

Proposal for Reform of Agenda for Change in NHS Scotland (Framework Agreement)*

*Amended on 2 March 2020 to correct the table at Annex C

PROPOSAL FOR REFORM OF AGENDA FOR CHANGE (AfC) IN NHS SCOTLAND

Introduction

1. On 21 March, Department of Health (DoH) announced their Framework Agreement for reform of the Agenda for Change (AfC) pay, terms and conditions system for NHS England. These proposals see AfC pay bands restructured, primarily over a 3 year transition period, but with final changes made in year 4 to bring the new pay structure to its final form.
2. HM Treasury supported the announcement with substantial additional investment for the next three years, which would see associated consequentials flowing to Scotland in the Autumn budget according to the Barnett formula.
3. Following the DoH announcement, Scotland immediately issued a Joint Statement, in partnership with the Scottish Terms and Conditions Committee (STAC), committing to use all of these consequentials to reform the AfC system in NHS Scotland.
4. Terms of Reference were agreed for the negotiation and are attached at Annex A. Pay Negotiation meetings have been taking place in May and June.

Three Year Pay Deal for 2018-19 to 2020-21

5. Our mutual aim is to deliver a three year pay deal for NHS Scotland AfC staff that ensures we retain suitably qualified staff and helps to attract the skills and experience needed to ensure NHS Scotland meets future demands and expectations. In order to do this, this proposal sets out to:
 - Support the attraction and recruitment of staff by increasing starting pay in every pay band.
 - Support the retention of staff by increasing basic pay for those staff who are at the top of pay bands, and also speeding up progression to the top of the pay band.
6. This deal will also apply to private contractor staff covered by the Scottish Two Tier agreement.

Details

7. Under the proposal, the effective settlement date each year remains 1 April.
8. To help NHS Scotland attract and recruit new staff:
 - Increased starting salaries will be achieved over the transitional period by deleting points at the bottom of pay scales, meaning that by 2020-21 the overlap between bands will be removed.

9. To help NHS Scotland retain staff:

- The value of the top pay point of Bands 1 to 8C will increase by 9% cumulatively over three years from 2018-19 to 2020-21.
- The value of the top pay points in bands 8D and 9 will increase by £1,600 per year.
- Existing pay bands will be restructured and the number of pay points will be reduced to 2 points for Bands 2, 3, 4, 8a, 8b, 8c, 8d and 9 and 3 points for Band 5, 6 and 7. Restructuring will be completed on 1 April 2021.

10. The new pay structure will enable staff in Bands 2-7 to access the top of the pay band more quickly than in the current system, as set out below.

	Current system	New system
Band 1	Single Point*	Single Point
Band 2	5 years	2 years
Band 3	6 years	2 years
Band 4	6 years	3 years
Band 5	7 years	4 years
Band 6	8 years	5 years
Band 7	8 years	5 years
Band 8a	5 years	5 years
Band 8b	5 years	5 years
Band 8c	5 years	5 years
Band 8d	5 years	5 years
Band 9	5 years	5 years

*Band 1 has already been closed in Scotland. However, it will be kept as a spot point for existing staff who have chosen to stay in this Band.

11. The proposed final progression structure is set out at Annex B.

12. The proposed new pay structure and values for each point in each of the years 2018/19, 2019/20 and 2020/21 can be found at Annex C. Annex D illustrates each individual pay journey from the 2017/18 starting point to 2020-21, as well as indicating the gain that this represents.

Further Reforms

13. The 3 year pay framework is made up of two interlinked components; pay increases for staff as proposed in the pay tables and reforms to the following 4 areas:

- Policy on the management of sickness absence.
- Organisational change and protection of earnings.
- Utilisation and application of TOIL.
- Appraisal and incremental progression.

14. Work on these 4 areas of reform will be remitted to STAC and all parties will work with best endeavours to reach agreed outcomes that support the aims of this

framework which are to attract and retain staff in NHS Scotland and to have policies that support best value, transformational change and sustainability of service in the NHS. Outcomes will be reported to the 3 December STAC meeting so that agreed revised policies and guidance will be in place for April 2019/20.

Equality Impact Assessment

15. The partners have developed this document in full awareness of the Public Sector Equality Duties and recognise that an equality impact assessment will need to be done in support of the agreement.

