexible working as an important job factor.”⁸¹

Personalised and flexible benefits are also on the rise, research by law firm Willis Towers Watson in 2021 found 72% of businesses are planning to personalise their benefits to employee needs within the next two years, allowing workers to spend their benefits allowances however suits them best⁸².

A survey for Aviva found that “more workers surveyed said they were attracted to their current role for the work-life balance (41%) than the salary (36%)”, which is a switch in the importance of these two measures compared to prior to the pandemic, reflecting how the experience of Covid-19 has changed priorities across the workforce.⁸³

⁷⁹ <https://salary-guide.hays.co.uk/salary-guide-2022/p/3>

⁸⁰ <https://home.barclays/news/press-releases/2022/12/-the-gift-of-time---smes-to-reward-employees-with-120m-extra-day/>

⁸¹ <https://www.thehrdirector.com/features/recruitment/workforce-trends-will-impact-employment-2023/>

⁸² <https://ifamagazine.com/article/the-battleground-for-benefits-incentives-and-entitlements/>

⁸³ <https://www.aviva.com/newsroom/news-releases/2022/08/work-life-balance-overtakes-salary-post-pandemic/>



With increased expectations on employers to offer increased pay, benefits and flexibility there is a widening gulf between the public and private sectors to be able to meet these demands.

November's Labour Market Outlook (LMO) research from the CIPD showed that 42% of employers are worried about the financial well-being of their staff⁸⁴, however, private sector employers felt significantly more confident they could help (32%), compared to public sector organisations (12%)⁸⁵.

With work-life balance and flexibility growing in importance in the labour market, the NHS is lagging behind. Just 44.4% of respondents said the organisation was committed to helping them "balance their work and home life" according to the latest NHS Staff Survey, with just over half (53.9%) satisfied with the "opportunities they have for flexible working patterns"⁸⁶.

In a challenging labour market, the private sector has shown that it is able to be more flexible, more responsive and is better able to support staff and attract new recruits. The NHS is relying on the goodwill and commitment of staff when in practice they could be earning more elsewhere, with less stress and enjoying a better work-life balance.

⁸⁴ <https://www.cipd.co.uk/knowledge/work/trends/labour-market-outlook#gref>

⁸⁵ https://community.cipd.co.uk/cipd-blogs/b/cipd_voice_on/posts/wage-rises-and-other-cost-of-living-support-provided-by-employers

⁸⁶ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

SECTION 2: THE NHS CONTEXT

With this backdrop, it should be no great surprise that the NHS, the UK's largest employer, is facing workforce challenges. It is not immune from the forces that are buffeting the UK and global economies or the changing expectations of its workforce.

What is more concerning is the NHS's inability to respond to these conditions, lacking the flexibility of the private sector, restricted by long-term talent pipelines and with the existing workforce under significant pressure caused by staff shortages and service backlogs.

Whilst the NHS provides a great sense of purpose to its people with 87.3% of respondents to the 2021 NHS Staff Survey saying they feel their role "makes a difference"⁸⁷. However, on other measures, it is falling behind and unable to keep up with the private sector. In this context, it is hard to see how the NHS can effectively recruit or retain talent and rebuild its workforce to meet the public's expectations of the service.

NHS lacks the flexibility to respond

NHS budgets have been built on forecasts that have proved inaccurate and unreliable, but with no flexibility to respond to the changing circumstances.

Inflation and interest rates have been higher than predicted leaving the NHS with less money than promised. Whilst there have been subsequent funding allocations, these have been tied to specific objectives and have not kept pace with inflation.

Every organisation has had to adjust budgets in-year, many more than once. The CBI's GDP growth forecast for 2023 was downgraded significantly in December to -0.4% (from 1.0% in their last forecast in June)⁸⁸. This uncertainty is feeding through to businesses, the consultancy EY identified 86 profit warnings from UK businesses in Q3 2022 alone, which

⁸⁷ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

⁸⁸ <https://www.cbi.org.uk/media-centre/articles/no-new-year-cheer-for-uk-economy-with-productivity-and-business-investment-weakening-cbi-economic-forecast/>

was “two-thirds higher than the same period last year and the highest third quarter total since the Global Financial Crisis”⁸⁹

Operating in such uncertain times requires agility and flexibility to respond to volatile external environments, something that the private sector has historically been better at doing than the public sector. The NHS is not set up to be flexible. In a high-inflation world, there is no option which means you can continue to provide the same service at the same quality for the same cost, which is what the NHS is being asked to do. It hasn't always been this way.

As Chris Giles, the economics editor at the FT pointed out in an article in December 2022:

“ In the late 1980s, when the then headline inflation rate reached 10.9 per cent, productivity growth was stronger and spending reviews were conducted annually — so could adjust quickly for high inflation. Tax revenues were also soaring and the government met NHS pay review body recommendations that kept pay in line with inflation.⁹⁰ ”

The same article quoted the former chair of the PRB acknowledging the lack of speed and flexibility of current budgets.

“ Jerry Cope, chair of the NHS pay review body from 2011 to 2017, said there should be a recall of the 2022 review, adding that the evidence considered by the body was gathered in February and “probably out of date by the time [the report] was published” in July. ”

A paper by the IFS in the summer of 2022 also acknowledges the lack of flexibility and the challenge of fixed budgets based on forecasts that are buffered by events and turn out to be inaccurate:

“ Public sector pay awards will ultimately have to be met from departmental and local authority budgets. These are underpinned by the

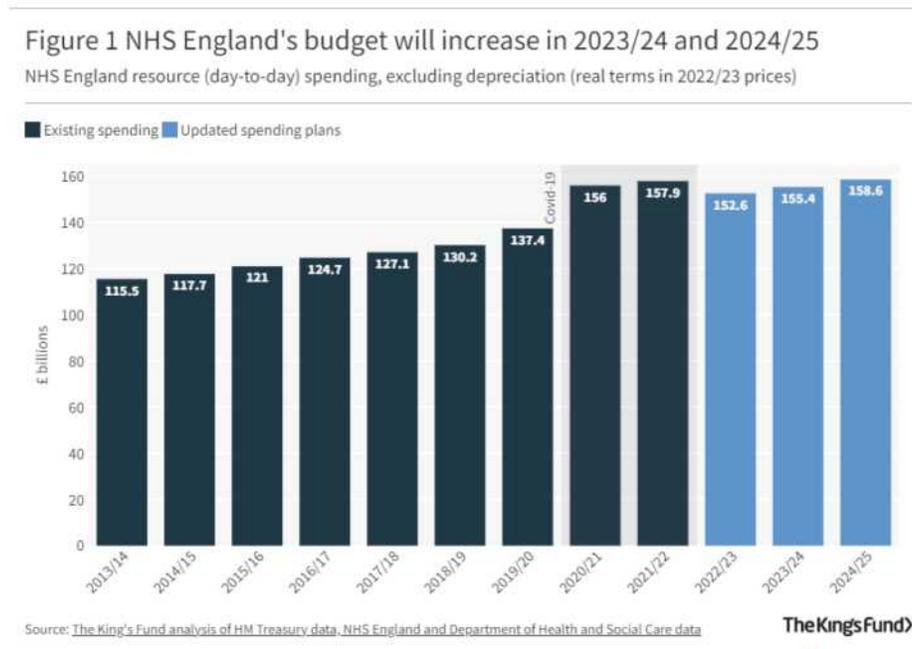
⁸⁹ https://www.ey.com/en_uk/strategy-transactions/profit-warnings

⁹⁰ <https://www.ft.com/content/0953587e-6a20-40d4-8459-d4d7a2aa4d27>

government's spending plans, which were fixed in cash terms last autumn and predicated on pay awards far below the current rate of inflation.⁹¹



Analysis by the King's Fund of the Autumn Statement in November 2022 shows the impact of the current NHS England budget in real terms⁹²:



This further increases the need for any pay award given by the Government through the PRB process to be fully funded. This would then prevent NHS Trusts from having to take the money for pay rises out of already squeezed budgets, which have not increased in line with inflation.

The NHS is under-resourced

The UK has continued to fall behind in spending per person on healthcare according to OECD data analysed by the Health Foundation, with their analysis showing “over the past

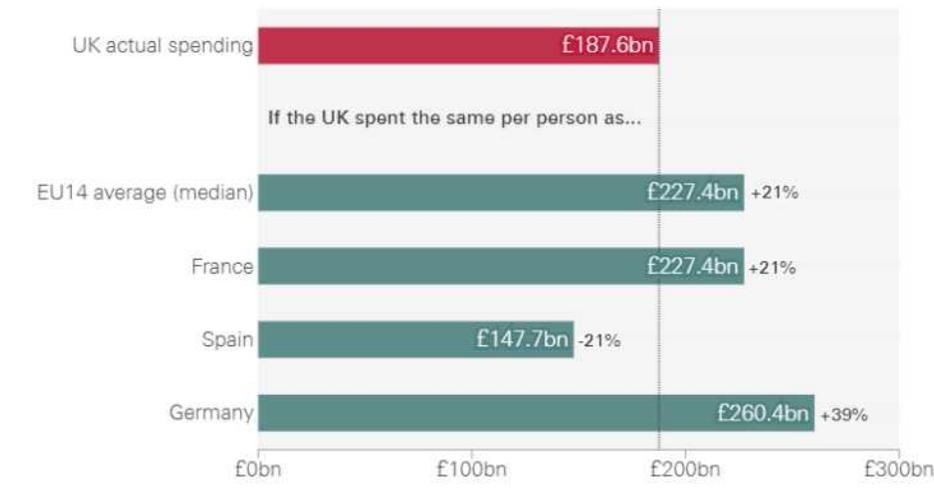
⁹¹ <https://ifs.org.uk/articles/what-should-public-sector-pay-policy-be-trying-to-achieve>

⁹² <https://www.kingsfund.org.uk/blog/2022/11/autumn-budget-2022-announced-what-does-it-mean-health-and-care-spending>

decade the UK has spent less on both day-to-day care and investment spending on health care compared with the average EU14 countries⁹³:

UK health spending

UK current spending on health under various scenarios: 2010–2019 average



REAL Centre

The Health Foundation ©2022

Source: OECD Health Statistics 2022

Analysis of the Health Foundation data by the Financial Times found that “health spending in the UK would have needed to rise by an average of £40bn per year in the past decade to match per capita health spending across 14 EU countries⁹⁴.”

