Welcome to this summer edition of our quarterly newsletter.

In this edition, we highlight future developments including pay review body work for the year ahead, provide an update on redundancy payments for very senior managers and a forward view on exit payment legislation. We also look at gender pay gap reporting; highlight new resources including a development guide for speciality and associate speciality (SAS) doctors; give an update on the new deal for paramedics; and share how you can access a new assisted mediation service from NHS Resolutions National Clinical Assessment Service.

Our first Reward in the NHS event on 4 May was a great success, and is summarised on page 4 with some examples of the good practice that was shared on the day. The event also launched our Reward in the NHS report, which highlights the themes and practice emerging from our Total Reward Engagement Network. Tips from the event are also available through our new video, which explores how to communicate reward effectively, as well as how reward can support your organisational priorities.

A new podcast, accessible from page 3, captures my recent meetings with Steve Ned of Sheffield Children’s NHS Foundation Trust and Sarah Messenger of the Local Government Association, where we discussed both organisations’ approach to reward, particularly the importance of articulating the entire reward package.

Finally, the NHS terms and conditions of service handbook (Agenda for Change) continues to be reviewed by the NHS Staff Council, to ensure it remains relevant to the modern NHS. In the short term, the council’s discussions are focused on the impact of the national living wage on Agenda for Change pay points, which could affect the NHS from 2019/20. Our head of employment relations, Alex van Rees, shares the potential challenges involved and the impact on the bottom of the pay structure, on page 5.

I hope you are finding the newsletter interesting and useful. If you have any feedback, or would like to suggest helpful content for future editions, please email us at reward@nhsemployers.org.

Paul Wallace
Director of Employment Relations and Reward
NHS Employers
NHS PAY AND WORKFORCE

NHS pay review bodies
Around this time of year we start collecting evidence from employers to support our submissions to the NHS pay review bodies. The review bodies have been operating within a remit set by government through its public sector pay policy, limiting pay growth to 1 per cent. However, the future of pay restraint has come under considerable scrutiny recently and we are waiting to hear what the review bodies’ remit will be for the 2018 round. Meanwhile, we will continue to gather employers’ views on questions of affordability and on how pay can help recruit, retain and motivate the workforce. You can find out more on our NHS pay review body web page.

Separately, we are negotiating possible further changes to the NHS redundancy arrangements. You can find out more, including an NHS Staff Council update on its discussions around exit payments, on our public sector exit payment news web page.

Redundancy repayment for very senior managers
Following changes to NHS England’s 2016/17 Standard Contract, very senior managers (VSMs) are now required to repay contractual redundancy payments if they have started employment as a VSM with another NHS employer within 12 months.

The general conditions of the standard contract now includes specific actions for organisations and prospective employers.

You can find out more about VSM pay, and what employers need to do, on our very senior managers web page.

Gender pay gap reporting calculator
Colleagues in ESR are currently developing a template to help calculate gender pay gap figures. This handy resource follows the introduction of gender pay gap reporting, which became a legal requirement from 31 March 2017 for all public sector organisations with 250 employees or more to report annually on their gender pay gap figures related to earnings and bonuses. ESR colleagues assure us that the template will be ready well before the reporting deadline. You can find out more about gender pay gap reporting on our web page.

Public sector exit payments
Following the recent election we are anticipating the government’s timescale for implementing the statutory changes to public sector exit payments. This involves a £95K cap on exit payments and the introduction of a repayment criteria ‘claw back’ for anyone earning over £80K who returns to the public sector within 12 months of leaving under an exit payment arrangement. There will be a final consultation before the regulations become law and we will update you once we have more information.

Paramedic workforce update
We are currently working in partnership with staff side colleagues to develop a fast-track programme for newly qualified paramedics. This work follows the recent agreement to develop a 24-month consolidation of learning programme for paramedics, designed to support delivery of the scope of practice demanded by out-of-hospital emergency care.

Further upcoming work includes the development of a new national job description for band 6 paramedics, to ensure consistency and clarity for the role and to reflect the aspirations of the urgent and emergency care review (UECR).

All of this work follows the new deal for paramedics, which sees them move up the pay scale from band 5 to band 6, to meet the ambitions of the UECR, as agreed by ambulance unions, employers and arm’s-length bodies in December 2016. Find out more on our ambulance web pages.
SAS doctor development guide

The SAS doctor development guide aims to make sure that this important group of doctors remain fit to practice and provides helpful information on how you can support SAS doctor development to meet your workforce needs.

Produced in partnership with the British Medical Association, Health Education England, the Academy of Medical Royal Colleges and NHS Employers, the guide will help you develop your SAS workforce and support your workforce planning. It will also help you ensure that SAS doctors receive effective development that benefits patient safety, the individual doctor and the employing organisation.

Using reward to support financial wellbeing

A wealth of evidence is emerging to show how money worries are affecting staff across our workforce and how this can have an impact on staff engagement, productivity and absenteeism. There are many ways employers can help staff with their financial wellbeing, particularly if used strategically as part of their reward package. Our new resource introduces the importance of financial wellbeing and explores how employers can use reward to support staff and benefit their organisation.

