

## Unite's rejection of the NHS multi-year pay offer

### Summary of the multi-year pay offer

The Government proposed a 3 year pay offer for those working in the NHS who fall under Agenda for Change terms and conditions at the beginning of April 2008.

Year 1: A 2.75% uplift on all Agenda for Change pay rates and allowances, as recommended by the NHS Pay Review Body.

Year 2: A 2.4% 'headline' award, and some alterations to the distribution of incremental points in Band 1 (amounting to a 0.01% uplift) and Band 5 (giving a 0.13% uplift).

Year 3: A 2.25% 'headline' award, flat cash at £420 for Bands 1, 2 and 3 (giving the equivalent of 0.11% uplift to those Bands), the changes made to Band 1 in year 2 gives a further 0.02% uplift and the changes to Band 5 give 0.11% uplift.

The total pay award is therefore 2.75% in year 1, 2.54% in year 2 and 2.5% in year 3 – amounting to 7.99% over the three years<sup>1</sup>.

### Unite rejection of the deal

The national Health Sector committee from the T&GWU section of Unite (which represents 12,000 ancillary and ambulance workers) met on 14<sup>th</sup> April. The committee decided to ballot its branches, with a recommendation to reject the offer.

The Health Sector National Committee from the Amicus section of Unite represents 100,000 health sector workers, including the Community Practitioners and Health Visitors' Association (CPHVA), Guild of Healthcare Pharmacists (GHP), Medical Practitioners Union (MPU), Society of Sexual Health Advisors (SSHA), Hospital Physicists Association (HPA), College of Health Care Chaplains (CHCC) and the Mental Health Nurses Association (MNHA) – and members in occupations such as allied health professions, health care science, applied psychologists, counsellors and psychotherapists, the family of dental professions, audiology, optometrists, opticians and building trades, estates, craft and maintenance. The committee met on 22<sup>nd</sup> April and decided, after taking soundings from members, to reject the proposed offer outright.

### Reasons why the pay offer was rejected

There were several clear reasons why Unite elected representatives have decided to reject the pay offer from the Government.

- Unite believe the appropriate measure of inflation is the Retail Price Index (RPI). Unlike the Consumer Price Index (CPI), RPI takes into account the rises in housing costs. RPI currently stands at 3.8%, a slight dip from 4.1% in February. During 2007 the average RPI rate was 4.26% and the costs of many essential items have risen significantly above the RPI figure. These essential items include an increase of 8% in mortgage interest payments, all the major suppliers have increased their tariffs by around 15% in recent months pushing the average domestic bill to over £1,000 a year, petrol costs have increased by 20.6%, and the maintenance of vehicles has risen by 5.5%. Fares and other costs on public transport have risen 6.6%. Food costs in general have risen by 6% in the last year with particular staples have rising at a much

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<sup>1</sup> For more information on the proposed pay deal visit the Reps Direct pages on the Unite Health Sector pages.

higher rate. These include milk by 14.3%, eggs by 31.6%, bread by 11.9%, and cereals by 7.9%. (Vegetables have also averaged a rate of 7.8% overall in the previous 5 months). Those working in the NHS are also now paying higher pension contributions from their wages.

The proposed pay offer does not cover these increased costs currently being experienced by Unite health sector workers, and would be a pay cut in real terms for the second year running. Unite has supported the Pay Review Body and defended its independence, opposing the staging of last years recommendation from the PRB.

- Unite felt the 're-opener' clause – where pay talks would be re-opened if inflation rose above a certain level – was not strong enough. With no significant fall in the RPI measure being predicted in the coming months signing up to the proposed multi-year pay deal may lead to members being awarded a pay cut in real terms for the following 3 years. Unite believe this will lead to the living standards of members being placed under severe pressure.
- Unite believe the current pay offer will damage NHS morale, recruitment and retention. Morale is in decline – the IDS Staff Survey on behalf of the NHS trade unions in August 2007 found that 61% of staff said their motivation and morale was worse than a year ago, 60% had considered leaving their post and 56% would not recommend their occupation as a career. Unite do not believe that the current pay offer will arrest this situation.
- Unite also reject the idea that public sector worker wages are the cause of inflation. Numerous academics, professors, banks and economists dispute this basis for the cap on public sector pay. Experts – including Stephen Nickell, head of Nuffield College at Oxford who is a specialist in labour economics and Martin Weale, director of the National Institute of Economic and Social Research and research from Incomes Data Services, agree that public sector pay is not a primary cause of inflation. The impact of public sector pay levels on the economy is minimal when only 20% of the UK workforce is employed in this sector.