

The New
NHS/HPSS
Pay System

An Overview

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Introduction

The aim of this booklet is to give you an introduction to the new NHS/HPSS pay system.

What will the new pay system offer?

- Greater scope to create new kinds of jobs, bringing more patient-centred care and more varied and stimulating roles for NHS/HPSS staff (pages 4-5)
- Fairer pay (pages 6-7)
- Harmonised conditions of service for NHS/HPSS staff (page 8)
- A more transparent system of rewards for staff who work flexibly outside normal working hours (pages 9-10)
- Better links between career and pay progression (page 13)

Who will be covered?

- The new pay system will apply to all directly employed NHS/HPSS staff, except doctors and senior executives.
- It does not apply to Social Services staff on National Joint Council (NJC) terms and conditions of service within the HPSS. This will be the subject of further negotiation with the staff organisations in Northern Ireland representing such staff.
- If you are currently on a local contract you will have a choice whether or not to move onto the new system.

When will it be implemented?

Subject to the outcome of consultation:

Early implementation

The new system will begin to be introduced in some early implementer sites in England in 2003 to help ensure that the systems are robust and adequately tested for national roll-out.

National roll-out

The system will then be implemented across the NHS/HPSS from October 2004.

Where can I get more information?

Full details can be found on the websites www.dhsspsni.gov.uk/publications and www.doh.gov/agendaforchange which includes:

- A pay summary document providing an overview of the proposed agreement.
- Full detail of the proposed agreement reached through national negotiations.
- A Job Evaluation Handbook explaining the job evaluation scheme including a number of nationally agreed profiles for NHS/HPSS posts.
- Information on the Knowledge and Skills Framework and the Terms and Conditions of Service Handbook will be available shortly.

What will the new pay system look like?

Basic Pay

- Basic pay will be decided through Job Evaluation
- The NHS Job Evaluation Scheme will be used for all posts covered by the new pay system
- The correct pay band for each post will be determined after detailed assessment.
- Many posts have already been evaluated.
- Some new or unusual posts will need to be evaluated individually at local level.

The New Pay Structure

There will be two new pay spines each with eight new pay bands.

There will be several pay points within each pay band.

Your post will be placed in the correct pay band as a result of job evaluation.

You will then expect to develop within your post and as you do this you will normally progress up one pay point each year.

Before you reach the top point of your pay band you should be fully developed within your post and your pay will remain at the top pay point for that pay band.

If you change jobs to a post on a higher pay band you will progress up one pay point each year as you develop within the new post, until you reach the top pay point of the new pay band.

Personal Development Planning

- Everyone will be expected to develop the skills and knowledge needed to further improve performance or service delivery.
- The NHS Knowledge and Skills Framework (KSF) will help indicate the knowledge and skills needed for each post.
- You will have a development review meeting with your manager each year to agree your development for the next year.
- You will agree a personal development plan which will describe how your learning will be supported each year.
- Successful development will allow you to progress up the pay points until you reach the top of your pay band. This will be assessed at two gateways.

New Terms and Conditions

There will be one set of terms and conditions which will apply to all staff groups.

These new conditions will include the number of hours worked in a full time week and the number of days annual leave.

If your terms and conditions are very different in the new system you will be given an agreed period of time to make the changes.

Enhancements to Basic Pay

In addition to basic pay there will also be:

- Supplements for working outside normal hours.
- Extra pay for staff who work in high cost areas.
- Additional pay for posts where recruitment and retention of staff is especially difficult due to competition from outside the NHS/HPSS (recruitment and retention premia).

What will the new pay structure look like?

There are three pay spines or series of pay bands:

- 1 Staff within the remit of the Doctors and Dentists Review Body.
- 2 Staff within the extended remit of the Pay Review Body for nurses and other health professions.
- 3 Other directly employed NHS staff, with the exception of senior executives.

This booklet describes the arrangements for staff on the second and third of these pay spines.

The second and third pay spines will be divided into eight pay bands (see table opposite). You will be assigned to one of these pay bands on the basis of how your post is measured by the NHS Job Evaluation Scheme.

The NHS Job Evaluation Scheme is a means of fairly rewarding people by measuring their job related skills, knowledge, and responsibilities. The Job Evaluation Scheme has been developed especially for NHS staff and will be used to help ensure that staff receive equal pay for work of equal value.

The detailed assessment of each post using the Job Evaluation Scheme will decide which is the correct pay band for each post, and so what is the correct basic pay.

Many jobs have been evaluated nationally these can be found on www.dhsspsni.gov.uk/publications and www.doh.gov.uk/agendaforchange/jehandbook.

