

**Urgent Oral Statement to the Assembly by Health Minister Robin Swann –
Tuesday 14 January 2020: Resolution of HSC Agenda for Change Staff Dispute**

Mr Speaker, I am grateful for the opportunity to be able to make a statement to the Assembly on the industrial action in the Health and Social Care service, and the work to hopefully bring this to an end.

[As this has been a fast-moving situation, I apologise to the Assembly for not providing the usual advance sight of this statement.

As this is my first time addressing the house as Minister, I want to take the opportunity to reassure the Assembly, health and social care staff and members of the public that I absolutely recognise the challenges that are facing our health service.

Too many patients have been waiting for far too long, and our staff – on which the health service is totally dependent - have been become increasingly frustrated and demoralised.

It is as a result of those daunting and unprecedented challenges that I stand in front of you as Minister.

There is no issue more important than the health and wellbeing of our people, and I hope that by picking this Department I was able to demonstrate my absolute commitment to tackling and resolving the difficulties that our health service is facing.

Of course, whilst the problems are well known, we must not forget that each and every day our health service continues to perform extraordinary work in often incredibly difficult circumstances.

That is why I especially wish to pay tribute to all of our health and social care workers. There are over 70,000 people employed by the HSC, and a similar number working in the independent sector. Their work is vitally important, and I wish to thank each and every one of them for the talent, effort and dedication they bring, 24 hours a day, 365 days a year.

The circumstances that led to the unprecedented industrial action by HSC staff on Agenda for Change terms and conditions were hugely regrettable, but I fully appreciate the frustrations and the stresses which have led to this point. I know that it will have been an extremely hard decision for many to take industrial action, and I understand the reasons why they did.

I will shortly outline the measures that the Executive will take to try and bring the industrial action to an end; but I will begin by explaining the background.

Agenda for Change is the national pay system for all NHS and HSC staff, with the exception of doctors, dentists and the most senior executives.

It was introduced in 2004. A refresh of Agenda for Change was formally ratified at the NHS Staff Council in 2018, where it was agreed, in conjunction with trade unions, to implement a three year pay deal covering the period 1 April 2018 to 31 March 2021, as well as reform of the pay structure and changes to terms and conditions.

In the absence of Ministers, the Department of Health was unable to implement the three year deal, as it was in other parts of the UK. However the Department has been engaging with HSC Employers and Trade Unions on Agenda for Change refresh for Northern Ireland.

At the end of 2018, a pay award - whilst not agreed with unions - was implemented. It mirrored the first year of the three year pay deal agreed in England (i.e. the same uplift, adding 3% to the paybill, albeit from a starting point 1% lower than in England).

Despite significant engagement throughout 2019 (including over 20 meetings between the Department, HSC employers and trade unions), no agreement was made with trade unions on the year 2 (2019/20) pay offer.

Pay parity, together with safe staffing, are the main causes of the current dispute.

Two formal offers have so far been made for 2019/20, however these were both rejected by trade unions as neither of them restored parity with England.

Both the pay award for 2018/19 (adding 3% to the paybill), and the most recent offer made for this year (which would have added 3.1% to the paybill) need to be viewed in the wider context of public sector pay in Northern Ireland, where pay increases were in the region of 1%.

The developing pay dispute, together with trade union concerns on safe staffing, had caused the four largest Agenda for Change trade unions in Northern Ireland (the Royal College of Nursing, Unison, Unite and NIPSA) to commence formal balloting of their members for industrial action up to and including strike action.

Ballots in favour of industrial action were passed by all four unions, and Unison commenced industrial action in late November with action short of strike across a number of sites.

This industrial action escalated across the region, involving members of all four unions, with a strike on 18 December 2019, and a further two days of strike action by the RCN on 8 and 10 January 2020, and Unison on 10 January. Importantly, Members should also remain mindful that other Agenda for Change unions are balloting, or shortly intend to ballot, their members.

The industrial action caused the cancellation of thousands of outpatient and elective appointments across Northern Ireland, and without resolution to the dispute, trade unions have stated that the action will escalate further.

Three days of strike action by the RCN are scheduled on 20, 22 and 24 January, with further days scheduled in February and March.

Pay parity

Pay parity has been a consistent theme throughout the industrial action.

Over the last number of years England and Wales, Scotland and Northern Ireland have each adopted a different approach to pay, resulting in the pay values no longer being identical in each of the four jurisdictions. Scotland's Agenda for Change pay values are higher than those in England, which in turn are higher than those in Northern Ireland.

Northern Ireland's break in pay parity with England occurred in 2015/16, following a decision in January 2015.

Turning to resolution of the dispute, applying England's pay values to current pay scales in Northern Ireland with effect from 1 April 2019 will create pay parity with England. This is estimated to cost **£109 million**.

The Department has, through a combination of in-year easements and successful bids for additional funding, been able to assemble **£79 million** (£50m of which is non-recurrent funding) to increase pay for this staff grouping for 2019/20.

Therefore an additional **£30 million** is required to meet the costs of Agenda for Change pay parity with England in 2019/20. A move to pay parity will, of course, also have implications for our budget in future years.

