

**HUMAN RESOURCES DIRECTORATE
PAY AND EMPLOYMENT UNIT**

Chief Executives of HSC Bodies¹;

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Your Reference: **HSC (AfC)(3) 2011**

18 April 2011

Dear Colleagues

**NHS AGENDA FOR CHANGE TERMS AND CONDITIONS OF SERVICE HANDBOOK
(AMENDMENT NUMBER 24): NATIONAL RECRUITMENT AND RETENTION PREMIA**

Summary

1. This pay circular informs HSC employers that from 1 April 2011 changes have been agreed to the payment of the national recruitment and retention premia (NRRP) as outlined in Annex R, Table 20 of the NHS Handbook. The content of this Circular has been agreed with locally recognised trade unions.
2. In the HSC the only NRRP in payment relates to maintenance craft workers. From 1 April 2011 there will be no requirement to pay this NRRP to new maintenance craft workers. Transitional arrangements have been agreed to cover maintenance craft workers currently in receipt of the payments. Current payments will be protected as follows;
 - Year one: 2011/12 100% of the payment at current value.

¹ The Health and Social Care Board, HSC Trusts, the Public Health Agency, the Business Services Organisation, the Northern Ireland Blood Transfusion Service Agency, the Northern Ireland Guardian ad Litem Agency, the Northern Ireland Practice & Education Council for Nursing, Midwifery & Health Visiting (NIPEC), the Northern Ireland Social Care Council (NISCC), the Patient & Client Council, the Northern Ireland Regulation and Quality Improvement Authority and the Northern Ireland Medical and Dental Training Agency (NIMDTA)

- Year two: 2012/13 50% of the payment at current value.

On 1 April 2013 all payments will cease subject to the outcome of a Staff Council review demonstrating evidence to support continuation of a NRRP.

Action

3. Employers should implement the agreed transitional arrangements from 1 April 2011.

Enquiries

4. Enquiries about the contents of this Circular should be directed to, Human Resources Directorate, Pay and Employment Unit, Room D1, Castle Buildings, Stormont, Upper Newtownards Road, Belfast BT4 3SJ (telephone 028 90522832), email: p&e@dhsspsni.gov.uk.
5. **Employees should direct personal enquiries to their employer.**

Further Copies

6. Copies of this Circular can be obtained from the Department's website at www.dhsspsni.gov.uk/index/publications. A copy of the NHS Terms and Conditions of Service Handbook can be downloaded from the NHS Employers website at: http://www.nhsemployers.org/sitecollectionDocuments/afc_service_handbook_aw_010708.pdf.



DIANE TAYLOR
Director of Human Resources

11 April 2011

Pay Circular (AforC) 3/2011

Changes to NHS Terms and Conditions of Service Handbook (amendment number 24): Section 4, 5 and Annex R – National Recruitment and Retention Premia ; Cost of Living Supplements and Removal of Annex W (Support for professional fees for staff in bands 5 to 8A (England only))

To: all NHS employers

Summary

This pay circular informs employers that changes have been agreed to the NHS Terms and Conditions of Service Handbook in relation to:

- the payment of national recruitment and retention premia (NRRP) to groups of staff identified in Annex R, table 20. It sets out the agreed transitional arrangements to be followed where payments are withdrawn
 - the position in relation to the long term recruitment and retention premia that were introduced to staff previously in receipt of the “cost of living supplements” in the South of England
 - the contribution towards clinical registration fees, which, following review by the NHS Staff Council, is now discontinued and employers do not have to make the £38 payment beyond October 2010. Annex W of the Handbook is therefore removed.
1. NRRP are agreed national pay supplements for individual jobs, or groups of jobs, where market pressures would make it difficult for NHS organisations to recruit or retain particular jobs, UK-wide, at the normal salary.
 2. The Hartley equal pay test case Employment Tribunal determined that the NRRP in payment to maintenance craft workers was justified until 31 March 2011, but must cease after that date unless a review demonstrated continuing justification. The Tribunal also determined that any transitional arrangements would need to be justified.
 3. NHS Employers, on behalf of the NHS Staff Council, commissioned the Institute for Employment Studies (IES) to undertake an independent review of all the NRRP. Following the findings of this review, all existing NRRP set out in Annex R (table 20) of the Handbook should cease after 31 March 2011 or be converted to a local RRP where appropriate.

