

Agenda for Change

REVIEW OF EXPERIENCE IN THE EARLY IMPLEMENTER SITES

Introduction

The Agenda for Change pay system began to be implemented in twelve NHS organisations in England in June 2003. The new pay system has also been subject to testing short of full implementation in four pilot sites in Scotland. Over the last year, the experience of these early implementer (EI) sites and the Scottish pilot sites' paper exercise has been monitored by the UK Health Departments, NHS Trades Unions and managers.

This report on the conclusions drawn from the experience in the early implementer and pilot sites is being presented to the NHS Shadow Staff Council. It does not however itself form part of the proposed agreement on national roll-out of the new pay system. This will be set out in a revised draft agreement, updated Job Evaluation, Knowledge and Skills Framework and Terms and Conditions of Service handbooks that will incorporate the changes proposed by the Staff Council as a result of the review. These are being published shortly.

This report does not mark the end of the monitoring process or preclude further agreed changes to the new pay system. The establishment of mechanisms to monitor its operation, discuss issues of concern and make amendments where appropriate will be an integral part of the agreement if national roll-out is confirmed by the NHS Trades Unions, following the further ballots which are due to take place by November.

The Review

During the review the Shadow Executive:

- met with representatives of management and staff from the sites to hear first hand of their experience;
- received regular monitoring information from the early implementer sites, including thousands of anonymised individual records;
- undertook analysis of information on assimilation, with particular emphasis on job evaluation outcomes and processes, levels of protection, costs and benefits realisation;

- maintained a “fast track” system for resolving issues of clarification or problems emerging from the early implementer sites;
- commissioned investigation and analysis of issues which appeared to be significant, using independent expert advice where appropriate;
- received comprehensive reports of the testing of Agenda for Change in the four Scottish pilot sites;
- considered the Pay Review Body’s report on the key lessons from Early Implementer sites.

The parties to the Agenda for Change agreement are grateful to all those who helped with this analysis, and especially to the staff organisations and managers in the early implementer sites and pilot sites who contributed to this work. These organisations have been prepared to undertake the additional work necessary in order to help the wider NHS learn from their experience.

Assessment

The review found that most parts of the new system had worked well, and that staff and managers were generally positive about its impact. The vast majority of sites benefited from improved partnership working. There was also evidence of progress across all the EI sites in implementing new ways of working and improved career structures. The impact of the system on staff was generally positive, and the cost of the changes to basic pay were close to forecast.

As was expected given a change of this magnitude and complexity, a number of issues were identified during the early implementation phase. As agreed at the outset, wherever possible these issues were resolved during the process, rather than waiting for the outcome of the review as a whole.

The review has addressed a number of significant issues.

Capacity

The implementation of Agenda for Change in the twelve sites has taken longer than anticipated. A number of steps taken in the Early Implementer phase should minimise this in national roll-out, notably the production of more and better job profiles, and an improved matching process. The Agenda for Change partners have agreed that a realistic aim would be for employing organisations to have matched most staff to

their new pay bands by 31st March 2005 and to have completed assimilation of staff by 30 September 2005 at the latest.

A number of lessons have been learned which will assist organisations during national roll-out, assuming that it is approved following the further ballots planned by some staff organisations. Some of the lessons include; the importance of identifying and releasing sufficient management and staff representatives to manage the process and giving them appropriate training; the need to carefully check staff and payroll records at the beginning of the process.

Evidence from the early implementers also demonstrated that phased assimilation is the best approach. One key lesson learned is that payroll capacity can be one of the major constraints in the later stages of assimilation and the need for adequate capacity should be considered early in the project planning process.

More detailed information on the practical lessons learned will be made in both England and Scotland and will be available prior to national roll-out.

The Job Evaluation Scheme

The Job Evaluation Scheme has been extensively tested and its operation reviewed by independent experts. The review is satisfied that the scheme is robust, fair, equality proofed and fit for purpose.

A number of modifications and improvements to the scheme and associated processes have been agreed and an updated Job Evaluation Handbook will be published to support national roll-out.

Early evidence suggested that the guidance and range of job profiles provided were insufficient to enable trusts to correctly evaluate non-clinical jobs and there was concern that there may be clinical bias in the scheme. The Shadow Executive have responded to this by issuing revised guidance and producing more non-clinical job profiles to ensure correct banding of these jobs and to establish benchmarks against which evaluation of other related jobs can be compared. As a result the outlook is more positive for non-clinical posts with a range of bands available for a number of job families.

Further clinical and non-clinical job profiles will be developed and the NHS Staff Council will continue to monitor the application of the Job Evaluation scheme to ensure that jobs are evaluated appropriately.

