

## FOCUS ON AGENDA FOR CHANGE AND PRACTICE STAFF

This guidance gives an overview of the aims of Agenda for Change and the implications for GP practices. It also sets out the action that LMCs and practices may wish to take.

### What is Agenda for Change?

Agenda for Change is a new NHS pay and terms and conditions system that applies to all directly employed NHS staff, except doctors, dentists and the most senior managers at or just below board level. It has been implemented since December 2004, with the expectation by the Health Department that all such staff will be transferred to the new arrangements by September 2005. The new pay arrangements are being backdated to 1 October 2004.

One of the aims of Agenda for Change (AfC) is fair pay. It is based on the principle of equal pay for work of equal value. The reform is underpinned by a job evaluation scheme specifically designed for the NHS, with staff paid on the basis of the jobs they are doing and the skills and knowledge they apply to these jobs.

Details of the NHS job evaluation scheme can be found at:

<http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/AgendaForChange/fs/en>

The AfC has a single pay spine which is divided into nine pay bands. There are several pay points within each band. Job posts are allocated to a pay band using the new NHS job evaluation scheme by either matching the post to an appropriate national profile or by local job evaluation. The new pay structure brings together jobs with a similar job evaluation score into common pay bands.

NHS staff can progress within each band and will normally progress through one pay point each year, up to the maximum in the pay band. At two defined “gateway” points in each pay band, progression will be based on demonstrating the agreed knowledge and skills appropriate to that part of the pay band using the NHS Knowledge and Skills Framework (KSF) which can be found at:

<http://www.dh.gov.uk/assetRoot/04/09/08/61/04090861.pdf>

**Table 1: Pay bands, job evaluation points and range from 1 April 2005**

Band	Job Evaluation pay points	Pay range
1	0 – 160	£11,494 to £12,539
2	161 – 215	£11,494 to £14,739
3	216 – 270	£12,044 to £16,389
4	271 – 325	£13,914 to £19,248
5	326 – 395	£16,389 to £24,198
6	396 – 465	£19,523 to £30,247
7	466 – 539	£22,768 to £35,527
8 (range A)	540 – 584	£31,127 to £41,246
8 (range B)	585 – 629	£35,527 to £49,496
8 (range C)	630 – 674	£41,246 to £59,395
8 (range D)	675 – 720	£49,496 to £71,494
9	721 - 765	£59,395 to £86,240

These pay rates are based on staff working 37.5 hours a week, excluding meal breaks and receiving the following entitlement to annual leave:

<u>Length of service</u>	<u>Annual leave + general public holidays</u>
On appointment	27 days + 8 days
After 5 years' service	29 days + 8 days

After 10 years' service

33 days + 8 days

As well as pay bands, another part of AfC is standardised terms and conditions. This includes the above annual leave entitlements, as well as recognition of previous NHS services for maternity and sick leave pay and redundancy purposes.

### **The implications for general practice**

GP practices are not generally obliged, as independent contractors, to implement Agenda for Change and the new pay rates for their practice staff. The two exceptions to this rule are:

where a PMS practice has previously agreed to this in its contract with the PCO

where a member of staff's contract specifically states that they will receive AfC pay and/or terms and conditions. In addition, if the contract says that the member of staff will be paid according to national terms and conditions, then this may be regarded implicitly as referring to AfC if it is accepted that AfC is recognisable as the national terms and conditions. To eliminate any confusion employment contracts should be explicit and should specify where AfC does not apply.

While they may not be required to do so, GP practices may still choose to use the AfC guidelines (after consultation with their staff), particularly when deciding on staff pay rises, as a recruitment and retention tool and/or to motivate staff.

### *Funding for practices*

The GPC fully recognises the GP practice staff funding issues arising from Agenda for Change. The Department of Health has argued that doctors have had adequate resources for AfC included in the new GMS and PMS contracts. The GPC strongly contests this view.

When the nGMS contract was being negotiated we repeatedly asked for additional funding for 2004-06 AfC increases. The Health Department has always claimed that this funding was factored into the global sum price. However, because money was taken out of the global sum to help fund the Quality and Outcomes Framework, this negated the impact.

We are not aware of any money having been made available nationally for AfC in PMS, and continue to raise this with the Health Department.

The GPC negotiators are trying to ensure that appropriate levels of funding for practice staff are properly factored into the review of nGMS funding and PCO-administered funds for 2006 and beyond. The only option before then is for practices to try to seek extra funds from the PCO via the PCO-administered stream, although we recognise that most PCOs will argue that they are not in a position to do this.

