



## SCOTTISH EXECUTIVE

Health Department  
Human Resources Directorate

Dear Colleague

### PREPARATION FOR IMPLEMENTATION OF *AGENDA FOR CHANGE*

#### Summary

1. Full testing of the new NHS pay system - [Agenda for Change](#) - has now been approved by representatives of the relevant unions, employers and the UK Health Departments. Twelve early implementer sites in England will start to implement the system with immediate effect and the work in these pilot sites will be closely monitored and evaluated over the coming months. UK – wide roll out of the system is planned for October 2004 subject to the satisfactory outcome of a second ballot by some unions.

2. To ensure that any issues arising from implementation of the new pay system in NHSScotland can be identified before any national roll-out, four project sites have been nominated to undertake some early work in Scotland. These sites are West Lothian Healthcare NHS Trust, NHS Highland, the Common Services Agency and the Golden Jubilee National Hospital. West Lothian Healthcare will be undertaking a project considering all aspects of the new pay system while NHS Highland will be considering specific remote and rural issues. The Common Services Agency and Golden Jubilee National Hospital will be concentrating on the new Job Evaluation system and the Knowledge and Skills Framework. The work done in these sites will be supported by the central pay modernisation team led by the Pay Modernisation Director and will be closely monitored and evaluated. Lessons learned from the work undertaken in these sites will be communicated across NHSScotland.

28<sup>th</sup> July 2003

#### Addresses

##### For action

Chief Executives, NHS Scotland  
Trusts, Boards and Special Health  
Boards

Chief Executive, Common Services  
Agency

Chief Executive, State Hospital

##### For information

Chief Executive, NHS Health  
Scotland

Members, Scottish Partnership  
Forum

Members, HR Forum

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3. As well as the work being done in the early implementer sites in England and the project sites in NHSScotland, project plans should now be put in place to prepare all NHS bodies in the UK, including NHSScotland, for the proposed roll-out of the new pay system in October 2004. Partnership principles must apply in the development of these project plans and the resourcing of their implementation nationally. The implementation process will be overseen by the Pay Modernisation Director for *Agenda for Change*, working with national partnership-based structures and supported by the central pay modernisation team. Preparation for *Agenda for Change* should be closely integrated at all levels with the implementation of the other strands of pay modernisation - the new GMS contract and the new consultants' contract.

### **Action**

4. As well as the project sites it is essential that **all** organisations within NHSScotland fully prepare for the proposed roll out of the new system in October 2004. Project boards should now be established and project plans agreed in each NHS Board/Special Health Board.

5. To assist with this exercise a project paper and suggested project framework are attached at Annexes A and B. Further support will be provided by the Pay Modernisation Director for *Agenda for Change* and the central pay modernisation team, which is currently being put in place.

6. Financial resource has been distributed to each Board, to be spent under the auspices of the Board's area partnership forum. Special Health Boards have been included in this resource allocation although this has in some cases been included with funds allocated to an appropriate NHS Board. All NHS Boards and Special Health Boards have received information on the distribution of this funding. This is over and above specific funding being made available to the four project sites mentioned at paragraph 2 above.

7. A development day for the service and the staff representatives will be held in September /October 2003 to help maintain the momentum behind this process. Further details will follow in due course.

8. Employers are asked to make their own arrangements for obtaining any additional copies of this letter. This letter can also be viewed on <http://www.show.scot.nhs.uk/sehd/hdl.asp>

Yours sincerely

**MARK BUTLER**  
Director of Human Resources

## ANNEX A

### Introduction

1. Modernising the NHS pay system for staff is vital, not only to ensure staff are rewarded fairly for what they do, but to help deliver fast, modern services for patients. While closely monitoring and evaluating the work being done in the early implementer sites in England, it is important that at the same time preparatory work is undertaken, in partnership, across NHSScotland. This will allow us to assess costs, identify any issues which may be unique to NHSScotland, and to ensure that we are in a position to implement the new system in October 2004, subject to final agreement.

### Preparation for Implementation

2. The agreed approach is to deliver the benefits of *Agenda for Change* for staff and patients in partnership with staff organisations and closely linked to the other strands of pay modernisation. It is therefore essential that project plans are agreed in partnership and incorporate the read-across to implementation of the new GMS and Consultants' contract. It will therefore be important to facilitate and identify agreed time off and backfill for both management and staff side representatives involved in local projects.

3. An outline project framework is attached at Annex B and NHS Boards should agree, locally through Area Partnership Forums, project plans and structures based on this framework.

4. A Project Board, Project Team and sub-groups should be established to deliver the agreed project plan.

5. The role of the Project Board will be to monitor the progress of the project team and to consider strategic issues arising from implementation.

6. The remit of the Project Team will be to:

- agree the project plan
- clarify the objectives of the project plan
- allocate work to the various sub-groups including defining terms of reference
- work closely with the central pay modernisation team to ensure consistency of approach
- retain a high level overview of progress in each of the sub groups
- report progress and take issues back to the Project Board.