Band	Minimum*	Maximum*
1	£10,100	£11,100
2	£10,800	£13,400
3	£12,450	£14,900
4	£14,550	£17,500
5	£17,000	£22,000
6	£20,300	£27,500
7	£24,500	£32,300
8 Range A	£31,250	£37,500
8 Range B	£36,400	£45,000
8 Range C	£43,800	£54,000
8 Range D	£52,500	£65,000

*These figures are before the proposed pay increase in April 2003. They will be increased by 3.225% in each of the first 3 years of the new pay system.

Within each band, there will be a number of pay points. Progression from point to point, up to the maximum in your pay band, will normally take place on an annual basis. At two defined points in each pay band, progression will be based on demonstrating the agreed knowledge and skills appropriate to that part of the pay band.

Qualified professional staff joining band 5 as new entrants will have accelerated progression through the first two points in six monthly steps, providing those responsible for the relevant professional standards in the organisation are satisfied with their standard of practice. This 12 month period will be referred to as “Preceptorship”.

What are the new arrangements for working hours, annual leave and overtime?

Hours of the Working Week

Eventually all full time NHS/HPSS staff will have a working week of 37½ hours excluding meal breaks. There are transitional arrangements described on page 15.

Overtime Payments

All staff in pay bands 1–7 will be eligible for overtime payments for work in excess of the standard 37½ hours working week. There will be a single harmonised rate of time-and-a-half for all overtime, with the exception of work on the 10 general public holidays, which will be paid at double time.

Annual Leave

Staff will receive the following entitlement to annual leave:

Length of service	Annual leave + General Public Holidays
On appointment	27 days + 10 days
After 5 years service	29 days + 10 days
After 10 years service	33 days + 10 days

There are protection arrangements for annual leave described on page 15.

How will work outside normal hours be recognised?

To rationalise existing payments for shift working, unsocial hours and so forth, there will be new harmonised pay supplements for all working patterns that involve significant levels of work that take place at the following times:

For staff in pay bands 1–7

- Any time worked before 7.00 am or after 7.00 pm Monday to Friday
- Any time worked on Saturdays, Sundays or Bank Holidays.

For staff in pay band 8

- Any time worked before 7.00 am or after 10.00 pm Monday to Friday
- Any time worked before 9.00 am or after 1.00 pm on Saturdays and Sundays, and any time worked on Bank Holidays.

Supplements will be calculated on the basis of the average amount of work that you are expected to undertake. For full time staff this will be translated into a fixed percentage supplement to your basic salary. There will be equivalent arrangements for part-time staff.

Average Hours Worked in Defined Periods	Value of Supplement as Percentage of Basic Salary	
	Bands 1–7	Band 8
Up to 5	By local agreement	
More than 5 but not more than 9	9%	9%
More than 9 but not more than 13	13%	10%
More than 13 but not more than 17	17%	10%
More than 17 but not more than 21	21%	10%
More than 21	25%	10%

Staff who have to be available to provide on-call cover outside their normal working hours will receive a fixed pay supplement, as follows:

Frequency of On-Call	Value of Supplement 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%
Between 1 in 12 or more but less than 1 in 9	2.0%
Less frequent than 1 in 12	By local agreement

Staff who are called into work during a period of on-call will receive recompense for the actual work done at the overtime rate.

What about pay in high cost areas?

All existing schemes to recognise high cost areas will cease and be replaced by pay in high cost area payments for London and the Fringe areas or recruitment and retention premia outside London.

London, Fringe and Cost of Living Supplements (COLs) will be replaced by new harmonised allowances.

There will be significant extra investment in London pay, with clear gains for most staff.

Allowances will be calculated on basic pay (plus the value of any long-term recruitment and retention premium), but subject to a minimum and maximum level of extra pay as follows:

	% of basic pay	Minimum*	Maximum*
Inner London	20%	£3,000	£5,000
Outer London	15%	£2,500	£3,500
Fringe	5%	£750	£1,300

*These are based on 2002/03 rates.

This system could, in principle, be applied to other high cost areas in the future.

Outside London and the Fringe areas, COLS payable to qualified nurses and some allied health professionals will be converted into recruitment and retention premia.

What are recruitment and retention premia?

Recruitment and retention premia are additional payments for particular groups of posts. NHS/HPSS organisations will be able to use these premia to address recruitment and retention difficulties caused by external labour market pressures.

Where there are widespread recruitment and retention pressures affecting a particular group of staff, premia may be decided on a national basis on the recommendation of the Review Body or the new Pay Negotiating Council for non-Review Body staff.

The total value of a recruitment and retention premium will not normally exceed 30 per cent of basic salary.

