

**THE NHS STAFF COUNCIL**  
***WORKING IN PARTNERSHIP***

**Framework agreement on  
the proposed reform of  
Agenda for Change**

21 March 2018

## **FRAMEWORK AGREEMENT ON THE PROPOSED REFORM OF NHS PAY STRUCTURE FOR AGENDA FOR CHANGE STAFF**

**21 March 2018**

### **Scope and status**

- i. This framework agreement is conditional on government clearance and on agreement through the NHS Staff Council. This means it will be subject to consultation and agreement with constituent parties.
- ii. It is intended that this agreement covers all NHS employers in England listed in Annex A of the NHS Terms and Conditions of Service handbook.
- iii. If the framework agreement is endorsed and implemented in England, partners in Scotland, Cymru/Wales and Northern Ireland will be able to hold discussions about whether, and how, the content of this agreement is implemented, in light of the funding available in accordance with the Barnett formula.

### **Introduction and context**

The introduction of Agenda for Change (AfC) in 2004 was a significant achievement; bringing together several different pay arrangements into one overall structure underpinned by job evaluation.

Whilst this structure has stood the test of time, NHS trade unions and employers have agreed on the need for changes to be made to modernise AfC in a number of areas. The agreement reached in England in 2013 was recognised by all parties as the start of a wider conversation on a refresh of AfC.

At the November budget the Chancellor of the Exchequer reconfirmed the intention to end the 1 per cent basic pay policy, and announced that additional funding could be made available for a multi-year pay deal for AfC staff that would support productivity and recruitment and retention.

This draft framework document sets out a proposed three-year agreement covering the years from 2018 to 2021. It sets out both the pay investment that will be made and the reforms that employers, NHS trade unions and the Department of Health and Social Care are agreeing to implement over the period of the agreement and going forward.

The key objectives in the discussions leading to the details set out in this framework agreement document have been to:

- support the attraction and recruitment of staff by increasing starting pay in every pay band
- support the retention of staff by increasing basic pay for the 50 per cent of staff who are at the top of pay bands and speeding up progression to the top of the pay band
- increase staff engagement by putting appraisal and personal development at the heart of pay progression, so that staff are supported to develop their skills and competences in each pay band and are rewarded for this. This will help ensure that all staff have the appropriate knowledge and skills they need to carry out their roles, so make the greatest possible contribution to patient care. It will be underpinned by a commitment from employers to enhance the relationship line managers have with their staff and to fully utilise an effective appraisal process
- ensure that the pay system can support the growing use of apprenticeships in the NHS
- ensure that the pay system is supportive of new training pathways and that the health service can deliver on the aspiration to focus on 'careers, not jobs' as set out in the draft workforce strategy
- map out future work that the NHS Staff Council will undertake to encourage consistency of approach to bank working (including how the service can better incentivise staff to offer their own time to the bank) and to the development of apprenticeship routes to healthcare careers
- improve the health and wellbeing of NHS staff to improve levels of attendance in the NHS with the ambition of matching the best in the public sector.

The partners have developed this agreement in full awareness of the Public Sector Equality Duties and recognise that an equality impact assessment will need to be commissioned to support this agreement.

It is expected that following all clearances required for this draft framework agreement, a joint submission will be made to the NHS Pay Review Body by all parties to the agreement.

During the period of the agreement the NHS Pay Review Body retains its standing remit and will monitor the progress of implementation and the impact of the agreement.

It remains open to the parties to submit evidence to the Pay Review Body on specific areas of concern that they may have through the course of this agreement.

It is expected that during the period of this agreement the NHS Pay Review Body will be asked to consider the role of Recruitment and Retention Premia (RRPs) and High Cost Area Supplements (HCAS).

## **Details**

### **1. To help the NHS attract and recruit new staff**

- 1.1. Starting salaries across all pay bands will increase as outlined in Annex A.
- 1.2. The increases to starting salaries are achieved by the following action: points which overlap with a lower pay band will be removed from the bottom of each current pay band, with one point being removed in 2018/19, and further points being removed in 2019/20.
- 1.3. A new provision detailing pay for apprentices will be negotiated by the NHS Staff Council as a matter of priority, and added to the NHS Terms and Conditions of Service Handbook (the Handbook). This will help employers find affordable solutions, that make maximum use of the apprenticeship levy, to develop a new, as well as existing, workforce and to increase capacity.

### **2. To help the NHS retain staff**

- 2.1. The intention of the reforms to the pay structure is that by the end of the three-year period - and on 1 April of each of the years covered by this agreement – individuals will have basic pay that is of greater value than under current expectations (which are defined as a 1 per cent pay award per annum plus contractual increments).
- 2.2. The value of the top points of each pay band will be increased by 6.5% cumulatively over the three-year period for Bands 2 - 8c. The value of the top pay points in Bands 8d and 9 will be capped at the level of the increase in value at the top of band 8c.
- 2.3. The effective date for pay awards will remain as 1 April in the relevant year.
- 2.4. The value of the top pay points for Bands 2 - 8c will increase each year as follows:
  - 3 per cent in 2018/19
  - 1.7 per cent in 2019/20
  - 1.67 per cent in 2020/21.

The value of the top pay points in bands 8d and 9 will be capped at the level of the increase in value at the top of band 8c.

- 2.5. In 2019/20 only, a cash lump sum will be made available to deliver an additional 1.1 per cent to the staff employed on the top points in bands 2 – 8c. For the staff

employed on the top pay points in bands 2 – 8c on 31 March 2019 the total in year cash value of the award on basic pay and the additional cash sum in 2019/20 will be 2.8 per cent. The lump sum will be paid out to staff in April pay and will be non-consolidated.

