

Scottish Terms and Conditions Committee

Ref: STAC(TCS03)2018

15 October 2018

To: Chief Executives,
Directors of Finance,
Directors of Human Resources -
NHS Boards and Special Health Boards,
NHS National Services Scotland (Common Services Agency) and
Healthcare Improvement Scotland

CC: Members, Scottish Partnership Forum
Members, Scottish Terms and Conditions Committee
Members, Scottish Workforce and Governance Committee

Dear Colleague

TWO TIER AGREEMENT

We are writing to provide further clarity around the application of the recently agreed Agenda for Change three year pay deal to staff covered by the Two Tier Agreement.

The "Scottish Framework Agreement on Two Tier Working" was put in place in 2006 with a view to ensuring that staff working for contracted out services covered by the agreement benefitted from terms and conditions of employment no less favourable overall than the Agenda for Change equivalent. That 2006 agreement is attached for ease of reference. We can confirm that it remains in force and, as highlighted at paragraph 6 of "Proposal for Reform of Agenda for Change in NHS Scotland", which was accepted on 17 August, the pay deal covers Two Tier staff also.

Yours sincerely



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Chief Executive
NHS Lanarkshire
STAC Management Side Co-Chair



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STAC Staff Side Co-Chair

SCOTTISH FRAMEWORK AGREEMENT ON TWO TIER WORKING

This provides a written offer to remove two tier working in NHSScotland. The offer is outlined below.

The purpose of this exercise is to reach agreement on the basis of a joint statement of good practice on how private contractors can implement an equitable system of minimum standards on pay and conditions and co-operation on workforce issues. This document does not represent a proposal for a collective agreement.

- This document proposal relates specifically to NHSScotland. The staff covered by the framework proposal are those providing "soft facilities management" services that have traditionally been provided by NHS employees but are now provided by contractors staff working solely under a contract with one or more NHS Contracting Boards to provide services to the NHS or on NHS sites.
- The definition of what constitutes a "soft FM" service will be a matter for agreement between NHS boards, appropriate staff side representatives, and if the relevant services contract is in place at the date the agreement is implemented, the contractor. This reflects the fact that services are sometimes structured in different ways across different NHS Boards. However, the following services will normally be regarded as soft FM.
 - (i) Catering
 - (ii) Cleaning and domestic services
 - (iii) Porters
 - (iv) Linen and laundry services
 - (v) Porters, including security and car parking
 - (vi) Switchboard and reception ¹
- The framework proposal does not apply to staff working in services that are not so clearly focused on patient care, such as land and buildings maintenance, which are often referred to as "hard facilities management".
- The proposal does not specifically address pensions entitlement. This issue is addressed in separate documents published by the UK government over a period of several years.
- The agreement will be introduced in three phases, with two interim phases in the period 1 October 2005 to 30 September 2006. The final agreement will be implemented from 1 October 2006. The provisions associated with each of the phases are as follows:
 - **Phase 1** - from 1 October 2005 staff covered by the agreement will receive a minimum of £5.69 an hour basic pay with an additional Scottish allowance of £0.188 giving a total of £5.878 per hour; supervisors will receive an additional 5% an hour; in addition, all staff will benefit from an

¹ Unless switchboard and reception are within the scope of hard FM services in the contract, in which case the offer will not apply to those services

additional 2 days annual leave for the period 1 October 2005 until 30 September 2006;

- **Phase 2** - from 1 April 2006, the minimum hourly rate of basic pay will rise to £5.878 with a supplementary Scottish allowance of £0.147 giving a total of £6.025; supervisors will receive an additional 5% per hour.
- **Phase 3** - With effect from 1 October 2006, all private sector staff who benefit from the new approach will be entitled to terms and conditions of employment no less favourable than the Agenda for Change equivalent. The new arrangements mean that in practice staff will receive:
 - a) Terms and conditions of service for staff working on soft-FM contracts “no less favourable “overall than Agenda for Change terms (excluding pensions).
 - b) Basic pay no less than the equivalent NHS pay band (i.e. a minimum hourly rate of £6.025) but, beyond that, freedom for contractors to design their employment package as they wish, provided the employment package is overall no less favourable than Agenda for Change.
 - c) A requirement to use an agreed objective system of job evaluation to ensure equal pay for work of equal value.
 - d) A requirement to co-operate with the NHS on workforce issues (e.g. in allowing cleaners to progress to train as Health Care Assistants)
 - e) The evaluation scheme and career development schemes may be the contractors own schemes – though the NHS job evaluation scheme and knowledge and skills framework would be used if the employer does not have adequate systems.
- Employers will expect to see productivity gains from the increased flexibilities associated with the implementation of Agenda for Change for soft FM staff, as well as a reduction in sickness absence.

Contractors wishing to bid for new NHS contracts will be required to make a commitment to the Framework.

This agreement is put forward by the Scottish Executive Health Department, Management Steering Group for NHSScotland Boards and is tabled to the NHSScotland Trade Unions in recognition of their commitment to remove two tier working in Scotland. The Business Services Association on behalf of the private contractors has agreed the offer. The aim is to see conclusion of the process of implementing Phase 3 within 6 months but no later than 12 months from the date of this agreement.

This Framework provides a minimum standard and does not supersede arrangements already in place that have been reached through local processes of negotiation and agreement.

26 September 2006