



OFFICE OF MANPOWER ECONOMICS

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Nicola Sturgeon MSP, Deputy First Minister and Cabinet Secretary
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Gill Bellord, NHS Employers

Mike Jackson, Staff-Side Chair of the NHS Staff Council

16 December 2008

Role for the NHS Pay Review Body during the period of the 3 year deal (2008/9 to 2010/11)

Your letter of 27 August 2008 outlined the role that the parties had agreed we would play during the period of the three year pay settlement (2008/09, 2009/10 and 2010/11). In this letter we were advised that the parties had agreed that we would continue to play a role during the period of the three year deal, as set out below:

“The NHSPRB will continue to gather evidence throughout the period of this agreement. In the event that the NHSPRB receive and identify new evidence of a significant and material change in recruitment and retention and wider economic and labour market conditions, they may request a remit from the Secretary of State to review the increases set out in this agreement for 2009/10 and/or 2010/11”.

In our response of 4 September 2008 we advised that after considering all the evidence available, we would write to all parties in the week commencing 15 December 2008 indicating whether we would be requesting a remit from you to review the increases set out in your agreement for 2009/10 and/or 2010/11.



Our focus has been on gathering evidence and information to enable us to make a judgement about whether there is new evidence of a significant and material change in recruitment and retention and wider economic and labour market conditions since the multi-year pay settlement was announced on 7 April 2008. Our analysis is in the attached paper: Annex B to the paper summarises the evidence and information we have considered in making our assessment.

The latest available statistics indicate that the recruitment and retention situation in the NHS appears healthy, with a stable workforce and historically low vacancy rates. Based on the data available to us, there is no new evidence of a significant and material change in recruitment and retention. We have some concerns about the level of on-the-day vacancies and certain indicators of morale, and we wish to keep these under review.

It is clear from the available evidence that the wider economic and labour market situation has changed significantly. However, we do not consider that these changes have materially affected the relative position of our remit group, or that the Agenda for Change pay structure is getting out of line with the wider labour market.

We have therefore decided not to request a remit from you to review the pay settlement contained in the agreement between the parties for 2009/10.

In the light of the data available to us, we do not think it appropriate to take a view on the 2010/11 pay increases contained in the agreement at this time. We will undertake a further review of all the available evidence and information in autumn 2009 to consider whether to seek a remit from you to review the pay settlement contained in the agreement between the parties for 2010/11.

The Royal College of Midwives (RCM) has made an application for a national recruitment and retention premium (RRP) for midwives. At this stage, we do not consider that the available evidence is sufficiently strong to convince us to request a remit from you in relation to the RCM's application for a national RRP for midwives.

As in 2007, The Union of Construction, Allied Trades and Technicians (UCATT) has presented a case for the national RRP currently paid to maintenance craft workers to be extended to include building craft workers. As no new evidence has come to light since we expressed our views in our 23rd report, our position has not changed since that report.

We should be finalising our recommendations on the issues arising from our 23rd Report as specified in the letter of 27 August 2008 early in 2009.

Professor Gillian Morris
Chair
NHS Pay Review Body

