



Department
of Health

Triennial Review of the NHS Pay Review Body (NHSPRB) & the Review Body on Doctors' and Dentists' Remuneration (DDRB) (Pay Review Bodies)

Call for Evidence

Title: Triennial Review of NHSPRB & DDRB (Pay Review Bodies) – Call for Evidence
Author: Will Karani, Assurance & Public Appointments Branch
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Target audience: Individuals, Treasury Officials, NHS Staff, Doctors, Dentists, Medical Professional Bodies, Trade Unions and other institutions with an interest in NHSPRB and/or DDRB.
Contact details: PRB Triennial Review Team, Room 220, Department of Health, Richmond House, 79 Whitehall, London. SW1A 2NS e-mail: PAYREVIEWBODIES-TR@dh.gsi.gov.uk

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Overview

The Health and Social Care Act 2012 and the Care Act 2014 devolved functions and powers away from the Department of Health (DH) to local and Arm's Length Bodies.

The Department has a stewardship and assurance function to ensure that the new system and its numerous reformed bodies are performing appropriate functions to a high standard.

To perform this stewardship function the Department is undertaking Triennial Reviews of all of its Arm's Length Bodies. This includes all Executive Non-Departmental Public Bodies (ENDPBs), Advisory Non-Departmental Public Bodies (ANDPBs), Executive Agencies and Special Health Authorities. Both NHS Pay Review Body (NHSPRB) and the Review Body on Doctors' and Dentists' Remuneration (DDRB) (the Pay Review Bodies (PRBs)) are ANDPBs and are subject to review in 2015-16. As NHSPRB and DDRB each have a limited range of similar functions DH will be undertaking a clustered review of both.

The programme of reviews uses the approach developed by the Cabinet Office as part of their work on public bodies reform.

Purpose of the review

The review will have two main stages:

- The first stage provides a robust challenge of the continuing need for the PRBs both in terms of the functions they perform and the way in which these are delivered.
- If it is agreed that both PRBs should retain their current functions and delivery models, the second stage of the review will then consider their respective performance, governance arrangements and opportunities for efficiencies.

This Call for Evidence seeks views from respondents to assist the review's consideration of both of the above stages. The evidence is being gathered simultaneously for stage one and stage two in the interests of timeliness and value for money only, and is not an expression of pre-judgement as to the outcome of stage one of the review.

There are a number of areas that are out of scope for this review:

- The TR will not consider the specific recommendations of the pay review bodies.
- The TR will not specifically consider commercial models as alternative delivery mechanisms.
- The TR will not make recommendations relating to the underlying government and Departmental policy on pay for NHS staff.

Both NHSPRB and DDRB provide advice to Ministers in each of the three devolved administrations as well as the Prime Minister and the Secretary of State for Health. Consequently the review team will work closely with the Scottish Government, Welsh Assembly and Northern Ireland Executive throughout the review process.

About the Pay Review Bodies

The NHS Pay Review Body (NHSPRB) and the Review Body of Doctors' and Dentists' Remuneration (DDRBR) ('the pay review bodies' (PRBs)) are Advisory Non-Departmental Public Bodies (ANDPBs).

The PRBs provide independent advice on the pay of NHS staff to the Prime Minister, the Secretary of State for Health and Ministers in each of the three devolved administrations. The NHSPRB makes recommendations on the pay of all NHS staff paid under Agenda for Change with the exception of doctors, dentists, and very senior managers. The DDRBR focuses on the remuneration of doctors and dentists taking any part in the NHS. Both Pay Review Bodies may also be asked to fulfil special remits and conduct research on pay and related matters.