- 2.6. For band 8d and 9 the cash lump sum will be capped at the value given to band 8c.
- 2.7. Existing pay bands will be restructured and the number of pay points will be reduced to 2 points for Bands 2, 3, 4, 8a, 8b, 8c, 8d and 9 and 3 points for Band 5, 6 and 7. Restructuring will be completed by 1 April 2021.
- 2.8. Pay Bands 8c, 8d and 9 will continue to include an element of re-earnable pay. In the year after the employee has reached the top of the band, up to 10 per cent of basic salary will become re-earnable subject to performance. This process is described in full in Annex A. Those staff on bands 8c, 8d and 9 with reserved rights from the 2013 AfC agreement will receive protection of reserved rights on a marked time basis.
- 2.9. The new pay structure will enable staff in Bands 2-7 to access the top of the pay band more quickly than in the current system.

	Current system	New system
<b>Band 1</b>	1 year	N/A
<b>Band 2</b>	6 years	2 years
<b>Band 3</b>	6 years	2 years
<b>Band 4</b>	6 years	3 years
<b>Band 5</b>	7 years	4 years
<b>Band 6</b>	8 years	5 years
<b>Band 7</b>	8 years	5 years
<b>Band 8a</b>	5 years	5 years
<b>Band 8b</b>	5 years	5 years
<b>Band 8c</b>	5 years	5 years
<b>Band 8d</b>	5 years	5 years
<b>Band 9</b>	5 years	5 years

- 2.10. For each pay point on each pay band, the detail of the ‘individual journey’ for staff is detailed in Annex A.
- 2.11. The new pay structure and values for each point in each of the years 2018/19, 2019/20 and 2020/21 is set out at Annex A.

- 2.12. Paragraph 2.1 sets out the policy intention for the reforms to the pay structure. In the unlikely event that transition to the reformed pay structure results in this policy intention not being met, the principle of 'no detriment' will apply to the individual(s) concerned.

### **3 To ensure the NHS is better able to recruit and retain staff in the lower pay bands**

- 3.1 A new rate of £17,460 will be introduced from 1 April 2018 as the minimum basic pay rate in the NHS, in order to future proof the pay structure, stay ahead of statutory requirements, and ensure the NHS in England retains a competitive market advantage in the jobs market for staff employed at this level.
- 3.2 Band 1 will be updated to this minimum pay rate with effect from 1 April 2018. Band 1 will be closed to new entrants from 1 December 2018.
- 3.3 The NHS Staff Council will agree a framework to support and encourage provider organisations to upskill roles currently in Band 1 to Band 2 roles. This exercise should be completed by 31 March 2021, in line with a process that will be agreed by the NHS Staff Council.

### **4 Pay progression**

- 4.1 A new NHS Staff Council progression framework will be put in place by 1 April 2019, so that within each pay band staff will be supported to make the best use of their skills. The new progression framework is set out in Annex B.
- 4.2 The new pay progression system will help ensure that all staff have the appropriate knowledge and skills they need to carry out their roles, and so make the greatest possible contribution to patient care. It will be underpinned by a commitment from employers to strengthen and improve the appraisal process.
- 4.3 The new pay progression system will:
- a. enable staff in Bands 2-7 to reach the top of their pay band more quickly
  - b. describe minimum periods of time before progression to the next pay-step point
  - c. not be automatic
  - d. give staff the opportunity to demonstrate they have met the required standards, including appraisals

- e. require line managers and staff to follow the pay-step submission process (described in the pay progression framework document) in order to access the next pay-step point
  - f. require employers to provide information to enable the NHS Staff Council to undertake monitoring of pay progression and re-earnable pay in relation to employees with protected characteristics.
- 4.4. The Staff Council will oversee the implementation of the pay progression system. This will include the amendment of payroll systems from 2018/19.

**5. *To help support the service and members of NHS staff***

- 5.1 The partners will work together through NHS Staff Council and Social Partnership structures to improve levels of attendance through a focus on staff health and wellbeing at a national and local level. The ambition is that through positive management of sickness absence the NHS will match the best in the public sector. To identify changes that will support this ambition, a work programme will be set up to include an assessment of the principal factors affecting levels of attendance and a review of the current agreement on absence management. This will include reviewing Annex 26. This will not alter the sick pay provisions set out in Section 14 of the terms and conditions of service handbook.
- 5.2 The NHS Staff Council will explore what scope there is for a collective framework agreement on bank and agency working, including the opportunity to provide cost-effective incentives to encourage staff to offer their own time to internal staff banks to increase capacity.

**6. *To encourage greater consistency of terms***

- 6.1 Employing organisations will work in partnership with trade unions to introduce local mechanisms to guarantee access to those annual leave and time off in lieu (TOIL) provisions set out in the NHS Terms and Conditions of Service Handbook.
- 6.2 New provisions will be added to the NHS Terms and Conditions of Service Handbook to give staff access to consistent child bereavement leave, enhanced shared parental leave (extension of statutory), and a national framework for buying and selling annual leave.
- 6.3 The variation in approach to payment schemes for unsocial hours will be reduced by taking the following steps:

