WRITTEN EVIDENCE FROM
THE DEPARTMENT OF HEALTH, SOCIAL SERVICES & PUBLIC SAFETY
IN
NORTHERN IRELAND

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Introduction

Health and Social Care in Northern Ireland was reorganised in April 2009. The main components of the system include:

- **Health and Social Care Board (HSCB**) which is responsible for commissioning services, resource management, performance management and service improvement. www.hscb.hscni.net

- **Five Local Commissioning Groups** which, as statutory committees of the HSCB, involve primary care professionals in planning and resources, covering the same geographical area as the five trusts. Membership includes 4 GPs, a pharmacist, dentist, 4 elected representatives, 2 social care professionals, a nurse, a public health professional, an allied health professional and 2 voluntary sector representatives.

- **Six Health and Social Care Trust** one of which is the Ambulance Service, manage and administer hospitals, health centres, residential homes, day centres and other health and social care facilities.

- **Public Health Agency** whose key functions are improving health and well being and health protection, as well as providing professional input to the commissioning process. It is jointly responsible with the HSCB for developing a commissioning plan and works with local government and others to improve health and wellbeing and reduce heath inequalities. www.publichealth.hscni.net

- **Regulation and Quality Improvement Authority (RQIA)** an independent body responsible for monitoring and inspecting the availability and quality of health and social care services through registration and inspection. www.rqia.org.uk

- **Patient and Client Council** a regional body with local offices covering geographical areas of the five HSC Trusts. Its objective is to provide a powerful, independent voice for patients, clients, carers and communities on health and social care issues. www.patientclientcouncil.hscni.net

- **Business Services Organisation** provides support functions for the entire system, including information technology and information management, procurement of goods and services, legal services, internal audit and fraud prevention. www.hscbusiness.hscni.net

The system also includes the Northern Ireland Practice and Education Council (NIPEC), Northern Ireland Social Care Council (NISCC) and Northern Ireland Medical and Dental Training Agency (NIMDTA).

1. This evidence has been prepared by the Department of Health and Social Services and Public Safety (DHSSPS) in Northern Ireland. It sets out where circumstances, initiatives and policies within the Health and Social Care (HSC) in Northern Ireland are different from other parts of the UK NHS and informs the NHS Pay Review Body of developments affecting their complete remit group.

2. The Agenda for Change rates of pay apply to 61,392 staff (50,233.7 wte) in the Health and Social Care in Northern Ireland.

3. The independent review of health and social care in Northern Ireland, carried out in 2005 by Professor John Appleby, concluded that a significant increase in resources would be needed as well as major productivity improvements. A follow-up report in 2011 found a funding gap of £1 billion after the 2010 spending review and a productivity shortfall worth another £1 billion. http://www.dhsspsni.gov.uk/final_appleby_report_25_march_2011.pdf

4. After the Assembly elections in 2011, the new Health and Social Services Minister set up a review of HSC services led by the HSC Board Chief Executive. Among the 99 recommendations in the report "Transforming your care" http://www.dhsspsni.gov.uk/transforming-your-care-review-of-hsc-ni-final-report.pdf published in December 2011 are:

   - The creation of 17 integrated care partnerships to enable closer working within and between hospital and community services;

   - Shifting 4% (£83 million) of funding from hospitals to primary, community and social care services;

   - Reducing Northern Ireland's ten acute hospitals to between five and seven.

   Following its publication the Minister asked the Health and Social Care Board to draw up draft plans to implement many of the changes.

   The key aspects of the draft plans are outlined in the consultation document Transforming Your Care: Vision to Action. http://www.tycconsultation.hscni.net The public consultation will end on 15 January 2013.

   The Minister has set up a Strategic Programme Board to oversee these changes which will be implemented over five years.

GENERAL ECONOMIC CONTEXT

Economic Overview

5. The global economic downturn continues to have a severe impact on the Northern Ireland labour market. The decline in private sector business activity, persistent economic inactivity and increases in claimant count unemployment are particular causes for concern.

