

# Government offer in principle for the NHS Agenda for Change workforce

March 2023

# Joint statement from the government and NHS Staff Council

"The government and the NHS Staff Council – which brings together NHS employers and unions representing the Agenda for Change workforce – have completed negotiations and reached a final offer. This includes additional pay for 2022/23 and a pay settlement for 2023/24. Both sides believe it represents a fair and reasonable settlement that acknowledges the dedication of NHS staff, while acknowledging the wider economic pressures currently facing the UK.

"Those unions with mandates for industrial action Royal College of Nursing (RCN), UNISON, GMB, Chartered Society of Physiotherapy (CSP), Unite and British Dietetic Association (BDA) will now consult their members in consultations that will be held over the coming weeks. Strike action will continue to be paused while these ballots are ongoing".

**Please note** - The above was the position on Thursday 16 March 2023. The position of the other Staff Council trade unions representing staff under the Agenda for Change terms and conditions was to be confirmed following this meeting.

# Key messages

The following 'offer in principle' was made on 16 March by the government to the trade unions representing staff on the NHS Agenda for Change set of terms and conditions.

The offer in principle is made up of the following parts:

- 2022/23: a non-consolidated payment, made up of two parts - a 2 per cent non-consolidated award for all staff plus an additional backlog bonus, equivalent to an extra 4 per cent of the AfC pay bill.
- 2023/24: a consolidated pay uplift, made up of a 5 per cent headline pay uplift, plus further investment to uplift the Band 1 spot rate and the entry point for Band 2 to the top of Band 2 (an increase of 10.4 per cent). This will see entry-level pay in the NHS increase to £11.45 per hour.
- A series of non-pay measures to support the NHS workforce.

# NHS TCS non-consolidated award 2022/23

There are two components to the non-consolidated award:

- 2 per cent non-consolidated payment to all staff.
- A tiered cash payment depending on which of 5 tiers staff are in (with an average value of 4 per cent).
- The percentage component and backlog bonus are added together to give the total non-consolidated payment received that links to 2022/23.
- As the award is non-consolidated, this means it is a one-off payment, which is non-pensionable and does not feed into the calculation for additional earnings.

Band	Step	Consolidated		22/23 Non-consolidated payments					
		22/23 Award (already Implemented)		2% Uniform Payment		Backlog Bonus (cash lump sum) differing by tier (worth an average		Non-consolidated cumulative total	
		£	%	£	£	£	%	£	%
1	Entry	£1,400	7.4%	2% for all staff worth:	£405	Band 1 -4 cash lump sum of	6.2%	£1,855	8.2%
2	Entry	£1,400	7.4%		£405		6.2%	£1,855	8.2%
	Top	£1,400	7.0%		£428		5.9%	£1,678	7.9%
3	Entry	£1,400	6.9%		£435		5.8%	£1,685	7.8%
	Top	£1,400	6.4%		£464	5.4%	£1,714	7.4%	
4	Entry	£1,400	6.2%		£479	5.2%	£1,729	7.2%	
	Top	£1,400	5.6%		£528	4.8%	£1,778	6.8%	
5	Entry	£1,400	5.5%		£541	5.0%	£1,891	7.0%	
	Intermediate	£1,400	5.0%		£584	4.6%	£1,934	6.6%	
	Top	£1,400	4.4%		£659	4.1%	£2,009	6.1%	
6	Entry	£1,400	4.3%		£674	4.0%	£2,024	6.0%	
	Intermediate	£1,400	4.1%		£711	3.8%	£2,061	5.8%	
	Top	£1,562	4.0%		£812	3.3%	£2,162	5.3%	
7	Entry	£1,603	4.0%		£833	3.2%	£2,183	5.2%	
	Intermediate	£1,685	4.0%		£878	3.1%	£2,226	5.1%	
	Top	£1,834	4.0%		£953	2.8%	£2,303	4.8%	
8a	Entry	£1,400	3.0%		£971	2.8%	£2,321	4.8%	
	Top	£1,400	2.6%		£1,092	2.5%	£2,442	4.5%	
8b	Entry	£1,400	2.6%		£1,123	2.6%	£2,573	4.6%	
	Top	£1,400	2.2%		£1,305	2.2%	£2,755	4.2%	
8c	Entry	£1,400	2.1%	£1,341	2.2%	£2,791	4.2%		
	Top	£1,400	1.8%	£1,545	1.9%	£2,995	3.9%		
8d	Entry	£1,400	1.8%	£1,592	1.9%	£3,142	3.9%		
	Top	£1,400	1.5%	£1,836	1.7%	£3,386	3.7%		
9	Entry	£1,400	1.5%	£1,903	1.7%	£3,503	3.7%		
	Top	£1,400	1.3%	£2,189	1.5%	£3,789	3.5%		

