



Department  
of Health

*From Dr Dan Poulter MP  
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28<sup>th</sup> August 2014

Dear Jerry,

### **NHS Pay Review Body Remit 2015/16**

I am writing as a follow up to the letter you received from the Chief Secretary to the Treasury, Danny Alexander on 31<sup>st</sup> July 2014 confirming the Government's approach to reforming NHS employment contracts.

I should first wish to add my own thanks to those of the Chief Secretary for the robust and independent advice that the Government receives from the NHS Pay Review Body (NHSPRB). I can assure you that we value this advice very highly and attach considerable importance to the role of the NHSPRB, informed as it is by expert, impartial and independent judgement. This is true even where, as in the previous review round, the continuing need for pay restraint right across the public sector to support fiscal consolidation, together with the unprecedented financial challenge facing the NHS meant that we are not able to accept your recommendations.

Following the Government's announcement of a two year pay settlement for employed Agenda for Change (AfC) staff in England, the NHSPRB is not required to report or make recommendations for the 2015/2016 year on:

- the remuneration of employed AfC staff, including High Cost Area Supplements and Recruitment and Retention Premia;

- the recruitment, retention and motivation of suitably able and qualified staff; and
- regional/local variations in labour markets and their effects on recruitment and retention of staff.

National employment contracts are a critical element of how we put patients right at the heart of everything the NHS does, providing potentially a seamless pathway of care no matter what day of the week. I was pleased that the NHSPRB's 28<sup>th</sup> report said that more progress should be made on seven day services, "*Progress on a wider seven-day service is urgently needed. The parties should now rapidly negotiate and agree changes to Agenda for Change alongside negotiation for medical staff... We suggest that if the parties find it difficult to agree we would be prepared to look into this if given an appropriate remit and evidence*".

There is a strong case for seven day services on the grounds of both patient safety and quality of patient care. For example, recommendations of the *NHS Services, Seven Days a Week Forum*<sup>1</sup> accepted by NHS England, explore the consequences of the non-availability of clinical services across the seven day week and that availability needs to be achieved in a clinically and financially sustainable way.

For 2015/2016 the NHSPRB is asked to make observations on the barriers and enablers within the AfC pay system, for delivering health care services every day of the week in a financially sustainable way, i.e. without increasing the existing spend. The NHSPRB is asked to make observations on:

- affordable 'out of hours' working arrangements; and
- any transitional arrangements.

In considering these propositions, the NHSPRB should have regard to its normal terms of reference plus developments in other sectors which provide seven day services.

Although the NHSPRB's remit covers the whole of the United Kingdom, for this particular remit, we ask that you make observations for England only. It is for each of the devolved administrations to make their own decisions about the nature of the remit appropriate for its workforce for 2015/2016 and to communicate their intention to you directly.


In view of the work to which the NHSPRB is committed to support the pay review round in the devolved administrations, a realistic timetable for you to report on your work on contract reform would be July 2015.

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<sup>1</sup> Summary of Initial Findings – First Published December 2013 - <http://www.england.nhs.uk/wp-content/uploads/2013/12/forum-summary-report.pdf>

As always, my officials will be happy to work closely with your secretariat to ensure you have all the information you need to assist your task of providing independent observations on reforms that are crucial to this vital area of service provision.

Best wishes,

A handwritten signature in black ink, appearing to be 'DR DAN POULTER', with a long horizontal stroke extending to the right.

**DR DAN POULTER**