Business Activity

6. Total private sector business activity in Northern Ireland has fallen for 10 consecutive months and the pace of reduction has been substantial despite easing since the previous month.[1]. Northern Ireland has recorded the largest fall in business activity across all UK regions in the previous 12 months. Business conditions are still very challenging across most sectors. Service sector output levels in Northern Ireland decreased by 3.0% over the year to Q2 2012. This was in contrast to overall UK service sector output levels which increased by 0.7% over the same period[2]. However there are signs that the local manufacturing sector is recovering with output increasing by 1.6% in comparison to Q2 2011[3]. Over the same time period UK manufacturing output decreased by 3.5%. That said, from Q1 2010 the trends in construction output between Northern Ireland and GB have diverged - the volume in Northern Ireland has decreased by 10.2% compared to an increase in GB of 4.0%[4] during the same time.

Labour Market

7. The local unemployment rate for the period June - August 2012 (8.1%[5]) is currently the fifth lowest of the UK regions, but has remained above the UK average rate (7.9%) for the second consecutive month. Northern Ireland has also seen its claimant count unemployment increase by 4.8% over the year to September 2012 Economic inactivity is also a persistent feature and can only partly be explained by our high full-time education participation. The Northern Ireland economic inactivity rate (27.3%) has diverged relative to the UK position (22.4%) over the past year and it remains the highest of the UK regions. The level of long-term unemployment and incapacity claims are significant obstacles to maximising the pool of actively available labour.

Cost of Living

8. The latest estimates from ONS relate to 2010 and the figures produced suggest that cost of living in Northern Ireland was 2.9% below the UK average with Northern Ireland having the lowest regional price level of the UK regions[6]..

Public Expenditure

9. The Northern Ireland Budget 2011-15 sets out reductions in current and capital spend imposed by the UK Government as part of the 2010 Spending Review. Efficiency and productivity improvements will be essential to meet key targets within current resources going forward, given the very tight public expenditure position. The high proportion of Government expenditure accounted for by pay means that trends in public sector pay costs have significant implications for the availability of resources to support staff and deliver public services in Northern Ireland. Public expenditure tightening has a particular impact in Northern Ireland because of its relatively large public sector workforce.

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[1] Source: Ulster Bank Purchasing Managers' Index – August 2012.
[2] Source: Northern Ireland Index of Services – Quarter 1 2012.
[3] Source: Northern Ireland Index of Production – Quarter 1 2012.
[4] Source: Northern Ireland Construction Bulletin – Quarter 1 2012.
[5] Source: DETI Labour Market Report September 2012.
[6] Source: UK Relative Regional Consumer Price levels for Goods and Services for 2010.

The Public Sector Workforce

10. The public sector in Northern Ireland employs 213,680 people[7] or 30.8% of all in employment, a significantly higher share compared to 19.2%[8] for the UK. This is in part due to the lower employment rate in Northern Ireland[9] and the greater need for public services due to the demographic structure of the population and its socio-economic status.

11. The Health and Social Care workforce currently numbers approximately 65,000 and accounts for just under a third of all public sector employees in Northern Ireland.[10]

12. Monitoring returns to the Equality Commission[11] provide insight into recruitment difficulties experienced by both the public and private sectors. The most recent number of applicants per post filled recorded for the public sector as a whole in 2010 was 10.7 – compared to a ratio of 8.5 for the private sector. There are, however, significant variations within the public sector with the number of applicants per post filled lower than average in the health sector (5.8) and higher for security-related occupations (30.1).

Public Sector Pay

13. Public sector pay in Northern Ireland accounts for a significant share of the Departmental Expenditure Limit (DEL) budget. DFP Estimates for the 2012-13 financial year indicate that pay costs will account for 53 per cent of Resource DEL.

14. Gross full-time public sector earnings in Northern Ireland, at £615.00 per week[12], are below the UK average (£626.60) but are higher than the other GB regions except for Scotland (£616.30) and London (£774.20). At the level of individual occupational groups, Northern Ireland public sector earnings are generally at the lower end of the distribution. However, overall average earnings are influenced by occupational groups that cover security personnel whose higher earnings levels are a legacy of the security situation. Excluding security personnel groups, the average public sector wage in Northern Ireland is £595.76, compared to £620.16 for the UK as a whole.