When providing advice both Pay Review Bodies are expected to consider:

- the need to recruit, retain and motivate their respective remit groups;
- regional/local variations in labour markets and their effects on the recruitment and retention of their respective remit groups;
- the funds available to the health departments as set out in the government's departmental expenditure limits;
- the government's inflation target;
- the overall strategy that the NHS should place patients at the heart of all it does and the mechanisms by which that is to be achieved;
- the economic and other evidence submitted by the government, staff and professional representatives and others;
- the legal obligations on the NHS, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.¹

Useful links

[NHSPRB Website](#)

[DDRBR Website](#)

[Cabinet Office Triennial Review guidance](#)

¹ This section is based on NHSPRB's and DDRBR's Terms of Reference documents, which can be found on their websites.

Responding to the Call for Evidence

In order to conduct the review in a transparent manner and ensure findings are rigorous and evidence-based, the review team is seeking the views of a wide range of stakeholders. We are interested in the views of individuals and organisations that engage with the PRBs or have a wider interest in its operations.

The call for evidence is running from 17th July 2015 to 7th August. Responses can be provided by:

- i. Completing the online questionnaire at <http://consultations.dh.gov.uk/triennial-reviews/nhs-pay-review-bodies-nhs-prb-and-review-body-on-t>;
- ii. Completing Annex A of this document and emailing to PAYREVIEWBODIES-TR@dh.gsi.gov.uk; (This can also be posted to: PRB Triennial Review Team, Room 220, Department of Health, Richmond House, 79 Whitehall, London SW1A 2NS).

Where option ii is used, the review team will accept responses or material in different forms provided it is relevant to the purpose of the review (detailed above) and/or the questions detailed below. The review team is unable to respond to individual cases or consider complaints other than as part of the evidence for the review where it falls within the terms of reference.

Workshop

Interested stakeholders are also invited to attend a workshop 14:00 – 16:00 on 29 July 2015 to share their views on NHSPRB and/or DDRB. The workshop will be held at Richmond House, London, SW1A 2NS. You can book a place (places are limited and allocated on a first-come first-served basis) through this link: <https://www.eventbrite.co.uk/e/17304298623>

Annex A - Call for Evidence Form

Confidentiality

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FoIA) and the Data Protection Act 1998 (DPA).

If you want the information that you provide to be treated as confidential please be aware that under the FoIA there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain why you regard the information you are providing as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

About You

Name: Rachael McIlroy

Organisation: Royal College of Nursing on behalf of the joint staff side trade unions:

- British Association of Occupational Therapists
- British Dietetic Association
- British Orthoptic Society,
- Chartered Society of Physiotherapy
- Federation of Clinical Scientists
- GMB
- Royal College of Midwives
- Royal College of Nursing
- Society of Chiropractors and Podiatrists
- Society of Radiographers
- UCATT
- Unison
- Unite.

Email/postal address: rachael.mcilroy@rcn.org.uk

Would you categorise your response as from:

- Individual
- Public sector organisation
- Trade Union
- Professional Body
- Charitable/voluntary sector healthcare organisation
- Private sector
- None of the above

Please state: Trade union

If your response is from an umbrella organisation representing a wider membership, please indicate the approximate number of members consulted and the number of responses received:

Please indicate what relationship you have with the PRBs, if applicable:

Questions

There is no need to answer all nine questions unless you wish to do so. For those which you do answer, please provide evidence to support your answers wherever possible. If you wish to send us supporting documentation please email as an attachment to PAYREVIEWBODIES-TR@dh.gsi.gov.uk.

Information where relevance is not demonstrable will not be accepted as evidence. The review team is unable to respond to individual cases or consider complaints other than as part of the evidence for the review where it falls within the terms of reference.

Function

The Pay Review Bodies (PRBs) perform a number of functions:

- The NHSPRB makes recommendations to the Prime Minister, the Secretary of State for Health, and Ministers in each of the three devolved administrations on the pay of all NHS staff paid under Agenda for Change with the exception of doctors, dentists, and very senior managers.
- The DDRB makes recommendations to the Prime Minister, the Secretary of State for Health, and Ministers in each of the three devolved administrations on the remuneration of doctors and dentists taking any part in the NHS.
- Both PRBs can undertake special remits to provide advice and research on pay and related matters.