7. A minimum of three sub-groups should be established to consider:

- the new conditions of service
- job evaluation
- the knowledge and skills framework.

In addition to these specific elements of the new pay system, consideration should also be given to

- finance/payroll/IT requirements
- monitoring and evaluation.

The suggested remit of the sub-groups is as follows:

### **Conditions of Service**

- ensure a clear understanding of terms and conditions currently being applied
- agree transition to the new arrangements
- agree, in consultation with other sites and the Pay Modernisation Director and any national group overseeing implementation, a consistent interpretation of elements of the new agreement to be implemented locally
- consider opportunities for short, medium and long term changes to service delivery that might result from the application of the new conditions of service, and link with the service redesign committee accordingly.
- make recommendations to the Project Team.

### **Job Evaluation (JE)**

- oversee selection and training of a pool of JE matching panellists
- oversee selection and training of a pool of JE evaluators/analysts
- agree timetable for matching process
- agree process and timetable for local evaluations
- liaise with line managers as appropriate, scheduling the work of matching panellists, job evaluators and job analysts
- maintain and quality assure the JE process
- make recommendations to the Project Team.

### **Knowledge and Skills Framework (KSF)**

- map local competencies to the KSF
- oversee selection and training of staff in the use of the KSF
- oversee selection and training of staff in undertaking Development Reviews
- manage the process of establishing KSF outlines for posts
- oversee the process of establishing KSF outlines for staff
- monitor and report outcomes of the implementation of the KSF process
- make recommendations to the Project Team.

### **Finance/Payroll/IT**

This largely technical element will generate questions to be addressed in relation to a number of issues, including:

- costings in relation to moving to the new system
- monitoring, evaluation and recommendations on IT requirements, particularly in relation to the JE system and the Knowledge and Skills Framework
- reviewing the effects of implementation on payroll, including paperwork.

#### Resource and Training Requirements

8. The Scottish Executive have identified £3.5m over two years to support pay modernisation implementation exercises, including for *Agenda for Change*, across NHSScotland. To achieve maximum benefits from preparatory work being undertaken, it is essential that the pump-priming is complemented by resource and support for project plans at local level.

9. In addition to the resource required to facilitate the work of project boards, project teams and sub-groups outlined above, provision will also need to be made for other staff to become involved in the overall project and to have their posts backfilled as may be required.

10. **Job Evaluation (JE)** will be a major task, on which work needs to commence in earnest as soon as possible to ensure that all staff clearly understand the JE system and that all posts are either matched to the national profiles or evaluated locally prior to the proposed roll-out of the system. It is estimated that approximately 80% of posts will be matched to national profiles once the full complement of profiles has been agreed and published.

11. Training for the JE system involves both matching panel training and training for job evaluators/analysts. Training for matching panel members will be given first through a nationally agreed 2.5 day programme. The evaluator/analyst training takes four days for anyone who has not previously undertaken the matching panel training but only 3 days for those already trained in matching. It is difficult to identify precisely how many staff will require training as this will vary according to the size of the organisation and to the number of posts which can be matched to profiles.

12. The agreed process for JE is as follows: -

- Matching panels (minimum 2 staff side and 2 management) are trained and undertake the 'matching process'. This process involves taking job descriptions (or groups of generic job descriptions) and matching these to national profiles.
- If a post has a match, it is allocated to the appropriate pay band and the employee(s) notified.
- If the employee(s) is unhappy with this, it is referred to a second Matching Panel and if this panel agree the original outcome then the post is placed on the Band.
- There is no right of appeal after this, the available recourse being to a local grievance procedure against the process.

13. For those posts which do not match a national profile, local evaluations will be required and this requires a more thorough process involving analysts and evaluators. These will be partnership-based panels and again will consist of no less than 2 staff side and 2 management side representatives.

14. Implementation of the **Knowledge and Skills Framework (KSF)** should link with local competencies and local appraisal processes. Appropriate staff will need to be identified to undertake a mapping exercise between local competencies and the KSF and to consider the local appraisal process in connection with the guidance contained within the KSF Development Review process. The full KSF containing this guidance can be found at [www.show.scot.nhs.uk/sehd/paymodernisation](http://www.show.scot.nhs.uk/sehd/paymodernisation).

15. Training in the use of the KSF will be quickly rolled out across NHSScotland commencing in October 2003. There will be training requirements not only for staff responsible for the strategic issues around implementation of the KSF but also for managers and supervisors who will be required to undertake development reviews and also for staff who have never been subject to a development review process.

