

25 May 2006

Pay Circular (AforC) 1/2006

Pay and conditions for NHS Staff covered by the Agenda for Change agreement

To: All NHS employers

Summary

This pay circular informs NHS employers of the changes from 1 April 2006 in national pay for the staff covered by the Agenda for Change agreement and the changes to the NHS Terms and Conditions of Service handbook.

Action

- 1 The revised national salaries and allowances apply in full with effect from 1 April 2006. Please implement and, where appropriate, backdate the new awards as soon as possible.
- 2 Staff already assimilated to Agenda for Change at 1 April 2006 should be paid in accordance with the pay rates and, where appropriate, the rates of the allowances. For other staff, assimilating later, the uplifted rates (from 1 April 2006) will be used in the calculation of that portion of any arrears of pay due for a period after 1 April 2006. Arrears of pay are calculated in accordance with the provisions of Section 46 of the Handbook.

Uplifts to national salary scales and allowances for 2006/07

- 3 The circular provides details of increases of 2.5% to:
 - national salary scales for 2006/07;
 - minima and maxima value of high cost area supplements;
 - alternating/rotary shift allowances (payable under Section 2, paragraph 2.6 of the handbook);
 - national recruitment and retention premia for qualified maintenance craftsmen and technicians (Annex R paragraph 13 of the handbook) & healthcare chaplains (para 15)

In addition it has also been agreed that that where flat rate "unsocial hours payments" and "on call" allowances continue to be paid in accordance with Section 2 of the handbook these should be increased by 2.5%.

The NHS Staff Council Executive has agreed to review the justification for the national recruitment and retention payments for qualified maintenance staff and healthcare chaplains in the coming months.

New Amendments

- 4 The revised national rates and changes in the pages attached to this pay circular replace those notified in Pay Circular (AforC) 2/2005.
- 5 The whole of Section 2 and Annex R has been reproduced for use locally in hard copies of the handbook. Details of the changes made effective by this circular are in the Appendix attached.
- 6 The recommended rates from 1 April 2006 have been calculated on the basis of a cumulative uplift using the Agenda for Change pay rates applicable on the 1 October 2004 as the baseline figures to maintain relativity, and may therefore differ slightly from figures calculated by applying the uplift to 2005/6 figures.

Enquiries

- 7 Employees should direct personal enquiries to their employer.
- 8 Employers should direct enquiries to: agendaforchange@nhsemployers.org .

Further copies

- 9 Copies of this circular can be downloaded from: www.nhsemployers.org
- 10 A copy of the NHS Terms and Conditions of Service handbook can be downloaded from the NHS Employers website: www.nhsemployers.org/agendaforchange
- 11 Prior to the establishment of NHS Employers in November 2004 responsibility to inform the NHS of uplifts in pay and allowances payable to non-medical staff rested with the Department of Health and was published in Advance Letters. Copies of previous Advance Letters from 1995 onwards may be obtained from the Department of Health website at the following address: www.dh.gov.uk/letters

Issued by



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APPENDIX

Pay Circular (AforC) 1/2006

NHS TERMS AND CONDITIONS OF SERVICE HANDBOOK

The changes made effective by this circular are:

Section 2 in this circular replaces Section 2 in the handbook – these are the changes for information purposes:

- paragraph 2.2: delete the words 31 March and insert **a new system of payments is introduced.**
- Paragraph 2.3: delete the contents in the first sentence and replace with. **The NHS Staff Council is reviewing and devising new harmonised arrangements for pay for unsocial hours.**
- paragraph 2.6: line 8 delete £552 and insert **£567** delete £945 and insert **£969** .
- paragraph 2.6: line 9 delete 1 April 2005 and insert **1 April 2006.**

The contents of Annex C will move to Annex B which will form a chronological record of pay rates since 1 October 2004. **The copy of Annex C (pay rates effective from 1 April 2006) reproduced in this circular replaces Annex C of the handbook.**

Annex I (Table 18) reproduced in this circular replaces Annex I (**Table 18**) in the handbook.