Even the current increased funding settlement is being eroded by high inflation, with NHS England’s Chief Financial Officer, Julian Kelly, warning at the October Board meeting that the service could face £6-7bn of additional costs next year due to the impact of rising prices⁹⁵.

⁹³ <https://www.health.org.uk/news-and-comment/charts-and-infographics/how-does-uk-health-spending-compare-across-europe-over-the-past-decade>

⁹⁴ <https://www.ft.com/content/f752a1ad-4a23-408f-a549-4909974c6a2c>

⁹⁵ <https://www.england.nhs.uk/wp-content/uploads/2022/10/item-4.2-public-board-meeting-financial-position-and-the-future-financial-outlook-.pdf>

This lack of investment is borne out in the NHS Staff Survey results, with just 57.3% of staff saying they have “adequate materials, supplies and equipment to do their work”⁹⁶.

The service is under increasing pressure

The NHS has never been under greater pressure. The years of underinvestment laid bare by the pandemic have impacted the resilience of the system and the quality of the services it provides. To nurse the NHS back to good health will require a commitment and investment in its workforce. As we start 2023, the pressures continue to mount.

The issues are not isolated to single specialisms or localities, but system-wide:

There is a backlog of unmet demand

Despite efforts to manage the backlog of demand created by the pandemic, there remain long waiting lists. As of December 2022, there are more than 7.2 million people on NHS waiting lists, including more than 410,000 who have been waiting for more than a year and some 31.1% of people had to wait more than four hours to be seen in emergency departments⁹⁷.

Whilst these numbers have sky-rocketed because of the impact of Covid-19, research by the Nuffield Trusts has demonstrated that waiting times across the system were increasing before the pandemic and were forecast to continue to do so⁹⁸. And this cannot be separated from the long-term workforce crisis in the NHS. King’s Fund research looking at the “strategies that have been used to reduce waiting times in England and elsewhere in the past 20 years” found that the key to managing the supply side of the service is to increase “levels of funding, investment in and capacity of the health and care workforce, beds, equipment, facilities and technology to deliver health care.”⁹⁹

⁹⁶ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

⁹⁷ <https://news.sky.com/story/nhs-waiting-list-hits-record-high-of-7-2-million-people-as-almost-third-of-patients-wait-four-hours-in-a-e-12763943>

⁹⁸ <https://www.nuffieldtrust.org.uk/resource/how-much-is-covid-19-to-blame-for-growing-nhs-waiting-times>

⁹⁹ <https://www.kingsfund.org.uk/publications/strategies-reduce-waiting-times-elective-care>

These delays are having a material effect on the broader economy, with analysis of ONS data showing 15% of the 2.5 million people in the country with long-term conditions have said the wait for NHS treatment had caused them to go on extended sick leave – amounting to 215,000 people¹⁰⁰.

Winter pressures are increasing demand

As we start 2023, the NHS faces its traditional increase in seasonal demand exacerbated by the cold weather, and the “tridemic” of Covid-19, respiratory syncytial virus (RSV) and the worst flu outbreak for many years¹⁰¹.

The pressures on the system are intensifying, with a number of NHS Trusts declaring critical incidents already this winter and NHS leaders predicting that this winter will cause the service to be “pressurised like never before”¹⁰².

In the week to 1st January 2023, 26.3% of patients who arrived at A&E by ambulance waited with crews for more than 60 minutes, affecting 18,720 patients - thought to be the highest ever figure recorded.¹⁰³

With the problems mounting, a leaked briefing from the Department of Health and Social Care (DHSC) plans to expand the recruitment of volunteers to keep core services running¹⁰⁴.

¹⁰⁰ <https://corporate-adviser.com/1-5-million-say-nhs-waiting-lists-impacting-their-work/>

¹⁰¹ <https://www.telegraph.co.uk/global-health/science-and-disease/britain-should-brace-record-breaking-flu-season-experts-warn/>

¹⁰² <https://www.bbc.co.uk/news/health-64131551>

¹⁰³ <https://www.theguardian.com/society/2023/jan/06/quarter-of-ambulance-patients-in-england-faced-hours-wait-for-a-and-e>

¹⁰⁴ <https://www.theguardian.com/society/2022/dec/10/revealed-nhs-plan-draft-volunteers-winter-crisis>

There is a crisis in primary care

Stagnation in the growth of the GP workforce is putting pressure on the system. According to a BMA survey, this has meant the average number of patients per FTE (full-time equivalent) GP has increased by 17% since 2015, with the pressure likely to increase as 42% of GPs planning to work fewer hours and 16% of respondents saying they plan to leave the NHS altogether¹⁰⁵.

The shortage of GPs is likely to get worse with more than 23% of the workforce now aged 55 or over¹⁰⁶ and a recent poll by Pulse magazine finding that almost half (47%) plan on retiring by the age of 60¹⁰⁷.

These workforce shortages are leading to a growing number of patients being unable to see a GP, which in turn is adding pressure to the broader NHS system.

According to the latest GP Patient Survey, 28% of people were not able to book “any appointments available for the time or day I wanted”¹⁰⁸ and, according to evidence provided by former Health Secretary Sajid Javid to the Health and Social Care Committee in November 2021, “a significant portion of people are turning up for emergency care when they could have actually gone to their GP”¹⁰⁹.

Many of these people that are attending emergency departments out of desperation as a last resort are also ringing 999 to access these services - putting huge amounts of pressure on already over-stretched ambulance services. This leads to lives being lost as patients wait for increasingly unacceptable amounts of time for ambulance attendance.

¹⁰⁵ <https://www.bma.org.uk/advice-and-support/nhs-delivery-and-workforce/pressures/pressures-in-general-practice-data-analysis>

¹⁰⁶ <https://www.theguardian.com/society/2021/oct/29/nhs-facing-mass-exodus-gps-doctors-england-experts-warn>

¹⁰⁷ <https://www.dailymail.co.uk/health/article-10889839/HALF-GPs-plan-retiring-age-60-Survey-finds.html>

¹⁰⁸ <https://www.gp-patient.co.uk/>

¹⁰⁹ <https://committees.parliament.uk/oralevidence/2942/html/>

There is a crisis in social care

Despite Boris Johnson pledging to “fix the crisis in social care once and for all” in his first speech as Prime Minister¹¹⁰ in 2019, the system remains in crisis and unable to help alleviate the pressure on our hospitals.

According to the latest Skills for Care workforce data, there has been a 3% decline in the number of filled posts in social care and a 52% increase in vacancies to 165,000 - the highest rate since records began in 2012/13¹¹¹.

This lack of capacity in the social care sector is leading to delayed discharges from acute care settings, with the latest NHS England data showing more than 13,000 people ready to be discharged but with nowhere to be discharged - up 28% year on year¹¹².

These problems are only getting worse with the UK’s population continuing to grow older. According to the 2021 Census, over 11 million people – 18.6% of the total population – were aged 65 years or older, compared with 16.4% at the time of the previous census in 2011¹¹³.

This, in turn, is driving the need for more social care workers, with the House of Commons Health and Social Care Committee estimating that 490,000 extra jobs would be needed in social care by the early part of the 2030s¹¹⁴.



¹¹⁰ <https://www.gov.uk/government/speeches/boris-johnsons-first-speech-as-prime-minister-24-july-2019>

¹¹¹ <https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/national-information/The-state-of-the-adult-social-care-sector-and-workforce-in-England.aspx>

¹¹² <https://www.england.nhs.uk/statistics/statistical-work-areas/uec-sitrep/urgent-and-emergency-care-daily-situation-reports-2022-23/>

¹¹³

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/voicesofourageingpopulation/livinglongerlives>

¹¹⁴ <https://committees.parliament.uk/publications/23246/documents/171671/default/#page=5>



There is a crisis in emergency care

With many parts of the health system struggling to cope with demand, it is the emergency care sector that will often have to carry the load as patients present at A&E having failed to source care elsewhere.

NHS England data showed November 2022 to be the worst on record, with just 54% of people being seen within 4 hours and almost 38,000 patients waiting more than 12 hours, the second-highest figure on record¹¹⁵.

Reports in January 2023 indicated a significant worsening of this position, with A&E departments around the country issuing some reports of “extreme pressure”.

These blockages in the system are having knock-on effects on the ambulance services, with more than 20% of patients arriving by an ambulance waiting more than an hour to be transferred to A&E in the week leading up to Christmas 2022¹¹⁶. In December 2022, Eight out of 10 ambulance trusts in England declared critical incidents due to the pressure on resources.¹¹⁷

These delays to handover patients are affecting the ambulance service’s ability to respond to new calls, with crews unable to respond to 1 in 4 calls in October 2022 and an estimated 5,000 patients potentially suffering “severe harm” as a result of the issues¹¹⁸.

