Dear Mr Leary

Thank you for your letter of 7/8/12 to Dr Fox. He has been sending the following to his constituents on this issue.

"Thank you for contacting me about the 'Stand with me' campaign. I have passed on your concerns to the Secretary of State for Health.

I understand that the move by NHS Trusts in the South-West has generated some concern amongst NHS staff. The Consortium of 20 Trusts has made no formal proposals. It plans to discuss the detail of any future proposals with regional trade union representatives and will make any final proposals to their own Trust boards by the end of this calendar year.

I want to assure you that this Government is committed to the principles of "Agenda for Change", a national framework. You may be aware that NHS trade unions launched a consultation at the end of June on proposals made by NHS Employers for changes to Agenda for Change. The consultation exercise is now closed and we expect feedback by this autumn on whether trade unions will take the proposals forward into national agreements. The ongoing national level discussions on "Agenda for Change" between trade unions and NHS Employers, and the very early work of the Consortium are about ensuring that patients and taxpayers get the maximum value for money from every penny spent on the NHS, and that it is spent efficiently and effectively. Discussions are not about a pay cut, and we would not support one.

The pay agreement for the NHS which the Government inherited from the previous government, Agenda for Change, can be adjusted to reflect market forces, through payment of Recruitment and Retention Premia (RRPs) or High Cost Area Supplements (HCAS - which you have described as London Weighting) for certain posts in certain locations. All Trusts already have the power, under the previous government's National Health Service Act 2006, to set their own terms and conditions for their staff, but most use the Agenda for Change pay system. Trusts cannot make a unilateral decision to move away from Agenda for Change, they must consult with staff and or staff representatives and seek agreement.

The Government is examining ways to ensure that better use is made of public sector funds. In the Autumn Statement, the Chancellor announced that the Government would ask selected independent Pay Review Bodies, including the NHS Pay Review Body to consider how public sector pay could be made more responsive to local labour markets. The NHS Pay Review Body was asked to report to Government by July this year.

The evidence submitted to the NHS Pay Review Body makes clear that Agenda for Change already has market facing provisions like RRRPs and HCAS and that extension of the HCAS system would help employers make better use of NHS funds. The Department has now received the NHS Pay Review Body's report and will consider the recommendations very carefully. It will publish the report in due course."

Yours sincerely

Ione Douglas (Mrs)
Parliamentary Office of the Rt Hon Dr Liam Fox MP