Annex R in this circular replaces Annex R in the handbook – these are the changes for information purposes:

- paragraph 13: Annex R - line 3: delete £2,899 and insert **£2,972.**
- paragraph 17: Annex R - delete the contents of the first sentence - remove the brackets in the second sentence, delete 1 April 2005 and insert **1 April 2006**

Section 2: Working or providing emergency cover outside normal hours

Working outside normal hours

- 2.1 Pay enhancements will be given to staff whose work in standard hours, excluding overtime and work arising from on-call duties, is carried out in unsocial hours. Standard hours are defined as those detailed in Section 10, paragraph 10.1 and in tables 8 and 9 and in Section 46.
- 2.2 From 1 October 2004 until **a new system of payments is introduced** the definition of unsocial hours and the enhancement payable will be as set out in the interim regime below.
- 2.3 The NHS Staff Council **is reviewing and devising new harmonised arrangements for pay for unsocial hours** The review will ensure that these new arrangements are consistent with equal pay for work of equal value. Agreement will be subject to the provisions of paragraph 6 of the terms of reference set out in Annex M of the Agenda for Change final agreement.

Interim regime

- 2.4 Unless otherwise provided below, staff will continue to be paid for work in standard hours, excluding overtime and work arising from on-call duties, carried out in unsocial hours using the mechanism described within the relevant current Whitley Council provisions for each staff group, using Agenda for Change pay rates.
- 2.5 Basic salary for this purpose will include any long-term recruitment and retention premia. It will not include short-term recruitment and retention premia, high-cost area payments or any other payment.
- 2.6 Nurses and midwives above pay band 6 will have their unsocial hours payments calculation based on the maximum pay point in pay band 6, or their actual salary if that is lower. Staff covered by the Ancillary Staffs Council (ASC) who work unsocial hours will be paid in accordance with the standard ancillary provisions except for the arrangements for alternating and rotary shifts. These will be converted into allowances which are added to basic pay. The value of these allowances will be included for the purposes of calculating other unsocial hours payments. The two payments are **£567** and **£969** per annum respectively from **1 April 2006**. Those maintenance staff within the remit of the Maintenance Staff NHS Management Advisory Panel (MAP) who work unsocial hours will be covered by the provisions in the maintenance staff handbook, including the provisions for shift allowances.
- 2.7 In the case of staff on contracts that are a combination of Whitley basic pay with locally determined unsocial hours provision, upon assimilation to the Agenda for Change package they will continue to receive unsocial hours payments in accordance with their existing local arrangements.
- 2.8 Ambulance staff (i.e. those staff who would have been subject to the provisions of the Ambulance Whitley Council had they been employed on Whitley contracts) who are employed by ambulance trusts and work unsocial hours will receive unsocial hours payments in accordance with Annex E and Annex F. Other staff

employed by ambulance trusts will be subject to the relevant provisions of their old Whitley Council. (In Scotland the employers are ambulance boards.)

- 2.9 Staff employed on Whitley terms and conditions where there is no provision for unsocial hours payments or equivalent will be entitled to unsocial hours payments on the basis of the rules applicable to nurses and midwives. For staff in pay bands 1 to 4 the applicable percentages are 33.33 per cent and 66.66 per cent. For all other staff the applicable percentages are 30 per cent and 60 per cent.
- 2.10 Staff on local contracts who accept the Agenda for Change package will receive unsocial hours payments in accordance with the relevant Whitley provisions for that occupational group or, if there are none, on the basis of the rules applicable to nurses and midwives.
- 2.11 The agreed early implementer sites with the exception of ambulance trusts (which are covered by paragraph 2.8 above) may retain their current unsocial hours provisions for some or all staff by local agreement. Otherwise, they will adopt the arrangements set out in paragraphs 2.1 to 2.10 above, with effect from 1 October 2004.
- 2.12 Annex D lists the relevant sections of the Whitley handbooks in relation to payments outside normal working hours.

On-call and other extended service cover

- 2.13 From 1 October 2004 groups of staff will be able either to retain their current on-call provisions (both national and local) where agreed locally, as set out in paragraph 2.28, or to use the on-call provisions set out below. Staff for whom there is currently no on-call provision will be entitled to the arrangements set out below. Those staff previously covered by the PTA Whitley Council on the new pay band 5 who were paid at a higher grade for unsupervised work on-call should be paid as a minimum on the fourth point of pay band 5 (pay spine point 20) when on-call.
- 2.14 The NHS Staff Council will review and may devise new harmonised arrangements during the four-year period of protection for on-call, based on further monitoring of experience in early implementer sites and evidence from national roll-out.