- a. A new provision will be added to the handbook to open Section 2 (maintaining round the clock services) unsocial hours payment arrangements to all ambulance staff. This will apply to all new entrants to the Ambulance Service in England from 1 September 2018 and all changes of roles (including promotion). Existing ambulance staff will be offered a voluntary move to the Section 2 rates with details of how this will be offered and managed to be agreed via the NHS Staff Council.
  - b. Section 14 (sickness absence) paragraph 4 of the NHS Terms and Conditions of Service Handbook will be adjusted to convert the eligibility for payment of unsocial hours during occupational sick leave (currently available to staff on spine points 2-8) to a cash value (basic salary) of £18,160. New entrants to the NHS, appointed with effect from 1st July 2018 onwards, will not have access to payment of unsocial hours during occupational sick leave. This will ensure that over time, the calculation for sickness absence pay is the same for all staff on the NHS terms and conditions of service.
  - c. Section 2 of the handbook will be adjusted to introduce new percentage rates for Bands 1, 2 and 3. The new percentages will reflect the increase to basic salary levels while preserving the value of the current payment tiers. The percentage rates are set out at Annex A. The percentages will stay at the 2020/21 rates going forward.
- 6.4 In conjunction with the ongoing review of senior pay, the NHS Staff Council will explore the scope for further alignment between Agenda for Change and other senior NHS pay arrangements, with a view to achieving greater coherence.

## **7. *The role of the NHS Staff Council***

- 7.1 The NHS Staff Council will retain its existing role as described in the NHS Terms and Conditions of Service Handbook.
- 7.2 In addition, the Staff Council will agree a work programme in partnership to monitor the implementation of the proposed deal over the three-year period, and ensure all aspects of the agreement are implemented as intended.

*Ends*



## Annex A

### The new pay structure for 2018/19, 2019/20, & 2020/21

In each band and year, the number of times a pay value is repeated indicates the length of stay on the pay point.

		Current	Year 1	Year 2	Year 3
Band	Years of experience	2017/18	2018/19	2019/20	2020/21
<b>Band 1</b>	1	£15,404	£17,460	£17,652	£18,005
TOP	2	£15,671	£17,460	£17,652	£18,005
<b>Band 2</b>	1	£15,404	£17,460	£17,652	£18,005
	2	£15,671	£17,460	£17,652	£18,005
	3	£16,104	£17,460	£17,652	£19,337
	4	£16,536	£17,460	£17,652	£19,337
	5	£16,968	£17,460	£17,652	£19,337
	6	£17,524	£17,787	£17,983	£19,337
TOP	7	£18,157	£18,702	£19,020	£19,337
<b>Band 3</b>	1	£16,968	£17,787	£18,813	£19,737
	2	£17,524	£17,787	£18,813	£19,737
	3	£18,157	£18,429	£18,813	£21,142
	4	£18,333	£18,608	£18,813	£21,142
	5	£18,839	£19,122	£19,332	£21,142
	6	£19,409	£19,700	£19,917	£21,142
TOP	7	£19,852	£20,448	£20,795	£21,142
<b>Band 4</b>	1	£19,409	£20,150	£21,089	£21,892
	2	£19,852	£20,150	£21,089	£21,892
	3	£20,551	£20,859	£21,089	£21,892
	4	£21,263	£21,582	£21,819	£24,157
	5	£21,909	£22,238	£22,482	£24,157
	6	£22,128	£22,460	£22,707	£24,157
TOP	7	£22,683	£23,363	£23,761	£24,157
<b>Band 5</b>	1	£22,128	£23,023	£24,214	£24,907
	2	£22,683	£23,023	£24,214	£24,907
	3	£23,597	£23,951	£24,214	£26,970
	4	£24,547	£24,915	£26,220	£26,970
	5	£25,551	£25,934	£26,220	£27,416
	6	£26,565	£26,963	£27,260	£27,416
	7	£27,635	£28,050	£28,358	£30,615
TOP	8	£28,746	£29,608	£30,112	£30,615
<b>Band 6</b>	1	£26,565	£28,050	£30,401	£31,365
	2	£27,635	£28,050	£30,401	£31,365
	3	£28,746	£29,177	£30,401	£33,176
	4	£29,626	£30,070	£32,525	£33,176
	5	£30,661	£31,121	£32,525	£33,176

	6	£31,696	£32,171	£32,525	£33,779
	7	£32,731	£33,222	£33,587	£33,779
	8	£33,895	£34,403	£34,782	£37,890
TOP	9	£35,577	£36,644	£37,267	£37,890
<b>Band 7</b>	1	£31,696	£33,222	£37,570	£38,890
	2	£32,731	£33,222	£37,570	£38,890
	3	£33,895	£34,403	£37,570	£40,894
	4	£35,577	£36,111	£37,570	£40,894
	5	£36,612	£37,161	£38,765	£40,894
	6	£37,777	£38,344	£38,765	£41,723
	7	£39,070	£39,656	£40,092	£41,723
	8	£40,428	£41,034	£41,486	£44,503
TOP	9	£41,787	£43,041	£43,772	£44,503
<b>Band 8A</b>	1	£40,428	£42,414	£44,606	£45,753
	2	£41,787	£42,414	£44,606	£45,753
	3	£43,469	£44,121	£44,606	£45,753
	4	£45,150	£45,827	£46,331	£45,753
	5	£47,092	£47,798	£48,324	£45,753
TOP	6	£48,514	£49,969	£50,819	£51,668
<b>Band 8B</b>	1	£47,092	£49,242	£52,306	£53,168
	2	£48,514	£49,242	£52,306	£53,168
	3	£50,972	£51,737	£52,306	£53,168
	4	£53,818	£54,625	£55,226	£53,168
	5	£56,665	£57,515	£58,148	£53,168
TOP	6	£58,217	£59,964	£60,983	£62,001
<b>Band 8C</b>	1	£56,665	£59,090	£61,777	£63,751
	2	£58,217	£59,090	£61,777	£63,751
	3	£60,202	£61,105	£61,777	£63,751
	4	£63,021	£63,966	£64,670	£63,751
	5	£67,247	£68,256	£69,007	£63,751
TOP	6	£69,168	£71,243	£72,597	£73,664
<b>Band 8D</b>	1	£67,247	£70,206	£73,936	£75,914
	2	£69,168	£70,206	£73,936	£75,914
	3	£72,051	£73,132	£73,936	£75,914
	4	£75,573	£76,707	£77,550	£75,914
	5	£79,415	£80,606	£81,493	£75,914
TOP	6	£83,258	£85,333	£86,687	£87,754
<b>Band 9</b>	1	£79,415	£84,507	£89,537	£91,004
	2	£83,258	£84,507	£89,537	£91,004
	3	£87,254	£88,563	£89,537	£91,004
	4	£91,442	£92,814	£93,835	£91,004
	5	£95,832	£97,269	£98,339	£91,004
TOP	6	£100,431	£102,506	£103,860	£104,927

