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**Agenda for
Change: What will
it mean for you?**

A guide for staff

READER INFORMATION

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Message to staff from John Hutton MP Minister of State for Health

I am delighted to present this booklet on Agenda for Change to NHS staff. It sets out the way the original Agenda for Change proposals have developed following testing in the twelve 'Early Implementer sites' in England and modelling in Scotland. The new pay system provides a clear government commitment to our most important resource – our staff – and will support them in the high quality patient care that they deliver.

Agenda for Change provides you as an NHS employee with a unique opportunity to be part of the decision-making process. It offers a new way of looking at job roles in the organisation. It will ensure fair pay, the development of staff and the delivery of the services we need in a world class NHS.

We now need to collectively work together on this at both a national and a local level to realise the potential in Agenda for Change and to demonstrate the benefit of this extra investment.

A handwritten signature in black ink, reading "John Hutton". The signature is written in a cursive, flowing style.

John Hutton

Foreword

In June 2003, twelve NHS organisations in England began early implementation of Agenda for Change – a new NHS pay system.

Since March 2004, a national group – with Trade Union and Management representatives – has been reviewing the experiences of the early implementer (EI) sites. The group's aim has been to identify the key lessons from the early implementation stage and agree any changes needed to support an effective national roll-out of the system. The review is now complete and this booklet provides staff with an overview of the agreed new system.

The review of the EI sites established that overall the new pay system had worked well and that staff and managers were generally positive about its impact on their organisations. The vast majority of EI sites benefited from improved partnership working – with one site saying this was *“creating a much deeper and more serious commitment to partnership than anything that has gone before”*.

On top of this, there is good evidence of real progress across all sites in implementing new ways of working and improving career structures. This includes examples of role development, role enhancement and the creation of new roles which have all helped change the way we provide services, bringing benefits for staff and patients alike.

The review also highlighted the need for some changes to the new pay system. These changes have now been made and the most significant relate to:

- The Job Evaluation Scheme – over 250 agreed national profiles have been published with improvements in the matching procedure and clearer guidance to ensure that non-clinical jobs are properly banded.
- The Knowledge and Skills Framework (KSF) – following wider testing, the KSF has been improved and revised for national roll-out.
- On-call arrangements – current arrangements, whether national or local, can remain in place for up to four years.
- High cost area payments – a new definition of the inner, outer and fringe boundaries has been agreed.
- The NHS minimum wage – has increased to £5.69 (2004/05 rates), with an opportunity to progress higher within pay band 1.
- A new pay band 9 – has been introduced for some of the most senior staff.
- Unsocial hours – there will be an interim regime based on Whitley to cover all staff, except for ambulance staff who will use the tested Agenda for Change system.

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The new pay system – an introduction

The new NHS pay system is based on the principle of equal pay for work of equal value. It will offer:

- **Greater scope** to create new kinds of jobs, bringing more patient-centred care and more varied and stimulating roles for NHS staff.
- **Fairer pay** based on job evaluation.
- **Movement** towards harmonised conditions of service for NHS staff.
- **Better links** between career and pay progression.

Who will be covered?

The new pay system will apply to all directly employed NHS staff, except doctors and dentists and the most senior managers at or just below board level. If you are currently employed on a local trust contract – that is a contract that is not based on national Whitley Council pay and terms and conditions – you will have a choice over whether or not to move to the new system.

When will it be implemented?

Subject to the Trade Union second ballot process, national roll-out is due to be implemented across the NHS from December 2004, with an effective date for backpay of October 2004 for all elements except revised working hours, which will take effect from December 2004. Each trust will begin the process of moving staff to the new pay system from 1 December 2004, with the expectation that all staff will be moved by September 2005. Your employer will be setting out over the next few weeks the timetable for moving across to the new pay system.

What will the new system look like?

This booklet describes the arrangements for staff on the two new Agenda for Change pay spines:

Pay Spine Two: for staff within the new extended remit of the Nursing and Other Health Professions Review Body, and

Pay Spine Three: for all other directly employed NHS staff, with the exception of the most senior managers and doctors and dentists.

