Welcome to this spring edition of our quarterly newsletter.

Most of you will be aware of the recent announcements about a proposed agreement for reforms to the Agenda for Change pay framework, which follow a process of negotiations between employers and trade unions. I’m pleased to share some of my insights on page 2, and highlight the positive opportunities the proposed changes will present for employers and the workforce.

Rachael Armistead, our head of reward, gives an overview of how the proposed new pay progression framework will work in practice on page 3. Also on page 3, we summarise the results of gender pay gap reporting for the NHS.

On page 4, we give an update on the agreement reached on the General Medical Services contract from April 2018 and page 5 details the outcome of negotiations on local clinical excellence awards, applicable from April 2018 onwards.

Changes to the 2016 junior doctors contract are explained on page 4, giving clarity to some of the areas that required further exploration following contract implementation.

Also on page 4, we update you on how employers and trade union colleagues are collaborating on a programme of work to improve the working lives, engagement and morale of paramedic and ambulance staff.

We continue to support employers with a range of resources to help you use reward to meet workforce challenges. On page 5, we share our recently published communicating reward guide, which helps employers plan, deliver and evaluate their reward activities. We also share a blog from a recent visit by one of our team to Dorset HealthCare, looking at how they have used an employee benefits group to inform their reward offer and communications. Our updated holiday pay guide is also now available, sharing the most recent insight from Capsticks in relation to tribunal outcomes and decisions.

I hope you enjoy this edition of Reward in the NHS. Your feedback is important to us and we would be grateful if you could complete a brief survey to share your views on the newsletter, its content and what you might like to see appear in future editions.

Paul Wallace
Director of Employment Relations and Reward
NHS Employers
Paul Wallace, director of employment relations and reward, talks about the recent proposed agreement on reform of Agenda for Change.

You will all by now have seen the recent announcement on a proposal for a far-reaching modernisation of the NHS pay structure in England over the next three years.

The NHS Employers team has led intense, complex and detailed negotiations on reforming the Agenda for Change terms and conditions, which have been in place since 2004. The result is the proposed framework agreement between NHS trade unions, employers and the government.

I believe that, with some significant changes to pay for staff, the proposed framework agreement will be a welcome supporting measure to help reduce pressures linked to attraction, recruitment and retention of staff across the NHS system.

It will also provide certainty around pay levels for staff and funding on pay budgets for employers, in what is a very uncertain period of general economic pressures for the country and financial challenge for the NHS. After a period of prolonged pay restraint, the proposed agreement should support a different staff engagement conversation on pay and reward over the coming months.

The proposed three-year pay agreement and significant reforms to the pay structure will create new opportunities for employers around the workforce and I wanted to highlight a couple of these.

1. Future-proofing measures: linked to structural pay changes
   a) Against predicted increases in the statutory national living wage and in what is expected to be a tightening labour market in future years, changes have been proposed to the pay system at the lower end to ensure that the NHS will retain a competitive pay position in the future, for staff recruited at this level.
   b) The proposed removal of overlapping pay bands will not just support attraction, recruitment and retention through higher starting pay across all bands, it will also start to provide better incentives for staff on pay, when they seek promotion and when they take on additional responsibilities.

Both measures can be built on in future years having made these initial changes.

2. Introduction of a new pay progression system

It is proposed that pay progression will not be annual in future. This will be a big culture change.

The proposed changes will more clearly support staff development, reward staff for meeting the required standards and enable employers to maximise use of the annual staff appraisal process through line-manager-led conversations.

The proposed refresh and changes will not solve all our problems around the NHS workforce; this will need concerted action on many fronts for an extended period. However, I believe they will go some way to making a positive start to help employers address some really important issues.
PAY PROGRESSION

Rachael Armistead, head of reward, shares information about the pay progression framework that forms part of the proposed Agenda for Change reforms.

The framework agreement on the proposed reform of Agenda for Change includes a new pay progression system. Effective from 1 April 2019, the system will enable staff in pay bands 2 to 7 to reach the top of their band more quickly and ensure that all staff are supported to gain the appropriate knowledge and skills they need to carry out their roles. Employers will be better placed to identify ways to improve patient care through staff learning and development across the workforce.

**How the proposed pay progression system will work**

Line managers and staff will follow a pay-step submission process to access the next pay-step point. Staff will demonstrate they have met the required standards to access the next pay-step point, with annual appraisals and continuous professional development at the centre of the process. It is proposed that progression will not be automatic; pay-step points will be closed in the ESR payroll system. It is expected that staff who meet the required standards by their pay-step date will progress to their next pay-step point.

The key points of the required standards for pay progression are:

- a completed individual appraisal process that is in line with the organisation’s standards
- no live formal disciplinary action on the staff member’s record
- all statutory and/or mandatory training is fully completed
- any local standards, as agreed through partnership working, have been met
- for line managers only – all appraisals for their staff must be completed.

Employers will be required to provide information to enable the NHS Staff Council to undertake regular monitoring of pay progression and information pertaining to employees with protected characteristics.

Further information relating to the pay progression system, including examples, can be found in Annex B of the framework agreement.

---

**Gender pay gap reporting**

The deadline for organisations to report on their gender pay gap passed at midnight on 30 March 2018. In terms of the NHS, there are some interesting results, with headlines including:

- acute trusts have consistently reported the widest gender pay gap
- ambulance trusts displayed the narrowest pay gap
- the percentage of women in the top-earning quartile was substantially lower than in the other quartiles.