## Increases in starting salaries

Cumulative change from current (2017/18) starting salaries:

	Current	Cumulative change from 17/18 (£)			Cumulative change from 17/18 (%)		
		2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
<b>Band 1</b>	15,404	2,056	2,248	2,601	13.3%	14.6%	16.9%
<b>Band 2</b>	15,404	2,056	2,248	2,601	13.3%	14.6%	16.9%
<b>Band 3</b>	16,968	819	1,845	2,769	4.8%	10.9%	16.3%
<b>Band 4</b>	19,409	741	1,680	2,483	3.8%	8.7%	12.8%
<b>Band 5</b>	22,128	895	2,086	2,779	4.0%	9.4%	12.6%
<b>Band 6</b>	26,565	1,485	3,836	4,800	5.6%	14.4%	18.1%
<b>Band 7</b>	31,696	1,526	5,874	7,194	4.8%	18.5%	22.7%
<b>Band 8A</b>	40,428	1,986	4,178	5,325	4.9%	10.3%	13.2%
<b>Band 8B</b>	47,092	2,150	5,214	6,076	4.6%	11.1%	12.9%
<b>Band 8C</b>	56,665	2,425	5,112	7,086	4.3%	9.0%	12.5%
<b>Band 8D</b>	67,247	2,959	6,689	8,667	4.4%	9.9%	12.9%
<b>Band 9</b>	79,415	5,092	10,122	11,589	6.4%	12.7%	14.6%

## Individual pay journeys – 2018 to 2021

Please note a pay calculator is available online at [www.nhspay.org](http://www.nhspay.org).

Band	Spine Point	2017/18 (current)	2018/19 (Year 1)	2019/20 (Year 2)	2020/21 (Year 3)	Earnings gain (£)	Earnings gain (%)
1	2	£15,404	£17,460	£17,652	£18,005	£2,601	16.89%
	3	£15,671	£17,460	£17,652	£18,005	£2,334	14.89%
2	2	£15,404	£17,460	£17,652	£19,337	£3,933	25.53%
	3	£15,671	£17,460	£17,652	£19,337	£3,666	23.39%
	4	£16,104	£17,460	£17,652	£19,337	£3,233	20.08%
	5	£16,536	£17,460	£17,983	£19,337	£2,801	16.94%
	6	£16,968	£17,787	£19,020	£19,337	£2,369	13.96%
	7	£17,524	£18,702	£19,020	£19,337	£1,813	10.35%
3	8	£18,157	£18,702	£19,020	£19,337	£1,180	6.50%
	6	£16,968	£17,787	£18,813	£21,142	£4,174	24.60%
	7	£17,524	£18,429	£18,813	£21,142	£3,618	20.65%
	8	£18,157	£18,608	£19,332	£21,142	£2,985	16.44%
	9	£18,333	£19,122	£19,917	£21,142	£2,809	15.32%
	10	£18,839	£19,700	£20,795	£21,142	£2,303	12.22%
	11	£19,409	£20,448	£20,795	£21,142	£1,733	8.93%
4	12	£19,852	£20,448	£20,795	£21,142	£1,290	6.50%
	11	£19,409	£20,150	£21,089	£24,157	£4,748	24.46%
	12	£19,852	£20,859	£21,819	£24,157	£4,305	21.69%
	13	£20,551	£21,582	£22,482	£24,157	£3,606	17.55%
	14	£21,263	£22,238	£22,707	£24,157	£2,894	13.61%
15	£21,909	£22,460	£23,761	£24,157	£2,248	10.26%	