Question 1: Is there a continuing need for the NHSPRB and/or DDRB to provide independent advice and recommendations to ministers on NHS non-clinical and clinical staff pay?

NHSPRB:

- Yes

[please delete as appropriate]

DDRBR:

- Yes

[please delete as appropriate]

Please give reasons for your answer:

The NHS Pay Review Body forms an integral part of the pay determination process for a workforce of over 1 million people, ensuring that decisions about pay are made transparently and efficiently.

It is a national workforce comprising a wide mix of different occupations under the single Agenda for Change pay structure and as such any decisions on pay require national deliberation. In considering the role of the Pay Review Body, it is therefore important to understand the vital role it plays within the whole system of national pay determination in the NHS and the benefits this system brings to the employee and employer and taxpayer.

The attached paper by Ian Kessler (Templeton College, Oxford) sets out the numerous advantages of the current system of national pay determination over alternative forms including discipline and control, cost efficiency and effectiveness, transparency and consistency.²

Kessler states that in terms of discipline and control, national pay determination limits employers from competing in pay terms with one another and reduces the negative externalities which arise from more disaggregated forms of pay determination, by encouraging employers to seek sustainable solutions to recruitment and retention by investing in its employees. In terms of cost efficiency and effectiveness, national pay determination moderates pay bill costs, transaction costs and relational costs (the removal of pay as a potential source of management-employee conflict at the workplace level). In terms of transparency and consistency Kessler concludes that national pay determination contributes to the promotion of employee motivation, equality and mobility by allowing for ready and legitimate pay comparisons, a guarantee of equal pay for work of equal value and mobility within a national labour market.

The PRB supports this system and provides an independent overview of NHS workforce issues after consideration of appropriate evidence from governments, employers, trade unions and other stakeholders. The NHS workforce view the current system as a fair one; it is therefore important that this independence is retained, so that the workforce retains confidence in the pay system.

In a letter written to the Staff Side Chair of the NHS Staff Council on 27 January 2015, the Secretary of State for Health set out the Government's commitment to the Pay Review Body process. The joint trade unions viewed this as an important guarantee as part of a wider undertaking on pay and conditions.

² www.rcn.org.uk/__data/assets/pdf_file/0006/534642/National_Pay_Determination_in_the_NHS_Final.pdf

(For your consideration:

- What would be the implications of stopping the functions?
- Is providing the functions a justifiable use of public money?
- Are there any functions that could be stopped or undertaken differently?)

Form

Question 2: Do you have any comment on the separation of responsibilities between NHSPRB and DDRB, and on the level of interaction you deem appropriate between the two PRBs?

The NHSPRB and DDRB cover workforces subject to two distinct pay systems. Unless and until the two workforces are covered by a pay system with a common pay spine we see no benefit in combination of the two bodies.

However, when the pay spines were originally introduced the agreement required that the NHSPRB and the DDRB should make recommendations with due regard to the other body, not least because the bodies make recommendations of the distribution of money from the same overall pay budget. It would therefore be appropriate for the bodies to share information on areas of common interest for example high cost areas and similar job profiles which may be subject to challenge in terms of equal pay for work of equal value.

Question 3: Both NHSPRB and DDRB are currently Advisory Non-Departmental Public Bodies of the Department of Health. Do you think an alternative organisational structure would improve or be detrimental to delivery of the functions you feel are necessary? Which of the following organisational forms would you support:

- **Continued delivery as an ANDPB:** are there vital reasons why you think NHSPRB and/or DDRB should remain as an ANDPB?

Please give reasons for your answer:

The current system affords the review bodies sufficient legitimacy and transparency. The only concerns held by staff side relate to the political interference in their independent role through the continued restrictive remits they are given.