Interim regime

- 2.15 Employees who are 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.
- 2.16 Subject to the provision for retention of current on-call provisions under the protection arrangements set out in paragraph 2.28, 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 nine periods of at least twelve 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 2.17 to 2.22 below.

Pay enhancements for on-call cover

- 2.17 An enhancement of 9.5 per cent will be paid to staff who are required to be on-call an average of one in three of the defined periods or more frequently.

- 2.18 An enhancement of 4.5 per cent will be paid to staff who are required to be on-call an average of between one in six and less than one in three of the defined periods.
- 2.19 An enhancement of 3 per cent will be paid to staff who are required to be on-call an average of between one in nine and less than one in six of the defined periods.
- 2.20 An enhancement of 2 per cent will be paid to staff who are required to be on-call an average of between one in nine and less than one in 12 of the defined periods.
- 2.21 For these purposes, the average availability required will be measured over a full rota, or over a thirteen-week period if no standard pattern is applicable. The reference period will not include any periods when the employee is absent from work on either annual leave or sickness absence.
- 2.22 Where on-call cover is limited or very irregular (averaging less than one 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 2

Frequency of on-call	Value of enhancements 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%
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

- 2.23 For part-time staff and other staff working other than 37½ 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.

Employees called into work during an on-call period

- 2.24 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.
- 2.25 For work (including travel time) as a result of being called out the employee will receive a 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. There is no disqualification from this payment for bands 8 and 9, as a result of being called out.

- 2.26 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.
- 2.27 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 (for example, for a forward period of three months) based on the average work carried out during a prior reference period (for example, of three months). Where these arrangements are agreed, the actual work carried out during a given period would be monitored and, if the average amount assumed in the calculation of the payment is significantly different, the level of payment should be adjusted for the next period; there should be no retrospective adjustment to the amount paid in the previous period.
- 2.28 Where agreed locally, all current on-call arrangements may be protected for groups of employees for up to four years from the effective date of assimilation, irrespective of whether they were nationally or locally agreed. This extended protection will apply to existing staff and new staff during the period of protection.
- 2.29 On-call payments made under such arrangements should be excluded from the pre- and post-assimilation pay used in the calculation of any protected level of pay (see Section 46).

Other arrangements to provide extended service cover

- 2.30 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.
- 2.31 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.

Christmas and New Year holidays at weekends

- 2.32 When public holidays during the Christmas and New Year period fall at weekends then alternative days will be designated as if they were paid public holidays and the appropriate payments applied.
- 2.33 Where staff are required to work on what would otherwise have been a public holiday other than for the provisions in 2.32 above, then the appropriate agreements (see Annex D) relating to work on public holidays and weekends will apply to those days. However, staff will not receive additional payments for both the alternative days and the days that would otherwise have been public holidays.

Transitional arrangements

- 2.34 See Section 46 for further information on assimilation and protection.

Annex C

Table 12

Pay bands and pay points on second and third pay spines at 1 April 2006

Point	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8				Band 9
								Range A	Range B	Range C	Range D	
1	11,782											
2	12,177	12,177										
3	12,514	12,514										
4	12,853	12,853	12,853*									
5		13,247										
6		13,642	13,473*									
7		14,037	14,037									
8		14,543	14,543									
9		15,107	15,107	15,107*								
10			15,446									
11			15,897	15,671*								
12			16,405	16,405								
13			16,799	16,799								
14				17,419	17,475*							
15				18,039	18,039*							
16				18,602								
17				19,166	19,166							
18				19,730	19,730							
19					20,294							
20					20,970	20,970*						
21					21,646							
22					22,266	21,985*						
23					22,886	22,886						
24					23,789	23,789						
25					24,803	24,803	24,803*					
26						25,818						
27						26,720	26,269*					
28						27,622	27,622					
29						28,524	28,524					
30						29,538	29,538					
31						31,004	31,004					
32							31,906					
33							32,921	32,921*				
34							34,048	34,048*				
35							35,232	35,232				
36							36,416	36,416				
37								37,881	37,881*			
38								39,346	39,346*			
39								41,038	41,038			
40								42,278	42,278			
41									44,420	44,420*		
42									46,900	46,900*		
43									49,381	49,381		
44									50,733	50,733		
45									52,988	52,988*		
46									55,469	55,469*		
47									59,189	59,189		
48									60,880	60,880		
49										63,417	63,417*	
50										66,517	66,517*	
51										69,899	69,899	
52										73,281	73,281	
53											76,798	
54											80,485	
55											84,349	
56											88,397	

* Pay rates in italic are special transitional points which apply only during assimilation to the new system. They are shown here for convenience. They are explained more fully in Section 46.