	16	£22,128	£23,363	£23,761	£24,157	£2,029	9.17%
	17	£22,683	£23,363	£23,761	£24,157	£1,474	6.50%
	16	£22,128	£23,023	£24,214	£26,970	£4,842	21.88%
5	17	£22,683	£23,951	£26,220	£27,416	£4,733	20.87%
	18	£23,597	£24,915	£26,220	£27,416	£3,819	16.18%
	19	£24,547	£25,934	£27,260	£30,615	£6,068	24.72%
	20	£25,551	£26,963	£28,358	£30,615	£5,064	19.82%
	21	£26,565	£28,050	£30,112	£30,615	£4,050	15.25%
	22	£27,635	£29,608	£30,112	£30,615	£2,980	10.78%
	23	£28,746	£29,608	£30,112	£30,615	£1,869	6.50%
6	21	£26,565	£28,050	£30,401	£33,176	£6,611	24.89%
	22	£27,635	£29,177	£32,525	£33,176	£5,541	20.05%
	23	£28,746	£30,070	£32,525	£33,779	£5,033	17.51%
	24	£29,626	£31,121	£32,525	£33,779	£4,153	14.02%
	25	£30,661	£32,171	£33,587	£37,890	£7,229	23.58%
	26	£31,696	£33,222	£34,782	£37,890	£6,194	19.54%
	27	£32,731	£34,403	£37,267	£37,890	£5,159	15.76%
	28	£33,895	£36,644	£37,267	£37,890	£3,995	11.79%
29	£35,577	£36,644	£37,267	£37,890	£2,313	6.50%	
7	26	£31,696	£33,222	£37,570	£40,894	£9,198	29.02%
	27	£32,731	£34,403	£37,570	£40,894	£8,163	24.94%
	28	£33,895	£36,111	£38,765	£41,723	£7,828	23.09%
	29	£35,577	£37,161	£38,765	£41,723	£6,146	17.28%
	30	£36,612	£38,344	£40,092	£44,503	£7,891	21.55%
	31	£37,777	£39,656	£41,486	£44,503	£6,726	17.80%
	32	£39,070	£41,034	£43,772	£44,503	£5,433	13.91%
	33	£40,428	£43,041	£43,772	£44,503	£4,075	10.08%
	34	£41,787	£43,041	£43,772	£44,503	£2,716	6.50%
8a	33	£40,428	£42,414	£44,606	£46,518	£6,090	15.06%
	34	£41,787	£44,121	£46,331	£48,519	£6,732	16.11%
	35	£43,469	£45,827	£48,324	£51,668	£8,199	18.86%
	36	£45,150	£47,798	£50,819	£51,668	£6,518	14.44%
	37	£47,092	£49,969	£50,819	£51,668	£4,576	9.72%
	38	£48,514	£49,969	£50,819	£51,668	£3,154	6.50%
8b	37	£47,092	£49,242	£52,306	£55,450	£8,358	17.75%
	38	£48,514	£51,737	£55,226	£58,383	£9,869	20.34%
	39	£50,972	£54,625	£58,148	£62,001	£11,029	21.64%
	40	£53,818	£57,515	£60,983	£62,001	£8,183	15.20%
	41	£56,665	£59,964	£60,983	£62,001	£5,336	9.42%
	42	£58,217	£59,964	£60,983	£62,001	£3,784	6.50%
8c	41	£56,665	£59,090	£61,777	£64,931	£8,266	14.59%
	42	£58,217	£61,105	£64,670	£69,285	£11,068	19.01%
	43	£60,202	£63,966	£69,007	£73,664	£13,462	22.36%
	44	£63,021	£68,256	£72,597	£73,664	£10,643	16.89%
	45	£67,247	£71,243	£72,597	£73,664	£6,417	9.54%

	46	£69,168	£71,243	£72,597	£73,664	£4,496	6.50%
8d	45	£67,247	£70,206	£73,936	£77,863	£10,616	15.79%
	46	£69,168	£73,132	£77,550	£81,821	£12,653	18.29%
	47	£72,051	£76,707	£81,493	£87,754	£15,703	21.79%
	48	£75,573	£80,606	£86,687	£87,754	£12,181	16.12%
	49	£79,415	£85,333	£86,687	£87,754	£8,339	10.50%
	50	£83,258	£85,333	£86,687	£87,754	£4,496	5.40%
9	49	£79,415	£84,507	£89,537	£94,213	£14,798	18.63%
	50	£83,258	£88,563	£93,835	£98,736	£15,478	18.59%
	51	£87,254	£92,814	£98,339	£104,927	£17,673	20.25%
	52	£91,442	£97,269	£103,860	£104,927	£13,485	14.75%
	53	£95,832	£102,506	£103,860	£104,927	£9,095	9.49%
	54	£100,431	£102,506	£103,860	£104,927	£4,496	4.48%

### Unsocial hours enhancement rates – 2018/19 to 2020/21

	2018/19	2019/20	2020/21
<b>Band 1</b> All time on Saturday (midnight to midnight) and any week day after 8 pm and before 6 am	Time plus 49%	Time plus 48%	Time plus 47%
<b>Band 1</b> All time on Sundays and Public Holidays (midnight to midnight)	Time plus 97%	Time plus 95%	Time plus 94%
<b>Band 2</b> All time on Saturday (midnight to midnight) and any week day after 8 pm and before 6 am	Time plus 43%	Time plus 42%	Time plus 41%
<b>Band 2</b> All time on Sundays and Public Holidays (midnight to midnight)	Time plus 85%	Time plus 84%	Time plus 83%
<b>Band 3</b> All time on Saturday (midnight to midnight) and any week day after 8 pm and before 6 am	Time plus 36%	Time plus 35%	Time plus 35%
<b>Band 3</b> All time on Sundays and Public Holidays (midnight to midnight)	Time plus 72%	Time plus 70%	Time plus 69%

## **Re-earnable process for Bands 8c, 8d and 9**

Annually earned pay is already a feature of the NHS terms and conditions of service for Bands 8c, 8d and 9, this was introduced in 2013. Creating an effective link between personal accountability for performance and pay is a key objective of these arrangements, building on the 2013 changes.

The new pay progression framework will apply to bands 8c, 8d and 9, and more detailed guidance will be produced to help employers achieve an effective and consistent use of annually earned pay.

In the year after the employee has reached the top of bands 8c, 8d and 9, up to 10 per cent of basic salary will become re-earnable. Subject to performance, the employee will retain their basic salary or their salary will be reduced by 5 per cent or 10 per cent. The employee will be able to restore their salary at the end of the following year by achieving agreed levels of performance.

Employers will put in place robust monitoring arrangements for the use of annually earned pay. The NHS Staff Council will also evaluate monitoring data to ensure the arrangements are compliant with equalities legislation.

