

Britain: South West NHS Pay Cartel publishes plans to cut wages and conditions

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National Health Service (NHS) employers in the south west of England, who set up the South West Pay Terms and Conditions Consortium (pay cartel) last year, have published their final business plan, “An approach to addressing NHS pay, terms and conditions.”

The pay cartel persisted with the publication despite the NHS unions agreeing to concessionary changes to the Agenda for Change (AfC) national pay system a few days before. While some hospitals have left the pay cartel to continue bargaining based on the national AfC, many NHS employers have welcomed the plan as a blueprint for reducing pay and conditions for all 1.6 million NHS workers across the country.

In the middle of last year, 20 NHS Trusts covering more than 68,000 hospital workers in the south west of England set up the pay cartel in response to the government slashing NHS budgets by more than 20 percent. For an average NHS Trust with a £220 million annual turnover, more than 5 percent—£11 million—had to be saved each year. The pay cartel estimated that the current national bargaining arrangements could only save £275,000 a year and that “the size of the challenge facing participating Trusts [in the south west pay cartel] is equivalent to a reduction in whole time equivalent of around 6,000 posts, over the next three years across all consortium organisations.” It promised to draw up a business plan to meet these demands by April, which it has now done.

The final business plan goes much further than the initial proposals. It has identified more than 60 “optimiser packages” to reduce labour costs and a further 33 “workforce cost reduction opportunities”. It warns that “none should be considered as straightforward to implement, as each represents either a loss in employee income or consequential changes in

working practices” and will provoke opposition from health workers. Recognizing that the unions are on their side the pay cartel anticipates “more may be achieved from these ‘optimisers’ through greater flexibility, following consultation and agreement from staff side organisations.”

The optimiser packages and workforce cost reduction opportunities include:

- Cutting down consultants’ supporting professional activities (SPAs), direct clinical care (DCC) and additional programme activities (APAs), which would have an enormous effect on patient care.
- Introducing lower pay terms and conditions for new recruits
- Further outsourcing of services, explaining how “private sector health care organisations (especially in the community health services) are successfully winning work to provide NHS services, in part due to their lower costs as result of more competitive pay, terms and conditions.”
- Redesigning working practices of junior doctors and introducing new pay arrangements
- Cutting down maternity, paternity, adoption and study leave
- Reducing the working week (hours and income)
- Reducing the amount of redundancy pay
- Making better use of government changes to employment regulations to terminate contracts more easily and introducing a fee for anyone considering an employment tribunal claim.

Following the publication of the business plan, Northern Devon Health Care NHS Trust, Dorset County Hospital NHS Foundation Trust and Yeovil District Hospital NHS Foundation Trust formally announced their withdrawal from the pay cartel.

This is only because the proposals have been

welcomed by the Foundation Trust Network (FTN), a body representing more than 200 NHS Trusts across England.

The pay cartel points out that there is “considerable appetite across NHS employers to modernise the pay, terms conditions systems as shown in a recent Foundation Trust Network survey.” FTN chief executive, Chris Hopson, while welcoming the deals reached with the unions over changes to AfC, argues that the savings involved are a drop in the ocean. He stresses, “Trusts now have a pressing need for the NHS to start discussing the different ways we could set pay, terms and conditions including looking at whether we should set pay nationally, regionally or trust by trust—exactly the same debate as the education service is now having.”

The publication of the pay cartel business plan is further proof of the treacherous role played by the unions, which claimed that by agreeing to changes to AfC nationally they would avoid the far more drastic cuts. They are now claiming the withdrawal of some Trusts from the south west pay cartel is a victory. Royal College of Nursing regional director Jeannette Martin declared that the “report from the pay cartel represents a back down by the cartel from their initial proposals.”

Unison South West Regional Organiser Helen Eccles, while professing to be unhappy with the final business plan, urged the south west hospital bosses to work with them to implement the national pay deal. “We acknowledge that these are difficult times for our National Health Service. The Health Trusts in the South West really need their staff and the staff unions on board in order to address the issues they face. UNISON is offering the remaining Trusts the opportunity to work constructively with us.”

NHS workers must reject the trade unions’ pleas. Already the government has been able to impose its austerity measures with the “constructive” support of the trade unions. Pay has been frozen for two years, pension benefits slashed, recruitment frozen and jobs lost in their tens of thousands. Every NHS worker can cite examples where patient care has suffered. The unions have been selling the same arguments proclaimed by the government that “savings needs to be made” and “we’re all in it together” in this “difficult economic climate” to give away the hard-won gains made by previous generations.

What has happened so far will pale into insignificance compared to what is being planned. Action committees are required, independent of the unions, to unify all staff with patients and the wider population to prevent the dismantling of the NHS.

Health care, education, access to culture and recreation, and secure and decent-paying jobs are social rights. Securing these rights requires a political struggle against the entire capitalist system and the big business parties that say that the interests of the financial aristocracy must take priority over the needs of working people.



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