15. Public sector earnings in Northern Ireland outstrip those of the private sector, but this is due more to our relatively lower private sector earnings. Overall private sector earnings in Northern Ireland have consistently been the lowest of the UK regions and at £472.80 per week are 26.5% below the UK average of £598.10. In addition, private sector earnings in Northern Ireland are the lowest of all the UK

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[7] Source: DETI Quarterly Employment Survey June 2012.
[8] Source: ONS Public Sector Employment Q2 2012
[9] If NI's employment rate equalled the UK average the current level of public sector employment would account for approximately 25.3% of all in employment.
[10] Northern Ireland Health and Social Care Workforce Census 31/03/12
[11] Monitoring Report No.21 can be accessed at: http://www.equalityni.org/archive/pdf/MonitoringReport%202010.pdf.
[12] Source: Annual Survey of Hours and Earnings (ASHE) 2011.

regions for each major occupational group, with the exception of managers/senior officials (which are lower in the North East and Wales), associate professional and technical occupations (lower in the North East) and personal service occupations (which are lower in Yorkshire and the Humber).

16. Although most regions (except London and the South East) exhibit a pay differential in favour of the public sector, the differential is not as pronounced as that found in Northern Ireland.

17. While the headline public-private sector earnings differential is 30.1% in Northern Ireland (compared to 4.8% for the UK as a whole), this reduces when the UK occupational structure is imposed.

Northern Ireland Executive Pay Policy

18. On the 24th May 2007, the Northern Ireland Executive endorsed the principle of adherence to the UK Government's public sector pay policies. Enforcement of pay growth limits is devolved to the Northern Ireland Executive within the overarching parameters set by HM Treasury. This means that the Department of Finance and Personnel (DFP) Minister has the scope, within the parameters of the UK Government's pay policy, to approve pay remits for most of the staff groups in bodies within the wider public sector in Northern Ireland.

19. The pay remit approval process applies to the staff costs of virtually all public bodies and staff groups that are either partly or wholly funded by the Northern Ireland DEL. The Northern Ireland Executive's control of public sector pay is based on the principle that the public sector should offer a pay and reward package that allows it to recruit, retain and motivate suitable staff. Public sector pay should also reflect the circumstances specific to the local labour market.

20. In the Autumn Statement 2011, the Chancellor announced a one per cent pay award for each of the two years after the pay freeze ends. The one per cent award will impact on the staff groups within the NHSPRB remit exiting the two-year public sector pay freeze in 2012-13.

21. In terms of the definition of the one per cent award, the HM Treasury guidance for 2012-13 states that "*Departments may decide to include contractual progression increments to which there is a legal entitlement as part of the one per cent award, but are not obliged to do so.*" This is reflected in the local pay remit approval process and guidance for 2012-13, which was published on 13 August 2012.

22. A key feature of implementing pay policy is the need to honour contractual entitlements. Many local staff groups are contractually tied to UK nationally determined pay settlements or have clear contractual entitlements to progression / performance pay. It is therefore not possible to impose a blanket pay freeze, or even pay cap, without addressing these contractual arrangements first.

The Policy Context

The Commissioning Plan Direction

23. Each year the DHSSPS issues a Commissioning Plan Direction to the Health and Social Care Board (HSCB) which sets out the key themes that should be included in the Plan for consideration and approval by the Minister. The Direction also sets out specific targets which the commissioning proposals should address. The 2012/13 Commissioning Plan Direction included:

   - Working in partnership across government to reduce health inequalities,
   - Improving quality of services and outcomes for patients, clients and carers,
   - Commissioning more innovative, accessible and responsive services, promoting choice and making more services available in the community,
   - Improving the involvement of individuals, communities and the independent sector in the design, delivery and evaluation of health and social care services through strengthened local commissioning and performance management systems, and
   - Improving productivity, by ensuring effective and efficient allocation and utilisation of all available resources in line with Departmental priorities.

24. The Annual Commissioning Plan shall provide details of how services being commissioned by the HSCB comply with extant statutory obligations, standards, Departmental Policy and Strategy and Departmental Guidance and Guidelines.

25. The Annual Commissioning Plan shall also provide details of how the services being commissioned by the HSCB represent an equitable use of the resources made available for health and social care to the Northern Ireland population based on relative need.

26. The DHSSPS monitors performance against the Commissioning Plan which acts as a driver for improvements in quality, productivity, efficiency, effectiveness and patient and client outcomes. A copy of the 2012/13 plan is available at http://www.hscboard.hscni.net/publications/Commissioning%20Plans/480%20Commissioning%20Plan%202012-2013%20-%20PDF%201MB.pdf The 2013/14 Commissioning Plan Direction is at the very early stage of development and will require Ministerial clearance.

