

# STATES OF JERSEY



## NURSES' PAY INCREASES: REQUEST TO STATES EMPLOYMENT BOARD

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Lodged au Greffe on 12th October 2011  
by Deputy G.P. Southern of St. Helier

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STATES GREFFE

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

to request the States Employment Board, in co-operation with the Minister for Health and Social Services –

- (a) to give further consideration to the recommendations of the Income Data Services (IDS) report “Review of nurses’ and midwives’ pay structure” published in January 2011 and to reconsider its decision of 3rd August 2011 not to approve a 5% uplift in pay for nurses at grade 5 and above, and to request the Board to implement this 5% pay rise with effect from 31st March 2012;
- (b) to commence negotiations through the States Human Resources Department on the implementation of a significant pay rise for nurses over the coming 3 or 4 year period in order to address the current difficulties in Jersey in relation to the recruitment and retention of qualified and experienced nurses.

DEPUTY G.P. SOUTHERN OF ST. HELIER

## REPORT

This proposition is based on a briefing paper presented on behalf of the Minister for Health and Social Services on Registered Nurses' and Midwives' Recruitment and Retention, presented to the SEB in February 2011. It opens thus –

*“The provision of safe, effective and efficient healthcare is fundamentally reliant on the ability to recruit and retain a professional workforce. Providing a diverse range of services on a small island presents many challenges not least the ability to respond to peaks and troughs in service demand, with a workforce that is appropriately skilled.*

The paper sets out to inform that –

- *The problems associated with the recruitment and retention of registered nurses remains.*
- *That targeted recruitment campaigns in areas where RN recruitment has been reduced as a result of the economy does not provide adequate candidate attraction of experienced nurses to Jersey.*
- *If registered nurses face financial challenges in managing within a mainland UK economy the relocation to Jersey will be prohibitive.*
- *That concerns raised in regard to the impact of the ageing workforce is now a reality.*
- *That the UK pool of staff from which Jersey recruits will be reduced as from 1st April 2011 when the limits are imposed on Tier 2 immigration.*

*The UK RN vacancy factor in 2010 reduced to 2.5% from the rise in 2009 when vacancies for RN's sat at 3.1%. The reduction reflects a number of factors, such as a volume of newly qualified registered nurses seeking work and the ease of mobility of staff across the UK regions and international community with a range of candidate attraction methods being adopted at local level.*

*The previous briefing paper in October 2009 raised concerns that the number of funded registered nurse posts in Jersey that were unfilled despite significant sustained and costly actions taken to improve recruitment and retention was 9.6% and as of 7th February 2011 stands at 10%.”*

**Please note the marked difference between the vacancy rates in Jersey and the UK.**

This is not just a problem of the worldwide shortage of nurses. Jersey has a serious problem.

The briefing paper goes on to quote 2 further pieces of research –

*“The findings of two recent independent reports, undertaken by Tribal and Income Data Services, commissioned by the States of Jersey, have both*

*indicated that a problem exists now regarding the pay of nurses and midwives”.*

Their findings are summarized here –

**TRIBAL** – Commissioned in 2010

Commissioned by the States of Jersey with the following terms of reference –

*“to review the effectiveness of existing pay and conditions of service packages across the public service with a view to ensuring that these give good value for money to the island of Jersey, are affordable, and are 'fit for purpose' in terms of recruitment, retention and motivation of staff in the various pay groups”*

The summary of findings –

***“That nurses salaries are below the UK (compared with inner London) and adjusting the salaries to correct levels would cost in the region on £4.2 million.”***

The second report was produced by IDS in January 2011, and defines itself thus –

*“This report has been produced by Incomes Data Services (IDS) for the States of Jersey Health and Social Services Department. The report has been compiled following an extensive review by IDS of pay on Jersey for nurses and midwives, involving a comparison of the pay of these job-holders with comparable nursing posts in the UK.*

*Salaries of Jersey allied health professionals (AHPs) have also been matched with UK jobs and salaries to provide a point of comparison, since there are few recruitment and retention problems relating to the Island’s AHPs.*

*In order to assist with this review, a key element of the work has been to examine Jersey local labour market factors, including housing, childcare and transport costs, as well as recruitment and retention issues. This examination of the local labour market has been crucial in order to place in context the findings from the pay review.”*

The Key objectives are described as follows –

The main objective of this work has been to establish if the States of Jersey Health and Social Services Department nurses and midwives’ pay structure, covering both the registered and non-registered workforce, is fit for purpose within a small Island context.