Review of Proposals

16. If agreed following consultation, for the period of the agreement STAC will monitor its progress and effectiveness against the Framework and associated Terms of Reference and raise any specific area of concern with Scottish Government.

Terms of Reference – Reform of the Agenda for Change (AfC) Pay and Terms and Conditions System in Scotland

Purpose

1. This document sets out the parameters within which the Scottish Government, NHS Scotland Employers and NHS Scotland Staff Side will discuss and agree proposed reforms to the Agenda for Change (AfC) pay, terms and conditions in Scotland for years 2018-19, 2019-20 and 2020-21, as set out in the letter from the Cabinet Secretary inviting parties to participate in the discussions.

Background

2. NHS England have negotiated a proposed framework for major reform of the AfC system which, if agreed, Treasury have undertaken to support with significant additional investment, and there will be associated Barnett consequential for Scotland. Scottish Government have committed to using all these consequential from Agenda for Change reform to facilitate the reform of the Agenda for Change system in Scotland.

3. It has already been agreed that AfC pay, terms and conditions for NHS Scotland will be negotiated by a Negotiating Group (the Group) formed by the Scottish Terms and Conditions Committee (STAC).

Principles

4. Any revisions to AfC pay in NHS Scotland will be on a 'no detriment' basis. Any settlement will use the current NHS Scotland Agenda for Change pay rates as a starting point for calculating the increase.

5. The Group will agree points of negotiation and the pay rates to be paid in each of the three years. The Group will endeavour to reach agreement which will be backdated to 1 April 2018.

6. The talks will be conducted in a spirit of mutual respect, confidentiality and cooperation, through STAC.

7. All sides are negotiating on the understanding that once the best possible outcome is reached, the proposed agreement will firstly go to a full STAC meeting, prior to being referred to the Cabinet Secretary for approval. Following that, all stakeholders will then go through their respective consultative processes on the proposed agreement within an agreed timeframe.

8. The parties will have a shared understanding of the financial envelope within which they are working and discussions will be informed by financial modelling supplied by the Scottish Government Health Analytical Services Department. All relevant information will be shared with stakeholders as required prior and during discussions, in light of the principles set out in paragraph 6.

Remit

9. The negotiations will work to the following remit which will need to be approved by the Cabinet Secretary:

To seek a negotiated settlement between Scottish Government, Employers and Staff Side to cover all Agenda for Change staff between financial years 2018/19 and 2020/21.

We will undertake negotiations based on the Scottish Government's commitment to use all of the consequential changes resulting from AfC changes in England for reform to the AfC pay structure in Scotland over the proposed 3 years of the agreement. Any agreed changes to the AfC system will be aimed, firstly, at ensuring we retain suitably qualified staff to meet current demand, and also at helping attract the skills and expertise which will be needed to support the NHS in Scotland. Any negotiated settlement will be referred to STAC to endorse and thereafter to recommend to the Cabinet Secretary for Health and Sport.

Timeline

10. The intention is to have proposals to put to STAC at its 22 June 2018 meeting. Meetings of the Negotiating Group will be scheduled with a view to achieving this aim.

11. It is recognised that Staff Side will then need to consult with their members, according to each Union's individual constitutive process. Organisations are committed to do this if possible in an agreed timeframe following the proposals going to STAC.

Final Progression Structure Under Proposals

Starting Pay		Intermediate Point			Max	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Band 1	Spot point for those who have stayed on Band					
Band 2	Point 1		Point 2			
Band 3	Point 1		Point 2			
Band 4	Point 1			Point 2		
Band 5	Point 1		Point 2		Point 3	
Band 6	Point 1		Point 2			Point 3
Band 7	Point 1		Point 2			Point 3
Band 8A	Point 1					Point 2
Band 8B	Point 1					Point 2
Band 8C	Point 1					Point 2
Band 8D	Point 1					Point 2
Band 9	Point 1					Point 2

