

The Scottish Government
Health Workforce Directorate
Employment and Retention Division¹



Dear Colleague

CHANGES TO THE WAY IN WHICH STAFF ARE PAID DURING PERIODS OF ANNUAL LEAVE

Summary

1. This circular advises NHSScotland of changes to the way in which staff should be paid during periods of annual leave.
2. Section 2 of the Agenda for Change Handbook has been amended to reflect the new UK agreement on unsocial hours payments from 1 April 2008. Part of that agreement is that staff must be paid "as if at work" during periods of annual leave. The current practice of paying an additional percentage in lieu of annual leave for staff in specific circumstances is therefore no longer an option and different arrangements need to be put in place.
3. These changes and how they will affect different groups of staff are described more fully in the Annex to this circular.

Cabinet Secretary Approval

4. This circular has been approved by the Cabinet Secretary under regulations 2 and 3 of the National Health Service (Remuneration and Conditions of Service) (Scotland) Regulations 1991 (S.I. 1991/537). A copy of the formal approval is attached.

Action

5. NHS Boards, Special Health Boards and NHS National Services Scotland (Common Services Agency) are asked to ensure that systems are put in place to ensure full compliance with the new provisions.

3 September 2008

Addresses

For action

Chairs, NHS Boards and Special Health Boards and NHS National Services Scotland (Common Services Agency)
Chief Executives, NHS Boards and Special Health Boards and NHS National Services Scotland (Common Services Agency)
Directors of Finance, NHS Boards and Special Health Boards and NHS National Services Scotland (Common Services Agency)
Directors of Human Resources, NHS Boards and Special Health Boards and NHS National Services Scotland (Common Services Agency)

For information

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

Enquiries to:

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6. Employers should make their own arrangements for obtaining additional copies of this circular, which can be viewed at:
www.show.scot.nhs.uk/sehd/publications.asp

Yours sincerely

JACQUI JONES

Acting Deputy Director for Health Workforce
Employment and Retention

The Scottish Government
Health Workforce Directorate
Employment and Retention Division¹



**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 3 September 2008 – PCS(AFC)2008/12 – in respect of changes to the way in which staff are paid during periods of annual leave are hereby approved for the purposes of the said Regulations.

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3 September 2008

CHANGES TO THE WAY IN WHICH STAFF ARE PAID DURING PERIODS OF ANNUAL LEAVE

INFORMATION FOR MANAGERS AND STAFF

1. This is to advise employers and staff of new provisions which have been introduced in respect of the way in which staff are paid during periods of annual leave. These no longer allow employers to pay staff an additional percentage in lieu of paid annual leave - staff will now be paid "as if at work" during periods of annual leave.

2. The effective date of these arrangements is 1 April 2008 but it has been agreed in partnership that the date of implementation in Scotland will be 1 October 2008. Staff who may have been disadvantaged by the six month delay in getting systems in place to manage this change will be appropriately reimbursed when new systems are up and running. Further communication on this will be issued in due course.

3. Staff who will be affected by the new arrangements are:

a. Full time substantive staff who work unsocial hours, contracted overtime or are paid an on-call allowance.

b. Part time substantive staff who work unsocial hours, contracted overtime or are paid an on-call allowance or who undertake regular additional basic hours.

c. "As and when required" workers.

4. A technical working group of the Scottish Terms and Conditions Committee are working in partnership to consider issues that will arise from these new provisions and to agree solutions to these. The group will ensure that staff and managers are kept fully aware of developments and understand how the new provisions might affect them.

Issues affecting substantive staff

5. For substantive staff this is really an extension of what is currently in place for sick leave.

6. With the exception of ancillary, building and maintenance staff, substantive staff are not currently paid their unsocial hours supplement whilst on annual leave but they do receive a payment of 11.59% when working unsocial hours, regular additional basic hours (part-time staff), contracted overtime and on any on-call allowance.

7. Under the new provisions staff must be paid “as if at work” during periods of annual leave. This will mean that staff will no longer be paid the 11.59% whilst at work, but will receive payment “as if at work” while they are on annual leave. This will be the annual leave entitlement under AfC.

8. Monthly paid staff will not see any changes until they receive their November 2008 payslip and weekly paid staff will see a change from week 27, paid on Thursday 9th October or Friday 10th October, 2008.

Issues for “as and when required” workers

9. Staff who work on an “as and when required” basis currently receive a payment of 11.59% on all hours worked to reflect their entitlement to statutory annual leave. This payment will no longer be made, but staff will be paid during periods of annual leave based on the hours worked prior to the leave being taken.

10. It will be important to ensure that hours worked are carefully recorded and collated, including how many hours are unsocial hours. Staff will have to submit a claim/time sheet when going on leave to ensure that they are paid the appropriate amount of statutory annual leave.

11. Monthly paid staff will not see any changes until they receive their November 2008 payslip and weekly paid staff will see a change from week 27, paid on Thursday 9th October or Friday 10th October, 2008.