

Dear Chief Secretary,

Date

22.11.24

I am writing to you again on behalf of employers in the NHS across England to request that you and your officials work with the Department of Health and Social Care to conduct a review on the implications of uplifts to the National Living Wage (NLW) in the NHS. My previous letters - sent earlier this year to you (08 August) and your predecessor (07 May) - set out the mounting concerns of employers in the NHS regarding the approach taken by His Majesty's Revenue and Customs (HMRC) to compliance with the NLW and the interaction of salary sacrifice and net deduction arrangements in operation across the NHS. I have attached both letters again for ease of reference.

For the attention of

The Rt Hon Darren Jones MP

There are concerns that the issues I set out in my previous letters are set to get worse for employees in the NHS following the recent announcement of the uplift to the NLW.

From 1st April 2025, the NLW will be uplifted to £12.21 per hour, and NHS entry level pay in Bands 1 (closed) and 2 is currently £12.08 per hour. Whilst employers welcome the efforts that have been made to resolve delays in implementing future NHS pay awards, implementation of the NHS pay award for 2025/26 is again expected to be delayed beyond 01 April. This means that the NHS will not be compliant with the NLW from April.

We understand an interim uplift will be put in place to prevent the NHS from falling below the revised NLW. Significant concerns remain however regarding the interaction between salary sacrifice (and equivalent) schemes and compliance with the NLW. This continued policy and enforcement failure means that increasing numbers of lower earning staff across the NHS are being prevented from access to financially beneficial arrangements which benefit them and their families.

NHS Employers would welcome the opportunity to discuss an urgent review of existing and future policy arrangements (and the planned trajectory for the NLW) with relevant government departments along with colleagues from other employer organisations, to establish how

arrangements might be improved in the future to best protect and reward lower earning staff. I have copied this letter to the Rt Hon Jonathon Reynolds MP, Secretary of State for Business and Trade given the interest that his department has in this policy area.

I look forward to hearing from you shortly. Your team can get in touch via external.affairs@nhsconfed.org if it would be helpful to discuss this in more detail.

Yours sincerely,



Daniel Mortimer
Chief Executive, NHS Employers and Deputy Chief Executive,
NHS Confederation

CC: Jonathon Reynolds MP, Secretary of State for Business and Trade

Baroness Philippa Stroud, Chair of the Low Pay Commission

Helga Pile, Acting Head of Health for UNISON and Staff Side Chair
for the NHS Staff Council