

AGENDA FOR CHANGE

PROPOSED AGREEMENT

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Proposed Agreement on Modern Pay and Conditions for NHS Staff

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Introduction

- (i) This document sets out the proposed agreement between the UK Health Departments, NHS Confederation, Unions and Professional Bodies to modernise the NHS pay system.
- (ii) The proposals are divided into three sections. The first sets out the new pay system, the second deals with implementation and the third the arrangements for operating the new pay system.
- (iii) If ratified following consultation, these proposals will apply in full to all staff directly employed by NHS¹ organisations, except very senior managers and staff within the remit of the doctors and dentists review body. Staff on contracts which incorporate national agreements will assimilate to the new system, and staff on local contracts will be offered the opportunity of transferring to it, under the timetable it sets out.
- (iv) Implementation will be managed through a two-stage approach that will ensure the reform can be managed effectively across the NHS. These stages are early implementation and national roll-out.
- (v) Annex A contains the lists of NHS organisations which will implement the new system as “early implementers” once the agreement is ratified, and those which will implement the system on national roll-out in October 2004.

Stage 1- Early Implementation

- (vi) Early implementers will act as a testbed for the new system both to deal with any teething problems and ensure essential early evaluation of the progress on implementation and delivery of benefits. They should also help to improve the capability and capacity of the NHS to deliver pay modernisation, through spreading lessons learnt during implementation.

Stage 2- National Roll-out

- (vii) Early implementation will be followed by implementation for the rest of the NHS. There will be a development programme to address the capacity and capability needs of employers and staff.

¹ Including Health and Personal Social Services organisations in Northern Ireland. (References to the NHS throughout this document should be read as including these organisations where appropriate).

Partnership Approach To Pay And Service Modernisation

- (i) All parties agree to work in partnership to deliver a new NHS pay system which supports NHS service modernisation and meets the reasonable aspirations of staff. The signatories to this agreement will accordingly work together to meet the reasonable aspirations of all the parties to:
- Ensure that the new pay system leads to more patients being treated, more quickly and being given higher quality care;
 - Assist new ways of working which best deliver the range and quality of services required, in as efficient and effective a way as possible, and organised to best meet the needs of patients;
 - Assist the goal of achieving a quality workforce with the right numbers of staff, with the right skills and diversity, and organised in the right way;
 - Improve the recruitment, retention and morale of the NHS workforce;
 - Improve all aspects of equal opportunity and diversity, especially in the areas of career and training opportunities and working patterns that are flexible to family commitments;
 - Meet equal pay for work of equal value criteria, recognising that pay constitutes any benefits in cash or conditions;
 - Implement the new pay system within the management, financial and service constraints likely to be in place.

Local Partnership

- (ii) All parties to this agreement will make every effort to continue to support, encourage and promote a partnership approach to implementation of the new pay system at local level during early implementation and national roll-out. The agreement to work in partnership to deliver a new NHS pay system which supports NHS service modernisation and meets the reasonable aspirations of staff, should therefore be replicated at local level.
- (iii) To this end employers should ensure that the representatives of trades unions and other staff organisations recognised for purposes of collective bargaining at local level are released appropriately to participate in the partnership process, and that nominated officers of the local joint staff side can be fully involved in the local partnership arrangements. The adequacy of facilities arrangements will be monitored by the NHS Staff Council.

Wider Human Resources Issues

- (iv) Pay modernisation is an integral part of the human resource strategies of the NHS in England, Scotland, Wales and Northern Ireland. All parties to this agreement therefore recognise that it should be implemented consistently with the wider human resource policies set out in the relevant strategies.

Monitoring

- (v) Monitoring of implementation will be carried out, in the first instance, by the national implementation steering groups (or equivalent bodies) in England, Scotland, Wales and Northern Ireland. Issues of common concern will also be discussed in the Pay Modernisation Implementation Steering Group (UK), and its successor, which under this agreement will be the sub-group of the NHS Staff Council, responsible for co-ordinating and monitoring the implementation of this agreement. Any issue requiring amendment or reinterpretation of any part of this agreement must, however, be endorsed by the NHS Staff Council.
- (vi) The initial criteria against which progress will be monitored in the early implementers in England, together with suggested measures, are attached at Annex E. These may be modified for national roll out in the light of experience in the early implementers, subject to the approval of the NHS Staff Council. During the early implementation period arrangements will be made to allow the wider NHS to learn from experience in the early implementers.
- (vii) National roll out is due to start on 1st October 2004. If any major problems, identified in monitoring the early implementer sites, cause a delay beyond October 2004, future pay changes will be backdated to that date. All parties agree, however, that if problems do emerge, they should be addressed immediately, with the aim of resolving them in good time before national rollout is due to start.

NEW PAY SYSTEM

Chapter 1

Pay Structure

Pay Spines

- 1.1 The NHS pay system as a whole will have three pay spines or series of pay bands: one for staff within the remit of the Doctors and Dentists Review Body; one for staff within the extended remit of the Pay Review Body for nurses and other health professions; and one for other directly employed NHS staff, with the exception of the most senior managers. This agreement introduces new, single pay spines for the second and third of these groups, replacing the large number of separate occupational pay spines currently in existence. Chapter 13 sets out an agreement on extending the coverage of the Pay Review Body for nurses and other health professions.
- 1.2 Both the second and third pay spines will be divided into eight pay bands. All staff covered by this agreement will, on assimilation, be assigned to one of these pay bands on the basis of job weight as measured by the NHS Job Evaluation Scheme. To assist this process an initial set of NHS jobs have already been evaluated, and a number of job profiles drawn up where the job evaluation score is agreed. Staff whose jobs fit these profiles will assimilate on the basis of the profile score. Other jobs will be evaluated locally.
- 1.3 The Job Evaluation Handbook sets out the basis of job evaluation, which underpins the new pay system, and includes the factor plan, the weighting and scoring document, a review process for the development of professional roles, a guide for matching posts locally and the nationally evaluated job profiles. The process for assimilation is set out more fully in Chapter 9.
- 1.4 The eight pay bands and their corresponding job evaluation scores are set out in Table 1 below. Within this structure pay band eight is sub-divided into four ranges, access to which will be determined objectively on the basis of evaluation of the individual jobs senior staff are asked to do.

Table 1: Pay Bands and Job Weight

| Review Body Spine | | Non Review Body Spine | |
|--------------------------|---------------------|------------------------------|---------------------|
| Pay Band | Job Weight | Pay Band | Job Weight |
| 1 | 0 -160 | 1 | 0 -160 |
| 2 | 161 - 215 | 2 | 161 - 215 |
| 3 | 216 – 270 | 3 | 216 – 270 |
| 4 | 271 - 325 | 4 | 271 - 325 |
| 5 | 326 - 395 | 5 | 326 - 395 |
| 6 | 396 - 465 | 6 | 396 - 465 |
| 7 | 466 - 539 | 7 | 466 - 539 |
| 8 | <i>within which</i> | 8 | <i>within which</i> |
| 8a | 540 - 584 | 8a | 540 - 584 |
| 8b | 585 - 629 | 8b | 585 - 629 |
| 8c | 630 - 674 | 8c | 630 - 674 |
| 8d | 675 - 720 | 8d | 675 - 720 |

- 1.5 There will be separate arrangements for chief executives and directors at board level. These will also apply to other senior posts with a job weight over 720 points. In addition they may be applied to other senior management posts immediately below board level provided the job weight exceeds 629 points.
- 1.6 Within each pay band there will be a number of pay points to allow pay progression in post. Staff will progress from point to point on an annual basis to the top point in their pay band or pay range, provided their performance is satisfactory and they demonstrate the agreed knowledge and skills appropriate to that part of the pay band or range. Staff joining band 5 as new entrants will have accelerated progression through the first two points in six monthly steps, providing those responsible for the relevant professional standards in the organisation are satisfied with their standard of practice. This 12 month period will be referred to as "Preceptorship".
- 1.7 Chapter 6 sets out in more detail how the new system of career and pay progression will work, and Chapter 7 sets out details of the knowledge and skills framework (KSF) which will underpin it.
- 1.8 Table 2 at the end of this Chapter sets out the pay spines in full. These rates are expressed at 2002-03 rates, and will be uprated by 3.225% in April 2003, April 2004 and April 2005. For some staff whose new pay band minimum is significantly above their current pay there are special transitional pay points which apply during the assimilation period. These are set out in Chapter 9.

Leads and Allowances

- 1.9 Within the new pay structure all leads and allowances will be replaced by higher basic pay for the majority of staff. This supports simplification of the pay system and is consistent with the principle of equal pay for work of equal value.
- 1.10 The current value of national leads and allowances or other special payments, which compensate staff for elements of their work which are valued within the Job Evaluation system, have been taken into account in setting levels of basic pay in the new system. The allowances it is agreed fall in this category are listed at Annex B.
- 1.11 The current value of national allowances and other special payments that reward unsocial hours, or flexible working including stand-by and on call, have been taken into account in

the level of payments proposed under the new system for working outside of normal hours set out in Chapter 2. The allowances it is agreed fall in this category are listed at Annex B.

- 1.12 The current value of national leads and allowances and other special payments which reflect continuing special recruitment and retention needs, such as London allowances, the special hospital Lead and the regional secure unit allowance, have been taken into account in either new payments in high cost areas or in new recruitment and retention payments. The allowances it is agreed fall in this category are listed at Annex B.
- 1.13 Local allowances and other special local payments intended to enable NHS employers to respond to high market wages for staff in particular occupations or with particular skills will be reviewed under the rules for Recruitment and Retention Premia in this agreement. Where they continue to be justified, the resources concerned will be taken into account in new Recruitment and Retention Premia under the new system. See Chapter 4 and Annex B.
- 1.14 All other leads and allowances paid when staff are assimilated onto the new system, whether agreed nationally or locally, will cease. The value of any such payments made as part of regular pay before assimilation will, however, be taken into account in assimilation and in the calculation of any pay protection for the minority of individual staff whose regular pay may otherwise be lower under the new system. See Chapter 9.

Bonus Payments

- 1.15 This agreement does not preclude bonus schemes, provided they are related to genuinely measurable targets (and not part of regular pay), and provide fair and equal opportunities for all staff in the organisation or unit or work area concerned to participate. However it is agreed that most existing bonus schemes are unlikely to be compatible with these principles. All existing schemes, except the team bonus schemes currently under trial and other local schemes that meet these requirements, will therefore cease at the date of assimilation. If they cease then the value of the bonus payments should be included in the calculation of regular pay for assimilation purposes or, if agreement can be reached locally, the resources reinvested in a properly constituted scheme offering fair access to all staff.

Other Recruitment and Retention Issues

- 1.16 The use of Job Evaluation to ensure fair pay between NHS jobs has identified a number of jobs with relatively high levels of pay in relation to job weight, which appear to reflect past responses to external labour market pressures. In some cases these market pressures require continuing special measures. Staff in these jobs will be paid a long-term recruitment and retention premium (see Chapter 4) sufficient to maintain the position of the NHS in relation to the relevant external labour market.

