



*The Royal College of*  
**Midwives**

# DEFENDING AGENDA FOR CHANGE

# AfC – THE BEGINNING

- 4 Country white paper (1999) outlining a need for a change of pay, career structures and terms and conditions of employment within the NHS
- Government published the AfC proposals in January 03 (final agreement Dec 04)
- From June 03 12 English trusts and four project sites in Scotland tested the new system.
- The national rollout of AfC from 1 December 2004

# AFC – WHAT IS IT?

- The initiative is a high profile attempt to improve recruitment, retention and motivation of staff and to facilitate new ways of working, through harmonising conditions of service and providing more transparent rewards for flexible working.
- Jobs are assessed to provide national and local consistency - equal work for equal pay
- Arrangements for hours, annual leave and overtime pay are standardised.
- Consistency in PDPs through KSF reviews

# WHAT DID IT COST?

- The annual cost of employing staff on AfC in the NHS (England) rose by **£7.4 billion** (36%) from £20.8 billion in 2003-04 to £28.2 billion in 2007-08.
- Some 13% of this additional cost is from growth in AfC workforce, and 22% is due to increased employers' contributions to the pension scheme 04-05.
- The remaining **65%** reflects **higher levels of pay**, through pay awards, pay progression(increments), and the impact of AfC.

# AfC - ENGLAND

Applies to all NHS organisations, except those with FT status, they will have greater autonomy in local freedoms, within the following areas:

- NHS FTs can act independently, consistent with their licence and any contractual agreements with PCTs;
- 3 Star NHS Organisations will be required to consult with local or neighbouring employers before final decisions are taken on the use of these freedoms;
- All other NHS organisations will only be able to act within NHS Staff Council Guidelines (and where appropriate with the explicit agreement of their SHA).

# HEALTH SERVICE ACT 2006

- This Act provides that trusts, PCTs, SHAs and special HAs may employ staff on such T&Cs as they may determine.
- With the exception of FTs, in doing so they must act in accordance with Regulations and any directions given by the Secretary of State. Under the NHS (Remuneration and Conditions of Service) Regulations 1991, SHAs and special HAs must employ staff in accordance with any nationally agreed terms and conditions (AfC).
- PCTs, trusts and FTs can depart AfC.



# WHAT COULD THIS LOOK LIKE?

- Moving away from certain parts of AfC could involve, phased pay awards, increment freezes, increased hours, reduced annual leave, lower pay and changes to the redundancy pay arrangements
- Requires a change to existing contracts of employment, through, agreement with individual members of staff OR incorporation through agreement with the unions OR dismissal and re-engagement of staff

# WHAT IF?

- Employers will need to check whether the constitutions and terms of reference for their JCCs provide for the committees to reach collective agreements that will bind individual employees, and that there is nothing in individual contracts of employment that is inconsistent with this.
- Organisations should take care that any movement away from national terms and conditions does not leave other organisations exposed to equal pay claims.



# AfC – ACROSS THE UK

## SCOTLAND

No current threats to AfC. Any areas of AfC that give local freedoms are negotiated Nationally through STAC (Scottish Terms and Condition committee) group.

## WALES

No current threats to AfC and a willingness to retain current National negotiations.

## NORTHERN IRELAND

No current threats, and no apparent appetite for local pay negotiations. Any threat would come from Dept of Finance and Personnel although the Health Minister is yet to voice an opinion on this.