Programme for Government targets

27. In the Northern Ireland Executive's current Programme for Government, PRIORITY 2: is Creating Opportunities, Tackling Disadvantage and Improving Health and Well-Being. The commitments given by the Executive in order to deliver on this priority include:
    - reconfigure, reform and modernise the delivery of Health and Social Care services to improve the quality of patient care;
    - allocate an increasing percentage of the overall health budget to public health;
    - improve patient and client outcomes and access to new treatments and services;

- enrol people who have a long-term (chronic) condition, and who want to be enrolled, in a specialist chronic condition management programme;
- invest £7.2 million in programmes to tackle obesity;

28. Delivery of these commitments is planned on an annual basis through the Commissioning Plan, which specifies the standards of quality, safety and performance expected by the Minister. These actions are necessary both to help ensure that satisfactory progress is made towards the targets, and to ensure that performance is improved in areas which are a priority.

Non-Medical Workforce Issues

Overall Health & Social Care (HSC) Workforce Trend

29. Details of the Northern Ireland HSC Workforce as at 31 March 2012 are available at Table 11. This shows an increase of 1.3% in whole-time equivalent (WTE) in the period March 2011 to March 2012, although only a 0.5% increase in headcount. For comparison with the time period for other UK countries, an analysis of the overall September 2011 position is set out in Table 10. This shows a 0.4% reduction in WTE in the period September 2010-2011 (and a 1.0% decrease in headcount) see Table 10. It should be noted that overall HSC staffing levels experienced a decline quarter by quarter from around December 2009 and have only been on the increase since March 2012.

NI Current Vacancies: Changes over Time

30. Full details of the Northern Ireland HSC Workforce Vacancies as at 31 March 2012 are available at:
http://www.dhsspsni.gov.uk/index/stats_research/workforce-statistics/stats-hsc.htm
The trend in current vacancies over the period 2003 to 2012 is set out in Table 8. The current vacancies rates in the period 2008 to 2012 are set out below.

Figure 1: NI HSC Current Vacancies Rate % (WTE)

Staff Group	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12
Admin & Clerical	1.9	1.6	0.9	2.4	1.6
Estates Services	1.2	1.3	2.2	2.1	2.5
Support Services	3.6	4.4	1.3	1.0	2.9
Nursing, Midwifery & Health Visiting	2.2	1.4	1.0	2.0	2.6
Social Services	1.7	1.7	1.4	1.7	2.1
Professional & Technical	3.5	2.7	1.5	3.0	4.1
Medical & Dental	2.4	3.8	2.6	4.7	3.5

31. Joiners by occupational family in the period March 2011 to March 2012 were as follows:

Joiners March 2011/12

Occupational Family	Headcount	WTE
Generic	-	-
Administration & Clerical	809	726.0
Estates Services	48	47.6
Support Services	171	111.0
Nursing & Midwifery	910	835.5
Social Services	389	315.4
Professional & Technical	542	496.4
Ambulance	7	7.0
TOTAL	2,876	2,538.9

Joining Rate - based on staff at mid-point of 2011/12

Occupational Family	Headcount	WTE
Generic	1.3%	1.2%
Administration & Clerical	6.7%	6.9%
Estates Services	7.1%	7.1%
Support Services	2.6%	2.3%
Nursing & Midwifery	4.4%	4.8%
Social Services	3.1%	3.7%
Professional & Technical	7.3%	7.7%
Ambulance	0.7%	0.7%

32. Leavers by occupational family in the period March 2011 to March 2012 were as follows:

Leavers March 2011/12

Occupational Family	Headcount	WTE
Generic	-	-
Administration & Clerical	444	374.21
Estates Services	37	36.43
Support Services	390	257.72
Nursing & Midwifery	799	648.97
Social Services	682	375.29
Professional & Technical	268	217.78
Ambulance	24	22.5
TOTAL	2,644	1.932.9

Leaving Rate - based on staff at mid-point of 2011/12

Occupational Family	Headcount	WTE
Generic	5.1%	4.5%
Administration & Clerical	3.7%	3.6%
Estates Services	5.5%	5.4%
Support Services	5.9%	5.3%
Nursing & Midwifery	3.9%	3.7%
Social Services	5.4%	4.4%
Professional & Technical	3.6%	3.4%
Ambulance	2.3%	2.2%

Workforce Training

33. Approximately 50% of HSC staff are in regulated professions. They must hold approved qualifications and be on the register of an appropriate professional body. The DHSSPS is responsible for commissioning the training of regulated staff, largely through the local Universities. The DHSSPS has to ensure that it is commissioning the appropriate numbers of student places to maintain an adequate supply of qualified staff.