Table 2

Pay Bands and Pay Points on Second and Third Pay Spines

| Point | Band 1 | Band 2 | Band 3 | Band 4 | Band 5 | Band 6 | Band 7 | Band 8 | | | | |
|-------|--------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| | | | | | | | | Range A | Range B | Range C | Range D | |
| 1 | | | | | | | | | | | | |
| 2 | 10,100 | <i>10,300*</i> | | | | | | | | | | |
| 3 | 10,450 | | | | | | | | | | | |
| 4 | 10,800 | 10,800 | <i>10,950*</i> | | | | | | | | | |
| 5 | 11,100 | 11,100 | | | | | | | | | | |
| 6 | | 11,400 | <i>11,400*</i> | | | | | | | | | |
| 7 | | 11,750 | | | | | | | | | | |
| 8 | | 12,100 | <i>11,950*</i> | | | | | | | | | |
| 9 | | 12,450 | 12,450 | <i>12,650*</i> | | | | | | | | |
| 10 | | 12,900 | 12,900 | | | | | | | | | |
| 11 | | 13,400 | 13,400 | <i>13,400*</i> | | | | | | | | |
| 12 | | | 13,700 | | | | | | | | | |
| 13 | | | 14,100 | <i>13,900*</i> | | | | | | | | |
| 14 | | | 14,550 | 14,550 | | | | | | | | |
| 15 | | | 14,900 | 14,900 | <i>14,900*</i> | | | | | | | |
| 16 | | | | 15,450 | <i>15,500*</i> | | | | | | | |
| 17 | | | | 16,000 | <i>16,000*</i> | | | | | | | |
| 18 | | | | 16,500 | | | | | | | | |
| 19 | | | | 17,000 | 17,000 | | | | | | | |
| 20 | | | | 17,500 | 17,500 | <i>17,750*</i> | | | | | | |
| 21 | | | | | 18,000 | | | | | | | |
| 22 | | | | | 18,600 | <i>18,600*</i> | | | | | | |
| 23 | | | | | 19,200 | | | | | | | |
| 24 | | | | | 19,750 | <i>19,500*</i> | | | | | | |
| 25 | | | | | 20,300 | 20,300 | | | | | | |
| 26 | | | | | 21,100 | 21,100 | <i>20,700*</i> | | | | | |
| 27 | | | | | 22,000 | 22,000 | <i>22,000*</i> | | | | | |
| 28 | | | | | | 22,900 | | | | | | |
| 29 | | | | | | 23,700 | <i>23,300*</i> | | | | | |
| 30 | | | | | | 24,500 | 24,500 | | | | | |
| 31 | | | | | | 25,300 | 25,300 | | | | | |
| 32 | | | | | | 26,200 | 26,200 | | | | | |
| 33 | | | | | | 27,500 | 27,500 | | | | | |
| 34 | | | | | | | 28,300 | <i>28,300*</i> | | | | |
| 35 | | | | | | | 29,200 | <i>29,200*</i> | | | | |
| 36 | | | | | | | 30,200 | <i>30,200*</i> | | | | |
| 37 | | | | | | | 31,250 | 31,250 | | | | |
| 38 | | | | | | | 32,300 | 32,300 | <i>32,300*</i> | | | |
| 39 | | | | | | | | 33,600 | <i>33,600*</i> | | | |
| 40 | | | | | | | | 34,900 | <i>34,900*</i> | | | |
| 41 | | | | | | | | 36,400 | 36,400 | | | |
| 42 | | | | | | | | 37,500 | 37,500 | <i>37,500*</i> | | |
| 43 | | | | | | | | | 39,400 | <i>39,400*</i> | | |
| 44 | | | | | | | | | 41,600 | <i>41,600*</i> | | |
| 45 | | | | | | | | | 43,800 | 43,800 | | |
| 46 | | | | | | | | | 45,000 | 45,000 | <i>45,000*</i> | |
| 47 | | | | | | | | | | 47,000 | <i>47,000*</i> | |
| 48 | | | | | | | | | | 49,200 | <i>49,200*</i> | |
| 49 | | | | | | | | | | 52,500 | 52,500 | |
| 50 | | | | | | | | | | 54,000 | 54,000 | |
| 51 | | | | | | | | | | | 56,250 | |
| 52 | | | | | | | | | | | 59,000 | |
| 53 | | | | | | | | | | | 62,000 | |
| 54 | | | | | | | | | | | 65,000 | |

*** Pay rates in italic are special transitional points which apply only during assimilation to the new system. They are show here for convenience. They are explained more fully in Chapter 9.**

Chapter 2

Working or providing emergency cover outside normal hours

Working outside normal hours

- 2.1 Pay enhancements will be given to staff whose working pattern in standard hours, but excluding overtime and work arising from on-call duties, is carried out during the times identified below:
- **For staff in pay bands 1-7** any time worked before 7.00 am or after 7.00 pm Monday to Friday, and any time worked on Saturdays, Sundays or Bank Holidays.
 - **For staff in pay band 8** any time worked before 7.00 am or after 10.00 pm Monday to Friday, any time worked before 9.00 am or after 1.00 pm on Saturdays and Sundays, and any time worked on Bank Holidays.
- 2.2 The pay enhancement will be based on the average number of hours worked outside these times during the standard working week, and will be paid as a fixed percentage addition to basic pay in each pay period. The enhancement will be pensionable and count for sick pay, but will not be consolidated for purposes of overtime or any other payment. Once the average has been agreed, the payment will not normally change because of small week to week variations in the shifts worked. It will therefore be payable during short periods of leave or training. It will however be re-calculated if there is a significant change in working pattern.
- 2.3 This average will be calculated over a thirteen week reference period or over the period in which one cycle of the rota is completed, whichever most accurately reflects the normal pattern of working. For the purposes of the calculation short meal breaks taken during each work period will be included. An eight hour shift from 3.00pm to 11.00 pm would therefore include four qualifying hours for staff in pay bands one to seven, irrespective of when in that period a meal break was taken.
- 2.4 The enhancement will be paid as a percentage of basic salary each month, subject to a maximum of 25% for staff in pay bands one to seven and 10% in pay bands eight and above. Basic salary for these purposes will be regarded as including any long-term recruitment and retention premium. It will not include short-term Recruitment and Retention Premia, high cost area payments or any other payment.
- 2.5 Where the average exceeds five hours a week on average during the times set out above, there will be a banded system of pay enhancements. The payment will not vary unless the working pattern changes sufficiently to take the number of qualifying hours outside the band over the reference period as a whole.

Table 3

| Average Unsocial Hours | Percentage of Basic Salary | |
|-----------------------------------|-----------------------------------|-------------------|
| | Pay Bands 1-7 | Pay Band 8 |
| Up to 5 | Local Agreement | Local Agreement |
| More than 5 but not more than 9 | 9% | 9% |
| More than 9 but not more than 13 | 13% | 10% |
| More than 13 but not more than 17 | 17% | 10% |
| More than 17 but not more than 21 | 21% | 10% |
| More than 21 | 25% | 10% |

- 2.6 Where unsocial hours working is limited or very irregular (averaging no more than five hours a week over the reference period) pay enhancements will be agreed locally. These may be fixed or variable, and based on actual or estimated hours worked, subject to local agreement. To ensure fairness to staff qualifying under the national rules set out above, locally agreed payments may not exceed the minimum percentage in the national provisions.

Part time staff and other staff working non-standard hours

- 2.7 For part time staff and other staff working other than 37.5 hours a week excluding meal breaks, the average number of hours worked outside the normal hours will be adjusted to ensure they are paid a fair percentage enhancement of salary for unsocial hours working. This will be done by calculating the number of hours that would have been worked outside normal hours if they had worked standard full time hours of 37.5 hours a week with the same proportion of hours worked outside normal hours. This number of hours is then used to determine the appropriate percentage in table 2.

- 2.8 For an example of the effect of this provision, see Annex H.

Staff Working Rostered Overtime

- 2.9 Where staff work shifts which always include a fixed amount of overtime (rostered overtime), the hours worked outside normal hours should be calculated as if they were working non-standard hours in excess of 37.5 hours per week (paragraphs 2.7 and 2.8 above). For an example of the effect of this see Annex H.

Self Rostering Schemes

- 2.10 Where staff have agreed self rostering arrangements with their employer, local provisions should be agreed to ensure that the enhancements payable under these types of provisions are shared fairly between members of the team.

- 2.11 In these cases employers and staff side representatives should agree the level of payment appropriate for the team, on the basis of the unsocial hours coverage needed to provide satisfactory levels of patient care. This should be based on the period covering a full rota, or where there is no fixed pattern, an agreed period of not less than thirteen weeks activity for that team and divided between team members subject to a formula that they agree.

- 2.12 For an example of the effect of this provision see Annex H.

Annual Hours and Similar Agreements

- 2.13 Agreement should be reached locally on pay enhancements for staff on annual hours agreements who work outside normal hours. The agreement should respect the principles of this Chapter to ensure that the arrangements for these staff are consistent with those for other staff working outside normal hours.

- 2.14 For an example of the effect of this provision see Annex H.

Bank Staff

- 2.15 Work for a staff bank run by the employer should be treated as a separate contract for the purpose of these rules and any additional payment due calculated as a percentage of their bank earnings, based on the number of bank hours worked outside normal hours.

- 2.16 For an example of the effect of this provision see Annex H

Unforeseen changes to agreed patterns of working

- 2.17 Local employers and staff side representatives, working in partnership, should develop protocols which ensure sensible planning for unexpected absence (such as the use of first

on call rotas for overtime) and minimise the need for frequent or sudden changes to agreed normal working patterns.

- 2.18 However where it is necessary for employers to ask staff to change their shift within twenty four hours of the scheduled work period, they should receive an unforeseen change payment of £15 for doing so. The payment is not applicable to shifts which a member of staff agrees to work as overtime, or which they swap with other staff members.
- 2.19 Good management practice should ensure that this type of payment is not used where absence is predictable e.g. to cover maternity leave, long term sick leave, planned annual leave etc Appropriate monitoring of these payments should be undertaken at both a local (e.g. ward) and strategic (i.e. board) level in the organisation to identify circumstances that would suggest excessive or unusual trends for such payments.

On-Call and other extended service cover

- 2.20 An employee who is required to be available to provide on-call cover, outside their normal working hours, will be entitled to receive a pay enhancement. This enhancement recognises both their availability to provide cover and any advice given by telephone during periods of on-call availability.
- 2.21 This enhancement will be based on the proportion of on-call periods in the rota when on-call cover is required. The on call period in each week should be divided into 9 periods of at least 12 hours. The enhancement for an individual staff member will be based on the proportion of these periods in which they are required to be on call, as set out in paragraphs 2.22 to 2.27 below.

Pay enhancements for On-call cover

- 2.22 An enhancement of 9.5% will be paid to staff who are required to be on-call an average of 1 in 3 of the defined periods or more frequently.
- 2.23 An enhancement of 4.5% will be paid to staff who are required to be on-call an average of between 1 in 6 and less than 1 in 3 of the defined periods.
- 2.24 An enhancement of 3% will be paid to staff who are required to be on-call an average of between 1 in 9 and less than 1 in 6 of the defined periods.
- 2.25 An enhancement of 2% will be paid to staff who are required to be on-call an average of between 1 in 9 and less than 1 in 12 of the defined periods.
- 2.26 For these purposes, the average availability required will be measured over a full rota, or over a 13-week period if no standard pattern is applicable.
- 2.27 Where on call cover is limited or very irregular (averaging less than one period in 12) pay enhancements will be agreed locally. These may be fixed or variable, and based on actual or estimated frequencies of on call work worked, subject to local agreement. To ensure fairness to all staff qualifying under the national rules set out above, locally agreed payments may not exceed the minimum percentage in the national provisions.

Table 4

| Frequency of On-Call | Value of Enhancement 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 |

On-call payments for part-time staff or other staff working non standard hours

- 2.28 For part time staff and other staff working other than 37.5 hours a week excluding meal breaks, the percentage added to basic pay on account of on-call availability will be adjusted to ensure that they are paid a fair percentage enhancement of salary for on-call working. This will be done by adjusting the payment in proportion to their part time salary so that they receive the same payment for the same length of availability on-call as full time staff.
- 2.29 For an example of the effect of this provision see Annex H.

Employees called into work during an on-call period

- 2.30 Employees who are called into work during a period of on-call will receive payment for the period they are required to attend, including any travel time. Alternatively staff may choose to take time off in lieu. However if, for operational reasons, time off in lieu cannot be taken within three months the hours worked must be paid for.
- 2.31 For work (including travel time) as a result of being called out the employee will receive an overtime payment at time and a half, with the exception of work on general public holidays which will be at double time. Time off in lieu should be at plain time.
- 2.32 By agreement between employers and staff, there may be local arrangements whereby the payment for hours worked during a given period of on-call is subject to a fixed minimum level, in place of separately recognising travel time.
- 2.33 In addition, where employers and staff agree it is appropriate, the amount paid for work and travel time during periods of on-call may be decided on a prospective basis (e.g. for a forward period of three months), based on the average work carried out during a prior reference period (e.g. of three months). Where these arrangements are agreed, the actual work carried out during a given period would be monitored and, if there were significant differences with the average amount assumed in the calculation of the payment, the level of payment would be adjusted for the next period; there would be no retrospective adjustment to the amount paid in the previous period.

Existing staff with higher on-call earnings

- 2.34 Existing staff who receive less under these arrangements for on-call than under national on-call agreements will have their earnings protected in accordance with arrangements identified in Chapter 9.
- 2.35 Existing staff who are subject to local on call arrangements may agree with their employer to retain those arrangements for a transitional period not exceeding four years from the effective date of assimilation.

Other arrangements to provide extended service cover

- 2.36 Some staff are required to be on the premises to provide emergency cover but are allowed to rest except for the times when they are required to carry out emergency work. Where employers consider this an essential arrangement to provide service cover, there should be an agreed local arrangement, at least equivalent to on-call payments to recognise the type of cover provided.
- 2.37 A further group of staff, often in community services such as learning disabilities, have 'sleeping-in' arrangements, where they sleep on work premises but are seldom required to attend an incident during the night. In these circumstances appropriate arrangements should be agreed locally.