¹¹⁵ <https://www.england.nhs.uk/statistics/statistical-work-areas/ae-waiting-times-and-activity/>

¹¹⁶ <https://www.bbc.co.uk/news/uk-england-bristol-64129029>

¹¹⁷ <https://www.bmj.com/content/379/bmj.o3051>

¹¹⁸ <https://www.theguardian.com/society/2022/nov/23/ambulance-service-in-meltdown-as-one-in-four-999-calls-missed-in-october>

Use of agency staff is increasing

With service issues and staff shortages across the system, the NHS is increasingly turning to expensive agency staff to plug gaps and keep services running.

The chief analyst from the King's Fund think tank has described the situation as a "vicious cycle", where staff shortages and rising demand were forcing Trusts to rely on agency workers¹¹⁹.

Although there have been repeated efforts to curb the spending on agency staff, analysis by the BBC shows the amount spent "rose by 20% last year to hit £3bn in England", with one Freedom of Information request revealing a Trust paying more than £2,500 to cover a single nurse's shift¹²⁰, despite the Government capping agency pay rates at 55% above a normal wage.

A Daily Mail investigation found that "agencies are advertising agency jobs for band 5 nurses, which are the lowest paid in the NHS, at up to £30 per hour. In comparison, the NHS rate for band 5 starts at £13 per hour."¹²¹

The use of agency staff is a false economy, the best way to reduce the reliance on agency workers is to keep trained staff in the NHS with better pay, greater flexibility and improved working conditions.



¹¹⁹ <https://www.bbc.co.uk/news/health-63588959>

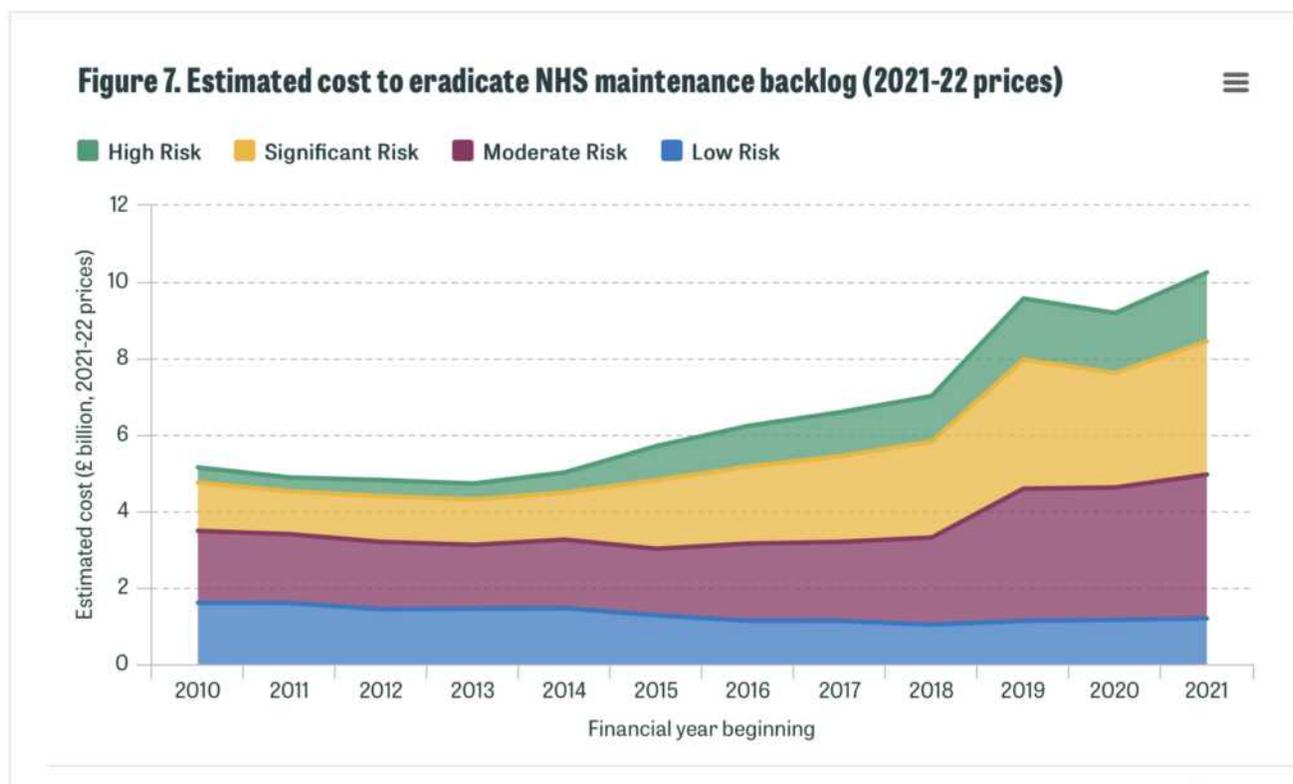
¹²⁰ <https://www.bbc.co.uk/news/health-63588959>

¹²¹ <https://www.dailymail.co.uk/health/article-11416257/Nurses-getting-paid-2-500-cover-shifts-struggling-NHS-trusts.html>

Infrastructure and equipment are deteriorating

NHS staff do not have the equipment to provide the appropriate level of care - according to the 2021 NHS Staff Survey, only “57.3% of staff say have adequate materials, supplies and equipment to do their work”¹²², which is having a material impact on patient safety.

The Estates Returns Information Collection from October 2022 showed a maintenance backlog of £10.2 billion, up 11% over the past year. Of that backlog figure, £1.8 billion was determined to be “high risk” which is defined as “where repairs/replacement must be addressed with urgent priority in order to prevent catastrophic failure, major disruption to clinical services or deficiencies in safety liable to cause serious injury and/or prosecution.”¹²³



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This lack of capital investment is central to the issues in the NHS and is causing productivity

¹²² <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

¹²³ <https://digital.nhs.uk/data-and-information/publications/statistical/estates-returns-information-collection/england-2020-21>

¹²⁴ <https://ifs.org.uk/publications/nhs-funding-resources-and-treatment-volumes>

issues that are clogging up the system. As an analysis of an Institute for Fiscal Studies report¹²⁵ by the Financial Times states, “the NHS is now spending 11 per cent more on day-to-day activities in real terms. And despite record numbers of voluntary resignations, the NHS has 12 per cent more hospital doctors and ambulance staff and 8 per cent more nurses. Yet today it is treating 12 per cent fewer patients from the waiting list than it was in 2019 and admitting 14 per cent fewer emergency patients. Virtually every measure of activity is down”¹²⁶.

The UK already has a much lower bed capacity than international comparators, the average number of beds per 1,000 people in OECD EU nations is 5, but the UK has just 2.4. Germany, by contrast, has 7.8”¹²⁷ and without proper investment in patient flow systems, or the investment in social care capacity for bed blockers to be discharged to, the system grinds to a halt.

NHS Targets are not being met

With problems across the system, the NHS is falling behind and failing to meet both public expectations and the targets set by the Department of Health and Social Care (DHSC).

With more than 7 million people on elective and diagnostic waiting lists, with activity falling below NHS England’s target to reach 110% of pre-pandemic levels as a means of clearing the backlog¹²⁸.

In the NHS today, 7 in 10 Trusts missing cancer referrals target¹²⁹ with the National Audit Office saying of NHS England’s plan to increase activity to reduce waiting times that they “are concerned that the 129% activity target and the target to eliminate all waits of longer than 52 weeks by 2025 are at serious risk of not being achieved.”¹³⁰

Even some of the government’s key manifesto commitments will not be met, with the

¹²⁵ <https://ifs.org.uk/publications/nhs-funding-resources-and-treatment-volumes>

¹²⁶ <https://www.ft.com/content/2ee16591-a973-4f9f-93e3-3ec6db66cf48>

¹²⁷ <https://www.bma.org.uk/advice-and-support/nhs-delivery-and-workforce/pressures/nhs-hospital-beds-data-analysis>

¹²⁸ <https://www.nhsconfed.org/articles/analysis-state-elective-recovery-numbers>

¹²⁹ <https://www.theguardian.com/society/2022/oct/26/seven-in-10-nhs-trusts-in-england-failing-to-hit-cancer-referrals-target>

¹³⁰ <https://www.nao.org.uk/wp-content/uploads/2022/11/managing-NHS-backlogs-and-waiting-times-in-England-Report.pdf>

former Health Secretary Sajid Javid admitting to the Health and Social Care Committee in November 2022 that it will not hit its 2019 pledge to recruit an additional 6,000 GPs¹³¹.

Whilst the performance against the nursing recruitment target looks more positive, according to research by the Health Foundation REAL Centre's projections of future NHS workforce supply and demand even meeting the target by 2023/24 would still leave the NHS short of around 38,000 nurses to cope with predicted demand¹³².

These pressures are harming patient safety

With multiple challenges across the system, it is unsurprising that patient safety is under threat, with the Health and Social Care Select Committee warning in July 2022 that “persistent understaffing of NHS a serious risk to patient safety”.¹³³

Patient safety incident reports have been on a long-term increase, with the NHS' National Reporting and Learning System (NRLS) identifying significant jumps in certain areas. Reports of 'Access, admission, transfer, discharge (including missing patient)' patient safety incidents rose 27.4% in a year for instance according to the latest data released in October 2022¹³⁴.