# NHS TCS 2023/24 proposed consolidated pay award

Band	Position	22/23 Basic Pay	23/24 Consolidated payments		
			Pay Scale Uplift (£)	Pay Scale Uplift (%)	23-24 Pay Scale
1	Entry	£20,270	£2,113	10.4%	£22,383
2	Entry	£20,270	£2,113	10.4%	£22,383
	Top	£21,318	£1,065	5.0%	£22,383
3	Entry	£21,730	£1,086	5.0%	£22,816
	Top	£23,177	£1,159	5.0%	£24,336
4	Entry	£23,949	£1,198	5.0%	£25,147
	Top	£26,282	£1,314	5.0%	£27,596
5	Entry	£27,055	£1,352	5.0%	£28,407
	Intermediate	£29,180	£1,459	5.0%	£30,639
6	Top	£32,934	£1,647	5.0%	£34,581
	Entry	£33,706	£1,686	5.0%	£35,392
6	Intermediate	£35,572	£1,778	5.0%	£37,350
	Top	£40,588	£2,030	5.0%	£42,618
7	Entry	£41,659	£2,083	5.0%	£43,742
	Intermediate	£43,806	£2,190	5.0%	£45,996
7	Top	£47,672	£2,384	5.0%	£50,056
	Entry	£48,526	£2,426	5.0%	£50,952
8a	Top	£54,619	£2,730	5.0%	£57,349
	Entry	£56,164	£2,808	5.0%	£58,972
8b	Top	£65,262	£3,263	5.0%	£68,525
	Entry	£67,064	£3,353	5.0%	£70,417
8c	Top	£77,274	£3,864	5.0%	£81,138
	Entry	£79,592	£3,979	5.0%	£83,571
8d	Top	£91,787	£4,589	5.0%	£96,376
	Entry	£95,135	£4,756	5.0%	£99,891
9	Top	£109,475	£5,474	5.0%	£114,949

- A consolidated payment to all staff of 5 per cent.
- Plus further investment to uplift the Band 1 spot rate and the entry point for Band 2 to the top of Band 2 (an increase of 10.4 per cent). This will see entry-level pay in the NHS increase to £11.45 per hour.
- The 2023/24 pay award is consolidated, meaning that it is a pensionable payment, which feeds into the calculation for additional earnings.
- The proposed new 2023/24 entry level rate of pay in band 2 compares favourably with both the National Living Wage rate (set to change to £10.42 per hour from 1 April 2023) and the current real Living Wage rate of £10.90 per hour.
- It is also a significant uplift on the current 2022/23 entry level rate of pay (£10.37 as at March 2023) in band 2.

# Non-pay measures to support the NHS workforce (1)

- **Support to nursing staff:** the government wants to address some specific challenges around recruitment, retention and career development and will work with employers and trade unions to improve opportunities for nursing career progression.
- **Building a workforce for the future:** Later this year, NHS England will publish a comprehensive NHS Long Term Workforce Plan. The government will set out how this will be implemented, to ensure the NHS can recruit and retain the staff it needs in the future to meet the growing and changing health and wellbeing needs of patients.