Knowledge and Skills Framework (KSF)

As provided in the proposed agreement the NHS has longer to implement the Knowledge and Skills Framework. However, useful testing and further development has been undertaken with the help of early implementer sites and a number of improvements agreed. An updated KSF together with accompanying guidance will be published to support national roll out.

The KSF will support career development opportunities for all staff. It will be of particular benefit to those staff who have previously had limited access to development opportunities. All the parties to Agenda for Change have stressed the importance of this part of the agreement being given equal weight with job evaluation if the longer term objectives of pay reform are to be realised.

Unsocial Hours Payments

With some exceptions there was evidence of significant difficulties operating an unsocial hours system. This was based on agreeing unsocial hours patterns in advance, paying for them at fixed rates based on broad payment bands and staff then working flexibly within those bands. Difficulties with securing cover were reported for some shifts in some units – especially where working patterns were very variable and there were pressures on overall staffing. In some EI sites the system was difficult for local managers to apply effectively. Also, the numbers of staff requiring pay protection because of harmonisation of unsocial hours payments was higher than expected, particularly among the low paid and those working fixed patterns.

In the light of these difficulties, the review carefully considered whether the proposed system could be rolled out with appropriate amendments to address these problems. However, the agreed conclusion was that it would not be possible to proceed without significant risk for the NHS and its staff, especially if new arrangements were not fully developed and tested.

The review has therefore concluded that the proposed unsocial hours system should not be rolled out, except in Ambulance Trusts, but an

interim regime put in place for 18 months while evidence is collected and further discussions take place on the harmonisation of unsocial hours. The terms of reference for this further work have been agreed and are included in the revised proposed agreement.

On Call Payments

The review has noted that many of the pre-existing on-call payment systems in use have remained in place under the protection arrangements allowed within the agreement for local arrangements. There is therefore only limited evidence about the effectiveness of the proposed new arrangements.

The Shadow Executive have considered a number of possible reasons for the limited use of the new system, including the possibility that the new system may not provide adequate incentives, or might be too inflexible given the wide range of circumstances under which on-call arrangements operate.

Although on-call represents a small percentage of the overall pay bill it provides important cover for key services such as radiography, physiotherapy, pharmacy, healthcare science, midwifery and estates. The review has therefore concluded that the Staff Council should undertake a more comprehensive review based on the full range of on-call arrangements currently in place, as well as further data from those areas using the new arrangements.

Given the importance of on-call cover in the areas concerned, and the need to allow time for a more detailed review, it has been agreed that while the proposed new arrangements may be used (and should be used where no previous arrangements exist), all current on-call arrangements may be protected for up to four years 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.

The more detailed review of on-call will be carried out during the four year protection period.

High Cost Area Payments

The system of high cost area payments was tested in three of the Early Implementer sites. Further discussion of the boundary question was also undertaken in the Pan London Reference Group. The Shadow Executive

is grateful to the EI sites in the London area for the additional work undertaken by them to help us with this issue and for the work of the Pan London Group.

Analysis suggests that the new system worked well in the London fringe area, with all staff affected gaining from the new system. Most staff in the two sites affected by the new inner and outer London payments also benefited. The cases of protection which were attributable to high cost area payments appeared to fall mainly into two categories – protection due to local enhancements agreed prior to Agenda for Change for example non-standard rates of London weighting, or transitional protection which would be eliminated by progression through the new pay bands.

The Shadow Executive has noted that a number of staff affected only require protection for a short period until pay progression occurs. The Agenda for Change partners have therefore agreed to allow assimilation at a higher point where that is necessary to eliminate protection. They have also agreed that where trusts in the London area have paid above standard rates in the past for recruitment and retention reasons, the Staff Council will be asked to agree the difference can be translated into recruitment and retention premium subject to consultation as provided in the proposed agreement.

The Staff Council will also be asked to agree to adopt for the time being the proposal to use PCT boundaries as the basis for high cost area payments. They have noted however, the reservations held by all parties about this as a satisfactory long-term solution and have agreed to undertake more work on this issue in the future. In the meantime, agreement has also been reached that employers who span an area boundary may agree locally a harmonised rate of payment across their organisation, provided they obtain the agreement of neighbouring employers if that rate is proposed to exceed the average rate payable in their area.

In Service Trainees

The NHS has a wide range of people described as trainees working and studying within its services. The review concluded that in many cases these trainees can be properly assimilated using Job Evaluation and their development assessed through the Knowledge and Skills Framework.