It should be noted that a further **£67 million** of recurrent funding will also be necessary in 2020/21 to support National Living Wage uplifts and if pay recommendations for other staff groups not covered by Agenda for Change, such as Family Health Services and Doctors' and Dentists' Review Body recommendations are to be met.

A move to parity with England will not inherently address recruitment and retention problems in Northern Ireland.

Whilst there are over 7,000 vacancies currently being recruited to in the HSC, the high number is due to a range of factors, for example, the outworkings of the Transformation agenda and the creation of new staff mixes in HSC; the ever-increasing size of the workforce necessary to attempt to keep pace with the demands of a growing and ageing population; and shortages of suitably-qualified staff, which is not a problem that is unique to Northern Ireland.

Mr Speaker, I should clarify that the funding of the £30 million cost of the move to parity in the current year is to be financed by drawing forward proposed allocations for future years.

So, while I am glad that it is not impacting on the funds available for other services this year, it is important to note that it has not been financed, by an additional allocation to Northern Ireland.

Whilst pay is a factor in recruitment and retention, a more significant component - as evidenced by the trade union focus on safe staffing - is the pressure on staff across the HSC.

These will only be properly addressed by transforming the HSC, and by fully implementing the actions in the health and social care Workforce Strategy, published in 2019.

In addition to pay, there is much to do on the refresh of Agenda for Change, and the Department is committed to working with trade unions on this.

Safe staffing

Of course, pay parity has been one element of the industrial action, but the Assembly will be aware that safe staffing has also been a very significant issue for unions during this dispute.

I want to provide some assurances today.

The Workforce Strategy aims, by 2026, to meet Northern Ireland's health and social care workforce needs, and the needs of the health and social care workforce.

It includes 24 actions under three objectives:

- Achieving the appropriate numbers and skills mix (through training commissioning, good workforce planning, provision of careers advice and development of new roles);
- Ensuring that staff feel valued and rewarded, and that the HSC is an employer and trainer of choice; and
- Improving business intelligence.

The Strategy, which was co-produced with trade unions and others, will, if implemented, greatly assist with maintaining safe staffing levels in Northern Ireland. In addition, the Department is developing options to reduce reliance and spend on agencies and locums.

Trade unions have, as part of the current dispute, also made a number of requests in respect of their view of what measures are needed to address the safe staffing element of the dispute.

I respect the fact that trade unions will only end the current dispute if pay parity is achieved, and they are convinced that there is a workable plan to achieve safe staffing within a reasonable timeframe.

I therefore commit today that my officials will work urgently with all unions to produce a costed implementation plan for safe staffing within an agreed short period.

Trade union asks on safe staffing will not be delivered immediately – this will be a long term endeavour, but I hope that unions and staff will take assurance that the plan will be realistic, that additional funding will be required, and that I will bring it to the Executive for endorsement on this basis.

Conclusion

To sum up, Mr Speaker, I believe the component parts are now in place to settle the industrial dispute.

I presented a paper to Executive colleagues this morning. I am grateful to my fellow Ministers for endorsing those proposals.

Additional funding has now been secured. Pay parity with England can be restored.

Our nurses and other great health and social care workers can come off the picket line, can get back to the job that they love and do so well.

As this House would expect, I haven't wasted any time following today's Executive meeting.

I met immediately with trade union officials and briefed them on these latest developments.

The new offer was outlined by me to Trade Union representatives this morning and will be formally submitted to them this afternoon. Officials will meet with trade unions tomorrow to agree on the detail.

I am grateful to trade union leaders for the constructive meeting this morning. I appreciate that they have to go through internal processes and I sincerely hope and believe trade unions will now bring industrial action to a swift end.

To be clear, this new offer will reinstate pay parity with England - and not just for this year.

My Department is providing a written commitment it will be maintained in 2020/21.

Decisive action has also been taken on the vital issue of staffing, and my Department is providing a written commitment to immediate high-level engagement with unions to produce a costed implementation plan on safe staffing within an agreed short period.

The breakthrough we all wanted has been achieved.

This is a good day after some very difficult days. I am grateful to my colleagues around the Executive table for helping to make it happen.

We have moved significantly, and quickly, to take action - together. That is a sign of optimism for the future.

I know there is scepticism in many quarters about what this Health Minister and this Executive can do for the health and social care service. That is entirely understandable.

Many good people doubt whether we can set party politics aside work and work together constructively. We shall see.

But maybe - just maybe - today will give the sceptics some pause for thought.

We have of course so much more to do.

This has been a very challenging period for our health and social care services. But the situation was challenging before the industrial action, and it will continue to be for the foreseeable future.

Sustained additional funding is essential but there are no quick fixes.

We can however provide hope and assurance to our workforce that the problems they have been telling us about for so long will be addressed, once and for all.

The Assembly, the Executive, the Department, and Trusts, are not just hearing these concerns, but listening and acting.

If devolution is to work, it has to deliver for our health service.

Let's get on with it.

A handwritten signature in black ink, appearing to read 'Robin Swann', written in a cursive style.

Health Minister Robin Swann