

What was the cost of the average house in the UK and NHS nursing staff pay 10 years ago?

In March 2011, the cost of the average house in the United Kingdom was £165,600¹. At the same time, the average total pay of an experienced nurse employed at the top of Agenda for Change Band 5 (spine point 23) stood at £32,440 per annum (including salary, unsocial hours payments and other pay including on-call)^{2,3}. Combining this information, the ratio of the average price of a house in the UK and total annual pay for an experienced nurse was estimated to be 5.1. In other words, in 2010-11, the cost of the average house across the UK equated to 5.1 years of an experienced nurse's total gross annual pay (see Table 1⁴).

For an experienced nursing support worker employed at the top of Agenda for Change Band 4 (spine point 17), their average total pay stood at £23,957, meaning that the average house price to total annual pay ratio for this group of staff was 6.9. The cost of an average house equated to 6.9 years of an experienced nursing support worker's total annual pay.

If house prices and nursing staff pay increased using the same inflation rate, where would they be today?

Ten years later, if average house prices had increased with inflation⁵, then the average house in the UK would cost approximately £217,300 (an increase of 31% over the decade).

Similarly, if pay levels for an experienced nurse with at least 7 years of experience had kept pace with inflation, this would now stand at £42,600 (again, an increase of 31%). If an experienced nursing support worker's total annual pay had kept pace with inflation, they would now be earning £31,450.

What has actually happened to house prices and nursing staff pay over the last decade?

In March 2021, the cost of the average house in the United Kingdom stood at £256,400 (a 55% increase over 10 years).

In contrast, the average annual pay of an experienced nurse now is estimated at £35,340 (only a 9% increase)⁶. As a result, the current ratio of the average UK house price relative to an experienced nurse's pay stands at 7.3. In other words, a decade later, the cost of the average house in the UK now equates to 7.3 years of an experienced nurse's total gross annual pay.⁷

¹ Source: Office for National Statistics (2021a) based on HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland, and Office for National Statistics UK House Price Index (Figure 2), seasonally unadjusted, rounded to nearest £100 ([link](#)).

² London Economics' analysis based on NHS Digital data for staff on the *Agenda for Change* Framework in England provided by the Royal College of Nursing. The AfC Framework was introduced in 2004 to modernise the NHS pay system and is made up of nine bands subdivided into specific pay grades or "spine points". Given the lack of corresponding data for Wales, Scotland and Northern Ireland, the analysis was undertaken for England only. Total pay is calculated per full-time equivalent (FTE) staff. In addition to basic salaries, total pay includes a range of 'non-basic' pay components, including payments for additional activity, band supplements, medical awards, geographic allowances, local payments, on call, overtime, recruitment and retention premia, shift work payments, and other payments. In 2010-11, the salary (excluding all additional elements) of an experienced nurse at the top of Band 5 (i.e. with 7 years' experience) stood at £27,534 per annum.

³ See London Economics (2021a) ([link](#)). We consider an experienced nurse (i.e. with 7 years' experience) subject to the *Agenda for Change* Framework to be at the top of Band 5 (spine point 23). The analysis considers only those nursing staff and allied health professionals employed in NHS Trusts and Clinical Commissioning Groups, as a breakdown by spine point for staff in NHS Support Organisations and Central Bodies was not possible (as the underlying data from NHS Digital did not provide a disaggregation by spine point for this group of staff). In 2019-20, of the 1 million nurses, midwives, allied health professionals, and NHS support staff covered by Agenda for Change in England, approximately 7.2% (71,850) were employed on Band 5 (spine point 23).

⁴ Table 1 presents how total pay for an experienced nurse (Band 5, spine point 23) under the AfC Framework in England, and average UK house prices, have increased over the period, both in actual terms and if the increase had been in line with the Retail Price Index of inflation.

⁵ Office for National Statistics (2021b) ([link](#)). Retail Price Index (RPI, all items), 12 month outturn taken for the month of April in the relevant year.

⁶ In 2020-21, the salary (excluding all additional elements) of an experienced nurse stood at £30,615 per annum.