### *Joint letter by the GPC and RCN*

In November 2004 the GPC and RCN issued a joint letter to GP practices. This highlighted that practices have the choice on whether or not they implement AfC, while at the same time noting that the benefits of doing so in terms of recruiting and retaining experienced nurses into general practice should be seriously considered. This joint letter can be found at:

<http://www.bma.org.uk/ap.nsf/Content/lettergpcrcn1104>

### *Benefits of implementing AfC*

Many practices are currently experiencing difficulties in recruiting appropriately skilled and knowledgeable practice nurses. In the near future the recruitment and retention of experienced nurses into general practice may prove to be challenging as a result of demographic trends. The nursing population as a whole is ageing, but practice nurses in particular have an older profile with 46% of practice nurses currently over the age of 45. It will therefore be essential to recruit and retain nurses of all ages if a staffing crisis is to be avoided. A key element to solving this problem will be to

provide practice nurses with a pay, conditions and career package which is competitive with their NHS colleagues.

Similarly, in order to recruit and retain other experienced and valued practice staff (such as practice managers and receptionists) who may be tempted to work elsewhere in the NHS or for a private organisation, the pay and conditions offered to these staff should be competitive.

Practices may want, regardless of AfC, to consider the type of roles that it needs staff to undertake, and the knowledge and skills needed in the practice team. For example, a practice may decide that certain tasks could be undertaken by an experienced practice nurse and also look at ways of developing its staff to allow them to have more responsibility. While there may be increased costs associated with AfC, these should be weighed against the benefits of retaining skilled and knowledgeable staff who can undertake specific tasks, contribute to delivering the Quality and Outcomes Framework successfully, and therefore help to increase the practice's overall income.

It should be noted that using AfC will not necessarily result in an immediate pay increase for practice staff. The job evaluation exercise may reveal that staff are already paid above the recommended point in their band or paid above their AfC band. It will depend, of course, on how your staff currently are rewarded.

#### *Costs of implementing AfC*

Practices should consider the following:

The likely immediate costs to the practice of using the AfC pay bands for all existing and new practice staff, including the superannuation and taxation implications.

Other terms and conditions changes, in particular the implications of recognising previous NHS service on maternity and sick leave pay and redundancy payments.

The time involved in evaluating job descriptions (especially if these cannot be agreed), and the process for changing a job description.

The time involved in formulating the NHS knowledge and skills framework (KSF).

#### *Job profiles and job evaluation for practice staff*

The Department of Health's Agenda for Change team has developed national job profiles for practice nurses, practice managers and GP receptionists (see appendix).

The RCN has also produced a model job profile for practice nurses which can be found at: <http://www.rcn.org.uk/agendaforchange/payconditions/jobprofile/>. The RCN estimate that the majority of practice nurses will fall within band 6 of the new pay system, but that there may be some practice nurses that fall within bands 5 or 7. The BMA's Health Policy and Economic Research Unit (HPERU) have estimated that this could result in a pay uplift of about 2.5% nationally and nearly 8% in inner London.

We are currently awaiting confirmation from the DH's workforce directorate on how practices can formally evaluate the jobs that their staff are undertaking. It is likely that the evaluation exercise will require several practices in a region to agree to take part in this process as well as PCO involvement and support. The GPC is working with the DH to ensure that, for those practices who wish to take part, the process is clear and properly supported.

#### **What action can LMCs take?**

It would be helpful if LMCs could draw this guidance to the attention of their local GP practices and then to gauge their views on AfC.

To encourage practices' interest in and implementation of AfC, LMCs might also wish to work jointly with their PCOs and SHAs to secure the resources and expertise needed to enable the required job evaluations to be carried out. Where such discussions are positive, please could you report this to the GPC office.

**What action can practices take?**

Taking into account all the points above, if practices wish to consider realigning pay and terms and conditions with AfC then, in the first instance, they should look at the details on the websites and discuss this with their LMC. If they wish to make this more official, then they can contact their PCO to register their interest. Practices must also consult their staff on possible changes, particularly as any change to their contract (particularly those concerning their salary and terms of employment) must be with their agreement.

If practices do not wish to undertake a job evaluation or use the AfC pay and terms and conditions, then they may want to consider other ways of recruiting and retaining staff. For example when setting pay, practices should consider local market forces both in the NHS and in the private arena, and may want to use the AfC payscale as a general guideline. In addition, we are aware that some practices have used some of the payments arising from their QOF achievements to reward staff for their work in this area. Again, of course, there is no obligation on practices to do this.

**Further information**

BMA members may contact AskBMA (email: [askbma@bma.org.uk](mailto:askbma@bma.org.uk); telephone 0870 6060828) for employment advice, and in particular before changing contractual terms and conditions for staff.