These pay spines will be divided into nine pay bands (see Table 1). There will be several pay points within each pay band. Your post will be placed in the correct pay band using the new NHS Job Evaluation Scheme by either:

- matching your post to an appropriate national profile, or
- a local job evaluation.

This process will include discussions with individuals or representative individuals and managers to properly establish the demands of each job.

Table 1.

Band	Minimum*	Maximum*
1	£11,135	£12,147
2	£11,508	£14,278
3	£13,266	£15,877
4	£15,504	£18,647
5	£18,114	£23,442
6	£21,630	£29,302
7	£26,106	£34,417
8 Range A	£33,298	£39,958
8 Range B	£38,786	£47,949
8 Range C	£46,671	£57,539
8 Range D	£55,941	£69,260
9	£66,063	£83,546

*These figures are based on 2004/05 rates and exclude the temporary transitional points which will only be used in moving staff on to the new system.

The new NHS Job Evaluation Scheme

The NHS Job Evaluation Scheme is a means of fairly rewarding people by measuring their job-related skills, knowledge and responsibilities. The scheme has been developed especially for NHS staff and will be used to help ensure that staff receive equal pay for work of equal value.

The detailed assessment of each post using the Job Evaluation Scheme will determine the correct pay band for each post, and so the correct basic pay.

Many jobs have been evaluated nationally and can be used for matching posts to the new pay bands. These are available on the Department of Health's Agenda for Change web pages (see 'Where to get more information' on page 21).

Progressing up your pay band

Within each band, there will be a number of pay points. As you successfully develop your skills and knowledge, you will normally progress through one pay point each year, up to the maximum in your pay band. At two defined 'gateway' points in each pay band, progression will be based on demonstrating the agreed knowledge and skills

appropriate to that part of the pay band using the NHS Knowledge and Skills Framework.

All staff joining pay band 5 as new entrants will have accelerated progression through the first two points in six-monthly steps, providing their standard of practice is satisfactory. This 12-month period will be referred to as 'preceptorship'.

New terms and conditions

There will be one set of terms and conditions applying to all staff groups, except for those working unsocial hours (see 'Recognising work outside normal hours' on page 11). These new conditions will include the number of hours worked in a full-time week and the number of annual leave days. If your terms and conditions are very different in the new system, you will be given an agreed period of time to make the changes.

Enhancements to basic pay

In addition to basic pay there will also be:

- extra pay for staff who work in high cost areas (see 'Pay in high cost areas' on page 13)
- additional pay for people in posts where recruitment and retention of staff is especially difficult due to competition from outside the NHS (see 'Recruitment and retention premia' on page 15).

Working hours, overtime and annual leave

Standard hours

From 1 December 2004 there will be a phased move to a standard working week for all full-time NHS staff of 37½ hours per week, excluding meal breaks.

Overtime payments

All staff in pay bands 1 to 7 will be eligible for overtime payments for work in excess of the standard 37½ hours working week. There will be a single harmonised rate of time-and-a-half for all overtime, with the exception of work on the eight general public holidays, which will be paid at double time.

Senior staff in pay bands 8 and 9 will not be entitled to overtime payments.

Annual leave

Staff will receive the following entitlement to annual leave:

Table 2.

Length of service	Annual leave + General Public Holidays
On appointment	27 days + 8 days
After 5 years service	29 days + 8 days
After 10 years service	33 days + 8 days

There will be a five-year protection period for annual leave entitlements that exceed the new harmonised entitlements.

Recognising work outside normal hours

Unsocial hours payments

Although the eventual aim of Agenda for Change is to harmonise all conditions, an interim arrangement or 'regime' will apply to unsocial hours payments until 1 April 2006, using one of the following provisions:

Either:

- Staff will receive payment for unsocial hours using the mechanism described within their relevant current Whitley Council provision – but now using Agenda for Change basic pay rates.