Most organisations published a narrative explaining the figures, with several separating out the results for their various staff groups, such as Agenda for Change, consultants and very senior managers, to demonstrate the effect that the pay of certain groups has on the whole picture.

Next steps include organisations considering how they can narrow their gender pay gaps.

You can find out more about gender pay gap reporting on our website.
LATEST DEVELOPMENTS

Amendment to terms and conditions of service for doctors and dentists in training

NHS Employers, the British Medical Association (BMA) and employers from the NHS have worked together to clarify issues relating to the 2016 junior doctor contract. Several changes have now been made to the terms and conditions of service:

- Clarification on the eligibility for transitional pay protection for trainees from the devolved nations, including the Channel Islands, Isle of Man and the Defence Deanery.
- Former career grade doctors who received a protected career grade salary under the 2002 terms will continue to have the same principles related to the calculation of their total pay applied throughout the transitional period.
- Further clarification on how to calculate the flexible pay premia for psychiatry and Emergency Medicine trainees.
- A table with pay points for trainees from the devolved nations and from the Defence Deanery.

Future plans include partnership working with the BMA to develop good rostering guidance and to review elements of the 2016 contract through the 2018 review process.

You can find out more about the changes on our doctors and dentists in training web page.

GMS contract changes 2018/19

NHS Employers (on behalf of NHS England) and the British Medical Association’s General Practitioner Committee have agreed changes to the General Medical Services contract effective from 1 April 2018. These changes apply in England only. The contract for 2018/19 will see an investment of £256 million, which is an overall increase of 3.4 per cent. This additional investment is to uplift the contract and to take into account other agreed changes, covering:

- an investment of £60 million to cover GP indemnity costs for 2017/18
- an uplift to allow an increase to the Item of Service fee for certain vaccination and immunisations from £9.80 to £10.06, in line with consumer price index inflation
- an uplift of £22 million to allow a change in the value of a Quality and Outcomes Framework point as a result of a Contractor Population Index adjustment
- a non-recurrent investment of £10 million to recognise additional workload associated with the implementation of e-referral contractual requirements.

You can read a summary of the agreement on the NHS Employers website.

Paramedic workforce update

Ambulance trade unions and employers are developing organisational cultures that promote higher levels of morale, motivation, staff satisfaction, wellbeing and engagement across the workforce. The aim is to improve the working lives of staff in the ambulance service and help them to deliver the best possible patient care. Underpinning this work is a new Agenda for Change band 6 paramedic profile and job description in line with the requirements of NHS England’s Urgent and Emergency Care Review, recognising the additional responsibilities and knowledge of paramedics. Paramedics joining the profession are now supported through a 24-month consolidation of learning programme. Some newly qualified paramedics may be able to move though the consolidation of learning period in less than two years depending on previous relevant experience. Candidates will self-assess, provide evidence and undertake a panel review. Find out more on our ambulance workforce web pages.

Facilities time reminder

Employers are reminded that they need to publish information on facility time and include it in their annual report to comply with regulations. You can find out more on our facilities time web page.
Local clinical excellence awards

NHS Employers and the British Medical Association (BMA) have agreed changes to the clinical excellence awards (CEA) scheme.

The changes, endorsed by the Department of Health and Social Care, state that:

- trusts must run local clinical excellence awards (LCEA) rounds from 1 April 2018
- from 1 April 2018 to 31 March 2021, the minimum investment ratio for new LCEA will be set at 0.3 points per eligible consultant
- Awards from 2018 will be non-pensionable and non-consolidated.

This agreement provides stability and clarity for both consultants and employers on the availability of awards for quality and excellence, and acknowledges the exceptional personal contributions of consultants. It provides details on how existing LCEA payment will be dealt with and the provisions that will apply to LCEA awarded from 1 April 2021.

A new schedule has been incorporated with effect from 1 April 2018 and will apply to all consultants employed on those terms.

For more information, download the schedule and associated documents.

Total Reward Statements (TRS) 2017–18 are coming soon

TRS provide the perfect opportunity to promote your local reward offer and benefits to staff. Find out how to keep your local benefit information up to date on our TRS web page.

RESOURCES

Improving reward through employee benefits groups

Dorset HealthCare University NHS Foundation Trust improved its reward strategy and communications by setting up an employee benefits group. Our blog looks at what the group have achieved, and how they have worked with stakeholders across the organisation to begin to review their reward offer and communication channels. Find out more and read the blog.

Reward communications guide

We recently launched the Reward communications guide to help organisations develop a communications strategy for promoting their reward packages to staff. The handy guide provides advice on what to think about when developing a communications plan, such as who to get involved to support you, how to tailor messages to your audience and making the most of the communications channels available to you. It will also help you to think about how you make your reward package simple, attractive, motivating, and recognisable. The guide also includes a checklist and template communications plan for you to use in your organisation.

Update to overtime and holiday pay

Our updated guidance on overtime and holiday pay looks at the decisions made by various tribunals and court cases and the implications of these for employers in the NHS. The guidance examines the central issue of these decisions, which is whether holiday pay should be calculated using basic salary, or if additional payments should be included, and if so, which ones. We will update our holiday pay resource with information as it becomes available.