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Philippa Hird Chair NHS Pay Review Body Office of Manpower Economics Fleetbank House 2-6 Salisbury Square London EC4Y 8JX

7 December 2017

Dear Ms Hird,

I am writing firstly to express my thanks for the NHS PRB's valuable work on the 2017-18 pay round and secondly, to formally commence the 2018-19 pay round.

The Chief Secretary to the Treasury wrote to you in September setting out the Government's overall approach to pay. That letter confirmed that the Government has adopted a more flexible approach to public sector pay, to address areas of skills shortages and in return for improvements to public sector productivity. Review bodies should continue to consider affordability when making their recommendations.

The Chancellor committed at Autumn Budget to provide additional funding for pay awards for staff employed under the national Agenda for Change contract provided the awards are part of an agreement with Agenda for Change trades unions about reforms to boost productivity. In considering future remuneration of these staff, I am therefore asking NHS Employers to continue exploratory talks with the Agenda for Change trades unions, with a view to the latter obtaining mandates to negotiate a multi-year agreement. Any agreed deal would need to be one that gives valued staff a fair pay rise alongside improving recruitment and retention and developing reforms which better reflect modern working practices, service needs and fairness for employees.

This does not prejudge the role of the independent NHS Pay Review Body in recommending the level of pay award that these staff should receive. We would





expect your recommendations to be informed by the outcome of talks with the Agenda for Change trade unions.

As always, whilst your remit covers the whole of the United Kingdom, it is for each administration to makes its own decisions on its approach to this year's pay round and to communicate this to you directly.

Yn Jeg

JEREMY HUNT