Or

- Staff on contracts which combine Whitley basic pay with locally-determined unsocial hours provision will, on assimilation to the Agenda for Change system, continue to receive unsocial hours payments in accordance with their existing local arrangements.

Or

- Ambulance staff who are employed by Ambulance Trusts and work unsocial hours will receive unsocial hours payments in line with those used in Early Implementer sites.

Or

- Staff who currently have no Whitley provision on unsocial hours will receive unsocial hours payments in line with those for nurses and midwives.

The NHS Staff Council will review and develop new harmonised arrangements to apply from 1 April 2006, based on further monitoring of early implementer sites and evidence from the national roll out.

On-call arrangements

Staff who have to be available to provide on-call cover may remain on any current agreements, whether these are local or national, for a four-year period. Alternatively, they may collectively agree to use a fixed pay supplement, as outlined in Table 3:

Table 3.

Frequency of On-Call	Value of Supplement as Percentage of Basic Pay
1 in 3 or more frequent	9.5%
1 in 6 or more but less than 1 in 3	4.5%
1 in 9 or more but less than 1 in 6	3.0%
Between 1 in 12 or more but less than 1 in 9	2.0%
Less frequent than 1 in 12	By local agreement

All staff who are called into work during a period of on-call will receive recompense for the actual work done at the overtime rate.

Pay in high cost areas

All existing schemes to recognise high cost areas will cease and be replaced by new harmonised allowances for London and the Fringe areas, or by recruitment and retention premia outside London.

London allowances and Cost of Living Supplements (COLS) will be replaced by new harmonised allowances. New definitions of the inner, outer and fringe boundaries by reference to Primary Care Trust geographic areas will also be introduced. However, employers will have scope to develop local harmonised rates of payment where organisations cross boundaries, providing they agree with neighbouring organisations.

There will be extra investment in London pay to recognise the higher cost of living there, with clear gains for most staff.

Allowances will be calculated on basic pay (plus the value of any long-term recruitment and retention premium), but subject to a minimum and maximum level of extra pay as shown in Table 4.

Table 4.

	% of basic pay	Minimum*	Maximum*
Inner London	20%	£3,197	£5,328
Outer London	15%	£2,664	£3,729
Fringe	5%	£799	£1,385

* These are at 2004/05 rates.

This approach could, in principle, be applied to other high cost areas in the future.

Outside London and the Fringe, COLS payable to qualified nurses and some allied health professionals will be converted into recruitment and retention premia.

Recruitment and retention premia

Recruitment and retention premia are additional payments for particular groups of posts. NHS organisations, working in partnership, will be able to use these premia to address recruitment and retention difficulties caused by pressures in the external labour market.

Where there are widespread recruitment and retention pressures affecting a particular group of staff, premia may be decided on a national basis on the recommendation of the Nursing and Other Health Professions Review Body or the new Pay Negotiating Council for non-Review Body staff.

The total value of a recruitment and retention premium will not normally exceed 30 per cent of basic salary.

There will be two types of recruitment and retention premia:

Long-term recruitment and retention premia –

- will be pensionable
- will be taken into account when calculating the level of unsocial hours payments, on-call payments, overtime and high cost area payments.

Short-term recruitment and retention premia –

- will not be pensionable
- will usually be time-limited.

The NHS Knowledge and Skills Framework

The NHS Knowledge and Skills Framework is a tool which provides a means of recognising the skills and knowledge that a person needs to apply to be effective in a particular NHS post. The framework will be applicable across the range of posts in the NHS ensuring better links between education and development and career and pay progression.

The aim is that all staff will:

- have clear and consistent development objectives
- be helped to develop in such a way that they can apply the knowledge and skills appropriate to their job
- be helped to identify and develop knowledge and skills that will support their career progression and encourage lifelong learning.

Each year, you will have a development review meeting with your manager where you will agree a personal development plan. This plan will identify your development needs and describe how your learning will be supported. Everyone will be expected to develop their skills and knowledge.