Following a detailed examination of the pay structure, a further objective has been to establish whether the States of Jersey employer can sustain and support the recruitment and retention of suitably-qualified and experienced registered nurses and midwives.

Findings and recommendations, in relation to possible future action by the States Employment Board, were to be informed by the following –

- Comparisons of pay and conditions for nurses and midwives to their UK counterparts.
- A comparison of pay and conditions of local and UK AHPs within a clinically based role.
- Analysis and comparison of local cost-of-living and retail price indices to ensure appropriate context, to support IDS’ findings and recommendations.

A significant part of the work has been to engage in detailed discussions with both the employer and staff-sides, to gain an understanding of the main issues relating to employment on Jersey.

In the briefing paper presented by Health and Social Services on Registered Nurses’ and Midwives’ Recruitment and Retention presented to the SEB in February 2011, the overall recommendations were as follows –

Overall recommendations:

- Increase Grades 5 – 8 salaries by 5% on 2010 salary scale.**
- Combine newly qualified RN and RM within Grades 4 and 5 respectively.**
- Development of rental subsidy.**

Furthermore, whilst the IDS comparisons between salaries locally and in the UK taken before housing costs are not striking, after housing costs are taken into account, the differences are significant –

#### **Cost of living adjusted salary comparisons, including housing**

##### ***“Key findings***

*Once housing is introduced into the cost-of-living adjustments there is a marked deterioration in the salary comparisons. Table 9 shows that senior staff nurses at the top of grade 4 are now 9% below their UK counterparts, nurses and midwives on Grades 5A and 5B are 17% below, and nurses and midwives on Grades 6A and 6B are 16% below.”*

In terms of direct comparisons with their UK counterparts, Jersey nurses’ salaries, after housing costs are taken into account, are simply inadequate. This is in direct contrast to the position of allied health professionals –

*“In contrast, Table 10 shows that AHP’ salaries, for staff employed on Grades 9 and 10, are still ahead of UK salaries, although the position deteriorates at the top of Grade 11 and across the salary range for senior management positions”.*

The Tables 9 and 10 referred to are in the Appendix.

Instead of dealing with the underlying pay structure which is at the heart of the recruitment and retention problems in nursing on the Island, the States Employment Board has chosen not to attempt to implement the fundamental recommendations of the commissioned reviews. Instead an alternative approach has been devised through the implementation of a rental subsidy, which will be to some, but not all senior nursing staff.

Under this scheme a housing subsidy worth £5,550 a year is added to Grades 4, 5B, 6B, 7B and 8B. The net salary gain of the proposed rental subsidy is equivalent to the maximum mortgage interest relief on a mortgage interest rate of 5%. This subsidy is then reduced in the second year to 50% of this sum. Thereafter the subsidy ceases.

The costs of the rental subsidy are based on an estimate of 30% of the workforce (2010 RN's) being eligible for a payment. The total sum involved is approximately **£1.1 million** per annum.

The containment of costs will be governed by the need to calculate on gross household income rather than an RN salary alone and not all RNs eligible for the scheme would be entitled to the full annual subsidy amount.

In addition to failing to meet the overall need for increased rates of pay at senior levels (costed at £4.2 million by Tribal) the subsidy suffers from a number of obvious shortcomings –

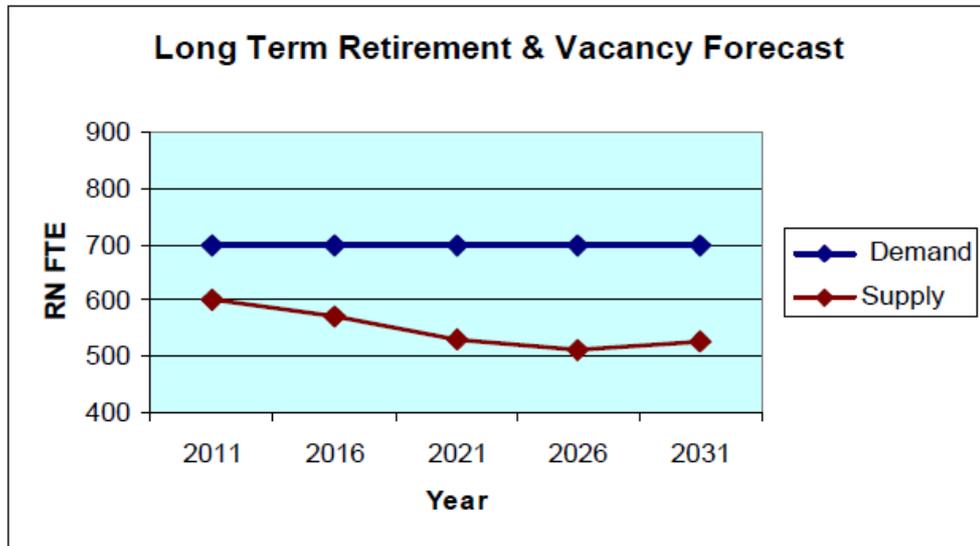
- (a) it is temporary, when the high cost of housing is permanent;
- (b) it applies only to some nurses, causing substantial salary differentials among staff on the same grade;
- (c) it does not form part of pensionable pay.