Proposed Pay Between 2018-19 and 2020-21, and Pay Structure in 2021-22

				Year 1	Year 2	Year 3	Year 4
Band	Years of experience	Point	2017/18	2018/19	2019/20	2020/21	2021/22 - Indicative for points - not actual rates
Band 1	1	3	£16,532	£17,460	£17,949	£18,478	£18,478
Band 2	1	3	£16,532	£17,460	£18,383	£18,600	£18,600
	2	4	£16,929	£17,460	£18,383	£18,600*	£18,600*
	3	5	£17,344	£17,865	£18,383	£20,606	£20,606
	4	6	£17,760	£18,292	£18,383	£20,606	£20,606
	5	7	£18,295	£18,843	£18,937	£20,606	£20,606
TOP	6	8	£18,903	£19,470	£20,015	£20,606	£20,606
Band 3	1	6	£17,760	£18,292	£19,945	£20,700	£20,700
	2	7	£18,295	£18,843	£19,945	£20,700	£20,700
	3	8	£18,903	£19,470	£19,945	£22,594	£22,594
	4	9	£19,268	£19,846	£19,945	£22,594	£22,594
	5	10	£19,754	£20,347	£20,449	£22,594	£22,594
	6	11	£20,302	£20,911	£21,016	£22,594	£22,594
TOP	7	12	£20,727	£21,349	£21,947	£22,594	£22,594
Band 4	1	11	£20,302	£20,911	£22,152	£22,700	£22,700
	2	12	£20,727	£21,349	£22,152	£22,700	£22,700
	3	13	£21,400	£22,042	£22,152	£22,700	£22,700
	4	14	£22,083	£22,746	£22,860	£24,973	£24,973
	5	15	£22,313	£22,982	£23,097	£24,973	£24,973
	6	16	£22,440	£23,113	£23,229	£24,973	£24,973
TOP	7	17	£22,910	£23,597	£24,258	£24,973	£24,973
Band 5	1	16	£22,440	£23,113	£24,670	£25,100	£25,100
	2	17	£22,910	£23,597	£24,670	£25,100	£25,100
	3	18	£23,832	£24,547	£24,670	£26,970	£26,970
	4	19	£24,793	£25,536	£26,713	£26,970	£26,970
	5	20	£25,806	£26,580	£26,713	£27,912	£31,649
	6	21	£26,830	£27,635	£27,773	£27,912	£31,649
	7	22	£27,911	£28,748	£28,892	£31,649	£31,649
TOP	8	23	£29,032	£29,905	£30,742	£31,649	£31,649
Band 6	1	21	£26,830	£28,050	£30,401	£31,800	£31,800
	2	22	£27,911	£28,748	£30,401	£31,800	£31,800
	3	23	£29,034	£29,905	£30,401	£33,305	£33,305
	4	24	£29,923	£30,820	£33,139	£33,305	£33,305
	5	25	£30,967	£31,896	£33,139	£33,305	£33,305
	6	26	£32,013	£32,974	£33,139	£34,391	£39,169
	7	27	£33,058	£34,050	£34,220	£34,391	£39,169
	8	28	£34,234	£35,261	£35,437	£39,169	£39,169
TOP	9	29	£35,933	£37,010	£38,046	£39,169	£39,169

*This figure was £20,606 in the originally published version. It should, however, have been £18,600 to reflect the fact that new starts in Band 2 stay on the first point for 2 years, as per Annex B. The figure has now been amended to bring it into line with the agreement.