34. Nursing and Allied Health Professional (AHP), Social Work and Medical school recruitment at undergraduate level remains buoyant.

35. In 2012, 3,656 applied to do nursing degree courses; this was a 22.6% reduction on 2011 but should be considered in the context of a 17% increase in the previous year. Queens University Belfast received 4.5 applications for each available place and the University of Ulster received 8.3 applications for each available place. Entry requirements remain unchanged although new nurse education standards were introduced in 2011.

36. Applications for AHP undergraduate study totalled 3,035 in 2012. The University of Ulster received 8.5 applications for each available place. No changes were made to the entry requirements for AHP programmes in 2011.

Regional Workforce Planning Process

37. Regional workforce planning is intended to enable the DHSSPS to gain workforce intelligence on the trends in employment for each professional group and this in turn will inform planning of needs over subsequent years. The data collected also covers qualitative information and, together with the data on recruitment and retention, enables the DHSSPS to work with the HSC in developing strategies to both attract people to working in the health service professions and build their career in that field.

38. The methodology for carrying out workforce reviews had been altered recently with a greater onus being placed on Trusts to undertake organisational level workforce planning, integrating financial, service development and workforce planning streams to help better inform the regional workforce planning process.

39. A regional workforce planning group, chaired by the DHSSPS' Human Resources Director, has recently been established to take forward the following Transforming Your Care recommendations:
    - **Recommendation 79:** Make necessary arrangements to ensure critical clinical staff are able to work in a manner which supports the new arrangements.
    - **Recommendation 95**: Development of new workforce skills and roles to support the shift towards prevention, self-care and integrated care that is well co-ordinated, integrated and at home or close to home.

- **Recommendation 97:** More formal integration of workforce planning and capital expenditure into the commissioning process to drive the financial transformation – initially a scoping exercise by the DHSSPS.

40. The Group will link closely with all other aspects of the implementation of Transforming Your Care at HSCB and DHSSPS level to ensure workforce implications of emerging new models of service delivery are assessed and communicated in a timely way. This will include identifying issues such as sustainability of current service provision through transition to the new models, indicative training and retraining requirements aligned to the models, supernumerary requirements and potential development of new roles. The Group will seek to consider the implications for the Voluntary, Community and Independent sectors, identifying issues which facilitate or impede workforce change on a timely basis.

41. As new models emerge, the Group shall develop an indicative timescale for completion of required training, which should also support the delivery of service via the new models.

National Recruitment and Retention Premia (RRP)

42. The IES review, undertaken on behalf of the NHS Staff Council, found that there was no requirement to pay any NRRP for new starters from 1 April 2011. Transitional arrangements were agreed to cover staff (maintenance craft workers in Northern Ireland) that were in receipt of these payments. The premia payable to maintenance craft workers was withdrawn over a two year period on the following basis:
    - Year one: 2011/12 100% of the payment at current value.
    - Year two: 2012/13 50% of the payment at current value.

43. On 1 April 2013 all national RRP payments to maintenance craft workers in Northern Ireland will cease. There is no evidence to support a local RRP for this group of staff.

Junior Pharmacists

44. The vacancy situation for Junior Pharmacists continues to improve as a result of several factors: - the greater availability of pharmacist workforce, in part due to the economic downturn and less employment opportunities in the community sector and the Republic of Ireland, continued supply from the University sector and less movement in the public sector and fewer new posts being created. Consequently, there is no current evidence to support a national RRP for Band 6 and Band 7 Pharmacists.

Local Recruitment and Retention Premia

45. A Northern Ireland Recruitment and Retention Framework was introduced in 2007 (HSS (AfC) (7) 2007 to address local recruitment difficulties. Under these arrangements there are currently three long term recruitment premia in place.
    - An existing premia of 20% on the basic band 7 for Embryologists employed in

the Regional Fertility Clinic was reviewed in December 2009. This premia was found to be effective and has been extended to the end of 2012 when the position will be reviewed again.