Employees on the top two points of these bands on 31 March 2013 have reserved rights to the relevant point. This reserved right will be retained on a marked time basis. At the end of 2020/21, 5 per cent of pay will become annually earned and then, when annual increases to the top of the band add a further 5 per cent, annually earned pay will apply to 10 per cent of basic pay.

## Annex B

### Progression within the new pay system

#### Aims

1. Patients are at the heart of everything the NHS does. The introduction of a new pay system is an opportunity to ensure that, in a patient centred health care system, staff are supported to develop and utilise the skills and behaviours a modern NHS needs. This is crucial whether staff are just starting their NHS career or are long-serving and already at the top of their pay band.
2. The new pay system will help ensure that all staff have the appropriate knowledge and skills they need to carry out their roles. This will be underpinned by a commitment from employers to strengthen and improve the appraisal process.
3. The NHS Management and Health Service Quality report, from Michael West et al. found that good management of NHS staff leads to higher quality of care. It states that:

*“The more engaged staff members are, the better the outcomes for patients and the organisation generally. Engagement can be fostered through good staff management. Having well-structured appraisals (where clear objectives are set, the appraisal is helpful in improving how to do the job, and the employee is left feeling valued by their employer) is particularly important”.*

The report’s summary concludes that:

*“The proportion of staff receiving well-structured appraisals is related to patient satisfaction, patient mortality, staff absenteeism and turnover, and better performance on the Annual Health Check... By giving staff clear direction, good support and treating them fairly and supportively, leaders create cultures of engagement, where dedicated NHS staff in turn can give of their best in caring for patients.”*

4. By strengthening the existing national mandatory appraisal system within a new pay structure, and insisting on good quality appraisals between staff and line managers, organisations will be better placed to identify, right across their workforce, ways to improve patient care through staff learning and development. Effective use of appraisal will enable trusts to identify those staff that would benefit from further development opportunities, and to help develop a culture of continuous learning which in turn will help improve the patient experience. This approach is supported in the CQC’s well led guidance, which states that in well led organisations, *“the leadership, management and governance of the organisation assures the delivery of high-quality and person-centered care, supports learning and innovation, and promotes an open and fair culture”.*
5. Getting the appraisal process right is an integral part of patient care. The responsibility for patient care does not rest on individuals alone but on how the entire health care team works together. Capability of line managers is critical in ensuring the new pay system operates in a fair and transparent way. All staff should be supported to demonstrate that they have the knowledge, skills, values and behaviours their organisation expects.

6. The aim is to create a partnership approach between staff and line managers where line managers are supported to make the appraisal experience as positive as possible and where staff are supported to take shared responsibility for showing how they meet the required standards.
7. The new pay system is just one part of creating an NHS where staff want to work, where continuous learning and development is encouraged, where work life balance and health and wellbeing is taken seriously, and where bullying, harassment, and violence are not tolerated.
8. The new pay system seeks to:
  - i. create a simple process for assessing the standards for progression through the pay band, where a manager/employee submission process needs to be followed for pay-step points to be achieved
  - ii. help drive consistency across the NHS whilst allowing local flexibility to develop assessments against individual and/or organisational objectives, including values and behaviours
  - iii. allow faster progression to the top of each pay band through fewer pay-step points
  - iv. provide meaningful pay increases at each pay-step point
  - v. encourage staff to take responsibility for showing that they meet the defined standards
  - vi. ensure line managers make available to their staff the appropriate training, support and development opportunities
  - vii. encourage organisations to assess staff against local values and behaviours, agreed in partnership with staff side and informed by the NHS Constitution
  - viii. ensure pay-step points are achieved only where managers are satisfied that their staff have met the required standards.

### **Employer and employee support**

9. Further details on how the annual appraisal process, required standards and progression through pay-step points should operate will be agreed in partnership and set out in further NHS Staff Council guidance. The partners will also work closely with colleagues responsible for the Electronic Staff Record to consider how existing functionality (or any new functionality) can best support line managers and staff in the effective delivery of annual appraisals and the new pay system.

### **Equality analysis**

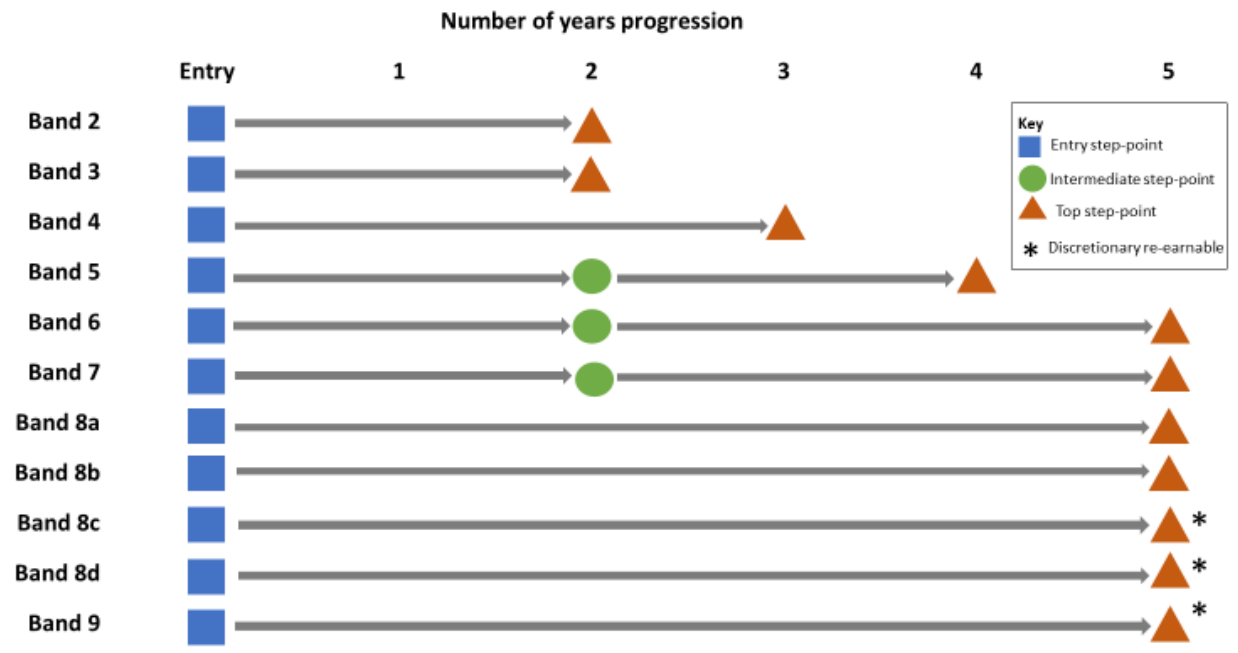
10. Local NHS organisations are required to demonstrate that they have paid 'due regard' to their Public Sector Equality Duties under the Equality Act 2010. A national equality analysis is being developed in partnership and will cover any wider changes to Agenda for Change terms and conditions of service. Local organisations will be able to use the national analysis as a basis for carrying out their own local equality analysis.