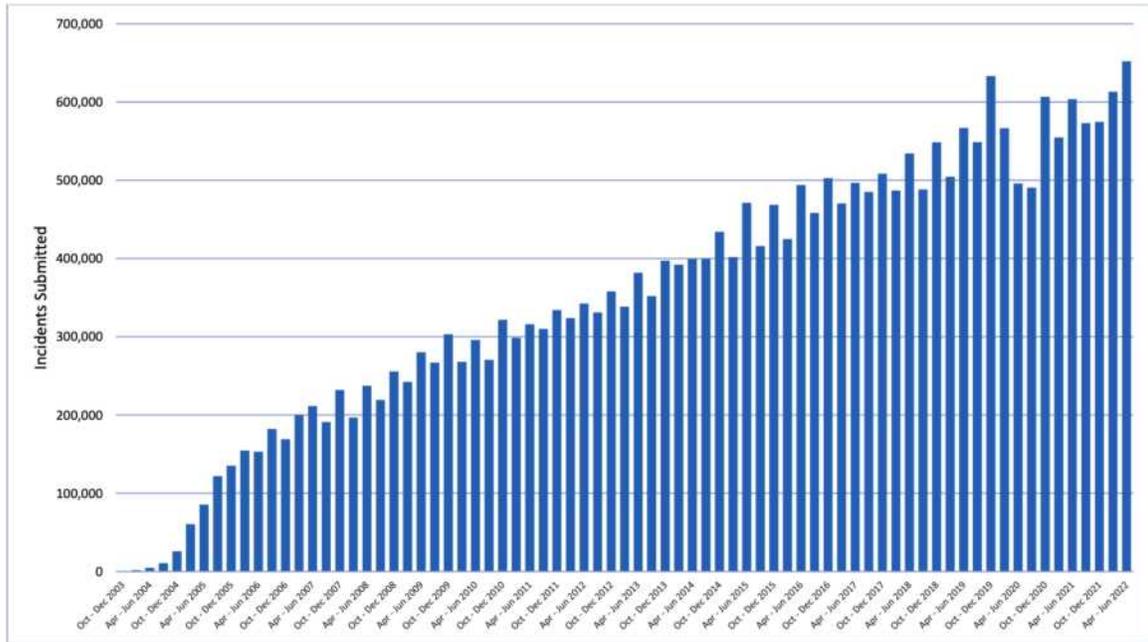
¹³¹ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afc3daa29ac/ST21-National-briefing.pdf>
<https://committees.parliament.uk/oralevidence/2942/html/>

¹³² <https://www.health.org.uk/publications/nhs-workforce-projections-2022>

¹³³ <https://committees.parliament.uk/committee/81/health-and-social-care-committee/news/172310/persistent-understaffing-of-nhs-a-serious-risk-to-patient-safety-warn-mps/>

¹³⁴ <https://www.england.nhs.uk/wp-content/uploads/2022/10/NAPSIR-commentary-Oct-22-FINAL-v4.pdf>

Figure 2: Number of incidents reported to the NRLS, October to December 2003 up to April to June 2022



This reality also comes through in the 2021 NHS Staff Survey, with just 67.8% of respondents happy with the standard of care provided and only 59.4% of respondents confident that their organisation would address a concern about clinical safety.¹³⁵

¹³⁵ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

The NHS Workforce Crisis

The NHS is facing challenges on multiple fronts, but central to resolving all of them is a motivated and fully equipped workforce. Saffron Cordery, the interim chief executive of NHS Providers, has said that what is needed is “a fully costed, fully funded workforce plan for the NHS so that we work out precisely what’s needed and how we then fulfil that and understand how much it costs, make sure the funding is there for it because that doesn’t exist at the moment.”¹³⁶

As the Institute for Fiscal Studies (IFS) explained in the summer of 2022, it is impossible to separate the overall strategic aims of the service, which are ordinarily set by the Government, from a workforce and remuneration strategy:



The government has a quantity and quality of public services that it wishes to deliver. For example, the government’s desire to reduce the NHS elective backlog (in some sense a quality measure) comes with an explicit quantity ambition (30% more elective activity by 2024–25 than before the pandemic). From this flows a staffing need: the government needs to ensure that it has the right number of people, with the right skills, in the right places, to deliver those public services.”¹³⁷



To attract the staff to meet the strategic aims of the service, then pay is clearly a key factor, particularly in a cost-of-living crisis and with inflation in double digits. As the same IFS article states:



Pay needs to be (at least) sufficient to attract, retain and motivate the appropriate number and mix of staff required to deliver the government’s desired range and quality of public services. Private sector pay dynamics are likely to be key here, as they will determine the ‘outside option’ available for workers who opt to leave the public sector.

¹³⁶ <https://www.nationalworld.com/health/nhs-pressure-equivalent-covid-pandemic-government-national-major-incident-3971387>

¹³⁷ <https://ifs.org.uk/articles/what-should-public-sector-pay-policy-be-trying-achieve>

That might suggest aiming for the same rate of pay growth as in the private sector as a sensible starting point or rule of thumb for policymakers. More generally, pay deals should be set based on an analysis of relevant labour market trends, not driven by headline inflation figures or concerns about inequality.”



The big challenges facing the NHS are workforce challenges

The NHS is its workforce. Like every other organisation made up of its people, every healthcare professional, every support worker, and every manager playing their part to deliver a critical national service, 24 hours a day, seven days a week. The workforce is the frontline whether a nurse, a porter or a manager, every member of staff is needed to support the delivery of the service.

Under the spotlight of intense political and media scrutiny, the workforce challenges have been laid bare. Over the course of the last year, there is an accumulated body of evidence that leaves us in no doubt about the pressure it is under, and that building the workforce that the NHS needs is the main challenge facing the NHS. Without addressing the workforce challenges, the NHS cannot deliver the standards of care its people want and the public expects.

These challenges are manifesting in service delays, backlogs and missed targets - the service simply does not have the people to operate effectively.

Better workforce planning is essential

It is encouraging that the Government has promised a revised workforce strategy at some point in 2023, but that plan will need to factor in what the future shape of the NHS will look like in order to succeed.

“The government is publishing a comprehensive NHS workforce plan, including independently verified workforce forecasts, next year. This will include measures to make

the best use of training to get doctors, nurses and allied health professionals into the workforce, increase workforce productivity and retention.” Autumn Statement, November 2022¹³⁸

With long lead-in times and high costs to train new recruits, and with increased immigration to meet workforce demands still politically unpopular, a new workforce strategy needs to think holistically about how to manage the demand for healthcare in the UK across primary, secondary, urgent and social care.

In a November 2022 paper for the King’s Fund, Bill Morgan who is now a Special Adviser on health to the Prime Minister, identifies “three broad challenges in securing enough NHS staff... – difficulties in workforce forecasting, a tendency to undertrain staff in the UK, and the insufficiently strategic use of international migration to compensate – [which are] each exacerbated by political factors.”¹³⁹

It remains to be seen whether the forthcoming workforce strategy addresses these issues, but it is clear that better long-term workforce planning is essential to clear the current problems and rebuild the NHS.



¹³⁸

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1118417/CCS1022065440-001_SECURE_HMT_Autumn_Statement_November_2022_Web_accessible_1_.pdf

¹³⁹ https://www.kingsfund.org.uk/sites/default/files/2022-11/NHS_staffing_shortages_final_web%20%282%29.pdf

A workforce under pressure

All these factors are increasing the strain on the existing NHS workforce who are working hard to deliver as best they can.

Whilst 87.3% of respondents to the 2021 NHS Staff Survey feel their role makes a difference to patients, almost every measure looking at people's satisfaction with their role is in decline, with only 67.8% feeling happy with the standard of care provided. This is having a material effect on the morale of staff and leading to exhaustion, with 34.4% telling the survey they feel burnt out because of their work¹⁴⁰.

A report by the House of Commons Health and Social Care Committee from July 2022, chaired at the time by the current Chancellor Jeremy Hunt, identified staff retention as a key priority for the NHS, stating that "A radical review of working conditions is needed to reduce the intensity of work felt by many frontline professionals and boost retention. This should start with an overhaul of flexible working to encourage NHS workers to retain permanent NHS positions whilst being able to choose working arrangements better suited to their lifestyles. This would mean they were not forced to join agencies or become locums to gain control over their working lives."¹⁴¹

Without a revitalised workforce strategy, the goodwill that keeps the system functioning will run out.

There is chronic understaffing

Just 27.2% of respondents to the 2021 NHS Staff Survey said that there are enough staff for them to do their job properly which is unsurprising given the record numbers of vacancies across the service.