16. **Conditions of Service.** Implementation of the new conditions of service will involve raising awareness of the key elements of the pay structure throughout the workforce. Recommendations on the calculations of unsocial hours, on-call payments, reduced/increased hours of work and protection issues relating to pay, leave and hours of work will have to be made to the Project Team and staff identified to work on the conditions of service will be responsible for making relevant proposals using the guidance contained within the Draft Agreement. This can be found at [www.show.scot.nhs.uk/sehd/paymodernisation](http://www.show.scot.nhs.uk/sehd/paymodernisation).

17. **Finance/IT/Payroll.** These staff will have a 'watching brief' and will be responsible for identifying cost implications, HR/Finance/Payroll requirements for implementation and investigating IT requirements with particular reference to the JE System and the KSF.

### **Training and Central Support for Project Teams**

18. Nationally agreed training programmes in job evaluation and the knowledge and skills framework will be rolled out across NHSScotland over the coming months in order to ensure that the areas of work outlined above can commence at an early date.

19. The Scottish Executive are in the process of establishing a Pay Modernisation Team across all strands of pay modernisation and this team will undertake some early awareness sessions and "start-up" training events to assist in getting *Agenda for Change* projects underway. The central team will work closely with project teams throughout the duration of the projects and will assist in interpreting technical issues relating to the new pay system, advising and supporting the implementation process and sharing best practice across the project sites and the wider NHSScotland.

### **Monitoring and Evaluation**

20. Across the UK a new NHS Staff Council, which will replace the current General Whitley Council, will have a monitoring role in implementation of the new pay system. However interim arrangements need to be put into place to ensure joint monitoring on a country by country basis. Monitoring and evaluation criteria are currently being agreed by the Joint Secretaries Group for *Agenda for Change* and in order to ensure a consistent approach this documentation will also be used within

NHSScotland.

21. It is essential that the project plans within NHSS are monitored and evaluated with outcomes shared across NHSS as well as the rest of the UK. Key indicators will include:

- equitable implementation of the new pay system, including the JE and KSF processes, and the more technical elements including, for example, new methods of calculating unsocial hours payments etc.
- links with other systems, e.g. payroll
- use of pay modernisation to facilitate service redesign.

### **Summary**

22. NHS Boards must ensure that project plans are developed in accordance with the guidance above if NHSS is to be fully prepared for the proposed national roll out of *Agenda for Change* in October 2004.

23. Partnership principles must be applied and joint project teams should be established now to deliver the plans. These teams and other staff involved in the project working groups should be given appropriate time off to assist in projects.

24. The bulk of the activity around training will initially be given to the four project sites but thereafter will be rolled out across the wider NHSS as soon as possible.

25. Monitoring and evaluation of the project sites will be undertaken to share good practice and lessons learned with the wider NHSS, thereby smoothing the implementation process. Ongoing monitoring and evaluation will follow in other project teams across NHSScotland.

26. It will be important to ensure that Project Boards have a reporting mechanism into the national structures which will oversee the process, and that they link, through the central Pay Modernisation Team, with other sites across Scotland to share best practice, highlight potential difficulties and mutually support one another.

## ANNEX B

### Proposed Project Framework for Implementation of *Agenda for Change*

Phase I	Phase II	Phase III	Phase IV	Phase V
<p><b>Pre Project Activity</b></p> <p>- identify project team membership and the wider stakeholder group</p> <p>- agree terms of reference, outcomes, costs, timescales and communication strategy</p> <p>(By 30.09.03)</p>	<p><b>Project Start Up Event</b></p> <p>- led by CE and Staff Side Rep in Partnership</p> <p>- involve cross section of organisation</p> <p>- short presentations on</p> <p>JE KSF T&amp;C</p> <p>Outcomes -</p> <p>- better informed about the new pay system</p> <p>- agree roles and responsibilities</p> <p>- develop local delivery plan</p> <p>(By 31.10.03)</p>	<p><b>Getting Going</b></p> <p><b>Training -</b></p> <p>JE KSF OD and Service Change</p> <p><b>Project Activity</b></p> <p>Review existing processes, i.e. appraisal, PDP</p> <p>Implement communication strategy</p> <p>Detailed project plan: New systems including job evaluation, KSF, new Ts&amp;Cs</p> <p>New ways of working</p> <p>Transfer/Assimilation process</p> <p>(By 31.01.04)</p>	<p><b>Shadow Implementation/ Implementation</b></p> <p><b>Training -</b></p> <p>Cascading of training throughout organisation</p> <p><b>Project Activity</b></p> <p>Undertake JE Activity - Training Matching Process Local Evaluation Process</p> <p>Undertake KSF Activity - Training Mapping of local competencies KSF Outlines PDP work</p> <p>Agree systems to implement new Ts &amp; Cs</p> <p>Assess Payroll implications</p> <p>(By 30.09.04)</p>	<p><b>Implementation and Continuous OD Activity</b></p> <p><b>Project Activity</b></p> <p>Project Team oversee assimilation process</p> <p>Monitoring and evaluation</p> <p>Share with other organisations good practice/lessons learned.</p> <p>(Commence 01.10.04)</p>