Gateways

There are two identified points in each pay band known as gateways. Personal development plans will be used to help staff ensure that by the time they reach these gateways, they are applying the appropriate knowledge and skills for the job.

Pay progression at these gateways will be linked to the demonstration of knowledge and skills set out in the KSF outline for the post.

The first gateway in each pay band will be after one year in post.

The second gateway will vary between pay bands but will fall between the top three points of the pay band.

Moving onto the new system

There are special phased arrangements for staff transferring from the old pay system to the new system. This is called assimilation.

Basic pay

How individuals assimilate into the new system will depend on their basic pay immediately before assimilation (including any leads and allowances that are to be consolidated into basic pay), compared with the minimum and maximum of their new pay band:

- Where basic pay before assimilation is **between** the new minimum and maximum of the new pay band, staff will assimilate to the next equal or higher pay point in the new pay band.
- Where basic pay before assimilation is **below** the new minimum, staff in pay band 1 will move straight onto the minimum. Staff in other pay bands will assimilate either at the new minimum or, if they are significantly below the minimum, onto transitional points.
- Where staff are **above** the maximum of the new pay band, their pay will be protected. This will include one year's protection with a pay uplift followed by five years' protection on a mark time basis.

Annual leave

There will be a five-year protection period for annual leave entitlements that exceed the new harmonised entitlements.

Hours

There will be phased protection arrangements, as shown in Table 5, for full-time staff whose current standard working hours are below 37½ excluding meal breaks, and for part-time staff on a similar equivalent pro-rata basis.

Table 5.

Current full-time standard hours	Protection arrangements Years from 1 December 2004
37 hours	Three years on 37 hours
36½ hours	Three years on 36½ hours One year on 37 hours
36 hours	Three years on 36 hours Two years on 37 hours
35 hours	Four years on 35 hours Two years on 36 hours One year on 37 hours
33 hours	Four years on 33 hours Two years on 35 hours One year on 37 hours

There will also be phased arrangements for staff, as shown in Table 6, where current standard working hours are above 37½, excluding meal breaks, and for part-time staff on a similar equivalent pro-rata basis.

Table 6.

Current full-time standard hours	Protection arrangements
Up to 39	37½ from 1 December 2004
More than 39, up to 41	39 from 1 December 2004 37½ from 1 December 2005
More than 41	40½ from the 1 December 2004 39 from 1 December 2005 37½ from 1 December 2006

National decisions on pay – two new bodies

The Whitley Councils will be replaced by two new bodies which will make national decisions on pay and terms and conditions of service.

The NHS Staff Council – will oversee the operation of the new pay system and have responsibility for NHS-wide terms and conditions of service. This replaces the relevant functions of the General Whitley Council and the separate functional Whitley Councils.

The Pay Negotiating Council – will negotiate pay for staff on the third pay spine.

In addition:

- The remit of the Nursing and Other Health Professions Review Body has been extended to include a wider number of qualified health professionals and their support staff.
- There will be new arrangements to help ensure that the recommendations of the two NHS Review Bodies and the decisions of the Pay Negotiating Council are consistent with equal pay requirements.

Where to get more information

- i) **Your local Agenda for Change lead, HR team or union representative locally.**
- ii) **More information on the new pay system can be found on the Department of Health's Agenda for Change web pages at:**
www.dh.gov.uk

Select the link to 'Policy and guidance', and then follow the links to: Human resources and training/Modernising pay/Agenda for Change.

This includes:

- A summary of the review of experience in the EI sites.
 - Full details of the proposed agreement reached through national negotiations.
 - The NHS Job Evaluation Handbook and job profiles.
 - The NHS Knowledge and Skills Framework, including guidance notes.
 - The NHS Terms and Conditions of Service Handbook.
- iii) **The Modernisation Agency's website also has useful guidance and resources relating to the implementation of Agenda for Change:**

See: www.modern.nhs.uk/agendaforchange



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