

Summary of Recommendations and Main Conclusions

We are pleased to present our recommendations on the pay of nursing staff and staff in other health professions from 1 April 2007. We have carefully reviewed all the evidence we have received. In arriving at our recommendations, we have examined data on recruitment and retention, morale and motivation, funding, the Government's inflation target, and other relevant economic indicators. We have also had regard to the principle of equal pay for work of equal value and legal obligations on the NHS, including anti-discrimination legislation. Lack of evidence prevented us giving detailed consideration to the Health Departments' output targets. The key issues and recommendations are summarised below.

- This year's review has taken place against a backdrop of the ongoing implementation of the Agenda for Change (AfC) pay system for the NHS. Although progress has been made since our last review, implementation is still not complete throughout Great Britain and we have concluded that our recommendations should therefore concentrate on the level of the basic pay award.
- The parties have all sought a one-year only pay award. **We consider that the award should be for one year only.**
- We do not consider that it is necessary this year to amend the existing position of the pay structure of our remit group relative to the external market. We are mindful in this regard of the need for the service to continue to recruit, retain and motivate suitably able and qualified staff. We have sought, therefore, to maintain the position of our remit group as far as we judge affordability constraints permit. **We therefore recommend an increase in the Agenda for Change pay rates of 2.5 per cent from 1 April 2007.**
- We consider that we should maintain the relative value of the differentials provided by the high cost area supplements (HCAS). **We recommend that the existing minimum and maximum HCAS for Inner London, Outer London and the Fringe be increased by 2.5 per cent from 1 April 2007.**
- The Staff Side asked us to consider a case for the introduction of a new HCAS for South Cambridgeshire. We do not believe that sufficient evidence was submitted on the extent of the labour market difficulties being caused for local NHS employers for us to make a recommendation that the existing HCAS boundaries be redefined. We have set out in Chapter 4 the type of evidence that we would find essential in order to consider any submissions relating to the introduction of new HCAS in future.
- We were asked to consider new national Recruitment and Retention Premia (RRP) for pharmacists and radiographers by the individual staff bodies representing those groups. We do not recommend any RRP's this year, but we would emphasise that under the AfC Agreement local employers may pay a local RRP where specified criteria are met. With regard to pharmacists, we believe that the case for a national RRP warrants proper investigation and have asked the parties to consider jointly undertaking further research and to involve our secretariat. With regard to radiographers, we do not believe that the general shortage of radiographers would be addressed by the introduction of an RRP.

- We have faced difficulties in obtaining sufficiently robust, up-to-date information in a number of crucial evidential areas, particularly the past and current earnings of our remit group, the morale of the workforce, and the relationship between affordability, the Departmental Expenditure Limits (DELs) and the tariff uplift in England. We have asked our secretariat to discuss with the appropriate bodies what better data can be provided to us for our next review in the areas of recruitment and retention, morale and motivation, the level and composition of earnings and affordability. **We recommend that the Health Departments and other relevant bodies should review the timing of the key surveys which inform our review to see whether we can be provided with more timely data. The Health Departments should report back to us before the beginning of our next review on the feasibility of providing more timely data.**
- Given the emphasis by the Health Departments on their earnings' projections, we are concerned about the quality of the information underpinning these projections that has been supplied to us. **We strongly urge the Departments for our next review to ensure better explanations of projected earnings growth.**
- We do not know this year what the true picture on staffing is because of Trusts' reactions to the NHS' current financial problems. Given the importance of the Knowledge and Skills Framework (KSF) to the success of AfC and to restructuring to meet the future agenda of the NHS, we would strongly urge the parties to ensure that the KSF is fully implemented and appropriately resourced as soon as possible. We also urge the Health Departments in allocating funding to take a longer-term view of training and development, both in respect of trainees and staff in post.

PROFESSOR GILLIAN MORRIS (*Chair*)
 MR PHILIP ASHMORE
 MRS LUCINDA BOLTON
 PROFESSOR RICHARD DISNEY
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 PROFESSOR ALAN MANNING
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OFFICE OF MANPOWER ECONOMICS

15 February 2007

APPENDIX B

RECOMMENDED NATIONAL SALARY SCALES FROM 1 APRIL 2007⁵⁰

Point	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8				Band 9
								Range A	Range B	Range C	Range D	
1	12,076											
2	12,481	12,481										
3	12,827	12,827										
4	13,174	13,174										
5		13,579										
6		13,983	<i>13,810*</i>									
7		14,388	14,388									
8		14,907	14,907									
9		15,485	15,485									
10			15,832									
11			16,294	<i>16,063*</i>								
12			16,815	16,815								
13			17,219	17,219								
14				17,855								
15				18,490	<i>18,490*</i>							
16				19,067								
17				19,645	19,645							
18				20,223	20,223							
19					20,801							
20					21,494							
21					22,187							
22					22,823	<i>22,534*</i>						
23					23,458	23,458						
24					24,383	24,383						
25					25,424	25,424						
26						26,464						
27						27,388	<i>26,926*</i>					
28						28,313	28,313					
29						29,237	29,237					
30						30,277	30,277					
31						31,779	31,779					
32							32,704					
33							33,744					
34							34,899	<i>34,899*</i>				
35							36,112	36,112				
36							37,326	37,326				
37								38,828				
38								40,330	<i>40,330*</i>			
39								42,064	42,064			
40								43,335	43,335			
41									45,530			
42									48,072	<i>48,072*</i>		
43									50,616	50,616		
44									52,002	52,002		
45										54,313		
46										56,856	<i>56,856*</i>	
47										60,669	60,669	
48										62,402	62,402	
49											65,003	
50											68,180	<i>68,180*</i>
51											71,646	71,646
52											75,114	75,114
53												78,718
54												82,497
55												86,457
56												90,607

*Pay rates in italic are special transitional points which apply only during assimilation to the new system. They are shown here for convenience.

⁵⁰ The recommended rates from 1 April 2007 have been calculated as follows: we have taken the rates applicable at October 2004 as our base, as this date reflects the intended national rollout of the new Agenda for Change pay system. We have applied the 3.225 and 2.5 per cent increases agreed by the parties as the 1 April 2005 and 2006 uplifts to the base respectively, and further applied our recommended uplift from 1 April 2007. The resulting figures have been rounded up to the nearest pound.