This will support the government's ambition to reduce reliance on agency workers and bring down agency spend as a proportion of NHS budgets. The government, employers and trade unions are committed to working in partnership to help deliver this aim. As part of its 2023/24 work programme, the NHS Staff Council will consider the factors which are driving increasing rates of agency spend in the NHS, making recommendations on the practical measures that can be taken to reduce this.

To meet the growing and changing needs of patients, and provide safe and high-quality care, an effective NHS needs clinical services – such as nursing, midwifery, allied health professional and ambulance staff - to have appropriate staffing levels. As part of the work to implement the upcoming NHS Long Term Workforce Plan, the government will ask NHS England to review the existing arrangements used to make sure that there are sufficient staff. This will include developing a national evidence-based policy framework building on existing safe staffing arrangements. The government will also look at approaches taken in other parts of the UK and relevant international comparators to ensure this framework is informed by best practice, focusing on key groups such as registered nurses, including both statutory and non-statutory models.

# Non-pay measures to support the NHS workforce (2)

- **Career development and support:** the government has heard the concerns on career development and progression for NHS staff. The government wants to address these issues and will work with employers and unions to improve career development in three ways:
  1. agree amendments to terms and conditions to ensure that existing NHS staff will not suffer a detriment to their basic pay when they undertake apprenticeships.
  2. improving support for newly qualified healthcare registrants, commissioning NHS England to review the support those transitioning from training into practice receive.
  3. the NHS Staff Council will consider how the work to maintain and update national job profiles undertaken by the Job Evaluation Group can be applied fairly and appropriately to aid career development.
- **Pay setting process:** the government is committed to ensuring that the pay setting process and the NHS Pay Review Body (NHSPRB) operates effectively. As part of this process, it will take the views of employers and trade unions into account and will:
  - review the timing and appointment process for the NHSPRB
  - look at ways for the NHS Staff Council to have greater input into NHSPRB
  - identify ways to reduce the duplication of data on the NHS workforce and labour market provided by parties to the NHSPRB.

# Non-pay measures to support the NHS workforce (3)

- **Tackling violence and aggression:** the government will ask the existing groups established in the NHS Social Partnership Forum working on violence reduction to work with the health and wellbeing group of the NHS Staff Council to identify ways to tackle and reduce violence against NHS staff.
- **Pension abatement:** in October 2022, the government extended the suspension of NHS pension abatement rules for special class status members. This extension is currently planned to run until March 2025; to support retention measures, the government's intention is to make this easement permanent, and they will consult on this change shortly.
- **Cap for redundancy payments:** in its 2023/24 work programme, the NHS Staff Council will consider the application of a cap to redundancy payments of £100,000 and over.



# Next steps

- **Trade union consultation process:** The AfC trade unions will now consult with their members. We anticipate that this consultative process will take approximately three to four weeks.
- **Industrial action:** during this consultation, and pending of any final decisions from their members, the AfC trade unions have agreed to continue with the suspension of all planned industrial action.
- **NHS Employers is:**
  - Working with the Department of Health and Social Care on FAQs for Agenda for Change staff.
  - Updating all supporting materials and information on the pay details in line with implementation plans and the timetable for all pay related changes to be made for both 2022/23 and 2023/24 years.

# Separate offer to the RCN

Separate to the offer in principle agreed with trade unions, the government also wrote to the RCN **providing further detail in relation to the** work to support nursing career progression, namely:

- how to take account of the changing responsibilities of nursing staff
- and the design and implementation issues, including scope and legal aspects of a separate pay spine for nurses.

**To progress this, the government, NHS Employers and all agenda for change unions will need to work together over the next year**

- The government intends to complete this work such that resulting changes can be delivered within the 2024 to 2025 pay year.

## **Further information:**

- [Letter from the Health and Social Care Secretary](#) to the General Secretary of the RCN.
- Read the [RCN members website](#) for further details.