Assisted mediation to resolve workplace conflict

NHS Resolution’s National Clinical Assessment Service (NCAS) has launched an impartial and confidential assisted mediation service. The service aims to help resolve relationship difficulties between healthcare professionals, as well as other workplace conflicts that can lead to team and performance issues with the potential to put patients at risk.

NCAS accredited mediators will:
- work to create a mutual understanding of the issues
- find a way forward that enables a professional working relationship
- suggest what is realistically likely to work
- identify other interventions that may also help resolve difficulties.

For further information about the service please visit the NCAS website or email assisted.mediations@resolution.nhs.uk

Podcast – responding to the challenge of reward

Listen to our new podcast, in which Paul Wallace explores communicating reward from an NHS and local government perspective. Paul met with Sarah Messenger of the Local Government Association, who explains that flexible working has retained and attracted employees into the public sector. Steve Ned, director of HR and OD at Sheffield Children’s NHS Foundation Trust, discusses how organisations need to better articulate the broader reward package to the workforce.
REWARD IN THE NHS EVENT

On 4 May 2017, more than 70 delegates from across the NHS gathered for the first Reward in the NHS event.

There was a full programme of speakers with a focus on the strategic context for reward and also reward in its broadest sense. Darryn Allcorn, director for workforce and development from Northern Devon Healthcare NHS Trust, shared how his organisation has used reward as part of an effective recruitment campaign. The trust has introduced a recommend a friend scheme and a range of recognition schemes, refined their recruitment process and ensured their benefits are communicated effectively on NHS Jobs and their website.

As a result of these activities, applications have increased by 400 per cent and nursing vacancies have reduced from 100 to zero.

During the event, we launched our Reward in the NHS report, which captures the themes, good practice and innovation that have emerged from our Total Reward Engagement Network (TREN).

Themes include:
- using reward to support organisational priorities
- benefits and rewards
- communicating reward
- the overall reward offer
- testing and evaluating reward.

The report includes the key areas being taken forward and looks at how organisations are changing their approach to reward.

Representatives from Next Stage Ltd, which provides care and support services to vulnerable people, shared how they have used reward as a lever to aid retention. They found out what their employees would value and subsequently introduced a range of new benefits and evaluated the effectiveness of these.

They were able to make substantial improvements in staff retention, seeing a reduction from 58 per cent leavers within the first 12 months to 28 per cent. Their recommend a friend scheme now generates approximately a third of their new employees.

We recently published a short video, recorded at the event, which includes insights from three NHS organisations and explores how to communicate reward effectively, as well as how reward can support organisational priorities.

- Judith Stonebridge, specialty registrar in public health at Northumbria Healthcare NHS Foundation Trust, talks about how the trust’s reward offer is strategically embedded.
- Andrew Jones, director of workforce and organisational development at Mid Yorkshire Hospitals NHS Trust, discusses the challenges of communicating reward.
- Candice Ryan, head of workforce strategy and engagement at Warrington and Halton Hospitals NHS Foundation Trust, talks about the different ways in which the trust communicates its entire reward offer.

The event page has full details of the programme and speakers.
Our head of employment relations, Alex van Rees, shares the latest on the implications of the national living wage on Agenda for Change (AfC) pay points.

From 1 April 2016, the government introduced a new mandatory national living wage (NLW) for workers aged 25 and above, which is currently set at £7.50 per hour. At the moment, the NHS is unaffected by the NLW rate, however, it has been forecast to reach £8.27 per hour by 2019/20. This equates to an annual salary of £16,171, which would have implications for the AfC pay scales.

If the current pay scales were uplifted in line with current public sector pay policy – for example, 1 per cent in 2018/19 and 1 per cent in 2019/20 – the forecast NLW would be higher than points 2 and 3 of the AfC pay scales by 2019/20, meaning that staff on bands 1 and 2 and the beginning of band 3 could have the same basic salary. This would create challenges to maintaining pay differentials between the bands and appropriately rewarding staff for the work they do.

Because of this, we need to consider how the AfC pay structures could be amended to comply with the NLW legislation. As part of the wider NHS Staff Council AfC review discussions, we will look at what reforms may be needed at the bottom of the pay structure to accommodate the impact of the NLW. Over time there could be a convergence of the NLW with point 6 of the pay scale. This is because, if the NLW continues to rise, the bottom of bands 1, 2 and 3 would all be the same as the NLW rises to over £17,309 – point 6 on the AfC scale.

Employers have told us that differentiation between pay bands is important, so the challenge would be how we move to a pay structure that maintains a pay differential between bands, yet stays within the constraints of public sector pay policy.

If future pay awards are above the current 1 per cent, there could be potential scope to cover transitional costs to a new pay structure for bands 1 to 3 alongside any possible wider pay structure reforms.

We know some employers have implemented the voluntary living wage, as promoted by the Living Wage Foundation, and are already facing the challenge of pay band compression. If you have approached this challenge and have lessons to share, please email us at reward@nhsemployers.org, we would like to hear from you.

The National Living Wage is forecast to exceed the bottom two pay points of Agenda for Change by 2019/2020

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Forecast NLW