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4. There will be no requirement to pay any NRRP for new starters from 1 April 2011. Local RRP may be paid where agreed by local parties. Transitional arrangements have been agreed to cover staff currently in receipt of the payments. The premia payable to maintenance craft workers and healthcare chaplains will be withdrawn over a two year period. Current payments will be protected as follows:
 - Year one: 2011/12 100 % of the payment at current value.
 - Year two: 2012/13 50% of the payment at current value.

On 1 April 2013 all payments will cease subject to the outcome of a Staff Council review demonstrating evidence to support continuation of a NRRP.

Action

5. Employers should review the need for a local RRP when the NRRP lapse on 1 April 2011 and where the payment is withdrawn should implement the agreed transitional arrangements.

Local Long-Term Recruitment and Retention Premia in relation to the Cost of Living Supplement (para 4.7 of the NHS terms and conditions of service handbook)

6. Paragraph 4.7 of the NHS Terms and Conditions of Service Handbook says: “current entitlement for cost of living supplements in areas outside London and the fringe zones will continue but will be re-expressed as long term recruitment and retention premia”.
7. These are local long term recruitment and retention premia and are covered by the provisions in Section 5 of the Handbook. Paragraph 5.10 says that:

‘Long term recruitment and retention premia will:

 - have their values regularly reviewed;
 - may be awarded to new staff at a different value to that which applies to existing staff “
8. If following a review there is evidence that these payments are no longer justified they can be withdrawn or adjusted. In these circumstances there is no requirement to pay these supplements to new starters. If a decision is made that these payments be withdrawn there should be consultation with local staff side representatives on a reasonable transitional/notice period. If the partnership review identifies that RRP payments continue to be justified, the expectation would be that the same level of payment be made to new starters unless there is evidence relating to recruitment or retention to justify variation of the rates.

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Annex W

9. Annex W should be removed from the handbook and this Annex will become unallocated

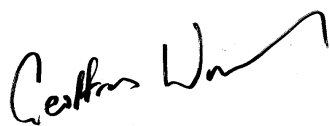
Effect of this amendment

10. Details of the changes made effective by this circular are in the attached Annex.

Enquiries

11. Employees must direct personal enquiries to their employer.
12. Employers should direct enquiries to: www.agendaforchange@nhsemployers.org
13. Copies of this circular can be downloaded from: www.nhsemployers.org
14. A copy of the NHS Terms and Conditions of Service Handbook can be downloaded from the NHS Employers website at the following web address:
www.nhsemployers.org/PayAndContracts/AgendaForChange/Pages/Afc-AtAGlanceRP.aspx
15. Prior to the establishment of NHS Employers in November 2004, responsibility to inform the NHS of changes to pay and allowances for staff on Agenda for Change contracts rested with the Department of Health. Changes were published in Advance Letters. Copies of previous Advance Letters going back to 1995 may be obtained from the Department of Health website at the following address:
www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Advancedletters/index.htm

Issued by



Geoffrey Winnard
Head of Agenda for Change/Non-Medical Pay
NHS Employers

Annex

Pay Circular (AforC) 3/2011

NHS Terms and Conditions of Service Handbook amendment number 21

NHS Terms and Conditions of Service Handbook amendment number 23

The changes made effective by this circular are:

Title Page:

“Amendment number 23” is deleted and replaced by “**Amendment number 24**”

“Pay Circular (AforC) 2/2011” is changed to “**Pay Circular (AforC) 3/2011**”.

A replacement title page and blank backing page are attached.

