# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **NHS Workforce Independent Pay Review Process for 2018 Body Reports** |
| **DATE** | **22 December 2017** |
| **BY** | **Vaughan Gething AM, Cabinet Secretary for Health and Social Services** |

I value the dedication of the NHS Wales workforce and have been pressing the UK government to lift the public sector pay cap to ensure that NHS staff can be properly rewarded for the work they do. I have also been clear that Treasury funding must flow to Wales to ensure that pay awards can be afforded without undermining services to patients.

Each year, I make my decisions on the annual pay award for NHS staff taking into account the advice and recommendations from the two independent pay review bodies, the NHS Pay Review Body (NHSPRB) which covers those staff working under the Agenda for Change Contract and the Doctors and Dentists Pay Review Body (DDPRB).

The first step of the public sector pay review process generally starts in the Spring with a remit letter from the Chief Secretary to the Treasury which sets the UK context for their work enabling pay awards to take effect for the NHS in April each year. This year the remit letter was sent to public sector pay review bodies on 21 September setting out a delayed timetable for the review process.

The Treasury letters set out the view that public sector pay should be afforded a more flexible approach than the current 1% pay cap to help address recruitment and retention challenges and linked to productivity gains. The letters were silent on whether or not central funds would be made available to allow a greater uplift than 1%.

On 22 November, the UK Budget 2017 announcement guaranteed that new money would be made available if future pay rises are recommended by independent review bodies and linked to increased productivity and contractual reform. The Cabinet Secretary for Finance has made clear his expectation that the UK Government should honour its commitment to fund any new pay review body recommendations in full for all four nations and provide a full Barnett consequential.

The second stage of the independent pay review process is for the individual UK health departments to consider whether to provide evidence to, and seek recommendations from, the review bodies to support their individual pay discussions.

Today, in the context of our wider social partnership in Wales, I have issued my remit letter to the PRBs seeking their advice on the 2018-19 pay round. I have asked them to consider evidence and make recommendations before the end of the financial year on two questions:-

• What would be a fair pay award for NHS staff in Wales?; and

• Taking into account their recommendations on a fair pay award, what level of pay award could be afforded by the NHS in Wales in the absence of further funding from the UK Treasury?

I intend to provide evidence to the Pay Review Bodies in the New Year and for my officials to attend the planned oral evidence sessions.

I have also seen the remit letters issued by the Secretary of State for Health in England which conflate issues about pay with discussions about contractual reforms in a way which is not entirely clear. I have asked officials to discuss these letters with the Department of Health so that we can understand how any contractual reform discussions will align with the Pay Review process in England.

The NHS across the four UK nations benefits from a degree of mobility within the workforce. This provides all four nations with flexibility in recruitment, ease of movement for career development and training and to ensure equity for professional staff working across the UK. This mobility is underpinned by a core of common features of NHS contractual arrangements across the UK and I am committed to retaining this commonality providing it continues to deliver benefits for the NHS in Wales.

Given the common features of NHS contracts across the UK, it is essential that employers and staff side representatives from Wales are party to any contractual negotiations and are able to represent the views and interests of Wales during the discussions. We will be seeking early discussions with the Department of Health on this matter.

I will provide a further update as this process progresses.

This statement is being issued during recess in order to keep members informed. Should members wish me to make a further statement or to answer questions on this when the Assembly returns I would be happy to do so.