Chapter 3

Pay In High Cost Areas

- 3.1 The current system of London weighting and Fringe allowances will be replaced by a new category of "high cost area" supplement.
- 3.2 High cost area supplements will apply to all NHS staff groups in the areas concerned who are covered by this agreement. The supplements will be expressed as a proportion of basic pay (including the value of any long-term recruitment and retention premium), but subject to a minimum and maximum level of extra pay
- 3.3 High cost area supplements will be pensionable. They will not count as basic pay for the purposes of calculating the rate of overtime payments, unsocial hours payments, on-call availability payments or any other payment.
- 3.4 The initial level of high cost area payments will be as set out in table 5 below. The minima and maxima will be updated by 3.225 per cent in April 2003, 2004 and 2005. Beyond 2005 the value of the supplement will be reviewed annually, based on the recommendations of the Pay Review Body for Nurses and Other Health Professions and the Spine Three Negotiating Council.

Table 5

| Area | Level |
|---------------------------|--|
| Inner London ² | 20 per cent of basic salary, subject to a minimum payment of £3,000 and a maximum payment of £5,000. |
| Outer London ² | 15 per cent of basic salary, subject to a minimum payment of £2,500 and a maximum payment of £3,500. |
| Fringe ² | 5 per cent of basic salary, subject to a minimum payment of £750 and a maximum payment of £1,300. |

- 3.5 Current payments for London weighting, Fringe allowances and Cost of Living Supplements in these areas will be discontinued once the new arrangements are in force.
- 3.6 For existing staff, where the new level of supplement falls short of the combined entitlement to these former payments the former level of payment will be included in the calculation of any protected level of pay (see Chapter 9), provided they remain in a job in which they would have received the former payment.
- 3.7 Current entitlements for Cost of Living Supplements in areas outside London and Fringe will continue but will be re-expressed as long-term Recruitment and Retention Premia.
- 3.8 It will be open to the Pay Review Body for nurses and other health professions and/or the Pay Spine Three Negotiating Council to make recommendations on the future geographic coverage of high cost area supplements and on the value of such supplements.

² Modern definitions of inner, outer and fringe London areas are being developed, with the aim of at least replicating the geographical coverage of current definitions with the exception of extra-territorially managed units, where existing payments will be converted to Recruitment and Retention Premia if the small number of staff affected do not fall within the new inner, outer and fringe definitions.

3.9 It will be open to NHS employers or staff organisations in a specified geographic area to propose an increase in the level of high cost area supplement for staff in that area – or (in the case of areas where no such supplement exists) to introduce a supplement. But this can only be implemented where:

- there is evidence that costs for the majority of staff living in the travel to work area covered by the proposed new or higher supplement are greater than the majority of staff living in the travel to work area of neighbouring employers, and that this is reflected in comparative recruitment problems
- there is agreement amongst all the NHS employers in that area;
- there is agreement with staff side organisations;
- there is consultation with Strategic Health Authorities and Workforce Development Confederations in England.

3.10 The payment of a high cost area supplement will not impinge on the ability of local NHS employers in that area, in consultation with staff side representatives, Workforce Development Confederations and Strategic Health Authorities, to award Recruitment and Retention Premia for particular staff groups in particular localities (see Chapter 4).

Chapter 4

Recruitment and Retention Premia

- 4.1 A Recruitment and Retention Premium is an addition to the pay of an individual post or specific group of posts where market pressures would otherwise prevent the employer from being able to recruit staff to and retain staff in sufficient numbers for the posts concerned at the normal salary for a job of that weight.
- 4.2 Subject to the provisions below, NHS employers may apply a Recruitment and Retention Premium to posts of a specific class or type. They may also be applied to individual posts where the post is unique within the organisation concerned (such as the head of a department or service).
- 4.3 Recruitment and Retention Premia may also be awarded on a national basis to particular groups of staff on the recommendation of the Review Body and/or the Negotiating Council for non-Review Body staff, where there are national recruitment and retention pressures. The Review Body and Negotiating Council must seek evidence or advice from NHS employees, Staff Side organisations and other stakeholders in considering the case for any such payments. Where it is agreed that a Recruitment and Retention Payment is necessary for a particular group, the level of payment should be specified or, where the underlying problem is considered to vary across the country guidance should be given to employers on the appropriate level of payment.
- 4.4 Recruitment and Retention Premia will be supplementary payments, over and above the pay that the post holder receives by virtue of their position on their pay band, any high cost area supplements, or any payments for unsocial hours or on-call cover.
- 4.5 Recruitment and Retention Premia will apply to posts. Where an employee moves to a different post that does not attract a Recruitment and Retention Premium, either within the same organisation or elsewhere in the NHS, their entitlement to any previous Recruitment and Retention Premium will cease.
- 4.6 NHS employers and staff side representatives, in partnership, will follow the procedure set out in Annex D in deciding the award of a recruitment and retention premium.

Long-term and short-term Recruitment and Retention Premia

- 4.7 The body responsible for awarding a Recruitment and Retention Premium shall determine whether to award a long-term or short-term premium.
- 4.8 Short-term Recruitment and Retention Premia will apply where the labour market conditions giving rise to a recruitment and retention problem are expected to be short-term and where the need for the premium is expected to disappear or reduce in the foreseeable future.
- 4.9 Long-term Recruitment and Retention Premia will apply where the relevant labour market conditions are more deep-rooted and the need for the premium is not expected to vary significantly in the foreseeable future.
- 4.10 Short-term Recruitment and Retention Premia:
- May be awarded on a one-off basis or for a fixed term;
 - Will be regularly reviewed;
 - May be withdrawn or have the value adjusted subject to a notice period of six months; and
 - Will not be pensionable, or count for purposes of overtime, unsocial hours payments or any other payments linked to basic pay.

4.11 Long-term Recruitment and Retention Premia:

- Will be awarded on a long-term basis;
- Will have their values regularly reviewed;
- May be awarded to new staff at a different value to that which applies to existing staff; and
- Will be pensionable, and will count for the purposes of overtime, unsocial hours payments and any other payments linked to basic pay.

4.12 Both long-term and short-term Recruitment and Retention Premia will be expressed as cash sums and will be separately identifiable from basic pay, any high cost area supplement and any other component of pay.

4.13 The combined value of any nationally awarded and any locally awarded Recruitment and Retention Premium for a given post shall not normally exceed 30% of basic salary. It shall be the responsibility of employers to ensure that any premia awarded locally do not normally result in payments in excess of this amount, taking into account any national awards for the posts in question. See also the Earned Autonomy Chapter 8.

Nationally agreed Recruitment and Retention Premia

4.14 Table 6 below lists a number of jobs for which there is prima facie evidence from both the work on the job evaluation scheme and consultation with management and staff side representatives that a premium is necessary to ensure the position of the NHS is maintained during the transitional period.

Table 6

| Job |
|---|
| Chaplains |
| Clinical Coding Officers |
| Cytology Screeners |
| Dental Nurses, Technicians and Therapists |
| Estates Officers/Works Officers |
| Financial Accountants |
| Invoice Clerks |
| Medical Laboratory Scientific Officers |
| Payroll Team Leaders |
| Pharmacists |
| Qualified Maintenance Craftspersons |
| Qualified Maintenance Technicians |
| Qualified Medical Technical Officers |
| Qualified Midwives (new entrant) |
| Qualified Perfusionists |

4.15 Initial guidance to employers in setting appropriate levels of premia in these cases and the arrangements for their review is included at Annex I. It requires the level of premium payable to be set locally on assimilation in cash terms at a level at least sufficient to ensure that at assimilation an existing member of staff will be no worse off than now, and that these premia should be uprated by 3.225% in April 2003, 2004 and 2005. The guidance may be revised by the NHS Staff Council, following experience in early implementer sites and any uprating of these premia beyond 2005 will be by agreement at national or local level.

Chapter 5

Terms and Conditions of Service

Hours of the Working Week

- 5.1 All full time NHS staff covered by this agreement will have a working week of 37.5 hours excluding meal breaks, subject to the protection and assimilation arrangements set out in Chapter 9.
- 5.2 The standard hours may be worked over any reference period e.g. 150 hours over 4 weeks or annualised hours with due regard for compliance with employment legislation such as the Working Time Regulations.
- 5.3 Part-time workers will suffer no detriment either in terms of pay or pension rights. Staff have the right to move to a new number of weekly hours that equates to the same proportion of the standard full-time hours as before assimilation (see also Chapter 9).

Overtime Payments

- 5.4 All staff in pay bands 1-7 will be eligible for overtime payments. There will be a single harmonised rate of time-and-a-half for all overtime, with the exception of work on general public holidays, which will be paid at double time.
- 5.5 Overtime payments will be based on the hourly rate provided by basic pay plus any long-term Recruitment and Retention Premia.
- 5.6 The single overtime rate will apply, whenever excess hours are worked over full-time hours unless time off in lieu is taken, provided the employee's line manager or team leader has agreed to this work being performed outside the standard hours. Part time employees will receive payments for the additional hours at plain time rates until their hours exceed standard hours of 37.5 hours a week.
- 5.7 Staff may request to take time off in lieu as an alternative to overtime payments. However staff who for operational reasons are unable to take time off in lieu within three months must be paid at the overtime rate.
- 5.8 Senior staff paid in pay band eight will not be entitled to overtime payments.
- 5.9 Time off in lieu of overtime payments will be at plain time rates.

Annual Leave

- 5.10 Staff will receive the entitlement to annual leave as set out in table 7 below:

Table 7

| 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 |

- 5.11 These leave entitlements include the two extra-statutory days available in England and Wales in the past, and therefore any local arrangements to add days on account of extra

statutory days will no longer apply. **In Scotland this entitlement includes the two additional days that could previously be designated as either statutory days or annual leave.** In Northern Ireland this entitlement also contains the two extra-statutory days, however there are 10 general public holidays. Local arrangements to consolidate some or all of the general public holidays into annual leave may however continue subject to agreement at local level.

- 5.12 Staff required to work or to be on call on a general public holiday are entitled to equivalent time to be taken off in lieu at plain time rates in addition to the appropriate payment for the duties undertaken.
- 5.13 Where staff work standard shifts other than 7.5 hours excluding meal breaks, annual leave entitlements should be calculated on an hourly basis to prevent staff on these shifts receiving greater or less leave than colleagues on standard shifts. All part time staff should have their annual leave entitlement calculated in hours.

Sick Leave

- 5.14 Sick leave entitlements will be harmonised on the normal Whitley provisions with a maximum of up to six months full pay and six months half pay, and the separate qualifying period for workers previously covered by the Ancillary Staff Council will be abolished.
- 5.15 The definition of full pay will include regularly paid supplements including long-term Recruitment and Retention Premia, payments for work outside normal hours and high cost area payments.
- 5.16 Full pay needs to be inclusive of any statutory benefits (so as not to make sick pay greater than normal working pay). The combined addition of SSP to half pay must not exceed full pay.
- 5.17 To aid rehabilitation there will be provision to allow staff in some circumstances to return to work on reduced hours or be encouraged to work from home without loss of pay. Any such arrangements need to be consistent with SSP rules.
- 5.18 Employers will have the option to terminate employment before exhausting the contractual paid sick leave period after investigation, consultation and consideration of other alternative posts and where there is no reasonable prospect of the employee returning to work.
- 5.19 Staff will not be entitled to an additional day off if sick on a statutory holiday.
- 5.20 Notification procedures and payment of sick pay when injuries are connected with other "insured" employment will be for local determination.

Other National Terms and Conditions

- 5.21 The following terms and conditions will remain NHS wide:
- maternity and paternity provisions,
 - redundancy provisions
 - pensions.
- 5.22 Existing mileage and subsistence arrangements will apply to all NHS organisations but with flexibility for NHS organisations with earned autonomy to adopt alternative arrangements locally subject to the provisions in Chapter 8.
- 5.23 An employee's continuous previous service with an NHS employer covered by this agreement will count as reckonable service in respect of NHS

agreements on occupational redundancy schemes, maternity, annual leave and sick pay.

- 5.24 There will be local discretion to allow employers to take into account any period of employment with employers outside the NHS where it is judged to be relevant to NHS employment.

Other Terms and conditions of service

- 5.25 Other terms and conditions will be determined locally following consultation with staff side representatives with a view to reaching agreement on the changes proposed. The same terms and conditions should apply to all staff groups unless there are significant reasons why this is not appropriate.

- 5.26 The existing national conditions of service in the General Whitley Council Handbook and the other Functional Council arrangements will continue to apply to staff on national contracts who have not assimilated to the new terms and conditions, until they are replaced by new arrangements.