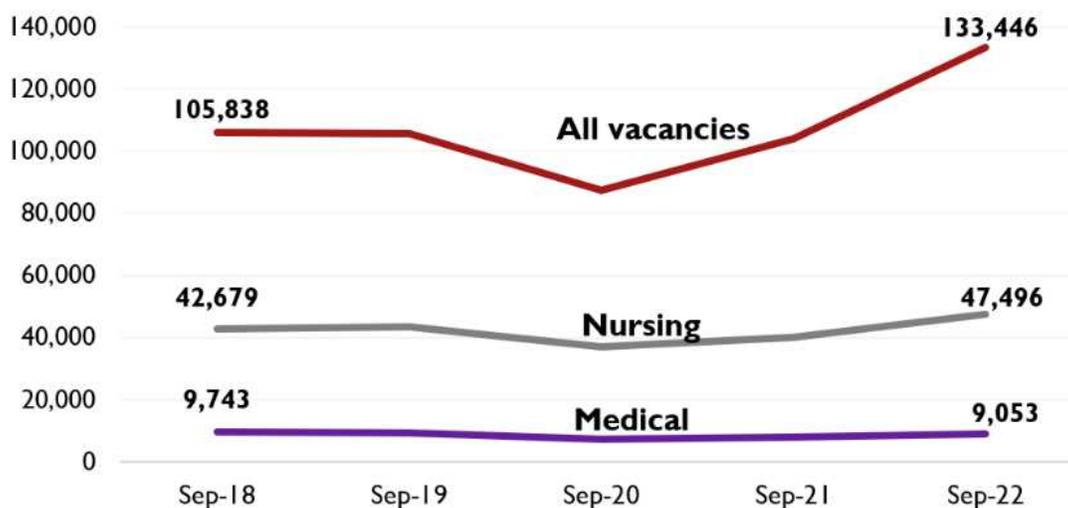
In a November 2022 paper, the King's Fund stated that "The workforce crisis has been a prominent issue for years, but there has been little concerted action from governments to

¹⁴⁰ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

¹⁴¹ <https://committees.parliament.uk/publications/23246/documents/171671/default/>

tackle the challenge. For almost two decades now there has been no clear plan to address the crisis and the staffing gaps have continued to worsen¹⁴².

Chart 1: Medical, nursing and overall NHS vacancies, September 2018 to September 2022



(NHS Digital, 'NHS vacancy statistics England April 2015–June 2022 experimental statistics', 1 September 2022)

Just 27.2% of respondents told the NHS Staff Survey that there were enough staff at their organisation to do the job properly, down 11% year on year to the lowest level ever recorded. In some services, this figure is even lower - for instance, just 20% of ambulance workers feel there are enough staff.

93% of trust leaders told an NHS Providers survey that they were worried about recruitment to fill existing vacancies, with "three-quarters of trust leaders (75%) are extremely concerned that existing workforce challenges will be exacerbated by the recent NHS pay awards not matching inflation."¹⁴³

¹⁴² <https://www.kingsfund.org.uk/publications/nhs-staffing-shortages>

¹⁴³ <https://nhsproviders.org/media/694201/nhs-providers-cost-of-living-survey-briefing-september-2022.pdf>



There is declining well-being among the workforce

Delivering care amid persistent shortages creates an environment of chronic stress. Excessive workloads are normalised by continuously requiring overstretched staff to fill gaps that should not exist. The physical and emotional toll includes the rising prevalence of stress, fatigue, burnout and moral injury as well as suffering mental health and well-being.

In its inquiry on the health and social care workforce in July 2022, the House of Commons Health and Social Care Committee reported that the NHS had lost two million full-time equivalent days to sickness in August 2021 alone¹⁴⁴.

The latest data from NHS Digital on absences covering July 2022 shows sickness rates climbing to 6.1% nationally and up year-on-year before the winter even approaches. Of these absences, 514,000 full-time equivalent days were lost to “anxiety/stress/depression/other psychiatric illnesses” in July 2022 alone - the most common reason reported and equivalent to 20.9% of all sickness absences¹⁴⁵.

¹⁴⁴ <https://committees.parliament.uk/publications/23246/documents/171671/default/#page=5>

¹⁴⁵ <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates/july-2022-provisional-statistics>

The pressure being placed on NHS staff can also be seen in NHS Staff Survey, with just 52.5% saying they look forward to going to work (down 6% year on year) and 76.5% saying they face unrealistic time pressures¹⁴⁶.

According to the NHS Providers survey, more than three-quarters (78%) of Trust leaders are extremely concerned about the mental well-being of staff given the psychological impacts of the cost of living and the pandemic.¹⁴⁷

There is poor staff retention and intention to leave is increasing

With staff shortages, increasing pressure and falling morale, it is no surprise that staff retention across the NHS is falling.

Whilst the Chancellor, Jeremy Hunt, in the autumn statement of November 2022 recognised “the need for better retention” in the NHS¹⁴⁸, there is as yet, no further detail on what this “comprehensive NHS workforce plan” will look like or when to expect it other than “next year”¹⁴⁹.

In the meantime, the problems continue to get worse - the latest NHS workforce figures show that a record number of people resigned voluntarily from the service, almost 35,000 in the first quarter of the financial year¹⁵⁰. The problem is particularly acute in nursing, where Nuffield Trust research for the BBC showed that more than 40,000 had quit the NHS in the past year¹⁵¹.

But the problems are widespread and not centred on a single profession - research for the BMA found that four in ten junior doctors plan to leave the NHS as soon as they can find another job¹⁵² and 31.1% of respondents to the 2021 NHS Staff Survey saying they think

¹⁴⁶ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

¹⁴⁷ <https://nhsproviders.org/media/694201/nhs-providers-cost-of-living-survey-briefing-september-2022.pdf>

¹⁴⁸ <https://www.gov.uk/government/speeches/the-autumn-statement-2022-speech>

¹⁴⁹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1118417/CCS1022065440-001_SECURE_HMT_Autumn_Statement_November_2022_Web_accessible_1_.pdf#page=31

¹⁵⁰ <https://www.hsijobs.com/article/record-number-of-nhs-staff-hand-in-resignation>

¹⁵¹ <https://www.bbc.co.uk/news/health-63080462>

¹⁵² <https://www.bmj.com/content/379/bmj.o3066>

often about leaving and 22.9% saying they will look for a new job in the next 12 months¹⁵³. This compares to around 20% who intend to look for a new job in the next year in the wider economy¹⁵⁴.

Alongside worsening morale, the cost-of-living crisis is exacerbating the workforce issues as more NHS staff leave in search of better pay elsewhere, with the largest driving force behind people's intention to look for a new job in the economy as a whole to look for "better pay and benefits elsewhere", with the second most common reason being to "increase job satisfaction" according to the CIPD research¹⁵⁵.

68% of Trust leaders reported a severe or significant impact from staff leaving the sector to a survey by NHS Providers¹⁵⁶.

The NHS is losing its position as a great place to work

While public perception of many health roles remains extremely positive, the reality for those fulfilling the roles is getting worse. A May 2022 YouGov survey asking which professions make "the biggest contribution to society in Britain" was topped by nurses and with doctors in second place¹⁵⁷.

However, the reality of a system under pressure is also widely understood - according to the British Social Attitudes survey, public satisfaction with the NHS fell to 36 per cent - the lowest level since 1997¹⁵⁸, whilst an Ipsos Mori survey for the Health Foundation found that 55% of people think the general standard of care in the NHS has got worse in the past 12 months¹⁵⁹.

¹⁵³ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

¹⁵⁴ <https://www.cipd.co.uk/about/media/press/220622-cipd-workers-plan-to-quit#gref>

¹⁵⁵ <https://www.cipd.co.uk/about/media/press/220622-cipd-workers-plan-to-quit#gref>

¹⁵⁶ <https://nhsproviders.org/media/694201/nhs-providers-cost-of-living-survey-briefing-september-2022.pdf>

¹⁵⁷ <https://www.theguardian.com/society/2022/may/12/nurses-top-uk-poll-on-who-makes-biggest-contribution-to-society>

¹⁵⁸ <https://www.kingsfund.org.uk/publications/public-satisfaction-nhs-social-care-2021>

¹⁵⁹ <https://www.health.org.uk/publications/reports/public-perceptions-of-health-and-social-care-what-government-should-know>

These declines are not unique to the general population, data from the NHS staffing survey shows similar falls in morale across NHS staff, with the percentage of staff recommending the NHS as a place to work falling from 67 to 60 per cent over the past year¹⁶⁰.

The 2021 NHS staff survey makes for concerning reading, as NHS Employers say “where questions can be compared between 2020 and 2021, they generally worsened, and there were notable increases in work pressure, increases, negative staff experiences, and a decline in health and wellbeing measures.”¹⁶¹

NHS pay has fallen further behind the private sector

Across the board, public sector workers are getting relatively poorer compared to private sector comparators, the Office for National Statistics (ONS) says “average regular pay growth for the private sector was 6.9% in August to October 2022, and 2.7% for the public sector; outside of the height of the pandemic period, this is the largest growth rate seen for the private sector and is among the largest differences between the private sector and public sector growth rates we have seen.”¹⁶²

This phenomenon is also true across the NHS. Using figures from NHS Digital salary data and the Annual Survey of Hours and Earnings data for private sector earnings estimates, Nuffield Trust’s independent analysis shows



Wages in the UK’s private sector have done better across this period than any NHS group. The underlying figures suggest they have now overtaken on average the weekly equivalent of the annual average among nurses.”