				Year 1	Year 2	Year 3	Year 4
Band	Years of experience	Point	2017/18	2018/19	2019/20	2020/21	2021/22 - Indicative for points - not actual rates
Band 7	1	26	£32,013	£33,222	£37,570	£39,300	£39,300
	2	27	£33,058	£34,050	£37,570	£39,300	£39,300
	3	28	£34,234	£35,261	£37,570	£40,894	£40,894
	4	29	£35,933	£37,010	£37,570	£40,894	£40,894
	5	30	£36,979	£38,088	£39,495	£40,894	£40,894
	6	31	£38,155	£39,299	£39,495	£41,723	£46,006
	7	32	£39,461	£40,644	£40,847	£41,723	£46,006
	8	33	£40,833	£42,058	£42,268	£46,006	£46,006
TOP	9	34	£42,205	£43,471	£44,688	£46,006	£46,006
Band 8A	1	33	£40,833	£42,414	£45,446	£49,480	£49,480
	2	34	£42,205	£43,471	£45,446	£49,480	£49,480
	3	35	£43,903	£45,220	£45,446	£49,480	£49,480
	4	36	£45,602	£46,970	£47,205	£49,480	£49,480
	5	37	£47,562	£48,989	£49,234	£49,480	£49,480
TOP	6	38	£49,000	£50,470	£51,883	£53,414	£53,414
Band 8B	1	37	£47,562	£49,242	£53,291	£59,539	£59,539
	2	38	£49,000	£50,470	£53,291	£59,539	£59,539
	3	39	£51,482	£53,026	£53,291	£59,539	£59,539
	4	40	£54,356	£55,987	£56,267	£59,539	£59,539
	5	41	£57,232	£58,948	£59,243	£59,539	£59,539
TOP	6	42	£58,799	£60,563	£62,259	£64,095	£64,095
Band 8C	1	41	£57,323	£59,090	£63,570	£71,365	£71,365
	2	42	£58,799	£60,563	£63,570	£71,365	£71,365
	3	43	£61,412	£63,254	£63,570	£71,365	£71,365
	4	44	£64,287	£66,216	£66,547	£71,365	£71,365
	5	45	£68,599	£70,657	£71,010	£71,365	£71,365
TOP	6	46	£70,559	£72,675	£74,710	£76,914	£76,914
Band 8D	1	45	£68,599	£70,657	£76,083	£85,811	£85,811
	2	46	£70,559	£72,675	£76,083	£85,811	£85,811
	3	47	£73,499	£75,704	£76,083	£85,811	£85,811
	4	48	£77,092	£79,405	£79,802	£85,811	£85,811
	5	49	£81,011	£82,611	£84,211	£85,811	£85,811
TOP	6	50	£84,932	£86,532	£88,132	£89,732	£89,732
Band 9	1	49	£81,011	£84,507	£92,208	£102,558	£102,558
	2	50	£84,932	£86,532	£92,208	£102,558	£102,558
	3	51	£89,008	£90,608	£92,208	£102,558	£102,558
	4	52	£93,280	£94,880	£96,480	£102,558	£102,558
	5	53	£97,758	£99,358	£100,958	£102,558	£102,558
TOP	6	54	£102,450	£104,050	£105,650	£107,250	£107,250