### **Pay structure and pay-step points**

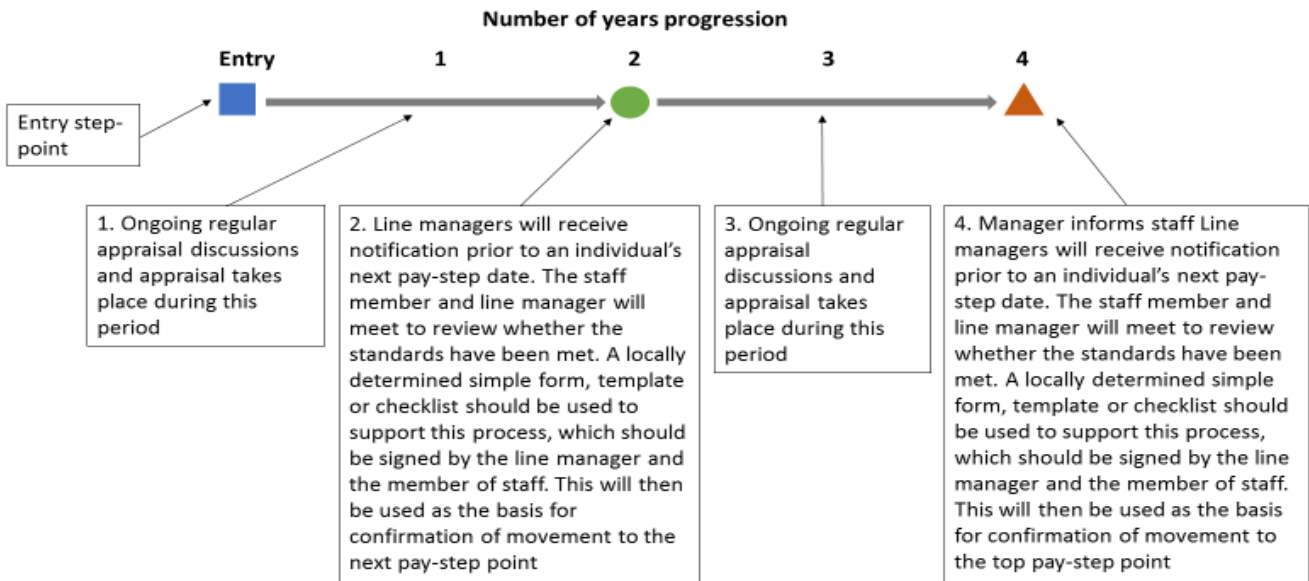
11. The new pay system includes fewer pay points but significant pay increases on average at each pay-step point. To deliver good patient care whether staff work directly with patients or not, there is an expectation that standards must be met. The mandatory annual appraisal process should involve regular conversations between staff and their line manager to ensure the required standards are understood and additional support identified in good time. The expectation is that all staff will meet the required standards and therefore be able to progress.



12. Pay Structure



Example: Band 5



Standards for pay progression

13. Staff will progress to their next pay-step point in their pay band where the following can be demonstrated:
- i. The appraisal process has been completed with outcomes in line with the organisation's standards and no formal capability process is in place
  - ii. There is no formal disciplinary action live on the staff member's record.

- iii. Statutory and/or mandatory training has been completed.
- iv. For line managers only - must have completed appraisals for all their staff.
- v. Any local standards, as agreed through local partnership working.

### **Progressing through pay-step points**

14. The estimated time taken to reach the top of each pay band reflects the minimum period of time staff must remain at each pay-step point before progressing to the next.

### **Achieving pay-step points**

15. It is expected that employees who meet the required standards at their pay-step date will progress to the next pay-step point.
16. Pay-step points will be 'closed' on the payroll system (ESR). Line managers will initiate a meeting to review standards. Once the line manager is satisfied that the required standards as assessed through their local appraisal processes have been met, the pay-step point will be 'opened'.
17. Although staff must have successfully completed the appraisal process to move to their next pay-step point, the date of appraisal is not linked to the pay-step point. The pay-step date is set in relation to the member of staff's start date in their pay band. Further guidance will be developed to ensure clarity and consistency across the service.