- A 30% premia on the basic band 7 nurse has been introduced to aid recruitment and retention in a particularly hard to fill geographical location on Rathlin Island. This has assisted in the provision of an out of hours nursing service and is working well. A review has confirmed that the service is working well and the premia is essential to retain the existing staff.

- There has been one new application for a long-term premia in Northern Ireland in the last year. This relates to a the Head of the Leadership Centre where several attempts to fill this Band 8D post on a permanent basis in the last three years have failed. A premia of up to 15% on the basic salary has been approved; a further recruitment exercise is currently underway.

Knowledge and Skills Framework

46. HSC employers in Northern Ireland remain committed to the Knowledge and Skills Framework in line with the Agenda for Change national agreement. The NHS Staff Council has endorsed new simplified guidance on KSF and employers locally have welcomed this development. A regional group, comprising management and trade union representation from all HSC organisations meets on a regular basis to share knowledge, develop and disseminate good practice and monitor progress; this group reports to the Regional Joint Negotiating Forum.

47. The Regional Joint Negotiating Forum supports the simplification of the KSF process provided the overall objective remains and staff have a KSF outline and Personal Development plan in place. Progress across HSC organisations is variable ranging from 45% cover to over 99% for KSF outlines and 38% of the current workforce with a completed Personal Development Review.

HSC Staff Survey

48. All HSC organisations in Northern Ireland, in partnership with Trade Unions have been working together to plan and develop a staff survey that is being used, simultaneously, in each organisation. This follows on from the first regional survey in 2009.

49. The regional survey commenced at the beginning of September 2012 and a total of 17,000 staff across all HSC organisations are being surveyed. The survey closes on 26th October and results are expected in April 2013. The attached link provides details of the guidance and information available in respect of the staff survey http://www2.hscni.net/HSC_Staff_Survey_2012/HSC%20Staff%20Survey%202012%20-%20Guidance%20for%20Managers.htm

Affordability Issues

50. Budget allocations for the four year period 2011-12 to 2014-15 were agreed by the Executive and ratified by the Assembly in March 2011. The Current Expenditure allocations for DHSSPS are set out in the table below.

DHSSPS Budget 2011 Settlement

DHSSPS BUDGET	2010/11 £m	2011/12 £m	2012/13 £m	2013/04 £m	2014/15 £m	2010/11 2014/15
Current Expenditure	4,302.9	4,383.1	4,447.6	4,569.2	4,659.4	
% Uplift		*1.9%*	*1.5%*	*2.7%*	*2.0%*	*8.3%*
RT %		*-1.0%*	*-1.0%*	*0.0%*	*-0.7%*	*-2.7%*

51. In assessing the implications of the Budget allocations, it is necessary to consider overall need for Health, Social Care and Public Safety services over the four year period 2011-12 to 2014-15. Whilst the budget allocations provided for an 8% cash uplift by the end of the budget period, this represented a real terms decrease of 2.7% when measured against 2010-11.

52. The financial allocations for current expenditure present significant and urgent challenges for DHSSPSNI as it seeks to meet a range of pressures from this settlement. In determining the level of allocations to HSSPS services/bodies the approach taken was to allocate available resources on a pro rata basis in line with assessed need so that a relative share of the funding shortfall is borne by all bodies/services. The underlying principle of this approach was to enable, as far as possible, maintained volumes of activity in key services in line with current performance.

53. There is a material and widening gap between the resources available and the best estimate of the minimum costs of maintaining existing HSC services within the existing pattern and with access times etc broadly comparable to the status quo. At this time the scale of the funding gap in 2013-14 is considered to be some £150 million but it will be the aim of the department to take steps to reduce this as far as possible. Broad measures requiring significant policy and service changes have been identified as ways to contribute to resolving the funding shortfall but it takes a considerable period of time to make such changes, hence timing is critical if decisions are to impact in 2013-14.

54. Underlying the minimum cost estimates for 2013-14 is £220 million of inescapable cost pressure arising from existing Ministerial commitments, demographic change and organisational restructuring. This includes £35 million to meet anticipated increases in the DHSSPS pay bill (2012-13: £22 million).