Individual Pay Journeys from 2017-18 to 2020-21 and Overall Gain

Band	Starting Point on Current AfC Scale	2017/18	2018/19 1 April	2018/19 Increment	2019/20 1 April	2019/20 Increment	2020/21 1 April	2020/21 Increment	Earnings Gain £ *	Earnings Gain % *
Band 1	3	£16,532	£17,460	£17,460	£17,949	£17,949	£18,478	£18,478	£1,946	11.8%
Band 2	3	£16,532	£17,460	£17,460	£18,383	£18,383	£20,606	£20,606	£4,074	24.6%
	4	£16,929	£17,460	£17,865	£18,383	£18,383	£20,606	£20,606	£3,677	21.7%
	5	£17,344	£17,865	£18,292	£18,383	£18,937	£20,606	£20,606	£3,262	18.8%
	6	£17,760	£18,292	£18,843	£18,937	£20,015	£20,606	£20,606	£2,846	16.0%
	7	£18,295	£18,843	£19,470	£20,015	£20,015	£20,606	£20,606	£2,311	12.6%
	8	£18,903	£19,470	£19,470	£20,015	£20,015	£20,606	£20,606	£1,703	9.0%
Band 3	6	£17,760	£18,292	£18,843	£19,945	£19,945	£22,594	£22,594	£4,834	27.2%
	7	£18,295	£18,843	£19,470	£19,945	£19,945	£22,594	£22,594	£4,299	23.5%
	8	£18,903	£19,470	£19,846	£19,945	£20,449	£22,594	£22,594	£3,691	19.5%
	9	£19,268	£19,846	£20,347	£20,449	£21,016	£22,594	£22,594	£3,326	17.3%
	10	£19,754	£20,347	£20,911	£21,016	£21,947	£22,594	£22,594	£2,840	14.4%
	11	£20,302	£20,911	£21,349	£21,947	£21,947	£22,594	£22,594	£2,292	11.3%
TOP	12	£20,727	£21,349	£21,349	£21,947	£21,947	£22,594	£22,594	£1,867	9.0%
Band 4	11	£20,302	£20,911	£21,349	£22,152	£22,152	£22,700	£24,973	£4,671	23.0%
	12	£20,727	£21,349	£22,042	£22,152	£22,860	£24,973	£24,973	£4,246	20.5%
	13	£21,400	£22,042	£22,746	£22,860	£23,097	£24,973	£24,973	£3,573	16.7%
	14	£22,083	£22,746	£22,982	£23,097	£23,229	£24,973	£24,973	£2,890	13.1%
	15	£22,313	£22,982	£23,113	£23,229	£24,258	£24,973	£24,973	£2,660	11.9%
	16	£22,440	£23,113	£23,597	£24,258	£24,258	£24,973	£24,973	£2,533	11.3%
	17	£22,910	£23,597	£23,597	£24,258	£24,258	£24,973	£24,973	£2,063	9.0%
Band 5	16	£22,440	£23,113	£23,597	£24,670	£24,670	£26,970	£26,970	£4,530	20.2%
	17	£22,910	£23,597	£24,547	£24,670	£26,713	£26,970	£27,912	£5,002	21.8%
	18	£23,832	£24,547	£25,536	£26,713	£26,713	£27,912	£27,912	£4,080	17.1%
	19	£24,793	£25,536	£26,580	£26,713	£27,773	£27,912	£31,649	£6,856	27.7%
	20	£25,806	£26,580	£27,635	£27,773	£28,892	£31,649	£31,649	£5,843	22.6%
	21	£26,830	£27,635	£28,748	£28,892	£30,742	£31,649	£31,649	£4,819	18.0%
	22	£27,911	£28,748	£29,905	£30,742	£30,742	£31,649	£31,649	£3,738	13.4%
	23	£29,034	£29,905	£29,905	£30,742	£30,742	£31,649	£31,649	£2,615	9.0%
Band 6	21	£26,830	£28,050	£28,748	£30,401	£30,401	£33,305	£33,305	£6,475	24.1%
	22	£27,911	£28,748	£29,905	£30,401	£33,139	£33,305	£33,305	£5,394	19.3%
	23	£29,034	£29,905	£30,820	£33,139	£33,139	£33,305	£34,391	£5,357	18.5%
	24	£29,923	£30,820	£31,896	£33,139	£33,139	£34,391	£34,391	£4,468	14.9%
	25	£30,967	£31,896	£32,974	£33,139	£34,220	£34,391	£39,169	£8,202	26.5%
	26	£32,013	£32,974	£34,050	£34,220	£35,437	£39,169	£39,169	£7,156	22.4%
	27	£33,058	£34,050	£35,261	£35,437	£38,046	£39,169	£39,169	£6,111	18.5%
	28	£34,234	£35,261	£37,010	£38,046	£38,046	£39,169	£39,169	£4,935	14.4%
	29	£35,933	£37,010	£37,010	£38,046	£38,046	£39,169	£39,169	£3,236	9.0%

* Except for staff at the top of their Band, the figures indicated are maximums and each individual gain will vary depending on incremental date.