¹⁶⁰ <https://www.nhsemployers.org/articles/nhs-staff-survey-2021-results>

¹⁶¹ <https://www.nhsemployers.org/articles/nhs-staff-survey-2021-results>

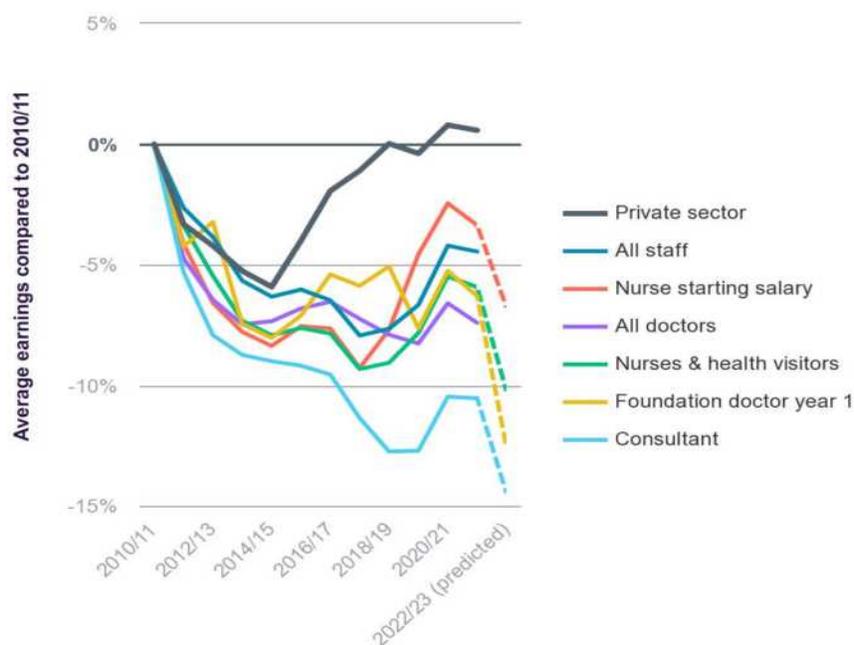
¹⁶²

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsgreatbritain/december2022>

“pay has fallen in real terms for the majority of NHS staff groups in the 11 years to 2021/22. In particular, consultants saw an 11% fall in their pay, and junior doctors' pay fell by 8%.

For this year, our analysis suggests that consultants and junior doctors may see their pay fall to around 15% and 14% respectively, relative to 2010/11 levels. Midwives appear to be in a similar position, with the chart showing a 14% fall in their pay over the same period¹⁶³

”



© Nuffield Trust 164

According to the 2021 NHS Staff Survey, less than a third of respondents (32.7%) are satisfied with their level of pay - a figure that is declining year on year¹⁶⁵.

This is not just a perceived dissatisfaction with remuneration levels, but a brutal reality that is having a material impact on many NHS employees' lives. A survey of more than half the

¹⁶³ <https://www.nuffieldtrust.org.uk/resource/chart-of-the-week-pay-has-fallen-in-real-terms-for-most-nhs-staff-groups-since-2010>

¹⁶⁴ <https://www.nuffieldtrust.org.uk/resource/chart-of-the-week-what-has-happened-to-nhs-staff-pay-since-2010>

¹⁶⁵ <https://www.nhsstaffsurveys.com/static/1f3ea5c952df62a98b90afcf3daa29ac/ST21-National-briefing.pdf>

NHS trusts in England by NHS Providers found that “71 per cent of trust leaders reported that many staff are struggling to afford to travel to work; 69 per cent said the cost of living is having a “significant or severe” impact on their ability to recruit lower-paid roles such as porters and healthcare assistants”¹⁶⁶.

The NHS is losing staff to the private sector

According to NHS workforce data “Reasons for Leaving”, 1,895 people resigned for “better reward packages” in the second quarter of 2022, equivalent to 157 every week. This is up from 1,076 at the beginning of 2020, or 89 every week.

A Survey by employers representative NHS Providers¹⁶⁷ of NHS employers showed “Increasing numbers of nurses and other staff, particularly in the lower pay bands, are finding they are unable to afford to work in the NHS”. The squeeze on pay and the rising cost of living means they are having to make some very tough decisions.

The sad fact is some can earn more working for online retailers or in supermarkets.



The 2018-2020 agreement negotiated with unions increased the rate at which staff move through bands 2-7, but further funding was not provided to extend that structural change to the top five bands, meaning potential benefits of supporting progression have not been realised for more highly paid and qualified staff.

¹⁶⁶ <https://www.independent.co.uk/news/health/nhs-cost-of-living-energy-bills-latest-b2178044.html>

¹⁶⁷ <https://nhsproviders.org/news-blogs/news/concerns-for-nhs-staff-and-patients-as-cost-of-living-pressures-hit-health-servi>



NHS Providers found that “two-thirds of Trusts (68%) report a significant or severe impact from staff leaving the trust for other sectors, such as hospitality or retail, where employers can offer competitive terms.”¹⁶⁸

With inflation forecast to remain high throughout 2023, and the Government’s energy support packages being scaled back in April, these problems only look set to get worse. Making working as a full-time NHS employee more attractive than agency/bank work in a market where there is a shortage of labour is a constant challenge.

¹⁶⁸ <https://nhsproviders.org/rising-living-costs-the-impact-on-nhs-staff-and-patients/key-messages>

SECTION 3 - COST OF LIVING ANALYSIS

The increase in the cost of living has been well-documented over the last year. With UK inflation hitting 11.1% in October 2022, the cost of essential goods and services has risen more than income, driving changes in consumer spending, increasing poverty, and a general worsening of mental and physical well-being.

To counter rising inflation, the Bank of England has been raising interest rates which, as we reach the end of 2022, have reached 3.5% - the highest level in 14 years. Interest rate rises are increasing housing costs, for owner occupiers with a mortgage and rents in both the PRS and social housing sector.

Household incomes are falling

As a result, the Office for Budget Responsibility (OBR) expects real post-tax household income to fall by 4.3% in 2022-23, the biggest fall since comparable records began in 1956¹⁶⁹. Below the headline figures, there are significant disparities for individual households, with the cost-of-living crisis not biting equally across the income brackets or across the country.

Low-income households are hit the hardest

Inevitably, those with the least disposable income have felt the impact the most, with their options to reduce or change their spending habits more limited. Low-income households spend a larger proportion than average on energy and food, so are more affected by price increases¹⁷⁰. Poorer housing stock is less energy efficient, and colder areas of the country have higher energy costs. Those able to work from home, or embrace flexible working hours are better able to offset increased costs by reducing costs elsewhere.

Joseph Rowntree Foundation research published in December 2022, estimated that as

¹⁶⁹ <https://obr.uk/efo/economic-and-fiscal-outlook-november-2022/>

¹⁷⁰ <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/bulletins/familyspendingintheuk/april2019tomarch2020>

many as 7.2 million are going without the basics, and 4.7 million are behind on their bills.¹⁷¹ The Centre for Cities cost of living tracker shows where the impact of the inflation has hit the hardest, though excludes data in Northern Ireland¹⁷²:



UK Housing Inflation

Housing costs are rising, the Homelet, rental index report which tracks rents in the private rented sector showed that in January 2022, the UK's average rent was £1,064; by November 2022, it had risen to £1,175, a 10% increase in less than a year¹⁷³.

¹⁷¹ <https://www.jrf.org.uk/report/going-under-and-without-jrfs-cost-living-tracker-winter-202223>

¹⁷² <https://www.centreforcities.org/data/cost-of-living-tracker/>

¹⁷³ <https://homelet-letting-agents.co.uk/wp-content/uploads/2022/12/HomeLet-Rental-Index-Report-November-2022.pdf>

Their data also shows that the percentage of income being spent on rent is increasing year on year across the UK, rising from 27.6% in 2016 to 31.1% in November 2022.

Homeowners are also being squeezed, as rising interest rates cause mortgage rates to rocket. The Resolution Foundation has found that “five million households set for average mortgage bill increases of £5,100 by end of 2024”, with the rises most severe in London where average payments are set to rise by £8,000¹⁷⁴. This rise in housing costs is expected to continue in both the rented and owner-occupier sectors as landlords and lenders alike pass on the increased cost of mortgage lending.

UK Food inflation

The Food Foundation’s ‘Basic Basket Tracker’ measures weekly prices of a basket of food for an adult male and adult female as part of a reasonably-costed, adequately-nutritious diet. They show food inflation growing significantly ahead of the headline inflation figure, hitting [16.5%](#) in the 12 months to November 2022¹⁷⁵.

A YouGov survey by the Food Foundation found that in April 2022, [15.5% of all UK households were food insecure](#) (ate less or went a day without eating because they couldn’t access or afford food). According to the Department for Work and Pensions’ [Households Below Average Income survey](#), in 2020/21, 4.2 million people (6%) were in food-insecure households. Among the 10.5 million people in relative poverty, 16% were in food-insecure households, including 17% of children. People in relative poverty live in a household with income less than 60% of the contemporary median income.

Food bank charities are reporting an increase in demand: the Trussell Trust reported that in April - September 2022 they provided almost 1.3 million emergency food parcels, a third more than in the same period in 2021 and 50% more than pre-pandemic levels¹⁷⁶.

¹⁷⁴ <https://www.resolutionfoundation.org/press-releases/britains-26-billion-mortgage-hike-five-million-households-set-for-average-mortgage-bill-increases-of-5100-by-end-of-2024/>

¹⁷⁵ <https://foodfoundation.org.uk/news/food-prices-tracker-december-2022>

¹⁷⁶ <https://www.trusselltrust.org/2022/11/10/almost-1-3-million-emergency-parcels-provided-to-people-across-uk-experiencing-hunger-over-past-six-months-as-cost-of-living-emergency-drives-tsunami-of-need-to-food-banks/>

Energy Inflation

The lag in official data for those experiencing fuel poverty makes it hard to find robust statistics, with the latest available government data dating back to 2020. However, we know that even with the Government's 'Energy Price Guarantee', the cost of energy has increased by 96% since winter 2021/22 price cap¹⁷⁷.

Analysis from The End Fuel Poverty Coalition¹⁷⁸ shows:

- 7 million – The estimated number of households across the UK in fuel poverty from 1 October 2022¹⁷⁹.
- 8.6 million – The estimated number of households from 1 April 2023 as the current package of support for households runs out and the Energy Price Guarantee changes.
- c.11,400 – Winter deaths caused by cold homes (NEA¹⁸⁰).
- Nearly half of low-income households are still living in energy-leaking homes, with campaigners warning the rate of improvements is well below what is needed to lift people out of fuel poverty by a target date of 2030¹⁸¹.
- 1.8 million carers, 5.9 million low-income and financially vulnerable households, 3.6 million people with a disability and 1.6 million households in off-gas homes will all be in fuel poverty from April 2023 (NEA¹⁸²).