There will be two types of recruitment and retention premia:

Long-term recruitment and retention premia

- Will be pensionable.
- Will be taken into account when calculating the level of unsocial hours payments, on-call payments, overtime and high cost area payments.

Short-term recruitment and retention premia

- Will not be pensionable.
- Will usually be time-limited.

What will the NHS Knowledge and Skills Framework mean for career and pay progression?

To support personal development and career progression, there will be a new NHS Knowledge and Skills Framework. The framework will support the process of annual development reviews and agreeing personal development plans.

The NHS Knowledge and Skills Framework will help staff develop their skills to the full in a particular NHS post. It will help ensure better links between education, development and career and pay progression for all NHS/HPSS staff.

Each member of staff will have a personal development plan, which will identify their development and how it will be supported.

There will be two identified points in each pay band known as gateways. Personal development plans will be used to help staff ensure that by the time they reach these gateways they are applying the appropriate knowledge and skills for the job.

Pay progression at these gateways will be linked to the demonstration of applied knowledge and skills following an assessment.

The first gateway in each pay band will be after one year in post.

The position of the second gateway will vary between pay bands but will fall between the top three points of the payband.

The aim is that all staff should:

- have clear and consistent development objectives
- be helped to develop in such a way that they can apply the knowledge and skills appropriate to their level of responsibility
- be helped to identify and develop knowledge and skills that will support their career progression.

How will staff move onto the new system?

There will be special phased arrangements for staff transferring from the old to the new pay system, called assimilation.

Pay

How individuals assimilate into the new pay system will depend on their basic pay immediately before assimilation (including any leads and allowances that are to be consolidated into basic pay), compared with the minimum and maximum of their new pay band:

- Where basic pay before assimilation is between the new minimum and maximum of the new pay band, staff will assimilate to the next equal or higher pay point in the new pay band.
- Where basic pay before assimilation is below the new minimum, staff in pay band 1 will all move straight onto the minimum. Staff in other pay bands will assimilate either at the new minimum or, if they are significantly below the minimum, onto proposed transitional points.
- Where staff are above the maximum of the new pay band their pay will be protected. This will include 1 years protection with a pay uplift followed by 5 years protection on a mark time basis.
- These protection arrangements will also take into account typical earnings from unsocial hours payments.

Hours

There will be phased protection arrangements, as below, for full-time staff whose current standard working hours are below 37½ and for part-time staff on an equivalent pro rata basis.

Current full-time standard hours	Protection arrangements
37 hours	Three years on 37 hours
36½ hours	Three years on 36½ hours One year on 37 hours
36 hours	Three years on 36 hours Two years on 37 hours
35 hours	Four years on 35 hours Two years on 36 hours One year on 37 hours
33 hours	Four years on 33 hours Two years on 35 hours One year on 37 hours

There will be phased arrangements for staff where current standard working hours are above 37½ as detailed in the table below

Current full-time standard hours	Protection arrangements
Up to 39	37½ from the date of implementation
More than 39, up to 41	39 from the date of implementation 37½ after 12 months
More than 41	40½ from the date of implementation 39 after twelve months 37½ after 24 months

Annual Leave

There will be a five-year protection period for annual leave entitlements that exceed the new harmonised entitlements.

On-call

Transitional arrangements will ensure appropriate protection for staff moving from special local arrangements for on-call and stand-by.

Who will be responsible for agreeing new pay and conditions of service nationally?

The Whitley Councils will be replaced by two new bodies who will make national decisions on pay and terms and conditions of service.

What will it be called?	What does it do?
The NHS Staff Council	To oversee the operation of the new pay system and to have responsibility for NHS-wide terms and conditions of service. This replaces the relevant functions of the General Whitley Council and the separate functional Whitley Councils.
Pay Negotiating Council	This Council will negotiate pay for staff on the third pay spine.

In addition:

The remit of the Review Body for Nurses, Midwives, Health Visitors and the professions Allied to Medicine (the NPRB) will be expanded to include a wider number of qualified health professionals and their support staff. There will be new arrangements to help make sure that the recommendations of the two NHS Review Bodies and the decisions of the Pay Negotiating Council are consistent with equal pay requirements.

Further information

This booklet has been designed to provide a simple and brief overview of the new pay system.

Full details can be found on the websites www.dhsspsni.gov.uk/publications and www.doh.gov/agendaforchange which includes:

- A pay summary document providing an overview of the proposed agreement.
- Full details of the proposed agreement agreed through national negotiations.
- *Job Evaluation Handbook* explaining the NHS job evaluation scheme including a number of nationally agreed profiles for NHS/HPSS posts.
- Information on the *Knowledge and Skills Framework* and the *Terms and Conditions of Service Handbook* will be available shortly.

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