55. The significant pressures on the DHSSPSNI budget pressures mean that there is no flexibility to afford pay cost increases in excess of the £35 million identified without impacting directly on patient care by way of reducing resources available for service maintenance and improvement.

56. The Department in conjunction with the Health and Social Care Board are currently taking forward the assessment of the financial position for the remainder

of this budget period. This will involve reassessing the cost pressures previously identified. It is expected that this exercise will complete before the end of November 2012.

HSC Pensions

57. Member Contribution Rates

As part of 2010 Spending Review the Coalition Government announced that member contribution rates would increase for all United Kingdom public service pension schemes with the exception of the armed forces over a 3 year period from April 2012 to April 2014. Treasury indicated that if the targeted level of savings from this was not generated in Northern Ireland the Northern Ireland block grant would be reduced commensurately

58. The Executive, on 22 September 2011, agreed to commit to the principle of delivering the targeted level of savings to the cost of public sector pension schemes in Northern Ireland, and to adopt this approach consistently for each of the different public sector pension schemes.

59. The initial increases in member contributions' rates were introduced with effect from 1 April 2012. Discussions are still ongoing in England & Wales on the level of increases to be introduced with effect from April 2013.

Public Service Pension Reforms

60. Following on from Lord Hutton's report in 2011 and discussions between NHS Employers and Trade Unions the UK Government set out in March 2012 the proposed final agreement on scheme design for changes to the NHS Pension Scheme to be introduced in 2015.

61. This includes the introduction of a normal pension age equal to the state pension age for all NHS Pension scheme members in respect of service from 2015 onwards. Benefits accrued from April 2015 will be based on Career Average rather than final salary as at present. However, there are various levels of protection for existing Scheme members.

62. All existing Scheme members will have all benefits accrued up to the end of March 2015 i.e. those benefits will be based on final salary and will continue to be payable at the current normal pension age.

63. In addition, those scheme members who are within 10 years or less of their current normal pension age will have their future benefits protected. There will also be further tapered protection for those members who are within a further 3 years 5 months of their current normal pension age.

64. The Executive has yet to consider how these changes will be taken forward in Northern Ireland.

Summary/Conclusion

The Northern Ireland evidence demonstrates that:

- The significant pressures on the DHSSPSNI budget mean that there is no flexibility to afford pay cost increases in excess of the 1% identified without impacting directly on patient care.

- Vacancy and staff turnover rates in the Health and Social Care in Northern Ireland remain at an acceptable level;

- Nursing and Allied Health Professional (AHP) and Social Work recruitment at undergraduate level remains buoyant.

- There are no particular regional recruitment difficulties within the NHSPRB staff groups;

- The local arrangement for addressing recruitment and retention difficulties is fully operational and effective. Should recruitment difficulties arise these could best be addressed under the local Recruitment and Retention Framework.

- On 1 April 2013 all national RRP payments to maintenance craft workers in Northern Ireland will cease. There is no evidence to support a local RRP for this group of staff

The NHSPRB is therefore asked to make recommendations for 2013 on the distribution of the available funds of 1% while addressing the erosion of the differential between Agenda for Change pay points 15 and 16 (created by the flat rate £250 awards to points 1-15 on the pay range for the two years of the pay freeze).

	ANNEX
Statistical Information	
Table 1	HSC staff on Agenda for Change bands by pay scales and Spine Points at 30 June 2012
Table 2	Generic and Admin Family HC and WTE by AfC Pay Band and Spine Points at 30 June 2012
Table 3	Estates and Support Services Family HC and WTE by AfC Pay Band and Spine Points at 30 June 2012
Table 4	Nursing Midwifery & Health Visiting Family HC and WTE by AfC Pay Band and Spine Points at 30 June 2012
Table 5	Social Services Family HC and WTE by AfC Pay Band and Spine Points at 30 June 2012
Table 6	Professional & Technical Family HC and WTE by AfC Pay Band and Spine Points 30 June 2012
Table 7	Ambulance Family HC and WTE by AfC Pay Band and Spine Points 30 June 2012
Table 8	HSC Vacancies and LT Vacancies by HC and WTE September 2004 to March 2012
Table 9	Joiners and Leavers 2010/11 and 2011/12
Table 10	WTE staff count September 2001 to September 2011
Table 11	WTE staff count March 2003 to March 2012