This sort of mechanism can only be a temporary solution which fails to address the underlying problem.

I will refrain here from detailing the long-term projections for nurse recruitment and retention, including as it does such factors as use of agency/bank nurses, the age profile of current staff along with retirements, current shortfalls in recommended staffing levels, especially in registered elderly mental health beds (increasing year on year), number of applicants per post (going down), lead-in times, child care issues and much more.

I simply ask members to study the graph below which shows a 28% gap between supply and demand for nurses over the next 20 years. We have to start now to address this fundamental failure in the free market for this critical skill area. If we want a decent health service today and in the future, we must pay a competitive rate for our nurses.

**Graph 7.**



The conclusions of this increasing deficit in the supply of nurses is summarised in the briefing paper thus –

*“It is becoming increasingly difficult to provide the diversity of health and social care, within the staffing levels in place as a result of the recruitment and retention problems of registered nurses and midwives requiring an essential and urgent action that is sustainable.*

*We have worked to address issues through creative initiatives and partnerships. However we recognise this issue is an island wide issue and our initiatives alone do not enough go far enough to attract and retain talented staff.*

*To summarise*

- The predictions that recruitment would get harder has been realized and will continue*
- Our vacancy rates are increasing*
- In turn we are struggling to retain staff which will increase*
- We are now experiencing an increase in retirements*
- Jersey is an expensive place to move to*
- The differentials in pay have been eroded over the years.*
- Nurses in Jersey work in a compact pay structure.”*

I can only conclude that the recruitment and retention of nurses is a long-term problem which requires a long-term solution. We need to start the serious negotiations process required to find the long-term solution now.

### **Financial and manpower implications**

The cost of fully engaging with a long-term review of nurses’ and midwives’ pay will undoubtedly be less than the cost of not doing so, or of putting it off. As far as this proposition is concerned, the starting point is the immediate cost of the 5% increase in

pay for grades 5 to 8, which amounts to £765,000 following the 2011 2% across the board pay settlement. This cost will need to be met from the central provision voted in the Annual Business Plan debate for the Treasury and Resources Department. The longer-term adjustment of salaries and structures will depend on the outcome of negotiations but is unlikely to be more than the £4.2 million required to produce London-weighting parity suggested by Tribal, and phased in over 3 to 4 years. There are no manpower considerations to this proposition.

## Cost of living adjusted salary comparisons, including housing

IDS

Table 9: States of Jersey nurses' net pay as a proportion of UK nurses' net pay, adjusted for the cost of living, including housing

AfC band	SoJ nurses grade	Job example	Differential at Min	Differential at Max
2	1	HCA I	1.08	0.97
3	2	HCA II	1.10	0.98
5	3	Staff Nurse	0.94	0.78
5	4	Senior Staff Nurse	1.10	0.91
6	5A	Sister/Charge Nurse	0.98	0.83
6	5B	Sister/Deputy Charge nurse	0.98	0.83
7	6A	Senior Sister/Senior Charge Nurse	0.97	0.84
7	6B	Nurse Specialist	0.97	0.84
8b	7A	Lead Nurse/Head of Nursing	0.79	0.70
8b	7B	Consultant/Lead Nurse	0.79	0.70
8c	8A	Head of Nursing	0.72	0.63
8c	8B	Head of Nursing/Consultant Nurse	0.72	0.63

Table 10: States of Jersey AHPs' net pay as a proportion of UK AHPs' net pay, adjusted for the cost of living, including housing

AfC band	SoJ civil service grade	Job example	Differential at Min	Differential at Max
5	9	OT basic	1.16	1.04
5	9	Physiotherapist	1.16	1.04
5	10	Senior OT II	1.33	1.15
7	11	Senior OT I	1.03	0.89
7	11	Senior Physiotherapist I	1.03	0.89
8a	12	Deputy Head of OT	0.92	0.86
8a	12	Deputy Superintendent Physiotherapist	0.92	0.86
8c	14	Head of OT	0.88	0.82
8c	14	Superintendent Physiotherapist	0.88	0.82