ANNEX D

Band	Starting Point on Current AfC Scale	2017/18	2018/19 1 April	2018/19 Increment	2019/20 1 April	2019/20 Increment	2020/21 1 April	2020/21 Increment	Earnings Gain £ *	Earnings Gain % *
Band 7	26	£32,013	£33,222	£34,050	£37,570	£37,570	£40,894	£40,894	£8,881	27.7%
	27	£33,058	£34,050	£35,261	£37,570	£37,570	£40,894	£40,894	£7,836	23.7%
	28	£34,234	£35,261	£37,010	£37,570	£39,495	£40,894	£41,723	£7,489	21.9%
	29	£35,933	£37,010	£38,088	£39,495	£39,495	£41,723	£41,723	£5,790	16.1%
	30	£36,979	£38,088	£39,299	£39,495	£40,847	£41,723	£46,006	£9,027	24.4%
	31	£38,155	£39,299	£40,644	£40,847	£42,268	£46,006	£46,006	£7,851	20.6%
	32	£39,461	£40,644	£42,058	£42,268	£44,688	£46,006	£46,006	£6,545	16.6%
	33	£40,833	£42,058	£43,471	£44,688	£44,688	£46,006	£46,006	£5,173	12.7%
	34	£42,205	£43,471	£43,471	£44,688	£44,688	£46,006	£46,006	£3,801	9.0%
Band 8A	33	£40,833	£42,414	£43,417	£45,446	£45,446	£49,480	£49,480	£8,647	21.2%
	34	£42,205	£43,471	£45,220	£45,446	£47,205	£49,480	£49,480	£7,275	17.2%
	35	£43,903	£45,220	£46,970	£47,205	£49,234	£49,480	£53,414	£9,511	21.7%
	36	£45,602	£46,970	£48,989	£49,234	£51,883	£53,414	£53,414	£7,812	17.1%
	37	£47,562	£48,989	£50,470	£51,883	£51,883	£53,414	£53,414	£5,852	12.3%
	38	£49,000	£50,470	£50,470	£51,883	£51,883	£53,414	£53,414	£4,414	9.0%
Band 8B	37	£47,562	£49,242	£50,470	£53,291	£53,291	£59,539	£59,539	£11,977	25.2%
	38	£49,000	£50,470	£53,026	£53,291	£56,267	£59,539	£59,539	£10,539	21.5%
	39	£51,482	£53,026	£55,987	£56,267	£59,243	£59,539	£64,095	£12,613	24.5%
	40	£54,356	£55,987	£58,948	£59,243	£62,259	£64,095	£64,095	£9,739	17.9%
	41	£57,232	£58,948	£60,563	£62,259	£62,259	£64,095	£64,095	£6,863	12.0%
	42	£58,799	£60,563	£60,563	£62,259	£62,259	£64,095	£64,095	£5,296	9.0%
Band 8C	41	£57,232	£59,090	£60,563	£63,570	£63,570	£71,365	£71,365	£14,133	24.7%
	42	£58,799	£60,563	£63,254	£63,570	£66,547	£71,365	£71,365	£12,566	21.4%
	43	£61,412	£63,254	£66,216	£66,547	£71,010	£71,365	£76,914	£15,502	25.2%
	44	£64,287	£66,216	£70,657	£71,010	£74,710	£76,914	£76,914	£12,627	19.6%
	45	£68,599	£70,657	£72,675	£74,710	£74,710	£76,914	£76,914	£8,315	12.1%
	46	£70,559	£72,675	£72,675	£74,710	£74,710	£76,914	£76,914	£6,355	9.0%
Band 8D	45	£68,599	£70,657	£72,675	£76,083	£76,083	£85,811	£85,811	£17,212	25.1%
	46	£70,559	£72,675	£75,704	£76,083	£79,802	£85,811	£85,811	£15,252	21.6%
	47	£73,499	£75,704	£79,405	£79,802	£84,211	£85,811	£89,732	£16,233	22.1%
	48	£77,092	£79,405	£82,611	£84,211	£88,132	£89,732	£89,732	£12,640	16.4%
	49	£81,011	£82,611	£86,532	£88,132	£88,132	£89,732	£89,732	£8,721	10.8%
TOP	50	£84,932	£86,532	£86,532	£88,132	£88,132	£89,732	£89,732	£4,800	5.7%
Band 9	49	£81,011	£84,507	£86,532	£92,208	£92,208	£102,558	£102,558	£21,547	26.6%
	50	£84,932	£86,532	£90,608	£92,208	£96,480	£102,558	£102,558	£17,626	20.8%
	51	£89,008	£90,608	£94,880	£96,480	£100,958	£102,558	£107,250	£18,242	20.5%
	52	£93,280	£94,880	£99,358	£100,958	£105,650	£107,250	£107,250	£13,970	15.0%
	53	£97,758	£99,358	£104,050	£105,650	£105,650	£107,250	£107,250	£9,492	9.7%
	54	£102,450	£104,050	£104,050	£105,650	£105,650	£107,250	£107,250	£4,800	4.7%

* Except for staff at the top of their Band, the figures indicated are maximums and each individual gain will vary depending on incremental date.