Contents page:

The title of Annex R has been changed from:

“Guidance on the application of national recruitment and retention premia”

to:

“**Withdrawal of nationally agreed recruitment and retention premia and transitional arrangements**”

Annex W has been changed from:

“Support for professional fees for staff in bands 5 to 8A (England only)”

to “**Unallocated**”.

Two replacement pages (first page unchanged) are attached.

Section 5: Recruitment and retention premia

The last sentence of para 5.3:

“Guidance on the application of national recruitment and retention premia is set out in Annex R.”

should be deleted.

Para 5.14 should be deleted:

“Transitional arrangements

Further information on assimilation and protection arrangements during the transition to the new system is set out in Part 7, including information on those jobs where it is agreed that there is prima facie evidence that a premium is necessary, to ensure the position of the NHS is maintained in relation to the relevant external labour market, during the transitional period (see Table 20 in Annex R). “

Two replacement pages are attached.

Section 46: Assimilation and protection

Paras 46.46 to 46.48 should be deleted.

Paras 46.49 and 46.50 should be renumbered 46.46 and 46.47. Two replacement pages are attached (first page unchanged).

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

This annex should be deleted and replaced with a new Annex R. Two replacement pages are attached.

Annex W: Support for professional fees for staff in bands 5 to 8A (England only)

This annex should be deleted and will become unallocated. A replacement page and blank backing page are attached.

Annex A2: Guidance on frequently asked questions

The following Q&A should be deleted:

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

Paragraph 13

Footnote number 1

Are trusts that employ maintenance crafts persons and qualified maintenance technicians required to pay the specified amount of national recruitment and retention premia or can this be varied to a lower rate or not paid at all?

The amount specified in Annex R should be paid to all staff so designated. RRP cannot be paid at less than the agreed national rate (£3,205). The nationally agreed rate can be increased “where it is necessary to ensure no loss under the rules in paragraphs 4 to 7 in Annex R (paragraph 13). The minimum level of RRP in Annex R should be paid until it is otherwise varied by the Staff Council.

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

Paragraph 13

Footnote number 1

Will the recruitment and retention premium for qualified maintenance crafts persons and technicians be uprated?

Yes – the value of the premium is £3,205 from 1 April 2009. (See also paragraph 17 in Annex R).

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

Paragraph 18 in Annex R: National Long-Term Recruitment and Retention Premia

Footnote number 2

How long do the national long-term RRPs for posts in the list in Table 20 in Annex R continue?

On assimilation the minimum level of premium for posts listed in Table 20 should be set locally. During the transition period the level of premium should be at least sufficient to ensure that staff do not require pay protection (paragraph 9 in Annex R). After the transition period local partnerships will need to review the value of any continuing RRP in accordance with the provisions in Section 5. This does not apply to RRPs for qualified maintenance craft persons, qualified maintenance technicians and chaplains in Annex R.

A replacement page is attached.

NHS terms and conditions of service handbook

Amendment number 24

Pay Circular (AforC) 3/2011

THE NHS STAFF COUNCIL
WORKING IN PARTNERSHIP

Section 32	Dignity at work
Section 33	Caring for children and adults
Section 34	Flexible working arrangements
Section 35	Balancing work and personal life
Section 36	Employment break scheme
Sections 37–39	(Unallocated)

Part 6 Operating the system

Section 40	New bodies and procedures
Sections 41–45	(Unallocated)

Part 7 Transitional arrangements

Section 46	Assimilation and protection
Section 47	Monitoring, reviews and appeals

Annexes

Annex A	NHS employers
Annex B	Pay bands and pay points from 2004
Annex C	Latest pay bands and pay points
Annex D	Working or providing emergency cover outside normal hours