⁷ The evolution of total pay for nursing staff at the top of Band 3, and top and bottom of Band 4 and Band 5 are also presented in Table 1.



Looking at experienced nursing support workers, total annual pay now stands at £26,071 (a 9% increase). The current ratio of an average UK house price relative to their pay levels is 9.8 - equating to 9.8 years of total annual pay.

Over the last decade, average UK house prices have risen **6 times faster** than pay for experienced nursing staff.

What does this mean?

As with previous analysis by London Economics⁸, the findings presented here illustrate that over the last decade, nursing pay has not kept up with inflation. This has resulted in a significant deterioration in the value of nursing staff pay in real terms. In addition, the analysis here illustrates that the ability of an experienced nurse to purchase housing has declined even further. An experienced nurse now requires an additional 2.2 years of total gross pay to match the average price of a house in the UK.

As a society, if we value the contribution of nurses to our collective health and wellbeing, then this should be reflected in fair pay for nursing.

⁸ See London Economics (2021a) ([link](#)) and London Economics (2021b) ([link](#)).

Supporting analysis

Table 1 presents how total pay for nursing staff (at the top of Band 3 and the bottom and top of Bands 4 and 5) in England under the Agenda of Change Framework, and average UK house prices, have increased since 2010-11, both in actual terms, and hypothetically if they had increased in line with inflation (i.e. the Retail Price Index).

Table 1 Total nursing staff pay and average house prices between 2010-11 and 2020-21

	RPI inflation	Band 3		Band 4				Band 5				House Prices	
		Point 12		Point 11		Point 17		Point 16		Point 23		Actual	Hypothetical if growing with RPI
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2010-11	-	£21,352	£21,352	£22,136	£22,136	£23,957	£23,957	£24,180	£24,180	£32,440	£32,440	£165,600	£165,600
2011-12	5.2%	£21,731	£22,460	£22,441	£23,290	£24,254	£25,200	£24,750	£25,440	£32,770	£34,130	£165,900	£174,200
2012-13	3.5%	£21,891	£23,250	£20,512	£24,110	£24,254	£26,080	£24,750	£26,330	£32,930	£35,320	£168,700	£180,300
2013-14	2.9%	£22,096	£23,920	£20,543	£24,810	£24,140	£26,840	£24,520	£27,090	£33,080	£36,340	£179,500	£185,500
2014-15	2.5%	£22,266	£24,520	£20,819	£25,430	£24,166	£27,510	£24,770	£27,770	£33,240	£37,250	£191,500	£190,100
2015-16	0.9%	£22,489	£24,740	£21,298	£25,660	£24,222	£27,760	£25,150	£28,020	£33,580	£37,590	£207,700	£191,800
2016-17	1.3%	£22,353	£25,060	£21,562	£25,990	£24,370	£28,120	£25,520	£28,380	£33,310	£38,080	£215,200	£194,300
2017-18	3.5%	£22,507	£25,940	£21,563	£26,900	£24,462	£29,100	£25,650	£29,370	£33,640	£39,410	£223,800	£201,100
2018-19	3.4%	£22,956	£26,820	£22,386	£27,810	£24,976	£30,090	£26,690	£30,370	£33,850	£40,750	£227,100	£207,900
2019-20	3.0%	£23,548	£27,620	£22,669	£28,640	£25,644	£30,990	£27,440	£31,280	£34,760	£41,970	£232,900	£214,100
2020-21	1.5%	£23,940	£28,030	£23,533	£29,070	£26,071	£31,450	£28,220	£31,750	£35,340	£42,600	£256,400	£217,300
Change (%)	31%	12%	31%	6%	31%	9%	31%	17%	31%	9%	31%	56%	31%

Notes: Total nurse pay is rounded to nearest £1,0 while average house prices are rounded to nearest £100. 'Actual' house prices in 2010-11 refers to March 2011 house prices. 'Actual' house prices in 2020-21 refers to March 2021 (the latest month for which data is available).

Source: London Economics' analysis based on NHS Digital data, ONS Retail Price Index data and ONS House Price data.