- 5.27 Decisions on the following areas, currently covered by GWC agreements, will be devolved to individual NHS organisations:

- Expenses of candidates for appointment
- Removal expenses and associated provisions
- Reimbursement of telephone expenses
- Special leave
- Employees elected to Parliament
- Membership of Local Authorities

Chapter 6

Career and Pay and Progression

Development Review Process

- 6.1 All staff will have annual development reviews, which will include appraisal, assessment against the Knowledge and Skills Framework and production of a personal development plan, using the Knowledge and Skills Framework as a development tool. Similar to current practice development reviews will take place between staff and their manager or where appropriate their supervisor or another appropriately trained senior team member.
- 6.2 The main purpose of the development review will be to look at the way a member of staff is developing with reference to:
- How the duties and responsibilities of the job are being undertaken based on current agreed objectives
 - The application of Knowledge and Skills demonstrated in the workplace
 - The consequent development needs of the individual member of staff
- 6.3 The primary output of a development review will be a personal development plan, which links to the needs of the job. During the development review process, discussion should cover the duties and responsibilities of the job that are being undertaken as outlined in 6.2. This will help to define future objectives and learning needs.
- 6.4 The review of learning achievements demonstrated in the workplace will be demonstrated by reference to the current Personal Development Plan.
- 6.5 Development will primarily focus on helping members of staff to carry out their job to the highest standard, although personal interests and opportunities for career progression will also be taken into account. Approaches to development will not just consist of courses but may also involve distance learning, private study and opportunities to participate in particular projects or work areas, short secondments and work shadowing as well as courses.
- 6.6 Development plans will distinguish between goals for the year ahead and those applying to the longer term. There will be a commitment on both sides to make reasonable efforts to meet the developmental goals for the year ahead in that year, and elements not completed through force of circumstance on either side will be carried over to the following year unless agreed otherwise.
- 6.7 Managers and staff will work together to fulfil agreed development plans. Employers will encourage staff members to progress and develop, and where training and/or development needs have been identified and agreed, employers will ensure sufficient financial support is provided. Where appropriate, employers should be expected to ensure that staff have appropriate time to fulfil training and/or development needs related to their current job and to provide appropriate financial and other support. If an employer fails to do this, they cannot defer pay progression. Wherever possible employers will also provide similar encouragement and support for

elements of the Personal Development Plan which reflect personal interests or help staff prepare for a more senior role or transfer to a different area of work within the NHS.

- 6.8 Staff members will contribute to undertaking the agreed Personal Development Plan through their personal effort. They may individually choose, where appropriate, to commit personal time and resources, especially in those areas relating to longer-term career development.
- 6.9 Local development and review processes must be designed to ensure that part-time staff and those working outside normal hours have equal access to them.

Gateways

- 6.10 Gateways are points on a pay band where assessment of the application of knowledge and skills necessary to progress will be made. There are two gateway points: the foundation gateway and the second gateway.

Foundation Gateway

- 6.11 The foundation gateway applies no later than twelve months after appointment to the pay band regardless of the pay point to which the person is appointed.

Second Gateway

- 6.12 This will be followed by a second gateway that will vary between pay bands as follows:

Table 8

| Pay band | Position of second gateway |
|------------------------|-----------------------------------|
| Pay band 1 | Before final point |
| Pay bands 2-4 | Before first of last two points |
| Pay bands 5-7 | Before first of last three points |
| Pay band 8, ranges A-D | Before final point |

- 6.13 The assessment at each gateway will be based on the relevant dimensions of the Knowledge and Skills Framework applied consistently and fairly.
- 6.14 The gateway review should take place in time for staff to progress on their normal incremental date. Robust local arrangements must be agreed to deal with cases where this is not possible (for example because someone is ill). These should ensure that there is no incentive on either side to abuse the process.

Pay Progression

- 6.15 Newly appointed or promoted staff joining a pay band under the new system will serve an initial foundation period of up to twelve months. During this initial period all staff will have at least two discussions with their manager or supervisor to review progress guided by the Knowledge and Skills Framework. The first of these discussions should normally be during the induction period. The aim of these discussions and any resulting support and development, will be to help staff make a success of the new job, and confirm as quickly as possible that they are applying the basic knowledge and skills needed for the job and can pass through the foundation gateway and commence progression up their pay band
- 6.16 Once progression has been agreed, a member of staff will normally progress to the next point on their pay band twelve months after appointment and to subsequent points every twelve months thereafter subject to meeting the criteria for progression when they pass through the second gateway point.

- 6.17 Before moving through the second gateway, there will be an assessment as part of the process of development review, against the full outline of Knowledge and Skill for the post. Staff will normally expect to move through the second gateway at this point, but – subject to the safeguards set out below – progression may be deferred if the assessment indicates that they are not yet applying the full range of knowledge and skill required for the post.
- 6.18 The gateway system will only become fully operational when an employer has put in place reasonable arrangements to ensure that staff have access to development reviews, personal development plans and appropriate support for training and development to meet the applied knowledge and skills required at the gateway concerned. This must be done for all posts covered by this agreement no later than October 2006.
- 6.19 Existing staff with at least twelve months experience in post will be assumed to have met the criteria for passing through the foundation gateway. Where the gateway system is operational, they will however be subject to the normal operation of the new system at the second gateway.
- 6.20 The following safeguards will also apply:
- There will be a normal expectation of progression and no national or local quotas will apply. All staff, must have an equal opportunity to demonstrate the required standard of knowledge and skills, to progress through the gateways and pay points.
 - The applied skills and knowledge required at each stage of the pay band should be clearly stated in recruitment literature or by agreement at the outset of a job.
 - The applied knowledge and skills required may be changed subsequently by local agreement within the work area concerned where changes apply to a number of posts, or with the individual where they apply only to a single post. They may also be changed where that is necessary to reflect a change in professional standards as agreed by the relevant professional body or authority.
 - The required skills and knowledge must be consistent with the national standards for each dimension and level within the Knowledge and Skills Framework.
 - Employers must ensure there is a robust process for checking managers' decisions and reviewing disagreements with an agreed timescale for re-assessment.
 - Pay progression cannot be deferred unless there has been prior discussion, which should be recorded, about the knowledge and skills that are needed for development and the member of staff has been given the opportunity to achieve the necessary development
 - Employers and staff side representatives, acting in partnership, will monitor decisions on pay progression to ensure that there is no discrimination or bias in relation to race or ethnicity, gender, sexual orientation, disability, religion, age or trade union membership, or pattern of employment e.g. part-time, flexible and night workers.

Exceptional grounds for deferral of pay progression

- 6.21 Where significant weaknesses in performing the current role have been identified and discussed and documented with the staff member concerned and have not been resolved despite opportunities for appropriate training and support, pay progression may be deferred at any pay point until the problems are resolved.

- 6.22 Significant weaknesses are those which prevent a staff member from continuing to apply consistently, across a normal workload, the knowledge and skills specified under the Knowledge and Skills Framework for the foundation gateway or, for staff above the second gateway, the full range of knowledge and skills specified under the Knowledge and Skills Framework, without continued supervision and support inappropriate to their role.

Career Development Moves

- 6.23 Where a member of staff moves to another job in the NHS covered by this agreement, where the necessary arrangements to support the operation of the gateways are in place, pay progression will normally depend on demonstrating within the first twelve months of appointment the level of applied knowledge and skills appropriate to the point on the new pay band to which they are appointed in their new job.
- 6.24 Where however an individual retrains in a different area of work for wider service or operational reasons with the explicit agreement of the employer concerned, their existing level of pay should be protected. Once protection is agreed, it may not be withdrawn until the person concerned has had a reasonable opportunity to complete their re-training and progress to a point where pay protection is no longer required. Explicit employer agreement in this context cannot however be deemed to have been given solely because they have agreed to re-employ someone following redundancy.

Chapter 7

NHS Knowledge and Skills Framework

- 7.1 A new NHS Knowledge and Skills Framework will be available for use in early implementer sites from June 2003 and will be applied to all NHS jobs covered by this agreement no later than October 2006.
- 7.2 The output from the NHS Knowledge and Skills Framework for an individual job will be a list of descriptions and/or standards specifying the basic applied knowledge and skills required for a job, and how this should develop during a person's time in post. It will provide prompts for action by individuals and their managers to update or develop their knowledge and skills, or address weaknesses in the application of knowledge and skills.
- 7.3 It must be clear which elements, as identified in the NHS Knowledge and Skills Framework, should be demonstrated at both the foundation and second gateway.
- 7.4 The NHS Knowledge and Skills Framework will continue to be developed so that it :
- is simple, easy to explain and understand;
 - is operationally feasible to implement;
 - can use current and emerging UK or National externally quality assured standards or competencies;
 - is NHS wide and applicable to all staff covered by this agreement;
 - supports the delivery of NHS plans;
 - links with professional regulatory standards.
- 7.5 The NHS Staff Council will have long-term responsibility for maintaining the Knowledge and Skills Framework
- 7.6 The NHS Knowledge and Skills Framework specification for jobs within an organisation should be available to all staff members to help them identify the knowledge and skills requirements likely to be needed for future career steps and identify the development needed to support that. They are not however fixed and will be reviewed when posts become vacant.

Chapter 8

Additional Freedoms for NHS Foundation Trusts and Other Trusts With Earned Autonomy in England²

- 8.1 The new pay system set out in this agreement will be implemented in all NHS organisations, giving extra local freedoms within the new system compared to current national agreements. NHS Foundation Trusts will be implementing the new pay system ahead of establishment. But where NHS organisations acquire earned autonomy or Foundation Trust status in England they will have greater autonomy in relation to the use of specified local freedoms under this agreement. In these areas
- NHS Foundation Trusts will be able to act independently, consistent with their licence and any contractual agreements with PCTs;
 - Three-star NHS organisations will be able to act independently, but will be required to consult with local or neighbouring employers before final decisions are taken on the use of these freedoms;
 - All other NHS organisations will be able to act only as permitted by guidelines agreed through the NHS Staff Council and where appropriate with the explicit agreement of their Strategic Health Authority.
- 8.2 The specified local freedoms which can be exercised with greater autonomy are as follows:

Freedoms which require good management

- The ability to offer alternative packages of benefits of equivalent value to the standard benefits set out in this agreement, among which the employee can make a personal choice (eg greater leave entitlements but longer hours);
- The ability to negotiate local arrangements for compensatory benefits such as expenses and subsistence which differ from those set out in the Terms and Conditions of Service Handbook.
- The ability to award Recruitment and Retention Premia above 30 per cent of basic pay where that is justified, without prior clearance by the NHS Staff Council and Strategic Health Authority.

Freedoms which must be part of a properly constituted reward scheme for individual, team or organisational performance related to genuinely measurable targets, offering equal opportunities for all staff in the relevant organisation, unit or work area to participate.

- The establishment of new team bonus schemes and other incentive schemes;
- The establishment of schemes offering additional non-pay benefits above the minimum specified elsewhere in this agreement;
- Accelerated development and progression schemes.

² The provisions in this Chapter affecting NHS Foundation Trusts are dependent on the passage of legislation allowing for the establishment of NHS Foundation Trusts and are without prejudice to the staff side organisations' position on these legislative plans.

IMPLEMENTATION

Chapter 9

Assimilation and Protection

- 9.1 Staff on national contracts and other contracts which incorporate, or permit employers to incorporate, national agreements on pay and conditions of service will assimilate to the new pay system on the effective date determined below.
- 9.2 Staff on local contracts that do not incorporate national agreements on pay and conditions of service will be offered the opportunity to assimilate to the new system with the same effective date, subject to a reasonable period of notice. If staff on local contracts do not exercise this right within the initial notice period, they may do so later, but in that case their effective date of assimilation will be the start of the next pay period after they have notified the employer of their intention.
- 9.3 Newly appointed or promoted staff will be appointed or promoted on the new terms.

Effective dates and operational dates

- 9.4 The effective date for implementation for the first 12 early implementer sites announced on 28 November 2002 will be 1 June 2003, but may be deferred if the outcome of consultation is not known by 31st May 2003.
- 9.5 The effective date for early implementation in Foundation Trust sites will be determined once their status is confirmed³.
- 9.6 The effective date for assimilation during national roll out will be 1 October 2004.
- 9.7 To support the smooth transfer of staff onto new contracts employers may agree locally, through their joint negotiating machinery, a series of operational dates for staff to move in practice to the new system. These operational dates may vary for different categories of staff. Where this provision is used locally, the operational date must be no later than 6 months after the effective date. Any member of staff whose assimilation to the new system is deferred for operational reasons under this provision will have any pay increase and any other improvement in terms and conditions back-dated to the effective date.

