NHSBT Board  
27 September 2018  

NHS Terms and Conditions Contract Refresh 2018 (Pay Deal) - Update  

1. Status – Official  

2. Executive Summary  

The purpose of this paper is to provide an update to the NHSBT Board on the progress with implementing the NHS Terms and Conditions Contract Refresh 2018 (referred to as Pay Deal throughout the paper for ease of reference). Phase 1 of the implementation is now complete. In this phase the 2018/19 pay award has been applied and all Agenda for Change staff assimilated to the new rates. Arrears back to the effective date of 1 April have been made and local allowances uplifted. Work is now focused on preparing for the more complex future phases of work that focus on revised pay progression arrangements.  

3. Action Requested  

The Board is asked to:  

- Note the update provided by this report.  

4. Proposal  

The proposal is to acknowledge the ongoing implementation of the pay deal.  

5. Progress to date  

5.1 The pay deal took effect from 1st April 2018, however was not agreed and finalised by the NHS Staff Council until the 27th June 2018. An implementation date was set for 1 July 2018. All staff were moved to the new arrangements on time in July with arrears paid in August.  

5.2 A significant amount of effort was placed on communications to colleagues. A wide range of materials were provided via traditional methods including PeopleFirst, email distribution channels etc. We also used non traditional methods such as Yammer chats to explain the key elements of the deal.
5.4 Queries to HRDirect, Pay & Reward and the Pay Support team significantly increased during July and August. All of this was complicated by the telephony critical incident which required the team to operate in Business Continuity mode during this period. The teams coped very admirably in the face of an exceptionally busy period.

5.6 It is fair to say that there is a degree of dissatisfaction at the outcome of the pay deal for a number of colleagues. Whilst the dissatisfaction is not widespread it is acute for some colleagues. In part this has been driven by the early press coverage and information provided nationally from a number of sources. The RCN in particular have commented publicly on this to their members. This coverage indicated increases significantly higher than those delivered. In most cases this was caused by looking at the impact over the 3 year life of the deal. Many colleagues expected more in this first phase. Due to the diligence of our NHSBT team this was anticipated and calculated. Much of our early communication therefore focused on dampening expectations and this, we believe, reduced the volume of queries we subsequently received.

5.7 The most significant issue that remains is the impact of Pension Bandings on the amount of arrears that colleagues received. The pay deal itself did not change the NHS Pension scheme however for some the increase in pay moved them from one pension contribution bracket to a higher level of contributions. This was compounded by the need to pay additional contribution arrears for 4 months but only receiving additional pay arrears for 3 months. This issue impacted 387 colleagues (8% of pension scheme members). Since this was implemented SBS have informed us that errors were made for 83 colleagues in August and they will be refunded in September. A significant amount of checking and rechecking the calculations of SBS has been undertaken to ensure that these are correct.

5.4 Other work that has been completed includes:

- Formal consultation has commenced with NHSBT trade unions on the aspects of the deal that require this.
- New starters have been allocated to the new terms since the 1 July.
- Recruitment material has been updated to reflect the deal.
- The employment contract and agency handbook have been updated.
- A review of NHSBT policies has been conducted and changes made to reflect the pay deal. Further work will be needed on this in the coming months.
- A forum has been established and is scheduled to meet in late September and October for ALB HR leads and ALB trade
unions. The aim of the forum is to establish common frameworks especially in relation to the changes to pay progression due from April 2019.

6.0 Next Phases

6.1 The focus of work will move now to the following areas.

6.2 During September & October a piece of work will be undertaken to engage with approx. 450 colleagues in ODT Hub, Hospital Services, Transport and some in Manufacturing who are covered by the NHSBT ‘Prototype’ Unsocial Hours agreement. The pay deal introduced changes to the NHS Ambulance service Unsocial hours agreement. The NHSBT Prototype agreement mirrors the Ambulance agreement and therefore we need to implement the same changes.

6.3 New starters, or those that change role, after the 1 September will now automatically be paid as per the new unsocial hours arrangements in section 2 of the NHS Terms & Conditions. The deal allows existing members to choose to remain on their existing arrangements or to move to the new. During September we will be communicating with managers and colleagues impacted and offering them this choice.

6.4 Discussion on the remaining NHSBT Unsocial hours agreements will form part of the ongoing staff side consultation on implementing the pay deal.

6.5 NHSBT employs a handful of colleagues in Band 1. Band 1 closes on the 1 December 2018 and we will need to work on a solution for these colleagues in advance of this date.

6.6 Work will progress on preparing for the implementation of non-automatic pay progression from 1 April 2019. There is a significant amount of system, process, policy and awareness work needed for this change. Details on the national framework for pay progression is not expected until late 2018/early 2019.

6.7 There will be further work required in relation to changes to sickness management, apprentice pay, agency and bank working. Details of these have not yet been announced but are expected by the end of 2018.

7. Resources

7.1 The Pay deal was announced as a funded pay deal. The Department of Health have confirmed a figure of £2.9m to be paid to NHSBT to cover the Year 1 impact. Arrangements are
underway to transfer this funding. Year 2 and Year 3 impacts will be addressed through the NCG pricing process.

8 Conclusion

The early stages of the pay deal have been implemented successfully and we now move to the next significant phase relating to the Unsocial Hours choice exercise. Preparations are also ongoing for the other changes that are expected over the next 12 months.

It is acknowledged that whilst the implementation project is working well a number of colleagues remain dissatisfied with the impact of the deal for them personally. We will continue to work with individuals and teams to address their concerns where we can influence these.

Finally, I would like to formally record thanks and appreciation for the HRDirect, Pay & Reward and Pay Support teams who have worked exceptionally hard in difficult circumstances with very tight deadlines to get us to this point.

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