Annex E	Provisions for unsocial hours payments for ambulance staff and available to early implementer sites
Annex F	Examples of special cases under the provisions for work outside normal hours
Annex G	Good practice guidance on managing working patterns
Annex H	High cost area payment zones
Annex I	High cost area supplements
Annex J	Local recruitment and retention premium criteria
Annex K	Additional freedoms for trusts with earned autonomy
Annex L	Mileage allowances
Annex M	Lease car policies
Annex N	Subsistence allowances
Annex O	Other terms and conditions
Annex P	Coverage of NHS Pay Review Body (NHSPRB)

Implementation annexes

Annex Q	Classification of leads and allowances (listed by staff group)
Annex R	Withdrawal of nationally agreed recruitment and retention premia and transitional arrangements
Annex S	Local appeals procedures

Annex T	Development of professional roles
Annex U	Arrangements for pay and banding of trainees
Annex V	NHS Scotland: Partnership Information Network guidelines
Annex W	Unallocated
Annex X	Working or providing emergency cover outside normal hours
Annex Y	Arrangements for general and public holidays over the Christmas and New Year holiday periods
Annex Z	Managing sickness absences – developing local policies and procedures
Annex A1	Principles and Best Practice of Partnership Working
Annex A2	Guidance on frequently asked questions
Annex A3	Principles for harmonised on-call arrangements

Section 5: Recruitment and retention premia

- 5.1 A recruitment and retention premium is an addition to the pay of an individual post or specific group of posts where market pressures would otherwise prevent the employer from being able to recruit staff to and retain staff in, sufficient numbers for the posts concerned, at the normal salary for a job of that weight.
- 5.2 Subject to the provisions below, NHS employers may apply a recruitment and retention premium to posts of a specific class or type. Premiums may also be applied to individual posts where the post is unique within the organisation concerned (such as the head of a department or service).
- 5.3 Recruitment and retention premia may also be awarded on a national basis to particular groups of staff on the recommendation of the NHS Pay Review Body (NHSPRB) where there are national recruitment and retention pressures. The Review Body must seek evidence or advice from NHS employers, staff organisations and other stakeholders in considering the case for any such payments. Where it is agreed that a recruitment and retention payment is necessary for a particular group, the level of 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.
- 5.4 Recruitment and retention premia will be supplementary payments over and above the pay that post holders receive by virtue of their position on their pay band, any high cost area supplements, or any payments for unsocial hours or on-call cover.
 - 5.5.1 Recruitment and retention premia will apply to posts. Where an employee moves to a different post that does not attract a recruitment and retention premium, either within the same organisation or elsewhere in the NHS, their entitlement to any previous recruitment and retention premium will cease.
- 5.6 NHS employers and staff representatives, in partnership, will follow the procedure set out in Annex J in deciding the award of a recruitment and retention premium.

Long-term and short-term recruitment and retention premia

- 5.7 The body responsible for awarding a recruitment and retention premium shall determine whether to award a long-term or short-term premium.
- 5.8 Short-term recruitment and retention premia will apply where the labour market conditions giving rise to recruitment and retention problems are

expected to be short-term and where the need for the premium is expected to disappear or reduce in the foreseeable future.

- 5.9 Long-term recruitment and retention premia will apply where the relevant labour market conditions are more deep-rooted and the need for the premium is not expected to vary significantly in the foreseeable future.
- 5.10 Short-term recruitment and retention premia:
- may be awarded on a one-off basis or for a fixed-term;
 - will be regularly reviewed;
 - may be withdrawn or have the value adjusted, subject to a notice period of six months; and
 - will not be pensionable or count for purposes of overtime, unsocial hours payments or any other payments linked to basic pay.
- 5.11 Long-term recruitment and retention premia:
- will be awarded on a long-term basis;
 - will have their values regularly reviewed;
 - may be awarded to new staff at a different value to that which applies to existing staff; and
 - will be pensionable, and will count for the purposes of overtime, unsocial hours payments and any other payments linked to basic pay.
- 5.12 Both long-term and short-term recruitment and retention premia will be expressed as cash sums and will be separately identifiable from basic pay, any high cost area supplement and any other component of pay.
- 5.13 The combined value of any nationally awarded and any locally awarded recruitment and retention premium for a given post shall not normally exceed 30 per cent of basic salary. It will be the responsibility of employers to ensure that any premia awarded locally do not normally result in payments in excess of this amount, taking into account any national awards for the posts in question. See also the provisions concerning earned autonomy in Annex K.