³ See footnote to Chapter 8

Assimilation to new Pay Spines and Bands

- 9.8 An employee's current pay for the purpose of assimilation to the new pay spines and bands, referred to below as "basic pay before assimilation", is their annual full time equivalent basic pay on the effective assimilation date plus the annual value of any job evaluation related allowances (Annex B) plus the average value of any bonus payments under schemes that are discontinued (Chapter 1).
- 9.9 Where the employee's basic pay is already subject to protection at the point of assimilation the protected level of basic pay should be used in this calculation.
- 9.10 The assimilation rules for basic pay are as follows:
- 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.
 - In pay band 1, where basic pay before assimilation is below the new minimum, staff in pay band 1 will all move straight onto the minimum. Most staff in other pay bands will assimilate either at the new minimum or, if they are significantly below the minimum, on to special transitional points. Staff will then progress automatically through the transitional points in annual steps until they reach the minimum of their new pay band, when the normal rules on pay progression will apply, subject to the special provision in paragraph 6.18. Special arrangements are however set out below for staff approaching retirement.
 - In a minority of cases, basic pay before assimilation will be above the maximum of the new pay band. In some instances, this situation has been addressed by agreeing that it is appropriate to pay a recruitment and retention premium (see Chapter 4) from the outset. Where the difference remains, pay protection will apply.
- 9.11 The special transitional points referred to above are set out in table 9. These special transitional points can only be used during assimilation and will be removed once assimilation is complete.

Table 9

| Band to Which Staff Are Assimilating | Special Transitional point |
|---|-----------------------------------|
| Band 1 | None |
| Band 2 | £10,300 |
| Band 3 | £10,950 £11,400 £11,950 |
| Band 4 | £12,650 £13,400 £13,900 |
| Band 5 | £14,900 £15,500 £16,000 |
| Band 6 | £17,750 £18,600 £19,500 |
| Band 7 | £20,700 £22,000 £23,300 |
| Band 8 | |
| Range A | £28,300 £29,200 £30,200 |
| Range B | £32,300 £33,600 £34,900 |
| Range C | £37,500 £39,400 £41,600 |
| Range D | £45,000 £47,000 £49,200 |

9.12 During any period when the special transitional points are in use in respect of any member of staff in a given unit or equivalent work area, new appointees to the same pay band in that unit or work area, who would normally join at the minimum pay for the job, should be appointed on the lowest special transitional point currently in use.

Staff approaching retirement age

9.13 During the period of assimilation the following rules will apply for staff approaching retirement age whose basic pay before assimilation is below their new minimum.

- Assimilation for staff two years or less from their normal retirement age on the effective date of assimilation should be no lower than the normal minimum.
- For staff three years or less from their normal retirement age on the effective date, assimilation should be to a point no lower than the highest special transitional point.
- For staff four years or less from their normal retirement age on the effective date, assimilation should be to a point no lower than the second highest special transitional point.
- For staff five years or less from their normal retirement age on the effective date, assimilation should be to a point no lower than the lowest special transitional point.

Pay Protection

9.14 The pay protection arrangements will operate by calculating the level of pay before and after assimilation taking into account the payments in table 10.

Table 10

| Payment Before Assimilation | Payment After Assimilation |
|---|--|
| Basic pay | Basic pay |
| Leads and allowances measured in the Job Evaluation Scheme, or taken into account in any Recruitment and Retention Premia (see Annex B) | Recruitment and Retention Premia |
| London weighting, fringe allowances and cost of living supplements | High cost area payments |
| Shift allowances and other payments related to unsocial hours (see Annex B) | Payments for working outside normal hours |
| On call payments (unless special transitional arrangements are in force) | On call payments (unless special transitional arrangements are in force) |
| Bonus payments from schemes discontinued following implementation of the new pay system | Any new bonus schemes authorised under the new system. |

9.15 The level of pay before assimilation for the purpose of this calculation will be the average level of the payments in column 1 of table 10 over a reference period of 12 weeks or 3 months ending at the assimilation date except:

- (i) Where this period includes the annual pay award due in April 2003, the protected amount should be adjusted as if that award had applied throughout the reference period
 - (ii) Where the shift allowances or payments for working outside normal hours vary over a rota which is longer than 3 months, the average over the full rota should be used;
 - (iii) Where bonuses are paid less frequently than monthly an average over the last 12 months should be used.
- 9.16 Where the combined value of the payments before assimilation is greater than the combined value of the payments under the new system, the former level of pay will be protected.
- 9.17 The level of protected pay will be recalculated for staff assimilating before April 2004 taking into account the 3.225 per cent uplift in April 2004 in respect of all payments to which it applies.
- 9.18 The level of protected pay will be recalculated for staff assimilating after April 2004 taking into account the 3.225 per cent uplift in April 2005 in respect of all payments to which it applies.
- 9.19 If standard hours change during the period of protection, other than under the rules for assimilation to new standard hours below (for example where a member of staff changes from full time to part time employment), or if a staff member reduces their hours of work or level of unsocial hours working, the protected level of pay will be recalculated.
- 9.20 The period of protection will end when the total level of payments under the new system set out in paragraph 10.8 above exceeds the level of protected pay, or when the protected person changes job voluntarily, or at the latest on 30 September 2009 for staff in early implementer sites and 31st March 2011 for staff in national roll-out.
- 9.21 As soon as possible during the period of protection the skills, knowledge and role of staff subject to protection will be reviewed to establish whether they could be reassigned to a higher weighted job or offered development and training to fit them for a higher weighted job.
- 9.22 Staff with pay protection arising from changes unrelated to this agreement who are also eligible for protection under this agreement may, at the time of assimilation, elect either to continue with their existing protection agreement or to move to this protection agreement. When the agreement concerned expires they will move onto the normal terms and conditions under this agreement.

Incremental Dates

- 9.23 For existing staff on spot salaries or on or above the maximum of their current pay scale the incremental date will be the anniversary of the effective date of assimilation.
- 9.24 For newly appointed or promoted staff the incremental date will be the date they take up their post.
- 9.25 All other staff will retain their current incremental date.

Assimilation to new conditioned hours

- 9.26 For staff who currently work more than 37.5 hours, excluding meal breaks, there is a two year transitional period during which the new contracted hours will be phased in, as set out in the table below, and during which staff may be required to work up to their old contracted hours with overtime payable for any hours in excess of their standard hours. Pro rata arrangements will apply to part-time staff. See table 11 below.

Table 11. Assimilation of working hours for those currently working more than 37.5 hours

| Current standard hours | New standard hours |
|------------------------|--|
| Up to 39 | 37½ from the date of implementation |
| More than 39, up to 41 | 39 from the date of implementation 37½ after 12 months |
| More than 41 | 40½ from the date of implementation 39 after twelve months 37½ after 24 months |

- 9.27 Staff currently working less than 37.5 hours, excluding meal breaks, will have their hours protected for a phased protection period as set out in the table below. Part-time staff will be treated on an equivalent pro-rata basis. These protection arrangements will continue to apply where staff move to a post with the same hours under the old pay system during the protection period. See table 12 below.

Table 12. Assimilation of working hours for those currently working less than 37.5 hours

| Current full-time standard hours | New Standard Hours |
|----------------------------------|---|
| 37 hours | <ul style="list-style-type: none"> • Three years on 37 hours |
| 36½ hours | <ul style="list-style-type: none"> • Three years on 36½ hours • One year on 37 hours |
| 36 hours | <ul style="list-style-type: none"> • Three years on 36 hours • Two years on 37 hours |
| 35 hours | <ul style="list-style-type: none"> • Four years on 35 hours • Two years on 36 hours • One year on 37 hours |
| 33 hours | <ul style="list-style-type: none"> • Four years on 33 hours |

| | |
|--|--|
| | <ul style="list-style-type: none">• Two years on 35 hours• One year on 37 hours |
|--|--|

Assimilation to new annual leave arrangements

- 9.28 Any additional leave entitlements set out in Chapter 5 will begin to accrue from the effective date of assimilation. If the staff member remains in post for the remainder of the leave year, the additional leave available in that year will be calculated pro-rata to the proportion of the leave year falling after the date of assimilation.
- 9.29 Any member of staff whose leave entitlement is reduced under this agreement will have their existing entitlement protected for five years from the date of assimilation into the new system. During this period staff may continue to claim existing entitlements.

Chapter 10

Monitoring, Reviews and Appeals

Monitoring

- 10.1 A national framework will be agreed by the NHS Staff Council for national roll out, supported by the learning gathering during early implementation, to ensure that consistent information will be collected on:
- The use of the job evaluation scheme and job profiles;
 - The use of the unsocial hours system;
 - The use of Recruitment and Retention Premia against the criteria identified in Chapter 4 of this agreement;
 - The regularity of Development Reviews;
 - The provision of support for training (including funding and protected development time);
 - The progression of staff through payband gateways;
- 10.2 This information will be gathered locally in such a way as to enable analysis by occupational group, age, pay band, ethnicity, disability, gender and community in Northern Ireland, including both full time and part time staff.
- 10.3 Employers and staff side representatives, in partnership, will use the results of the monitoring exercise to ensure best practice is being followed. The information will also be used by the NHS Staff Council to ensure equity of the system and provide support to employers.

Local Reviews

- 10.4 The information will also be used locally to identify problems.
- 10.5 Where common problems arise for a group of staff in an organisation, the employer and staff side representatives, working in partnership, should review the problem in order to try to identify a common solution which can be applied to as many of the cases as possible.
- 10.6 Where the issue appears to have implications beyond the organisation concerned, and in particular where the issue is the interpretation of this agreement the matter should be referred to the NHS Staff Council and may be so referred at the request of either party.
- 10.7 The results of a review, and the reasons for them will be made available to all those concerned. Where a matter has been dealt with by review, and remedial action instituted, no further right of appeal will exist, unless the staff member concerned can show a material difference in their case, which was not considered by the review.

National Reviews

- 10.8 As outlined in Paragraph 11.6, the NHS Staff Council (or the Central Negotiating Group if the Council is not yet established) can be consulted by local employers or staff sides on the interpretation of the agreement where there is an issue that may have wider applicability. Additionally the NHS Staff Council will have a monitoring role in the identified areas and where inconsistencies are emerging, recommendations and advice will be given to local employers and staff sides.

Appeals

- 10.9 Every effort will be made to ensure that locally managers and staff are able to resolve differences without recourse to formal procedures. They should agree in partnership a procedure to resolve differences locally based on the framework attached at Annex F.
- 10.10 The majority of employees will be assimilated using national job profiles, in accordance with guidance issued centrally. Appeals may not be made against the evaluation of a profiled post. The guidance on matching profiles to individual posts is included in the JE profile handbook.
- 10.11 Where appeals are upheld the associated pay or benefits will normally be backdated to the date the appeal was lodged. But in the case of appeals relating to decisions in relation to assimilation they will be backdated to the effective date of assimilation provided the appeal was lodged within six months of the date on which the person was notified or could otherwise have reasonably been expected to be aware of the decision giving rise to the appeal.

OPERATING THE NEW SYSTEM

Chapter 11

New Bodies and Procedures

- 11.1 This agreement provides for revised pay review body terms of reference and a new set of partnership structures to oversee and negotiate changes to the new system of modernised pay and conditions of service in place of the present Whitley Councils. This part of the agreement sets out when it is proposed these structures will come into existence and any interim arrangements while they are being established.
- 11.2 The new pay review body terms of reference, single pay negotiating council and NHS staff council will be established as soon as possible after this agreement has been ratified following consultation.
- 11.3 To assist this process it has been agreed that consultation with the review bodies and other parties on revised review body terms of reference can begin on a contingent basis in parallel with consultation on the agreement.
- 11.4 All parties commit themselves to make best efforts to complete these processes by 31st May 2003. However they recognise that steps requiring consultation may take longer. In that case members of the Central Negotiating Group will be notified of the delay and kept informed of progress.
- 11.5 Following ratification of this agreement no unilateral proposals will be made to the pay review body, or any council to alter the existing Whitley or new Agenda for Change pay structures during the period in which it is being implemented.
- 11.6 In the event of a delay in establishing the NHS Staff Council, any matters of concern over implementation and monitoring of the new system will be referred to the Central Negotiating Group.

Chapter 12

The NHS Staff Council⁴

- 12.1 An NHS Staff Council will be established to replace the relevant functions of the General Whitley Council and the separate functional Whitley Councils, and have overall responsibility for the pay system set out in these proposals.
- 12.2 Its remit will include:
- (i) Maintenance of the new pay system, including any variation in this agreement;
 - (ii) The negotiation of any variations in the harmonised national core conditions of service across the NHS as defined in Chapter 5 of this document;
 - (iii) The negotiation of any enabling agreements or variations in any enabling agreements in respect of conditions of service which are not harmonised;
 - (iv) The interpretation of the proposed agreement and the general operation of the modernised NHS pay system including any concerns about equal pay for work of equal value across the three pay spines;
 - (v) The discussion of any other general issues of common concern on pay and terms and conditions of service.
- 12.3 The NHS Staff Council will not consider individual cases, which will continue to be resolved at individual employer level.
- 12.4 The NHS Staff Council will not negotiate pay settlements. However, the Government, employers' representatives or Staff organisations may initiate consultation in the Council where they believe recommendations by the Review Bodies or agreements of the Spine Three Pay Negotiating Council (Spine 3 Council) may have brought pay out of line across the NHS for jobs of broadly equal weight in a way which may not be justifiable under the relevant legislation. The NHS Staff Council may then draw this to the attention of the Review Bodies or the Spine 3 Council to consider corrective action.
- 12.5 The four UK Health Departments, all organisations representing NHS employers and all the nationally recognised staff organisations should have the right to be represented in this forum. The chairs of the Pay Review Bodies and chair and deputy chair of the Spine 3 Council may also attend
- 12.6 The NHS Staff Council will operate in a spirit of social partnership and will have joint chairs, one from staff side and one from the UK Health Departments (who represents the interests of UK Health Ministers). When both chairs are present, the functional chair will alternate each year.
- 12.7 There will be sufficient permanent members on each side to ensure representation of all the groups described in paragraph 12.5. (Irrespective of the number of permanent members, decisions may only be reached by agreement between the two sides.) There will be a joint secretariat. Meetings of the council will be hosted by agreement between

⁴ The joint staff side are still consulting on the composition of the staff side of the council.

the two sides, and the expenses of individual members will be borne by the organisations nominating them.