### **The pay-step submission process**

18. The following bullet points describe the pay-step submission process:
- i. Line managers will receive notification prior to an individual's next pay-step date.
  - ii. The staff member and line manager will meet to review whether the standards have been met.
  - iii. A locally determined simple form, template or checklist should be used to support this process, which should be signed by the line manager and the member of staff.
  - iv. This will then be used as the basis for confirmation of movement to the next pay-step point.

### **If staff do not achieve a pay-step point**

19. It is expected that staff will achieve the required standards at the point of their next pay-step date. It is also expected that staff and their line manager should be aware of any problems in reaching the required standards before the pay-step date. This will allow time for issues to be raised and possible solutions found. Guidance on the circumstances when pay-step points are not achieved will be produced in partnership, including appeal processes.

### **Roles and responsibilities**

20. Successful implementation of the new pay system depends on good working relationships between NHS organisations and the NHS Staff Council, and between line managers and their staff, with the support of the regulator (NHS Improvement).

Roles and responsibilities for each of these stakeholders are outline below:

### **NHS Staff Council responsibilities**

- i. Work with NHS Improvement (NHSI) to identify the required mechanisms that they will use to track progress from transition through to full implementation (NHSI to provide progress reports to the Staff Council).
- ii. Post implementation, work with NHSI to establish ongoing monitoring and reporting mechanisms.
- iii. Identify, and produce guidance and advice as required.

### **Organisation responsibilities**

- i. Operate the agreed pay structure fairly.
- ii. Commit to staff development.
- iii. Enable staff to work safely and effectively.
- iv. Value the appraisal process and understand the importance of the line manager/staff relationship to staff development and their positive impacts on recruitment and retention, staff morale and performance, and patient satisfaction and safety.
- v. Operate an agreed appraisal policy with equality monitored processes and consistent outcomes across the organisation.
- vi. Ensure that the pay-step submission process does not have the effect of discriminating directly or indirectly against any member of staff.
- vii. Work with NHSI to report on the initial and ongoing implementation of the pay structure.
- viii. Support line managers in delivering appraisals through training and resources, including, but not limited to, equalities training.
- ix. Enable line managers and staff to participate in the appraisal process, including, but not limited to, facilitating adequate time to prepare and have meaningful discussions.
- x. Ensure staff records are kept accurately so that pay-step dates are shared in advance and line managers alerted to the need for discussion.
- xi. Ensure sufficient statutory/mandatory training is available and accessible to all staff.
- xii. Financially plan and budget on the basis that all staff are expected to achieve their pay-step points.
- xiii. Develop and maintain relevant policies and procedures in partnership with local staff side, including a right of appeal and effective equalities monitoring.
- xiv. Have a comprehensive training and development policy covering all staff.

### **Line manager responsibilities**

- i. Carry out their role as outlined in the local annual appraisal process.
- ii. Undertake annual appraisals for all members of their team and ensure they are fully completed.

- iii. Ensure that all employees have access to, and undertake statutory/mandatory and any essential skills training.
- iv. Hold regular appraisal discussions with staff on the basis of 'no surprises', so that if an individual may not be on track to reach their pay-step point any areas for development or improvement are identified and remedial action taken at the earliest opportunity.
- v. Conduct an objective review of the individual's work against the required standards as part of the annual appraisal process. This should include an assessment of the employee's achievement of any personal and or organisational objectives, including values and behaviours.
- vi. Demonstrate they have encouraged and supported the employee to achieve the standards required during each local appraisal process.
- vii. Ensure that staff understand what evidence they will need and its relevance to achieving the required standards.
- viii. Review submitted evidence to demonstrate that they have met the required standards.
- ix. Undertake a meeting with the employee to review standards and follow the pay-step submission process.

### **Employee responsibilities**

- i. Actively participate in the annual appraisal process, and agree with their line manager their personal and/or corporate objectives.
- ii. Complete the local appraisal process each year, regardless of whether or not their next pay-step date is that year.
- iii. Make their line manager aware of any issues that may be preventing them from achieving their objectives.
- iv. Tell their line manager about anything that is preventing them from undertaking relevant training.
- v. Show through relevant evidence, where it is available, that they have met the required standards and achievement of objectives in line with the local appraisal process.
- vi. Work with their line manager to ensure that all relevant statutory, mandatory and essential skills training is up to date.
- vii. Undertake a review of their standards together with their line manager, completing local documentation as part of the pay-step submission process.

### **Monitoring transition and implementation**

- 21. To help ensure consistency in how the new national pay system is implemented, the NHS Staff Council and NHSI will consider how, over the period of transition to full implementation, NHS organisations implement the collective agreement as the partners intend. For example, feedback/evidence as part of the existing performance meetings between NHSI and trusts.
- 22. The NHS Staff Council will work with NHSI to identify the mechanisms which will best measure and track progress and ensure that any barriers to implementing the new pay system are identified and addressed as early as practicable. For example, NHSI will:
  - i. Track progress in implementing the collective agreement from transition to full implementation.
  - ii. Monitor organisations' appraisal processes.

- iii. Check that appropriate learning and development needs are being addressed.
- iv. Ensure the new pay progression system is operating as outlined in the agreement.
- v. Monitor use of the Electronic Staff Record (the payroll system used by most NHS organisations) to unlock pay-step points.
- vi. Ensure that NHS organisations comply with the agreement or explain why it has not been possible.
- vii. Work in partnership with the NHS Staff Council and provide progress reports to the NHS Staff Council.

It is hoped that this approach to pay progression will help improve industrial relations, prevent local disputes, and should support improvements in recruitment, retention, and engagement.