- 46.39 Local allowances and other special local payments intended to enable NHS employers to respond to high market wages for staff in particular occupations or with particular skills, will be reviewed under the rules for recruitment and retention premia in Agenda for Change. Where they continue to be justified, the resources concerned will be taken into account in new recruitment and retention premia under the new system. See Section 5 and Annex Q.
- 46.40 All other leads and allowances paid when staff are assimilated onto the new system, whether agreed nationally or locally, will cease. The value of any such payments made as part of regular pay before assimilation will, however, be taken into account in assimilation and in the calculation of any pay protection for the minority of individual staff whose regular pay may otherwise be lower, under the new system. See the pay protection provisions above in paragraphs 46.22 to 46.27.

Trainees

- 46.41 The arrangements for the pay and banding of trainees are set out in Annex U.

Bonus payments

- 46.42 Agenda for Change does not preclude bonus schemes, provided they are related to genuinely measurable targets (and not part of regular pay) and provide fair and equal opportunities for all staff in the organisation or unit or work area concerned to participate. However, it is agreed that most existing bonus schemes/performance agreements are unlikely to be compatible with these principles. All existing schemes, excepting any local schemes that do meet these requirements will, therefore, cease at the date of assimilation. If they cease then the value of the bonus payments should be included in the calculation of regular pay for assimilation purposes or, if agreement can be reached locally, the resources reinvested in a properly constituted scheme offering fair access to all staff.¹

High cost area supplements

- 46.43 Current payments for London weighting, fringe allowances and cost of living supplements will be discontinued once the new arrangements are in force.
- 46.44 For existing staff, where the new level of supplement falls short of the combined entitlement to these former payments, the former level of payment will be included in the calculation of any protected level of pay (see the pay protection provisions above), provided they remain in a job in which they would have received the former payment.

¹ See the question and answer guidance in Annex A2.

- 46.45 Current entitlements for cost of living supplements in areas outside London and fringe zones will continue but will be re-expressed as long-term recruitment and retention premia.

Career and pay progression

- 46.46 The gateway system set out in Section 6 will only become fully operational when an employer has put in place reasonable arrangements to ensure that staff have access to development reviews, personal development plans and appropriate support for training and development to meet the applied knowledge and skills required at the gateway concerned. This must be done for all posts covered by this agreement no later than October 2006.
- 46.47 Existing staff with at least 12 months' experience in post will be assumed to have met the criteria for passing through the foundation gateway. Where the gateway system is operational, they will however, be subject to the normal operation of the new system at the second gateway.

Annex R

Withdrawal of nationally agreed recruitment and retention premia and transitional arrangements

1. In the transitional period following the introduction of Agenda for Change, a list of jobs was agreed for which there was prima facie evidence from both the work on the job evaluation scheme and consultation with management and staff representatives, that a premium was necessary to ensure the position of the NHS was maintained during the transitional period. The jobs concerned are listed in Table 20 below.

Table 20

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 entrant)
Qualified perfusionists

2. For staff requiring full electrical, plumbing or mechanical crafts qualifications, a single level of premium was specified (£3,277 as at 1 April 2010).
3. For chaplains, the premium was set locally at a level not less than the level of any accommodation allowance already in payment.
4. The Hartley Employment Tribunal determined that the NRRP in payment to maintenance craft workers was justified until 31 March 2011, but must cease after that date unless a review demonstrated continuing

justification. The Tribunal also determined that any transitional protection would need to be justified.

5. The NHS Staff Council commissioned the Institute for Employment Studies (IES) to undertake an independent review of all the NRRP. The review recommended that all NRRP, including those paid to maintenance craft workers and chaplains, should cease after 31 March 2011 or be converted to a local RRP where appropriate.