These increasing costs are having a material impact on people's lives, with an August 2022 YouGov poll finding that "Six in ten Britons say they will need to cut another spending to fund coming energy bills"¹⁸³.

¹⁷⁷ <https://commonslibrary.parliament.uk/research-briefings/cbp-9491/>

¹⁷⁸ <https://www.endfuelpoverty.org.uk/about-fuel-poverty/#:-:text=8.6%20million%20%E2%80%93%20The%20estimated%20number,c>

¹⁷⁹ <https://www.endfuelpoverty.org.uk/price-cap-methodology/>

¹⁸⁰ <https://www.nea.org.uk/wp-content/uploads/2018/02/E3G-NEA-Cold-homes-and-excess-winter-deaths.pdf>

¹⁸¹ <https://www.resolutionfoundation.org/press-releases/leaky-walls-are-the-biggest-challenge-for-englands-energy-efficiency-drive-and-radical-steps-are-needed-to-support-less-affluent-families-with-home-improvements/>

¹⁸² <https://www.nea.org.uk/news/8-4-million-uk-households-will-be-in-fuel-poverty-from-april-says-national-energy-action/>

¹⁸³ <https://yougov.co.uk/topics/economy/articles-reports/2022/08/04/six-ten-britons-say-they-will-need-cut-other-spend>



An unprecedented fall in living standards

All of this amounts to an unprecedented fall in living standards, with the OBR stating in its November 2022 forecasts that the current outlook will “reduce living standards by 7 per cent in total over the two financial years to 2023-24 (wiping out the previous eight years’ growth), despite over £100 billion of additional government support.”¹⁸⁴

¹⁸⁴ https://obr.uk/docs/dlm_uploads/EFO_Nov22_PN.pdf

England

- Population: 45,402,000
- NHS Workforce: 1,200,000

Labour Market

	Total Number	Per cent of population	NHS workforce as a percentage
Total Population	45,402,000	100%	2.64%
Employed	27,740,000	61.1%	4.32%
Unemployed	1,076,000	3.7%	
Economically inactive	16,586,000	36.5%	

Housing costs

In England, house price growth has slowed, but remains more expensive than during the same period in last year. According to Savills UK Housing Market Update 2022¹⁸⁵, published in December 2022, English housing price growth sat at 4.4%.

In the same report, Savills found that rents had risen by 12.1% over the year, outstripping wage growth and inflation by some margin. There are of course very significant regional differences across England.

¹⁸⁵ https://www.savills.co.uk/research_articles/229130/336351-0

Food Poverty

In England, 1,783,158 emergency food parcels were distributed by the Trussell Trust network¹⁸⁶. They warn in their report that the true picture is significantly worse because it does not include other independent providers.

Fuel Poverty

In England the definition of fuel poverty is different to Northern Ireland and Wales. It is measured using the Low-Income Low Energy Efficiency (LILLE) indicator. A household is considered to be fuel-poor if they are living in a property with an energy efficiency rating of band D or below, and when they spend the required amount to heat their home, they are left with a residual income below the official poverty line. Official statistics from 2020, show there were already 13.2% of households (3.16 million) in fuel poverty in England before the energy crisis hit¹⁸⁷.

¹⁸⁶ <https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/>

¹⁸⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1056777/annual-fuel-poverty-statistics-lilee-report-2022-2020-data.pdf

Wales

- **Population:** 2,571,000
- **NHS Workforce:** 90,787

Labour Market

	Total Number	Per cent of population	NHS workforce as a percentage
Total Population	2,571,000	100%	3.5%
Employed	1,448,000	56.3%	6.3%
Unemployed	54,000	3.6%	
Economically inactive	1,069,000	41.6%	

The NHS is the largest employer in Wales, employing over 6% of the employed population.

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Housing Costs

The Welsh housing market is thought to be the most vulnerable in the UK to house price falls, but Land Registry data published in December 2022, shows that the annual price increase up to October 2022 was at 11.8%, taking the cost of the average property price to £223,824¹⁸⁹. Rents in Wales grew by 11.9% in the year to September 2022, outstripping wage growth and inflation comfortably.

¹⁸⁸ <https://www.gov.wales/staff-directly-employed-nhs-30-june-2022>

¹⁸⁹ <https://www.gov.uk/government/statistics/uk-house-price-index-for-october-2022/uk-house-price-index-wales-october-2022>

Food poverty

The Welsh Government have responded to the increase in food poverty by supporting local authorities with 4.9m of additional funding over the last year¹⁹⁰. Charities have also seen a rise in demand. In 2021/2, the charity the Trussell Trust distributed 131,232 emergency food parcels to families in Wales, almost 50,000 more than five years ago.¹⁹¹

Fuel poverty

Wales faces additional challenges in energy supply, with fewer supply networks compared to the rest of the UK which has made average household costs higher than in other places.¹⁹²

According to Welsh Government's estimates¹⁹³, up to 45% (614,000) of all households in Wales were in fuel poverty, following the price cap increase of April 2022, with around 8% (115,000) estimated to be in severe fuel poverty. The Welsh Government has not updated these figures since April 2022, so we don't yet know the impact of October's average annual increase to £2,500.

¹⁹⁰ <https://www.gov.wales/written-statement-funding-tackling-food-poverty>

¹⁹¹ <https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/>

¹⁹² <https://www.walesonline.co.uk/news/wales-news/reason-energy-prices-higher-one-25118042>

¹⁹³ <https://www.gov.wales/fuel-poverty-modelled-estimates-wales-headline-results-october-2021-html>

Northern Ireland

- **Population:** 1,485,000
- **NHS Workforce:** 72,825

Labour Market

	Total Number	Per cent of population	NHS workforce as a percentage
Total Population	1,485,000	100%	4.9
Employed	861,000	57.9%	8.4
Unemployed	24,000	2.7%	
Economically inactive	600,000	40.4%	

Housing Costs

Housing costs in Northern Ireland have continued to outstrip wage growth. Land and Property Services 2022 House Price Index report, published in November 2022 showed a 10.7% annual increase compared with last year's report, and growth of 4.1% taking average prices to £176,131¹⁹⁴.

Rents in Northern Ireland have also continued to increase sharply. According to PropertyPal's 2022 Q3 Housing Market Trends report, the average cost of renting a house in Northern Ireland has jumped by 9.1 per cent since October 2021¹⁹⁵. The average increase in cost of renting a flat rose by 5.3% over the same period.

¹⁹⁴ <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/lps-ni-hpi-q3-2022-press.pdf>

¹⁹⁵ <https://content.propertypal.com/wp-content/uploads/2022/10/Housing-Market-Trends-Q3-2022-1.pdf>

Food poverty

The use of food banks in Northern Ireland has more than trebled in the last five years with a staggering 61,597 emergency food parcels distributed by the Trussell Trust over the last year, compared to just 17,654 in 2014/15¹⁹⁶. The figures from the Trussell Trust, as with the rest of the UK, take into account only the emergency support provided by their network.

Fuel Poverty

Unlike the rest of the UK, more than two-thirds of Northern Ireland households use oil boilers as their main source of heating¹⁹⁷. Some are finding it difficult to budget for large one-off bulk deliveries of oil. Joining a local oil-buying club has been one solution to this problem, but costs remain prohibitive for many.

According to the latest data from the Northern Ireland Consumer Council, the cost of heating oil is spiralling, hitting a £300.50 300 litre average in the final week of December 2022¹⁹⁸. This is nearly double the price for the same period the previous year. The Government support for heating oil is just £100 per household compared to the much more generous £400 being given to support those through the Energy Price Guarantee scheme

The most recent official figures for fuel poverty in Northern Ireland are quite dated, coming in the 2016 House Condition Survey which set the rate at 22%¹⁹⁹. However, in June 2022 National Energy Action commissioned market research to undertake a Northern Ireland-wide representative poll to evaluate the impacts of rising energy prices on households which found that 45% of NI households were spending more than 10% of their income on their home energy costs, a 23% increase²⁰⁰.

¹⁹⁶ <https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/>

¹⁹⁷ <https://www.nidirect.gov.uk/articles/central-heating>

¹⁹⁸ <https://www.consumercouncil.org.uk/homeheatingoilpricechecker/tool>

¹⁹⁹ <https://www.nihe.gov.uk/getattachment/8916a010-df6c-4849-8926-55dbaa206266/HCS-2016-Infographic-Summary.pdf>

²⁰⁰ <https://www.nea.org.uk/fuel-poverty-map/fuel-poverty-in-ni/>

SECTION 4: CONCLUSION & RECOMMENDATIONS

The NHS is in the midst of a staffing crisis and in the best interests of the NHS, of all staff and of the British public we must work together to put in place the best possible package of measures to support the recruitment and retention of NHS staff as a priority.

Throughout this paper, we have shown why increasing pay is critical for a functioning NHS and why our NHS is critical for the success of the UK economy. Our position is to be constructive partners in building an NHS of which we can all be proud.

We will continue to work to support the development of a new workforce strategy for the NHS and to develop proposals that will address the challenges that the NHS faces.