However, there are trainees that enter the NHS and undertake all their training while remaining an employee. Typically these staff develop their knowledge and skills significantly during a period of time measured in years. Given the significant change in knowledge and skills during the training period, the use of job evaluation is unlikely to be appropriate. The review has therefore concluded that in these cases pay should be determined as a percentage of the pay for qualified staff. Examples of these include craft apprentices and trainee cooks.

Cost and Protection Levels

It is agreed that the pay reforms should be affordable and with no more than a small proportion of staff requiring pay protection. Analysis based on data from the Early Implementer sites suggests that these objectives will be achieved provided the original unsocial hours provisions are not rolled out.

Based on the evidence from the EI sites, taking account of the proposal to proceed with an interim unsocial hours regime, we expect protection during roll out to be under 8% overall, thereby exceeding the success criteria - see appendix 1.

Benefits Realisation

The new pay system has been agreed with a view to delivering a variety of benefits for staff and patients. Across the Early Implementer sites there have been a wide variety of developments that demonstrate the potential for the new system to contribute to deliver these benefits. They include -:

- New roles for example - assistant practitioners in radiography;
- Changing roles for example - in medical records;
- Extended roles for example - emergency care practitioners;
- Improved team working through harmonisation of terms and conditions for example - in operating theatres;
- New ways of working;
- Improved recruitment and retention;
- Improved longer term partnership working.

More details of how the new pay system can be used to support career and service modernisation are included in appendix 2. Further examples will be available in the run up to national roll-out.

Conclusion

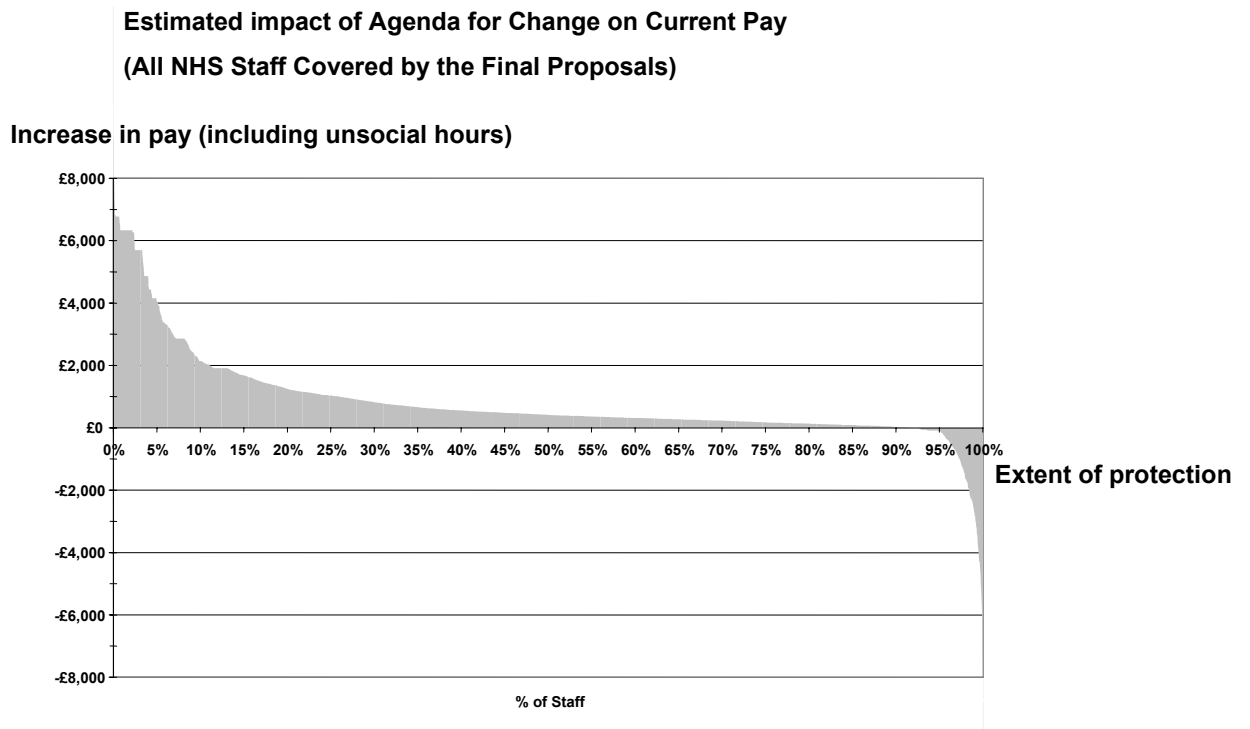
The overall experience in the Early Implementers demonstrates that with the exception of unsocial hours payments, Agenda for Change is deliverable and affordable, with only a small minority of staff requiring pay protection. It has also demonstrated that the anticipated benefits for patients are likely to be achieved.