Annex I: High-cost area supplements

Table 17

From 1 April 2004 (see Section 4)

Area	Level (1 October 2004)
Inner London	20% of basic salary, subject to a minimum payment of £3,197 and a maximum payment of £5,328.
Outer London	15% of basic salary, subject to a minimum payment of £2,664 and a maximum payment of £3,729
Fringe	5% of basic salary, subject to a minimum payment of £799 and a maximum payment of £1,385.

Table 17a

From 1 April 2005

Area	Level (1 April 2005)
Inner London	20% of basic salary, subject to a minimum payment of £3,300 and a maximum payment of £5,500
Outer London	15% of basic salary, subject to a minimum payment of £2,750 and a maximum payment of £3,850
Fringe	5% of basic salary, subject to a minimum payment of £825 and a maximum payment of £1,430.

Table 18

From 1 April 2006

Area	Level (1 April 2006)
Inner London	20% of basic salary, subject to a minimum payment of £3,383 and a maximum payment of £5,638
Outer London	15% of basic salary, subject to a minimum payment of £2,819 and a maximum payment of £3,946
Fringe	5% of basic salary, subject to a minimum payment of £846 and a maximum payment of £1,466

Nursing and PAMs staff

On-call
 Stand-by
 Special duty payments
 Sleeping-in allowance (nurses)

PTB and 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:

Chaplains' accommodation allowance
 Special hospital lead
 Regional secure unit lead

Annex R: Guidance on the application of nationally agreed recruitment and retention premia

- 1 This annex 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.

Background

- 2 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.
- 3 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 J, including consultation with staff representatives and other local NHS employers.

Posts to which this guidance applies

- 4 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.

- 5 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.
- 6 The negotiators of Agenda for Change 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 representatives that a premium is necessary to ensure the position of the NHS is maintained during the transitional period. The jobs concerned are listed in Table 19 below:

Table 19

Type of post
Chaplains
Clinical coding officers
Cytology screeners
Dental nurses, technicians, therapists and hygienists
Estates officers/works officers
Financial accountants
Invoice clerks
Biomedical scientists
Payroll team leaders
Pharmacists
Qualified maintenance craftspersons
Qualified maintenance technicians
Qualified medical technical officers
Qualified midwives (new entrants)
Qualified perfusionists

- 7 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 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.

- 8 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

- 9 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.
- 10 As set out in paragraph 2 of Section 5, 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

- 11 Unless necessary to ensure no loss as described above, no premium may exceed 30 per cent except as set out below.
- 12 Premia in excess of 30 per cent may be paid where justified under the criteria in Annex J.

Further guidance on specific cases

Qualified maintenance craftspersons and qualified maintenance technicians

- 13 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 or mechanical crafts qualifications of **£2,972** a year. Premia should only exceed this rate, or the equivalent rate as uplifted under the provisions below, where it is necessary to ensure no loss under the rules in paragraphs 4 to 7 above.
- 14 Premia may also be agreed locally for building crafts, subject to the guidance above on minimum and maximum rates.

Chaplains

- 15 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)

- 16 Premia should be set at the level necessary to ensure that newly qualified midwives in post on assimilation to pay 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 pay band 5 appointed after the effective date for assimilation. No premium should be paid to midwives in more senior jobs at pay 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

- 17 **The value of the premium in paragraph 13 is the value effective from 1 April 2006. Any premia paid prior to this date should be uplifted at that date to this amount. Any uprating of premia thereafter will be by either national or local agreement.**

Review of this guidance

- 18 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.

Annex S: Local appeals procedures

Model local appeals procedures

- 1 All employers should agree procedures with their local staff representatives 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 use of the NHS Knowledge and Skills Framework and Development Reviews
 - the provision of support for training/development
 - the progression of staff through pay band gateways.
- 2 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.
- 3 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