



Dear Colleague

SCOTTISH LIVING WAGE - ANNEX U AND MODERN APPRENTICES

Summary

1. This circular informs NHSScotland of a revision to Annex U of the Agenda for Change Handbook in Scotland, and alerts the service to the need to pay Modern Apprentices at least the Scottish Living Wage.

Annex U

2. Paragraph 4 of Annex U of the Agenda for Change Handbook currently sets the National Minimum Wage as a floor for payment of trainees. However, as part of the Scottish Government's larger low pay agenda it has been decided that the Scottish Living Wage should be set as the floor in Scotland. A revised Annex U is attached to this circular.

3. All staff paid under Annex U should therefore receive at least the current Scottish Living Wage rate of £8.25 from 1 April this year, and should be uprated on 1 April in subsequent years to the Scottish Living Wage rate in place at that point.

Modern Apprentices

4. The above change will cover Modern Apprentices paid under the provisions of Annex U. Where Modern Apprentices are paid using some other arrangement, their pay should be uprated to at least £8.25 per hour from 1 April 2016, and in line with the revised Scottish Living Wage rate on 1 April in subsequent years.

5. This change is in line with the Scottish Public Sector Pay Policy Technical Guide for 2016-17 (paragraphs 2.38 – 2.39), which sets out the expectation that employers such as NHS Scotland Health Boards

23 March 2016

Addressees

For action

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

For information

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

Enquiries to:

Malcolm Clark
Scottish Government Health
Directorates
Health Workforce
Ground Floor Rear
St Andrew's House
EDINBURGH EH1 3DG

Tel: 0131-244 4192

Fax: 0131-244 2837

E-mail:

Malcolm.clark@gov.scot

should pay at least the Scottish Living Wage where Modern Apprentices work in a recognised/existing job role or a specific training role.

Cabinet Secretary Approval

6. The provisions of this circular have been approved by Scottish Ministers under Regulations 2 and 3 of the National Health Service (Remuneration and Conditions of Service) (Scotland) Regulations 1991 (SI 1991 No 537). A copy of the formal approval is attached.

Action

7. NHS Boards and Special Health Boards should ensure that the new rates are paid from 1 April 2016.

Enquiries

8. Employees should direct their personal enquiries to their employing NHS Board or Special Health Board.

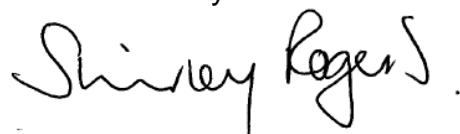
9. Employers should make their own arrangements for obtaining additional copies of this circular, which can be viewed at:

www.sehd.scot.nhs.uk

10. The changes contained in this circular will be reflected in the updated Agenda for Change Terms and Conditions Handbook which can be viewed at:

www.msg.scot.nhs.uk

Yours sincerely

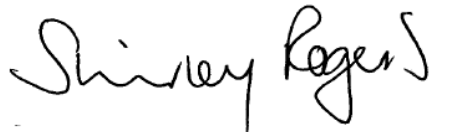


SHIRLEY ROGERS

Director
Health Workforce

**NATIONAL HEALTH SERVICE
APPROVAL OF REMUNERATION AND CONDITIONS OF SERVICE**

In accordance with regulations 2 and 3 of the National Health Service (Remuneration and Conditions of Service) (Scotland) Regulations 1991 (S.I. 1991/537) the remuneration and conditions of service set out in the attached Scottish Government Health Workforce Directorate circular of 23 March 2016 – PCS(AFC)2016/4 – in respect of trainees paid under the provisions of Annex U and Modern Apprentices are hereby approved for the purposes of the said Regulations.



SHIRLEY ROGERS
Director
Health Workforce
Scottish Government
St Andrew's House
EDINBURGH
EH1 3DG
23 March 2016

Annex U

Arrangements for pay and banding of trainees

1. The NHS has a wide range of people described as trainees, working and studying within its services. The arrangements set out below describe how those trainees employed by the NHS should be dealt with.
2. Trainees fall into three broad categories:
 - (i) trainees studying and/or working in the NHS, who are already in possession of qualifications at a high level. Such staff are often studying for a higher level qualification and undertaking a role that can be assessed using the NHS Job Evaluation Scheme. An example of this category is a trainee psychologist;
 - (ii) trainees who are undertaking a short period of learning on the job, usually less than 12 months. Typically, these staff enter whilst already in possession of the basic skills and knowledge to undertake the role. This type of trainee can also be evaluated using the NHS Job Evaluation Scheme. If profiles for this role exist, the lowest banded profile will be appropriate. During the period of traineeship the post holder should not move through the KSF foundation gateway when this is in use in an organisation. An example of this type of trainee is a trainee secretary;
 - (iii) trainees who enter the NHS and undertake all their training whilst an employee. Typically, these staff develop their knowledge and skills significantly during a period of time measured in years. Given the significant change in knowledge and skills during the training period the use of job evaluation is not appropriate. Pay should be determined as a percentage of the pay for qualified staff.¹
3. For trainees covered by paragraph 2(iii), where periods of training last for between one and four years, pay will be adjusted as follows:
 - (i) up to 12 months prior to completion of training: 75 per cent of the pay band maximum of the fully qualified rate;
 - (ii) more than one but less than two years prior to completion of training: 70 per cent of the pay band maximum of the qualified rate;
 - (iii) more than two but less than three years prior to completion of training: 65 per cent of the pay band maximum for the qualified rate;
 - (iv) more than three years from completion of training: 60 per cent of the pay band maximum for the qualified rate.

¹ See the question and answer guidance in Annex A2.

4. Starting pay for any trainee must be no less than the rate of the main (adult) rate of the National Minimum Wage². Where the calculation above results in the National Minimum Wage³ being payable for year two and beyond, an addition to pay should be made on top of the minimum wage³. The addition should be equal to the cash value of the difference between the percentages of maximum pay in the year of payment and the previous year. For example, the supplement in payment in year two would be the value of 65 per cent of pay band maximum minus 60 per cent of maximum pay for the band.
5. On assimilation to the pay band following completion of training, the trainee should enter either on the first pay point of the appropriate pay band or the next pay point above their training salary.

² The words “rate of the main (adult) rate of the National Minimum Wage” should be read in Scotland as “rate of the Scottish Living Wage in use within NHSScotland”.

³ “National Minimum Wage” should be read as “Scottish Living Wage” in Scotland.