Further monitoring, especially of the levels of protection, costs and benefits during roll out will need to be undertaken by the Staff Council against the agreed Agenda for Change success criteria if the new system is approved for roll-out following the ballots planned this autumn. In this context it will still be possible for employer and staff representatives to raise issues of concern and to seek amendments through the mechanisms established by the agreement.

On this basis the Shadow Executive recommends that Agenda for Change can be rolled out from 1 December 2004 with an effective date for pay purposes of 1 October 2004 with the exception of the system of payments for unsocial hours and subject to the second ballots.

**The Shadow Executive of the NHS Staff Council
August 2004**

Appendix 1



It is estimated that over 90% of staff will benefit from an immediate pay increase.

Some 10% of staff will see their total pay increase by at least £2,000 a year.

The pay of around 7.5% of staff will be protected.

Of these 7.5% of staff it is estimated that around 2.5% will move out of protection within the first year.

Appendix 2

EXAMPLES OF BENEFITS REALISATION

New Roles - Associate Practitioner (inpatient)

Avon and Wiltshire Mental Health Partnership NHS Trust are training around 20 Associate Practitioners (inpatients). The Associate Practitioners will support registered mental nurses and work at an intermediate level where they plan, implement and evaluate patient care. The training takes parts of the registered mental nurse course allowing for progression in various roles into the future including nurse registration. The potential benefits to patient care have yet to be quantified, but the trust believes more trained staff providing direct patient care will improve not only the quantity of care delivered but also the quality.

Changing Roles – Medical Secretaries

Prior to Agenda for Change the role of medical secretaries at Aintree Hospitals NHS Trust involved answering the telephone, typing and general administration work. The consultants were also working non-stop. By working with the Modernisation Agency's Changing Workforce Programme's Accelerated Development Programme for Medical Secretaries, the role of the medical secretary has been transformed. A cadet scheme for junior secretaries has been developed which releases medical secretary time enabling them in turn to release a substantial amount of consultant time.

Extended Role – Emergency Care Practitioners

East Anglian Ambulance Trust has introduced the role of emergency care practitioner (ECP) utilising the Emergency Care Accelerated Development Programme (ADP). The role extends the conventional paramedic role by adding primary care practitioner skills. The Job Evaluation Scheme was applied to the roles designed and developed through the ADP to ensure the role was banded correctly. The Knowledge and Skills Framework was used to define the competencies required for the role. The Trust is providing out of hours services and is utilising ECPs to reduce the number of general practitioners required to work evenings, nights and weekends, following the introduction of the new GMS contract. The Trust believes that Agenda for Change has enabled the transition and improved morale and support for new roles. The ECP role will transform the way that services are provided.

Traditionally paramedics transported 70% of patients to A&E departments but early information suggests ECPs reduce that number to 51% of patients with the remainder being treated without referral to A&E.

Improved team working through harmonisation of terms and conditions

At Papworth Hospital NHS Trust, the operating department practitioners and theatre nurses were on different terms and conditions, which made planning for leave etc difficult. The Trust has used Agenda for Change to develop generic theatre practitioner roles using a three-tier structure over bands 5-7. They are now working towards common KSF profiles.

New ways of working

Agenda for Change offers solutions to some intractable problems. At West Kent NHS and Social Care Trust Agenda for Change is allowing more flexibility to be built into the way staff work, for example through new job plans and job descriptions. The trust is using Agenda for Change to broaden the responsibilities of nursing staff working in crisis resolution and in the community. This will provide a 24 hour seven day a week service as opposed to the typical Monday to Friday approach.

Recruitment and retention

Over the past 2/3 years, considerable numbers of in-patient shifts have been undertaken by agency nurses at the Avon and Wiltshire Mental Health Partnership Trust, creating concerns about quality of care and financial balance for the Trust. In order to redress the balance of bank and agency nursing shifts, a short term recruitment and retention premium has been put in place so that the individual nurses can earn a higher rate of pay undertaking a bank shift, but limiting cost to the trust.

Improved longer term partnership working

Four years ago, relations between staff side and management side were very difficult at East Anglian Ambulance Service with the staff side refusing to join the executive team. Agenda for Change has improved relations so much it is sometimes difficult to tell who is staff side and who is management side. This turn around has been achieved through having to work together on Agenda for change and being guided by the mantra that both parties would only consider solutions that are best for patients and best for staff. The process of implementing Agenda for

Change has meant that new behaviours on both sides have been developed and the trust is beginning to see this reflected in better day-to-day working relations.