The Staff Side Recruitment and Retention Plan

In our joint evidence to the PRB in January 2022 the staff side unions set out below our joint position on the detailed measures that we believe are essential to support the retention of existing staff and attract the workforce we need for the future. By January 2023 our recommendations have yet to be implemented. Our position remains:

A decent pay rise for all staff is critical

A meaningful pay increase is absolutely critical so that NHS staff can cope with the impact of inflation and the rising cost of living.

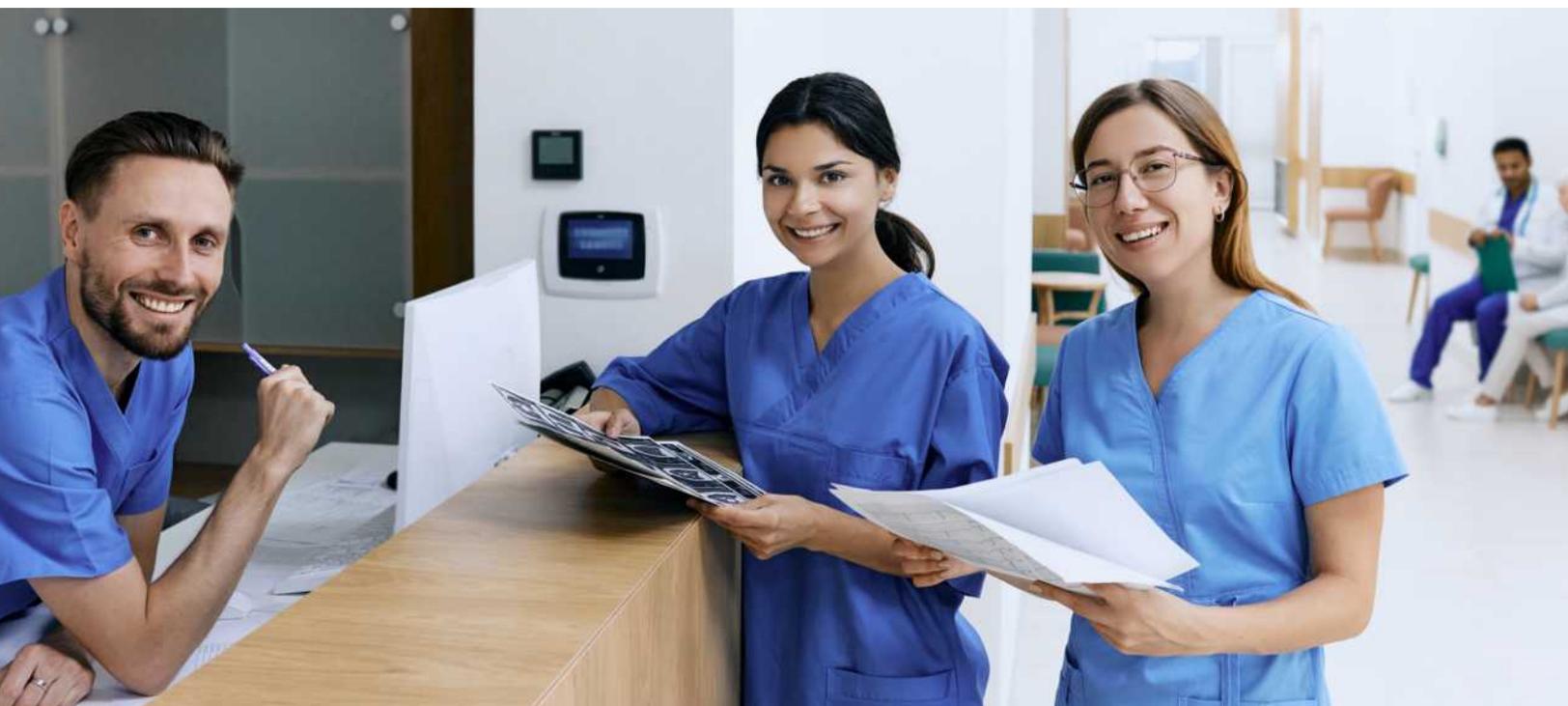
The value of NHS wages has been held back over a long period of time as a matter of government policy. We would like a commitment that the value of NHS pay scales will be restored over a clear timetable.

We would also like to see the bottom of the pay structure benchmarked against the Real Living Wage to ensure that pay does not fall below this level at any time during the year.

Additional measures for an urgent retention package

We would like to see an urgent 'retention package' to assist the NHS to stem the tide of staff opting to leave jobs in the NHS. We believe, alongside a decent pay rise, the following five measures will reduce preventable resignations from the service over the next 12 months. These measures can be delivered within existing agreements:

- 1. Ensure banding outcomes reflect job content**
- 2. Reward additional hours fairly**
- 3. Prevent burnout by limiting excess hours**
- 4. Support progression and career development**
- 5. Encourage employers to use RRP to retain staff where shortages are a risk to staff wellbeing and quality of care**



Whilst we argue that a decent pay rise should be at the heart of an urgent retention package, there are a number of non-pay earnings issues which - if resolved - could assist the NHS to prevent more people from leaving. It is our view that addressing these issues could – alongside a decent pay rise - reduce preventable resignations from the service over the next 12 months.

1. **Ensure banding outcomes reflect job content**

Trade unions have been raising significant concerns about the impact of ‘downbanding’ over the period since 2010. Whilst there has been continued investment by the NHS Staff Council in maintaining the NHS Job Evaluation Scheme, this requires active application at the employer level in order to ensure that staff are banded appropriately in accordance with the roles they are undertaking. Whilst the structure and mechanisms are in place across all employers to enable review and potential re-banding of jobs, the experience of the NHS trade unions is that job review, updating of job documentation and review of banding is rarely done as a matter of course and without significant pressure (including campaigning) from union members at trust level.

The NHS Staff Council’s Job Evaluation Group has an established programme of maintenance to update the standard ‘job profiles’ which support employers to allocate roles to bands as effectively as possible. While this work is constant and would (as with most initiatives) benefit from additional central resource, it is the local application of the Job Evaluation Scheme that we argue could have the most positive impact on the retention of staff this year.

We are calling for a government-level commitment to the NHS Job Evaluation Scheme and mechanisms put in place to deliver and monitor access to job banding reviews where roles have changed.

Resource is also needed and priority given to deliver a programme of capacity-building for local job evaluation, alongside access to an improved central resource to support local job evaluation leads including networks to share expertise, encourage good practice and enforce standards across geographical patches.

2. Reward additional hours fairly

The combination of staff shortages, increasing demand and the desire to top up pay that has not kept pace with inflation means that staff are reporting working more hours - paid and unpaid - than in previous years, and regular unpaid work at the end of every shift is also a persistent theme from some staff groups. We would like to see:

- All working hours paid, and ensure that staff work (paid) overtime rather than bank for substantive staff. Bank schemes should match AfC payments.
- The temporary Staff Council provisions for the extension of overtime rates to staff in bands 8 and above should be adopted as a permanent measure.
- Surge payment' regimes should be negotiated via the NHS Staff Council to prevent the proliferation of localised agreements and reduce the risk of discriminatory payments.
- Centrally accessible information about bank hours and payment regimes.

3. Prevent burnout by limiting excess hours

We are increasingly concerned about the health and well-being of staff. The ongoing staffing shortages, unprecedented levels of demand and high levels of absence due to illness have added further pressure on existing staff to undertake extra shifts and additional hours in order to maintain acceptable levels of service provision.

There is an urgent need for the Government and policymakers to reinforce the 48-hour limit on working hours as a priority patient and staff safety measure. We would like to see a requirement for employers to take total hours worked into account, not just hours on a substantive payroll.



4. Support progression and career development

Whilst undertaking our suggested actions on banding would help deliver appropriate pay for the content of existing jobs, equipping employers to more effectively use the AfC agreement to support career development and progressing to more advanced roles would also support retention of staff.

We would like to see the NHS establish a central careers function to support staff progression to higher banded roles within job families within specified timeframes. There is also a specific and urgent need to provide support for new entrants to healthcare occupations, particularly new registrants whose training was severely disrupted by the pandemic.

However, our key recommendation in relation to progression is to address the inconsistent gaps between the current pay bands. In some cases, these are incredibly narrow and act as a disincentive towards upward career progression. This is particularly relevant to the progression between Band 2 to 3 where movement in the England system not only delivers a narrow pay increase but also results in a reduction in the rate paid for unsocial hours.



In the current climate where retaining and developing the skills of clinical support workers will be ever more crucial, removing this barrier to progression to band 3 could boost the skill mix and enable progression from support worker through to nursing associate/assistant practitioner as part of routes through to registered status.

5. Encourage employers to use RRP to retain staff

Over the last decade, use of Recruitment and Retention Premia has dropped significantly and there is little evidence of application of the use of RRPs to address issues within a specific geographical context or for specific occupations.

Mechanisms for funding RRPs are not easily understood, with no obvious corollary between the funding applied via the Market Forces Factor (England) and RRPs being applied to AfC roles.

The staff side has also previously highlighted a range of issues with the current mechanisms for High Cost Area Supplement (HCAS) payments, which will be increasingly problematic as system-level working becomes embedded.

We would like to see a revision of the mechanisms to apply RRPs (perhaps based on learning from NHS Scotland where RRPs are actively considered, applied and removed through collective agreement within the NHS Staff Council structures) in addition to a clear mechanism established for the funding of short term RRPs to assist employers to retain staff in priority groups through the next pay year.

In looking to implement these recommendations, we will continue to work with the NHS structures to develop a workforce strategy that will support the NHS to deliver the best possible service to patients and more acceptable working conditions for staff.

NHS Pay

A critical investment for
the UK



January 2023