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31 March 2006

Dear Mike

PAY FOR GROUPS COVERED BY THE PAY NEGOTIATING COUNCIL (PNC) FOR 2006/7

Following the Secretary of State's announcement that the Government has agreed to accept in full the recommendations of the Nursing and other Health Professions Review Body, I am now able to write to you setting out our proposals for the pay uplift for the staff groups on Agenda for Change contracts that fall within the remit of the PNC.

This letter also represents the view of the health departments in Scotland and Wales. Northern Ireland officials have advised us that they are seeking approval from their Department of Finance and Personnel before they can formally join the other countries in this offer. They have indicated that given their commitment to Agenda for Change they do not anticipate a problem.

In order to preserve the integrity of the Agenda for Change pay spines and to ensure the principle of equal pay for equal value, we propose that with effect from 1 April 2006:-

- There will be a general increase in all Agenda for Change pay points of 2.5%
- The existing minimum and maximum High Cost Area Supplements for Inner London, Outer London and the Fringe be increased by 2.5%
- The allowances paid under the interim unsocial hours regime (Section 2 paragraph 2.6) to ancillary staff undertaking rotary or alternating shifts are also increased by 2.5% in line with the provisions of the agreement.

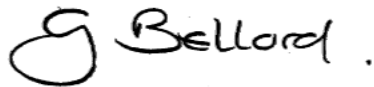
We propose that there be no further increases in existing national recruitment and retention payments. As you know we have proposed a national partnership review of the continued justification of these payments. As a priority we want to discuss with Staff Side how best to take this review forward.

We are keen to implement this above inflation award as soon as possible to ensure that all staff covered by the Agenda for Change agreement are able to benefit as soon as is practical. We

are unable to issue a pay circular employers for the Agenda for Change groups until the PNC round has been concluded. We are looking to expedite discussions on 2006/7 pay as soon as possible.

We acknowledge that the PNC process has not worked in the way that any of the parties had been expecting and are pleased to note that the Health Departments have indicated their willingness to consider improvements to the process for 2007/8.

Yours sincerely

A handwritten signature in black ink, reading "G Bellord". The signature is written in a cursive style with a large, looped 'G' and a period at the end.

On behalf of

JOE BRAYFORD
Chair, Employer's Side of the
Pay Negotiating Council

Copy: Gill Bellord NHS Employers
Colin McGowan Scottish Executive
Ian Stead NAW
David Bingham Northern Ireland