Transitional arrangements

6. All NRRP should cease for new starters from 1 April 2011 or be replaced by a local RRP where considered appropriate. NRRP currently in payment should be protected for a transitional period of two years as follows:
 - Year one: 100% - 100% of payment at current value
 - Year two: 50% - 50% of the payment at current value.

On 1 April 2013 all payments will cease subject to the outcome of a Staff Council review demonstrating evidence to support continuation of a NRRP.

Annex W

(Unallocated)

organisation or to another NHS employer, continues to receive protection for the period set out in Table 10. An employee who is recruited into another post prior to assimilation within the same job family, on a higher pay band, continues to receive protection for the period set out in Table 10. Protection will be lost if an employee moves to a new post within the same job family, on a higher pay band, after assimilation to Agenda for Change. Protection will be lost if an employee either moves to a new post outside their job family or leaves the NHS. The Executive does not intend that this guidance should disturb any local agreements on protection of hours reached on a partnership basis.

Part 7: Section 46: Assimilation and protection

Paragraph 34.

Footnote number 13

How is the leave entitlement pre-assimilation determined to establish whether protection is required?

Where an entitlement to annual leave is reduced under Agenda for Change paragraph 46.34 provides that the previous entitlement can be protected for five years from the date of assimilation. Leave pre-assimilation is the total of Whitley or locally agreed leave plus the two statutory leave days, if they have not already been converted into annual leave.

Part 7: Section 46: Assimilation and protection

Paragraph 34.

Footnote number 13

What happens when an employee, who has their annual leave entitlement protected moves employer/post? Do they retain the protection?

Paragraph 46.34 applies. "Any member of staff whose leave entitlement is reduced under Agenda for Change will have their existing entitlement protected for five years from the date of assimilation onto the new system." Individuals would retain their protection, subject to continuity of service. Where there is a break in service, however, protection no longer applies.

Part 7: Section 46: Assimilation and protection

Paragraph 42.

Footnote number 14

Do PRP payments continue under Agenda for Change?

Such schemes cease at the date of implementation. Any new scheme must be such that all staff in the organisation, or unit or work area concerned have fair access to it.

Implementation annexes: Annex T: Development of professional roles

Paragraph 3

Footnote number 1

Does the provision for movement into pay band 6 apply to staff groups other than midwives?

This provision is not restricted to midwives. Annex T applies to all staff groups meeting the criteria in paragraph 3. In the circumstances described, job size should be reviewed no earlier than one year and no later than two years from the date of qualification, using the NHS Job Evaluation Scheme.

Implementation annexes: Annex T: Development of professional roles

Paragraph 3

Footnote number 1

Will guidance be provided (in partnership) in respect of the application of paragraph 3 other than that which is already described?

There are no plans for further guidance on Annex T.

Implementation annexes: Annex U: Arrangements for pay and banding of trainees

Paragraph 2 (iii)

Footnote number 1

Are trainees who are covered by Annex U (paragraph 2 (iii) subject to the foundation and second gateway?

There are no agreed pay bands or pay scales for trainees under 2 (iii). It follows that there is no point identified in their pay where there is an agreed second gateway. All staff who have served less than one year in their post are subject to the foundation gateway.

Implementation annexes: Annex A3: Principles for harmonised on-call arrangements

Interim regime

Paragraph 48

Footnote number 1

Does the protection for on-call arrangements include protection for the “rate of pay”. For example, if the local protected agreement says that Sunday is double time is this protected under 2.8.

Yes, all current on-call arrangements may be protected for groups of employees irrespective of whether they were nationally or locally agreed (paragraphs 2.8 and 2.48). It is the totality of the local national on-call agreement that is protected. Pay circular (AforC) 1/2009 announced that where flat rate on-call allowances continue to be paid in accordance with Section 2, these should be increased by 2.4%. This protection does not prevent local agreements on alterations to working patterns to meet changing service needs.

