

National minimum wage increase and interaction with the 2022/23 pay process

Introduction

In October 2021, the government [announced](#) an increase to the national living wage (NLW), effective from 1 April 2022. The hourly rate will be raised to £9.50.

The [NHS Pay Review Body remit letter](#), issued on 30 November 2021, requires the NHS Pay Review Body (NHS PRB) to return their report setting out recommendations on pay to the government in May 2022. An announcement by government on the 2022/23 pay award is therefore not expected until early summer (possibly June 2022).

Without intervention to increase the current Band 1 spot salary and the entry point of Band 2 (current hourly rates of £9.49), both will be non-compliant with the NLW until the 2022/23 pay award is implemented.

Action from 1 April 2022

As an interim measure to ensure compliance with the NLW, the Department of Health and Social Care (DHSC) has confirmed the following:

- the Band 1 spot salary and entry point of Band 2 will be uplifted to £9.65 per hour
- this increase will take effect from 1 April 2022
- the increase to these two pay points is an advance of the 2022/23 pay award.

No changes to any other pay points will be made at this time.

The electronic staff record (ESR) are working to amend the payroll system to ensure the uplifts occur automatically from 1 April 2022, preventing the need for any manual intervention. Details on this will be provided in the forthcoming ESR release communication.

Important – interaction with the 2022/23 pay award

The DHSC has advised that the increase in hourly rates for these affected pay points should be seen as an advance to the 2022/23 pay award.

When the full Agenda for Change pay award for these pay points is known, they will be increased by any amount not already received, and this outstanding amount will be backdated to 1 April 2022.

Next steps

The next steps for employing organisations will be to:

1. Identify any affected staff and ensure the appropriate remedy is applied. This may include:
 - a) Identification of Band 1 spot salary Band 2 (entry point) staff and ensuring pay is uplifted to £9.65 per hour.
 - b) Ensuring national minimum wage rates are maintained for any staff impacted by [salary sacrifice](#) arrangements.
 - c) Ensuring rates for bank staff, employed under local arrangements, are uplifted in line with the national living wage, as a minimum.
 - d) Staff undertaking an apprenticeship receive appropriate uplifts in line with the [statutory provisions](#). This will include consideration of [Annex 21](#) (paragraph 4) provisions of where staff are employed under these arrangements.
2. Review ESR's forthcoming release communication (once available), and identify where any additional local or manual interventions may be required to ensure pay for all affected staff is amended.
3. Communicate the position with all affected staff which may include:
 - a) making clear that the uplift should be seen as an advance to the 2022/23 pay award
 - b) highlighting where any interaction with salary sacrifice may occur.
4. Continue to provide existing Band 1 staff with the opportunity to transition to Band 2 roles.

Further information from the NHS Staff Council can found on the NHS Employers [website](#).