The NHS Pay Review Body originated as a means of delivering industrial stability in the NHS. To this end it has been mostly successful, apart from during the Coalition Government when PRB remits have been politically constrained and where the refusal of Government to implement the recommendation resulted in the first dispute over NHS pay in three decades.

It is our strong view that the other models suggested here would severely undermine trust and confidence in the PRB process at a time when workforce stability and staff morale and motivation are key.

The continuity of the PRB has been an important factor in generating confidence in the system among staff side organisations, allowing benchmarking of particular measures and tracking of workforce and industrial relations issues.

Performance

Question 4: How well are NHSPRB and/or DDRB currently delivering their functions?

NHSPRB:

- Very well

[please delete as appropriate]

DDRBR:

- Don't know

[please delete as appropriate]

Please give reasons for your answer:

The NHSPRB provides an excellent function in consideration, analysis and judgment of the available written and oral evidence provided by the various stakeholders. The members are skilled in interrogating the evidence and providing their own analysis of the issues at hand.

The NHSPRB is rigorous in following up and understanding the basis for particular staff side assertions or claims and it is made clear to us in the reports and feedback sessions how these have been considered and why the PRB has chosen to make or not make a recommendation on the issue.

Question 5: Does the current composition of NHSPRB and/or DDRB membership best support their functions?

NHSPRB:

- Yes

[please delete as appropriate]

DDRB:

- Don't know

[please delete as appropriate]

Please give reasons for your answer:

Yes, there is a good mix of skills and experience among the membership, while we note that membership is subject to significant change this year.

Question 6: How well do you think that NHSPRB and/or DDRB manages its relationships with organisations both within the health and care system and wider government (including the devolved administrations)?

NHSPRB:

- Very well

DDRB:

- Don't know

Please give reasons for your answer:

From the staff side position, the NHSPRB manages its relationships well with the trade unions and staff side is afforded sufficient opportunities to input into the pay review process.

(For your consideration:

- Should the Pay Review Bodies be working more closely with other organisations?
- Are potential users of NHSPRB's and/or DDRB's services aware of its existence and responsibilities?)

Question 7: Do you think the NHSPRB and/or DDRB take account of all appropriate factors and issues when preparing their reports and recommendations?

NHSPRB:

- Yes

[please delete as appropriate]

DDRB:

- Don't know

[please delete as appropriate]

Please give reasons for your answer:

The NHSPRB takes into account all available evidence and arguments. However, trade unions and their membership are increasingly frustrated that their independence has consistently been undermined by their remit being restricted by government in recent years.

Staff side also has some concerns about the availability of data accessible by the NHSPRB particularly across the four UK countries and more recently from the increasing numbers of NHS staff contracted out to the independent sector (see question 8)

Question 8: Do you think the NHSPRB and/or DDRB have ready access to the necessary data to discharge their current responsibilities effectively and could the processes be improved by which they gather information from key stakeholders?

NHSPRB:

- No

DDRB:

- Don't know

[please delete as appropriate]

Please give reasons for your answer:

There is a lack of consistency in workforce data across the four countries which hampers full analysis. Staff side also has concerns about lack of requirements and access to staffing, quality and pay data from independent sector providers delivering NHS contracts.

Governance

Question 9: Do you think NHSPRB and/or DDRB operate in an open, transparent, accountable and responsive way and publish sufficient documentation to ensure an appropriate level of trust in the process?

NHSPRB:

- Yes

DDRB:

- Don't know

[please delete as appropriate]

Please give reasons for your answer:

It would be helpful for all parties to be able to have some input into the commissioning of any supporting research. Staff side understands that the NHSPRB must remain independent, but as experts on labour market and workforce issues, we could make a valuable input into how research is shaped.

If you have any other comments on the PRBs' functions, organisational structure, performance, efficiency or governance that you would like to submit as part of this Call for Evidence, please do so here (stating what aspects it relates to) .

Thank you for taking the time to respond to this Call for Evidence.