

# Get ready for the new NHS wage deal

The NHS pay deal agreed by union leaders and ministers earlier this year is likely to lead to increases in staff salaries, particularly at the lower end of the pay scales. Accountant Andrew Burwood looks at the impact on general practice



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**T**he NHS pay deal, announced in March, covers all staff on the Agenda for Change (AfC) contract. While most GP practices are not contractually bound by the AfC pay rates, they are in many cases competing with secondary care to attract staff and will need to bear this in mind when reviewing their staff recruitment and retention.

Following the announcement, a trade union consultation, which ran until 31 May, discussed the proposed changes. If, following the consultation, the AfC changes are agreed, there will be a new three-year pay deal, which will:

- Increase starting salaries
- Reduce the number of pay points
- Shorten the amount of time it takes to reach the top of the pay band for most staff.

## Minimum rate of pay

One of the major concerns for GP practices will be the fact that the minimum rate of pay in the NHS is proposed to be set at £17,460 from 1 April 2018. This is ahead of the 'real living wage' as calculated by the Living Wage Foundation. The real living wage is ahead of the government's hourly national minimum wage for school leavers up to age 24 and the

**'Under Agenda for Change the bands are freely accessible and this has the potential to cause a great deal of unrest in the practice team'**

national living wage for people 25 and over. The government rates from 1 April 2018 are as follows:

- Apprentice: £3.70
- Under 18: £4.20
- 18–20: £5.90
- 21–24: £7.38
- 25 and over: £7.83.

The real living wage is £8.75 across the UK (£10.20 in London) and is applicable to all employees aged 18 and above.

## Agenda for Change proposals

In 2017/18, the NHS AfC hourly rate at band 1 was £7.88. Based on the new deal, this will rise to £8.95 (an increase of 13.58%). While this makes the NHS an attractive prospect for employees, it places a significant burden on GP practices at a time when contract funding is relatively static.

## New band rates

Table 1 shows how the proposals affect typical groups of employees in general practice; the gaps between them are perhaps not as significant as they have been in the past.

## What does this mean for general practice?

One of the biggest challenges in general practice will be managing the expectations of employees in terms of the salaries they receive for the roles performed. As noted above, the proposed increase from 1 April 2018 for a band 1 is 13.58%. Compare that to, say, a nurse on band 6, where the increase is 5.56%. In isolation, the increase for band 6 is generous and far in excess of current inflation. However, the positivity in the mind of the nurse receiving

**Table 1. How the proposals affect typical groups of employees**

Band	Position	Proposed hourly rate (entry points)	Annual equivalent salary (37.5 hours per week)
1	Domestic services	£8.95	£17,460
2	Secretary, healthcare assistant	£8.95	£17,460
3	Clinical coding officer	£9.12	£17,787
4	Assistant practitioner	£10.33	£20,150
5	Podiatrist	£11.81	£23,023
6	Nurse	£14.38	£28,050
7	Clinical pharmacist	£17.03	£33,222
8	Nurse practitioner	£21.75	£42,414

## ‘In other professions, there has been a cultural shift to focus more on employee wellbeing’

the increase could quite easily be diminished when looking at the rise given to a band 1 employee. Unfortunately, while pay rates should be confidential between the employee and employer, under AfC the bands are freely accessible and this has the potential to cause a great deal of unrest in the practice team.

### What can be done?

While pay is a significant component of what keeps an employee going to work, there are a number of other factors that are more prevalent now than perhaps they have been in past. ‘Millennials’, also known as ‘generation Y’, are not afraid to move from job to job, but they are also open-minded, confident and receptive to new ideas and ways of living. Salaries are important, but people also want balanced lifestyles and structure to their careers.

In other professions, there has been a cultural shift to focus more on employee wellbeing and empowering people to achieve a balance. Occupational health sessions and access to confidential counselling services can result in positive interactions. Other ideas include an innovation fund and recruitment reward schemes, or giving a firm commitment to develop professional and personal skills through personally tailored training events.

Perhaps practice managers could look at these ideas to generate a positive working environment and greater engagement from their employees. **PM**



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