



Department
of Health

From the Rt Hon Jeremy Hunt MP
Secretary of State for Health

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Christina McAnea
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UNISON
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Dear Christine,

27.1.2015

Agenda for Change Pay Proposal

I am writing to you to make a pay offer for 2015/16 in respect of staff employed under Agenda for Change Terms and Conditions in England, following discussions between my officials and representatives of the staff side of the NHS Staff Council.

As we have discussed before the priority for the Government has always been to ensure a fair pay award for hard working NHS staff whilst also doing what is best for patients, and those staff, which is protecting front line staff numbers.

The pay offer is intended to provide nearly 1.1m NHS staff under Agenda for Change (AfC) terms and conditions with a pay rise next year in line with the Government's pay policy. It also provides additional support for the lowest paid staff in the NHS. This offer does not increase the cost of employing NHS staff next year and therefore does not affect the affordable NHS workforce. I would ask as part of an agreement that the Trade Unions commit to work together with NHS employers to ensure this remains affordable and that the £34bn plus spent on paying Agenda for Change staff achieves the best value going forward.

The elements of the pay proposal from the Department are as follows:

- Abolition of the bottom point of AfC and increasing pay point 2 to £15,100. This means an increase of 5.6% for staff on point 1 and 3.1% for staff on pay point 2;
- 1% consolidated pay rise for all staff up to point 42 from April 2015;
- A further consolidated pay rise of an additional £200 for staff on pay points 3-8. This means staff on these pay points will receive an increase between 2.1% and 2.3%;

- An increment freeze in 2015/16 for staff on pay point 34 and above for one year only; and
- Urgent talks to take place with a view to the proposed redundancy changes being implemented from 1 April 2015, including a floor for calculation of redundancy payments of £23,000 and a ceiling for calculation of £80,000 with an end to employer top up for early retirement on grounds of redundancy.

The Government is also taking this opportunity to reaffirm its commitment to the NHS Pay Review Body. The Pay Review Body system has generally served the NHS well and will continue to have an important role in making future recommendations on pay uplift for NHS staff in relation to 2016/17 and thereafter.

As part of the offer the Government asks the Trade Unions to commit to talks on further reforming Agenda for Change. The Government recognises that the Agenda for Change pay system has successfully created a framework for equal pay in the NHS and a framework for rewarding staff fairly. However we believe that after 10 years the time is now right to review the agreement to ensure it can continue to deliver flexibility, capacity, fairness and value.

The talks would support NHS organisations to maximise the contribution of NHS employed staff and reduce reliance on agency staffing, strengthen the AfC agreement on progression and review more generally the need for further reform of the pay system with the aims of maximising value for patients and fairness for all staff including those in Bands 8 and 9. These talks would aim to produce an agreement for implementation from April 2016 and will be part of a more general review of terms and conditions for all NHS staff.

As part of the broader negotiations, unions representing ambulance staff have had discussions with the Department and ambulance employers about related issues concerning ambulance staff terms and conditions. The annex to this letter sets out proposals for taking these forward. I would be grateful if Trade Unions representing ambulance staff would include this element of the offer in consultations with their membership on the overall proposals.

I believe that this offer strikes a fair balance between the need to protect the NHS frontline and giving staff an affordable pay rise. We hope that this offer will enable Trade Unions in dispute to suspend planned industrial action pending consultation with your members.

I am copying this letter to David Wherrett, Chair of the Staff Council Management Side.

Yes and
Jer

JEREMY HUNT

Annex

Proposal from Ambulance Service Employers to the Ambulance Unions

Ambulance employers recognise that the current industrial action has a wider context for ambulance staff of other concerns about terms and conditions. The Ambulance Employers commit to work in partnership with the Ambulance Trade Unions (UNISON, GMB and UNITE) to seek to resolve these wider issues.

In particular:

- In relation to Sickness / Unsocial hours allowance payment; to curtail discussions for the move away from Annex E unsocial hours enhancements. To curtail discussions around a move towards section 2a unsocial hours under A4C. To suspend immediately any further work to test, in the High Court, the national agreement on sick pay which relates to the NHS Employers and the Ambulance Service Employers view that the original agreements included the Ambulance Service Sector. This issue would instead be remitted to the wider talks on further AfC reform.
- Ambulance Employers to introduce a scheme whereby they will match the value of additional pension contributions made by front line ambulance staff to enable them to take their 2015 pension unreduced at 65. For instance if the cost of this was 4%, the employer would pay 2%.
- Ambulance employers to work with the ambulance unions to address current recruitment and retention issues, either through changes to use of job profiles and bandings or through application of recruitment and retention premia to job roles meeting agreed criteria.
- Ambulance Employers will take forward with Ambulance Unions work a specific work stream under the NHS Staff Council Working Longer Review identifying the specific challenges for front line ambulance staff of the increase in pension age and how they can be addressed.