- 12.8 The departmental side will include the departmental side chair and representatives of the UK Health Departments, the NHS Confederation, the Ambulance Services Association, (NHS Foundation Trusts) and employer representatives including a primary care representative and a Health Authority or Health Board nominee and representative of NHS Foundation Trusts. The departmental side may invite one or more additional persons who appear to it to have special expertise or locus in any of the items under discussion to attend for the discussion of those items.
- 12.9 The staff side should both reflect membership in the NHS but also make some provision to ensure that smaller staff organisations have a voice in the new system. The weighting of membership on the staff side will be a matter for the collective staff side to determine. The staff side may invite one or more additional persons who appear to it to have special expertise or locus in any of the items under discussion to attend for the discussion of those items.
- 12.10 The Council should be scheduled to meet at least twice yearly, but meetings may be cancelled by agreement if there is not enough business to justify a meeting. Meetings of officers or smaller groups may be held more frequently to progress business between meetings.
- 12.11 The Council may form sub groups to discuss analysis, evidence and issues with significant implications for a particular group, or to oversee particular parts of the system, and make recommendations on them to the Council.
- 12.12 Decisions of the Council will be reached by agreement of both departmental and staff sides. All decisions of the Council will require the formal agreement of the Secretary of State for Health and the Ministers of Health for Scotland and Northern Ireland and the National Assembly for Wales
- 12.13 **The staff side organisations with national recognition for the purposes of the staff council currently are:**
- Unison
 - The Royal College of Nursing (RCN)
 - The Royal College of Midwives (RCM)
 - **Amicus including MSF, AEEU and EESA**
 - The General Municipal and Boilermakers (GMB)
 - The Transport and General Workers Union (TGWU)
 - The Union of Shop, Allied and Distributive Workers (USDAW)
 - The Chartered Society of Physiotherapy (CSP)
 - The Community and District Nursing Association (CDNA)
 - The Society of Radiographers (SoR)
 - The Federation of Clinical Scientists (FCS)
 - The British Association of Occupational Therapists (BAOT)

- The Union of Construction Allied Trades and Technicians (UCATT)
- The British Orthoptic Society (BOS)
- The Society of Chiropodists and Podiatrists (SoCP)
- The British Dietetic Association (BDA)

Chapter 13

NHS Review Bodies

- 13.1 This Chapter sets out proposals for changes to the remit of the NHS Pay Review Bodies and the pay review process that are intended to:
- help ensure that the Review Bodies' recommendations do not result in different rates of pay for jobs of equal value except where this can be objectively justified by material factors
 - extend the remit of the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine (NPRB).
- 13.2 These proposed changes will need to have the final approval of the Prime Minister, the Secretary of State for Health and the First Ministers for Scotland and Wales, following consultation with the Review Body Chairs and other stakeholders. If this proposed agreement is approved following staff side consultation, the parties to the agreement will take forward immediate discussions with the appropriate other parties with a view to introducing the proposed changes with effect from the 2004 Review Body round.
- 13.3 These changes should be made in such a way as to continue to ensure the independence of the Review Bodies.

Proposed changes to help ensure consistency with equal pay principles

- 13.4 It is proposed that there should be changes to the Review Bodies' remits and to the pay review process so that:
- (i) the Review Bodies are formally asked to take into account the principle of equal pay for work of equal value in formulating their recommendations;
 - (ii) the Review Bodies objectively justify any recommendation to make an award that is likely to result in different levels of pay for staff groups with comparable job weights, whether the staff groups in question are within the same Review Body remit or in different Review Body remits
 - (iii) the Chairmen may consult each other where the evidence suggests there is a need to address equal pay considerations affecting staff groups in different remits
 - (iv) one or more joint members may be appointed to the two Review Bodies, tasked specifically with considering any evidence put to the Review Bodies that raises equal pay considerations.
- 13.5 It will be open to the Government, staff side or employer organisations to make a case for awarding differential pay increases to staff with comparable job weights, where they consider that this can be justified by differential labour market pressures and their impact on recruitment and retention. It will also be open to the Government, staff side or employer organisations to make a case for adjusting the differentials between pay bands.
- 13.6 Where, based on material factors, the Review Body recommends differential awards of these kinds, it should make explicit in its report the reasons for such recommendations.
- 13.7 Where higher awards to particular groups are justified by reference to material factors, the additional award should be separately identifiable and may typically take the form of a recruitment and retention premium. Any such additions should be periodically reviewed by the Review Body and may over time be adjusted or withdrawn to reflect changes in the relevant material factors, for instance in the scale of labour market pressures and their impact on recruitment and retention.

Proposed changes to the remit of the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine

- 13.8 It is proposed that the remit of the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine be extended to include all staff employed in the NHS belonging to professions which:
- have a minimum entry requirement of three years education study (or equivalent) to diploma level or higher in a health specific area (other than medicine or dentistry);
 - are state registered; and
 - have a substantial majority of members employed in healthcare.
- 13.9 It is proposed that staff belonging to professional groups that meet the majority but not all of the above criteria should be considered for addition to the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine remit on a case by case basis.
- 13.10 The following NHS professional staff groups should be added to the remit of the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine from the outset:
- (i) those staff defined as Allied Health Professions who are not already within the existing Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine remit (see Annex G)
 - (ii) Healthcare Scientists (see Annex G);
 - (iii) Healthcare Pharmacists, Hospital Optometrists, Clinical Psychologists, Adult and Child Psychotherapists;
 - (iv) Family Therapists with a minimum training requirement of at least 3 years to diploma level or equivalent in family therapy;
 - (v) Operating Department Practitioners (subject to registration from 2004).
- 13.11 It is proposed that the extended remit also include staff employed in the NHS who support the professional staff described in para 13.8 and 13.10 and who have a direct connection with those staff similar to that between nursing auxiliaries and registered nurses, provided this does not change the predominantly professional status of the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine remit.
- 13.12 The following clinical support workers and technicians should be added to the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine remit from the outset:
- Assistant psychologists and child psychotherapists (supporting Clinical Psychologists and Child Psychotherapists)
 - Dental Nurses, Therapists and Technicians;
 - Health Care Assistants and maternity assistants (supporting Nurses, Midwives and Health Visitors)
 - Medical Laboratory Assistants, Assistant Technical Officers, Senior Assistant Technical Officers (supporting Healthcare Scientists)
 - Operating Department Assistants (supporting Operating Department Practitioners), subject to registration of supporting Operating Department Practitioners from 2004.

- Pharmacy technicians and assistants
- Speech & Language Therapist assistants and ambulance technicians (supporting the Allied Health Professions)

13.13 Where a new role is created which the NHS Staff Council agrees is analogous to roles already covered by staff within the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine remit, or which otherwise meets the definitions in paragraph 13.8, 13.9 or 13.11 above, the relevant posts may be attributed to the appropriate pay band on the second pay spine.

Ensuring effective partnership

13.14 The Health Departments, NHS employer representatives and the organisations representing staff within the remit of the Review Bodies will review arrangements for working in partnership on:

- providing joint evidence to the Review Bodies;
- implementation of Review Body recommendations
- analysis of workforce issues.

13.15 The NHS Staff Council may, where appropriate, make arrangements to facilitate discussion between the Health Departments, NHS employer representatives and organisations representing particular staff groups within the remit of the Review Bodies to discuss analysis, evidence and/or recommendations with significant implications for those groups.

13.16 Final decisions on implementation of Review Body recommendations will remain a matter for the Prime Minister and relevant Health Ministers.

Chapter 14

The New Negotiating Council

- 14.1 A spine three pay negotiating council (The Council) will be responsible for negotiating and monitoring the pay awards of all staff on pay spine three.
- 14.2 The Council will replace the relevant functional Whitley Councils and other related bodies with regard to negotiating pay awards.
- 14.3 There will be direct linkage between basic pay awards (excluding awards to deal with recruitment and retention or other special issues affecting particular groups) for staff on spine two and those in an equivalent position on spine three.
- 14.4 The Council will negotiate any variation in these basic pay awards having regard to the same factors in relation to its remit group as the pay review body for their remit groups.
- 14.5 It will be open to the Government or Staff Side organisations to make a case for awarding differential pay increases, where these are justified by the impact of different labour markets, or to tackle recruitment and retention difficulties.
- 14.6 Where, based on material factors the Council judges differential awards are required, either at particular levels within the pay structure or in respect of particular groups, the Council should be explicit about the reasons for such recommendations.
- 14.7 Where higher awards to particular groups are justified by reference to material factors, the additional award should be separately identifiable and may typically take the form of a recruitment and retention premium. Any such additions should be periodically reviewed by the Council and may over time be adjusted or withdrawn to reflect changes in the relevant material factors, for instance in the scale of labour market pressures and their impact on recruitment and retention.
- 14.8 The Council will operate in a spirit of social partnership. It will have joint chairs, one from staff side and one from the UK Health Departments (who represents the interests of UK Health Ministers). When both chairs are present, the functional chair will alternate each year.
- 14.9 There will be an equal number of members representing the UK Health Departments and NHS Management and members representing NHS staff organisations. There will be a joint secretariat. Meetings of the Council will be hosted by agreement between the four UK Health Departments, and the expenses of individual members will be born by the organisations nominating them.
- 14.10 The departmental side will include representatives of the UK Health Departments, the NHS Confederation, the Ambulance Services Association and employer representatives including a primary care representative and a Health Authority or Health Board nominee and representatives of NHS Foundation Trusts.
- 14.11 The staff side should reflect membership in the NHS but also make some provision to ensure that smaller staff organisations with national recognition for pay purposes have a voice in the new system. The weighting of membership on the staff side will be a matter for the collective staff side to determine.
- 14.12 The Council should meet at least twice yearly and may form sub groups to discuss analysis, evidence and issues with significant implications for a particular group, or to oversee particular parts of the system, and make recommendations on them to the Council.
- 14.13 Decisions of the Council will be reached by agreement of both departmental and staff sides. All decisions of the Council will require the formal agreement of the Secretary of State for Health and the Ministers of Health for Scotland and Northern Ireland and the National Assembly for Wales.
- 14.14 The staff side organisations with national recognition for pay purposes with staff who may be on spine 3 currently are:

UNISON

GMB

Transport and General Workers Union (TGWU)

Amicus including MSF, AEEU and EESA

Union of Construction, Allied Trades and Technicians (UCATT)

Union of Shop Distributive and Allied Workers (USDAW)

ANNEXES

List of bodies in each stage of implementation

Early Implementer sites - from Spring 2003

James Paget Healthcare NHS Trust
Guy's and St Thomas' Hospital NHS Trust
City Hospitals Sunderland NHS Trust
Papworth Hospital NHS Trust
Aintree Hospitals NHS Trust
Avon and Wiltshire Mental Health Partnership NHS Trust
South West London and St George's Mental Health NHS Trust
West Kent NHS and Social Care Trust
Herefordshire NHS Primary Care Trust
Central Cheshire Primary Care Trust
North East Ambulance Service NHS Trust
East Anglian Ambulance NHS Trust

List of bodies in national roll-out – from October 2004

England

All other NHS Trusts including NHS Direct,
All other Primary Care Trusts,
Strategic Health Authorities
Dental Practice Board,
Public Health Laboratory Service,
National Blood Authority,
Prescription Pricing Authority,
NHS Information Authority,
NHS Logistics Authority,
UK Transplant,
National Treatment Agency
National Institute for Clinical Excellence

Northern Ireland

Health Boards
HSS Trusts
Agencies

Scotland

Health Boards
Special Health Boards
NHS Trusts
Primary Care Trusts
NHS 24
NHS Education for Scotland

Wales

NHS Trusts
Local Health Boards

Classification of Leads and Allowances (listed by staff group).

Leads and allowances which relate to job weight as valued in the Job Evaluation scheme are:

- **Maintenance Staff**
 - Work in exceptional conditions
 - Care of patients allowance
 - Working with psychiatric patients allowance
 - Use of special equipment allowance
 - Smallpox and typhus
- **Ambulance Staff**
 - Extended trained staff – paramedic allowances
- **Ambulance Officers and Control Room Assistants**
 - Extended trained staff – paramedic allowances
- **Ancillary Staff**
 - Care of patients allowance
 - Foul linen payments
 - Qualification allowances
 - Instructional pay
 - Local flexibility additions e.g. slaughtering, post mortem fees, boiler scaling and flue cleaning and stoving
- **Admin and Clerical staff**
 - ADP allowances
 - Proficiency allowances
 - Pricers' allowance (PPA staff only)
 - Computer assisted pricing allowance (PPA staff only)
 - Authorising clerks allowance (Dental Practice Board only)
- **Nursing and PAMs Staff**
 - Treatment of sexually transmitted diseases (nursing)
 - Nursing of patients with infectious communicable diseases (nursing)
 - Student training allowance (PAMs)
 - Radiation protection supervisors allowance (PAMs)
 - Designated district physiotherapists
 - Responsibility allowance for teacher principals in NHS schools of chiropody (PAMs)
 - Blood transfusion team leaders allowance (Nurses)
 - Geriatric lead
 - Psychiatric lead

Allowances which relate to unsocial and flexible working patterns are:

- **Maintenance Staff**
 - On-call
 - Re-call to work
 - Rotary shifts
 - Alternating shifts
 - Night duty allowance
- **Ambulance Staff**
 - Stand-by
 - Re-call to work
- **Ambulance Officers and Control Room Assistants**
 - Stand-by (Ambulance Officers only)
 - Re-call to work
 - Rotary shifts (Control Assistants only)
 - Alternating shifts (Control Assistants only)
 - Night duty allowance (Control Assistants only)
- **Ancillary Staff**
 - On-call
 - Re-call to work
 - Rotary shifts
 - Alternating shifts
 - Night duty allowance
- **Admin and Clerical staff**
 - On-call
 - Stand-by
 - Shift payment
 - Night duty allowance
- **Nursing and PAMs Staff**
 - On-call
 - Stand-by
 - Special duty payments
 - Sleeping in allowance (nurses)
- **PTB & S&P Staff**
 - On-call (PTB)
 - Emergency duty commitments allowance (Pharmacists)
 - S&P unsocial hours payments (locally determined)

Leads and allowances which relate to Recruitment and Retention Premia are:

- ❖ Chaplain's accommodation allowance
- ❖ Special hospital lead
- ❖ Regional secure unit lead

Annex C

Good practice guidance

- C1. An important aspect of managing the provision of emergency cover outside normal hours is ensuring good management practice and, where necessary, ensuring appropriate protocols are put in place. This should reduce the difficulties arising from the unpredictability within the system.
- C2. Similarly, in line with good working practices, employers should ensure that staff are given adequate time to be made aware of their working patterns, as a guide at least 4 weeks before they become operational.
- C3. Flexible working arrangements are a key element of the Improving Working Lives Standard and ensuring the effective management of the rostering process can impact on unexpected difficulties.
- C4. The Improving Working Lives (IWL) website (www.doh.gov.uk/iwl) includes a good practice database, which details a raft of information and provides examples of how flexible working is used to cover both normal hours and the provision of care outside normal hours.
- C5. A series of Improving Working Lives Toolkits have been produced to provide guidance to both managers and staff, covering the whole range of issues within Improving Working Lives, including flexible working. Specific toolkits have also been produced aimed at particular staff groups, for example, allied health professionals and healthcare scientists. These documents can be downloaded from the IWL website (www.doh.gov.uk/iwl)

Local Recruitment and Retention Premium criteria

- D1. To ensure consistency in the application and payment of Recruitment and Retention Premia, local employers should adhere to the following protocol.

Recruitment

- D2. All new vacancies should be advertised in relevant local, regional, national and/or professional media.
- D3. Where adverts have produced no suitable applicants HR personnel and service/department managers should consider the reasons for this. Account should be taken of number of applicants, relevant national vacancy data and local labour market information, the media used and any non pay improvements that could be made to the employment package (e.g. training opportunities, childcare, relocation), or any expected increase in the supply of staff suitable for the post.
- D4. If it could be reasonably assumed that vacancies could be filled through, for example, advertising in different media or by waiting for an expected increase in supply (for example from new trainees) then vacant posts should be re-advertised.
- D5. However if on the basis of 2 and 3 above, it is decided that the vacancy problem can be addressed most effectively only through payment of a Recruitment and Retention Premium, the employer should decide in partnership with the local staff side whether the problem is likely to be resolved in the foreseeable future (in which case any premium should be short term) or whether it is likely to continue indefinitely (in which case any premium should be long term (see Chapter 4 of this agreement).
- D6. The employer should then consult with neighbouring employers, Workforce Development Confederations, staff side organisations and other stakeholders, before implementing any premium. See 4.6 of this agreement

Retention

- D7. Before consideration is given to paying Recruitment and Retention Premia to increase retention of staff, HR personnel, service/department heads and relevant staff side representatives should ensure non-pay benefits (e.g. childcare support, training and development) are sufficiently developed. Where possible local turnover rates should be compared with national rates. Employers are also advised to undertake regular exit surveys to assess how far pay is a factor in employees' decisions to leave the organisation.
- D8. However if it is decided that a retention problem can be addressed most effectively only through payment of a Recruitment and Retention Premium,

the employer should decide whether the problem is likely to be resolved in the foreseeable future (in which case any premium should be short term) or whether it is likely to continue indefinitely (in which case any premium should be long term (see Chapter 4 of this agreement).

- D9. The employer should then consult with neighbouring employers, Workforce Development Confederations, relevant staff side organisations and other stakeholders, or follow agreed protocols in Scotland, Wales and Northern Ireland before implementing any premium.

Review

- D10. Once Recruitment and Retention Premia are awarded they should be reviewed annually. This review should be done by HR personnel, relevant service/department heads and staff side representatives.

- D11. The review should consider amongst other factors:

- how far the Recruitment and Retention Premia have allowed the NHS organisation to reduce its vacancy rates and turnover
- the likely impact on vacancies of removing or reducing a Recruitment and Retention Premium
- any changes in labour market circumstances.

- D12. The principle consistent with equal pay for work of equal value should be that where the need for a recruitment and retention premium is reduced or has ended, short term premia should be reduced or withdrawn as soon as possible consistent with the protection period in Chapter 4. Long term premia should be adjusted or withdrawn for anyone offered a qualifying post after the decision to withdraw or reduce the premium has been made.

Partnership Agreement Success Criteria
(And approach to measurement in early implementers)

| Criterion | Approach to measurement in early implementers ⁵ |
|--|--|
| <p>More patients being treated more quickly – with pay reform contributing directly to delivery of shorter waiting times for patients in all aspects of NHS care;</p> | <p>Comparison between early implementer sites and comparable sites focussing on impact on rate of innovation and change in areas targeted for change by the early implementers</p> |
| <p>Higher quality care – the reforms should lead to higher average knowledge and skill levels and a reduction in both adverse incidents and patient complaints due to poor standards of service;</p> | <p>Comparison between early implementer sites and comparable sites focussing on progress in introducing KSF related development schemes, and their impact on patient services.</p> |
| <p>Better recruitment and retention – reduced turnover and vacancy rates and reduced attrition from training;</p> | <p>Comparison of turnover and vacancy data before and after early implementation and between early implementer and comparable sites.</p> |
| <p>Better teamwork/breaking down barriers – the creation of additional posts involving new roles, leading to shorter care pathways and fewer adverse incidents due to poor teamwork (such as cancellation of appointments);</p> | <p>Comparison between early implementer sites and comparable sites focussing on impact on rate of innovation and change in areas targeted for change by the early implementers</p> |
| <p>Greater innovation in the deployment of staff – extended availability of services for patients, more sharing of tasks between team members and more staff taking on wider roles;</p> | <p>Comparison between early implementer sites and comparable sites focussing on impact on rate of innovation and change in areas targeted for change by the early implementers</p> |
| <p>Fair pay – pay consistent with principle of equal pay for work of equal value, conditions of service the same for staff in the same grades and the same length of service;</p> | <p>Staff attitude surveys, monitoring of exceptions under the new system.</p> |
| <p>Improve all aspects of equal opportunity and diversity – including access to NHS careers, training and working patterns.</p> | <p>Staff attitude surveys, monitoring of exceptions under the new system.</p> |

⁵ The approach to measurement during national roll-out will be agreed in the light of experience in the early implementers.

| | |
|---|---|
| <p>Better pay – higher NHS minimum wage, and the majority of staff with access to higher maximum pay rates under the new system</p> | <p>Review of impact on staff earnings and prospective earnings compared with previous national and local systems.</p> |
| <p>Better career development – appraisal and personal development plans for all staff, wider access to training opportunities, more staff progressing to new and more demanding roles;</p> | <p>Review of coverage of new procedures based on planned monitoring by staff council.</p> |
| <p>Better morale – higher staff satisfaction with remuneration and careers, reduction in sickness absence, more staff actively involved in continuous service improvement in partnership with employers.</p> | <p>Sample surveys.</p> |

| Criteria relating to the avoidance of risk | |
|---|---|
| Success Criterion | Approach to measurement in early implementers |
| Implementation within available funding – the reforms should be delivered within the funding available to the Service; | Estimates by early implementers of cost against central budget provision |
| Implementation within agreed management capacity – the reforms should be deliverable within an agreed timeframe in each employer with a minimal number of staff and managers involved in resolving subsequent disputes or appeals; | Returns for early implementers against a percentage set by the NHS staff Council |
| Implementation within agreed service constraints – the reforms should be deliverable without deterioration in key performance indicators and with no reported problems in staffing key services; | Review of impact on early implementer performance measures at end of 2003-04 |
| Implementation with only a small minority of staff with lower pay – no more than a small percentage of staff should require formal pay protection; | Returns for Early Implementers against a forecast of 8 per cent, including information to assist the Staff Council assess the cause of any variation. |
| Implementation consistent with improving working lives – no increase in non-compliance with IWL in England and the equivalent policies in the other countries | Returns from early implementers |

Approach to any Problems

- E1. If there is no evidence of the expected benefits starting to emerge, or if the risks identified are arising to a significant degree, the appropriate action should be discussed in the NHS Staff Council. The appropriate actions may include any matter within the normal powers of the Council including new guidance on interpretation, implementation or if necessary agreed variations to particular systems or rules within the new pay system. If any major problems are identified during early implementation which cause a delay to national roll out, pay changes will be backdated to the agreed date of 1st October 2004.

Appeals Procedure

Model Local Appeals Procedures

- F1. All employers should agree procedures with their local staff side for dealing with differences over the local application of the new national agreement to their individual pay and terms and conditions of service, including
- the application of the unsocial hours system
 - the use of local Recruitment and Retention Premia
 - the regularity of Development Reviews
 - the provision of support for training
 - the progression of staff through pay band gateways
- F2. The procedure should provide that an employee who wishes to appeal must first attempt to resolve the issues of concern informally before recourse to these procedures. Therefore as a first step the problem should be discussed between the employee and management, and if wanted by the employee a union representative.
- F3. If during the informal stage it is agreed, after having considered the issues, that the matter can be resolved without recourse to the appeal procedure then they should confirm the agreement in writing. This agreement may include a recommendation that the case should be linked with a number of similar cases and dealt with by local review rather than by individual appeal.
- F4. The informal review should establish in particular whether:
- The issue of concern is not based on incorrect information;
 - The issue of concern is not based solely on opposition to the clear terms of the agreement;
 - The issue of concern has already been determined (or is already under consideration) either by the NHS staff Council, or on local review or in a preceding appeal in similar circumstances;
 - Reasonable attempts have been made to first resolve the issue without recourse to an appeal.
- F5 Appeals may not be lodged more than six months after the employee was notified or could otherwise have reasonably been expected to be aware of the decision giving rise to the appeal.
- F6 Where an appeal proceeds it should commence with a statement in writing from the appellant. The appeal should then be heard using the locally agreed procedure. Organisations can use already established grievance procedures or develop a new system if deemed necessary.

- F7 The decision of the local appeal procedure is final and there will be no further levels of appeal. The local appeal panel or equivalent body may however consult the NHS Staff Council on the interpretation of this agreement before reaching a decision, and should do so where an issue of interpretation is material to the case and has not already been clarified by the Council.
- F8 The decision of a local appeals procedure does not establish any precedents beyond the organisation concerned.

**Additional Allied Health Professions And Healthcare Science
Groups For Inclusion In The Pay Review Body Remit**

Allied Health Professional Groups

Speech and Language Therapists
Prosthetists and Orthotists
Ambulance Paramedics

The Professions in Healthcare Science

Engineering and the Physical Sciences

Clinical Engineers
Medical Physicists
Medical Physics Technologists
Nuclear Medicine Technologists
Critical Care Technologists
Radiotherapy Technologists
Rehabilitation Engineers
Clinical Measurement Technicians
Vascular Technologists
Medical Illustrators
Renal Dialysis Technologists
Technologists in Equipment Management

Physical Sciences

Audiological Scientists
Hearing Therapists
Audiological Technicians
Cardiology Physiologists
Cardiographers
Clinical Perfusionists
Gastroenterology Technicians
Neurophysiologists
Respiratory Physiologists

Life Sciences

Biomedical Scientists
Cytology Screeners
Medical Laboratory Assistants
Phlebotomists
Clinical Biochemists
Clinical Cytogeneticists
Molecular Geneticists
Cytogenetics and Molecular Genetics Assistants
Clinical Embryologists
Clinical Microbiologists
Clinical Scientists (in haematology)
Clinical Scientists (in immunology and histocompatibility)
Post-mortem Technicians
Quality Assurance Scientists

Examples of Special Cases Under the Provisions For Work Outside Normal Hours

Example of application to part time staff

- H1. A person in a job in pay band one works half-standard hours (18½ hours a week) and regularly does three day shifts each week (including a half hour meal break) between 10 am and 4.45 pm on Thursdays, Fridays and Saturdays.
- H2. In this case only the shift worked on Saturday is outside the normal hours set out in paragraph 2.1. The hours worked outside normal hours each week are therefore seven hours (including for this purpose the short meal break). Because the pattern is regular, this is also the average. If this person had worked full time standard hours of 37.5 hours a week, with the same proportion of hours outside normal hours, they would have worked double the number of hours outside normal hours. The figure of 14 hours a week is therefore used in table 2 in Chapter 2 to determine that the appropriate enhancement to the part-time salary is 17 per cent.
- H3. The enhancement would only need to be re-estimated if the average number of hours outside normal hours increased by 3 hours a week to 17 hours or more, or fell by more than 1 hour a week to under 13 hours. Neither is likely however unless the shift pattern changes.

The application of the on-call provisions to staff working part time or other non-standard hours.

- H4. A person working half time – 18.75 hours a week – is on call for one of the nine on call periods each week. Had they worked full time the payment for this length of on call commitment would have been 3 per cent of the full time salary. To ensure equity in this case therefore the payment is adjusted to 6 per cent of the half time salary.

Example of application to a self rostering scheme (where the team agree to equalise enhancements)

- H5. A team of staff provide services to patients in their homes. Most visits take place during the day, but a limited number of patients require an evening visit to settle them for the night. In the past this has been covered by a shift pattern of four weeks of early shifts and one week of late shifts.
- H6. In this case the team, who work well together, ask their manager if they can agree among themselves each month who will cover the evening work. They also ask if they can control the timing of late shifts to better balance work and home life and allow more patients to be settled at a time they prefer, and if they can share the unsocial hours payments to avoid money being at issue in the rostering.
- H7. In this case the employer and team agree that the previous shift pattern satisfactorily defines the degree of unsocial hours working necessary to provide a satisfactory level of patient care. The unsocial hours enhancement due under these rules would then be calculated on the basis that each team member worked the number of hours outside normal hours implied by the four early 1 late shift system, and a percentage enhancement is paid on that basis to each team member irrespective of the actual rostering provided the team continue to provide satisfactory levels of patient care.

Example of application to annual hours agreements

- H8. A number of staff members ask if they can work variable hours to allow them to better combine work and care responsibilities, subject to working an agreed number of hours annually.
- H9. In order to allow for the fact that standard hours are variable under this agreement, the employer and employee agree to estimate the average hours worked outside normal hours on the basis of the average for colleagues in the same role in the same work area, subject to a retrospective adjustment if there were evidence that the actual average hours worked outside normal hours over the year as a whole had varied significantly from this level.

Example of application to bank staff

- H10. A member of staff in pay band six works full time on alternate early and late shifts Monday to Friday. No hours are worked outside normal hours during the early shift. But four hours a day are worked outside normal hours during each late shift. This results in an average of ten hours a week being worked outside normal hours, and the staff member receives an enhancement of 13% of salary under the normal rules.
- H11. However they also work an 8-hour bank shift once a fortnight on average during a weekend period. This is treated as a separate contract under these rules. So the enhancement for working outside normal hours for their bank work is calculated as if they were a part time worker working all their hours outside normal hours.
- H12. In this case the hours worked for the bank each week are 4 hours, all of which fall outside normal hours. Under the rule for part time workers in paragraph 2.8, if the person had worked full time for the bank with the same proportion of hours outside normal hours, they would have worked 37.5 hours a week outside normal hours. This figure is therefore used to determine the appropriate enhancement to the income from the bank which in this case is 25%.
- H13. In this case the enhancement to bank earnings does not need to be recalculated however many hours are actually worked for the bank at weekends, since they are all outside normal hours. If however the person started doing significant bank work in normal hours, the enhancement might need to be re-estimated if the proportion worked outside normal hours fell to 21 hours out of every 37.5 or below, as the enhancement would then fall into a different band.

Example of application to staff working rostered overtime

- H14. A person works on a maintenance team which deploys staff on alternate weeks of early and late 9 hour shifts, 7.00 am to 4.00 pm and 1.00 pm to 10 pm Monday to Friday, with a half hour meal break. Their regular shift pattern therefore covers 42.5 hours a week excluding meal breaks and always includes 5 hours of overtime.
- H15. Because their shift pattern always includes a fixed amount of overtime, this is treated as rostered overtime within a non-standard working week. As a result all the hours may count towards the total of hours outside normal hours, but this is then adjusted for the longer week.
- H16. In this example an average of 7.5 hours a week are worked outside normal hours. If however they had worked the same proportion of hours outside normal hours in a standard week, the total would have been just under 6.7 hours a week. This qualifies for a payment of 9 per cent of basic pay for working outside normal hours, in addition to the normal overtime payment for the overtime hours.

Guidance On The Application Of Nationally Agreed Recruitment And Retention Premia

11. This note provides initial guidance on setting the levels of long term Recruitment and Retention Premia which have been agreed in principle at national level under the new NHS Pay system. Subject to consultation on the new pay system as a whole, it will be used in the early implementer sites. It will be reviewed and updated by the NHS Staff Council in the light of experience in those sites before national roll out of the new system in October 2004. Under the terms of the national agreement, any revisions will not however reduce any long-term premia already in payment to existing staff, provided they remain in a qualifying job.

Background

12. Recruitment and Retention Premia are additions to the pay of a post or group of similar posts where market pressures would otherwise prevent the employer from being able to recruit or retain staff in sufficient numbers at the normal salary for jobs of that weight. The new system provides for them to be awarded on either a national or local basis. But where it is agreed nationally that a Recruitment and Retention payment is necessary for a particular group the level of the payment should be specified or, where the underlying problem is considered to vary across the country, guidance should be given to employers on the appropriate level of payment.
13. This guidance therefore covers the award of long term Recruitment and Retention Premia for staff in the limited number of posts for which the payment of a premium has been pre-agreed. This does not mean that other premia cannot be agreed locally, provided the correct procedure for determining a premium is followed as set out in Annex D, including consultation with staff side and other local NHS employers.

Posts to Which This Guidance Applies

14. The use of job evaluation to ensure fair pay between NHS jobs has revealed a number of jobs with relatively high levels of pay in relation to job weight which appear to reflect past responses to external labour market pressures. In some cases employers have used higher grades than would appear appropriate on the basis of a strict interpretation of grading definitions in order to recruit or retain staff. In other cases there have been national agreements to improve the pay of particular grades or groups because of concerns about recruitment and retention.
15. Under normal circumstances, when the new pay system is fully operational, evidence would be sought that it is not possible to recruit or retain staff at the normal job-evaluated pay level before agreeing a recruitment and retention premium. However this process cannot be safely applied to the transitional period in which the new system is being implemented, because data on recruitment at the new pay levels cannot be sought until the new pay rates are in force. That could result in the withdrawal of all past local and national measures aimed at dealing with recruitment problems for a period of several months and possibly longer, while data on recruitment at the new pay levels was gathered, which could severely disadvantage the NHS in the labour market.
16. The negotiators have therefore agreed a list of jobs for which there is prima facie evidence from both the work on the job evaluation scheme and consultation with management and staff side representatives that a premium is necessary to ensure the position of the NHS is maintained during the transitional period. The jobs concerned, which are also listed in Chapter 4 table 6, are as follows:

| <u>Type of Post</u> |
|---|
| Chaplains |
| Clinical Coding Officers |
| Cytology Screeners |
| Dental Nurses, Technicians and Therapists |
| Estates Officers/Works Officers |
| Financial Accountants |
| Invoice Clerks |
| Medical Laboratory Scientific Officers |
| Payroll Team Leaders |
| Pharmacists |
| Qualified Maintenance Craftspersons |
| Qualified Maintenance Technicians |
| Qualified Medical Technical Officers |
| Qualified Midwives (new entrant) |
| Qualified Perfusionists |

17. Under these circumstances however it is difficult, and in most cases would be inappropriate, to determine a national rate for the premium. The agreement therefore provides in these cases only that the premium must be sufficient to ensure no loss (in line with the principle that the NHS should not be disadvantaged in the labour market during the transitional period), while requiring employers working in partnership with staff side representatives to review the evidence available locally. The exception dealt with below is that of staff who require full electrical, plumbing or mechanical crafts qualifications, where there is a high degree of consistency in NHS rates and readily available published market rates, on the basis of which an initial rate for the premium has been set.
18. The following paragraphs provide guidance on how the no loss guarantee should be interpreted, the constraints within the new system on the maximum level of premium that may be paid and specific guidance on some of the groups concerned where additional considerations apply, including the agreed rate in the case of staff who require full electrical, plumbing or mechanical crafts qualifications.

Minimum Level of Premium

19. The level of premium payable should be set locally on assimilation in cash terms at a level at least sufficient to ensure that at assimilation an existing member of staff will be no worse off. The level of premium agreed locally should therefore be at least sufficient to ensure that the staff in these posts do not require protection under the separate protection arrangements.
110. As set out in paragraph 4.2 of the agreement, employers may establish different premia for different classes or types of post provided there is evidence that the recruitment and retention position is different, for example because they have significantly different job descriptions and are in different pay bands under the new system

Maximum Level of Premium

111. Unless necessary to ensure no loss as described above, no premium may exceed 30 per cent except as set out below.
112. Premia in excess of 30 per cent may be paid where justified under the criteria in Annex D of the agreement, subject in England to the additional procedure set out in Chapter eight.

Further Guidance on Specific Cases

Qualified Maintenance Craftspersons and Qualified Maintenance Technicians

- I13. Given the high degree of consistency in NHS rates and the existence of published market rates, it is appropriate to specify a single level of premium for staff who require full electrical, plumbing and mechanical crafts qualifications of £2635 a year. Premia should only exceed this rate, or the equivalent rate as uplifted under the provisions below, where that is necessary to ensure no loss under the rules in paragraphs 4 to 7 above.
- I14. Premia may also be agreed locally for building crafts, subject to the guidance above on minimum and maximum rates.

Chaplains

- I15. The agreement instituting the new pay system includes agreement that the Chaplains Accommodation Allowance should be replaced by a recruitment and retention premium. In the case of chaplains therefore, any premium agreed, in addition to meeting the normal rules on the minimum level of allowance set out above, must not be less than the level of any accommodation allowance already in payment.

Qualified Midwife (new entrant)

- I16. Premia should be set at the level necessary to ensure that newly qualified midwives in post on assimilation to band 5 suffer no loss under the rules in paragraph 9 above. Trusts should then apply the same premium to other newly qualified Midwives in band 5 appointed after the effective date for assimilation. No premium should be paid to midwives in more senior jobs at band 6 and above on the basis of this guidance. Employers are however free (as with all other jobs) to agree local Recruitment and Retention Premia for other Midwives locally under the new system, where the criteria are met.

Uprating of Nationally Agreed Premia

- I17. The agreement instituting the new pay system includes a provision that any premia agreed should be uprated by 3.225 per cent in April 2003, April 2004 and April 2005. Any premia paid prior to these dates should be uplifted at those dates by these amounts. Any uprating of premia thereafter will be by either national or local agreement.

Review of this Guidance

- I18. This initial guidance on the level of nationally agreed Recruitment and Retention Premia has been drafted to allow flexibility for the service during assimilation to the new system, taking account of the fact that the current grading of posts varies widely. Future reviews of the guidance should seek to introduce greater consistency in rates of premium for newly appointed staff, unless variation is justified by the evidence.