**NPS PAY MODERNISATION AGREEMENT 2018**

THIS AGREEMENT is made between (1) NAPO, UNISON and GMB SCOOP (“the NPS Unions”) and (2) HMPPS (‘’the Employer’’) having regard to:

1. Pay modernisation which will reduce the number of pay points in each pay band.
2. A two year pay deal covering 2018/19 (Year 1) and 2019/20 (Year 2).
3. The removal of contractual pay progression.
4. Introduction of a Competency Based Pay Progression Framework (CBPPF) in 2020/21 (Year 3), this will replace the existing pay progression agreement which provides a contractual entitlement to incremental progression on 1 April each year.
5. An Increase to pay on promotion.
6. An NPS Pay Manual.
7. Introduction of an NPS Detached Duty Scheme.
8. Introduction of an NPS First Deployment Scheme.
9. In year 1 only all staff will receive a one off transition pensionable payment of £300.

**Introduction**

This agreement will introduce a modern pay structure for the National Probation Service and includes a 2 year pensionable pay offer to all staff in support of the arrangements which will need to be put into place. It commits to the reform of the existing NPS pay scales to reduce the number of pay points within each band over two years (2018/19 and 2019/20). This pay structure will focus on providing a new basis for pay progression for all staff through a competency based framework and will remove any current contractual pay progression. This agreement also sets out an improved temporary and permanent promotion policy which will support progression. New detached duty and first deployment proposals to better help the filling of vacancies on a temporary and permanent basis are also included.

This agreement recognises the professional nature of the work of NPS staff and the significant contribution our NPS staff make. This agreement will put in place the appropriate pay structures to ensure that the work of all staff is properly recognised and rewarded. We are committed to doing this with fairness and transparency.

1. **NPS Pay Modernisation - Overview**
   1. NPS pay scales are very long with an average of 23 pay points between minimum and maximum in each pay band and staff currently retain a contractual right to progress by at least one step each year and each step represents approximately one percent.
   2. The purpose of the NPS pay modernisation agreement is that, in return for ending contractual pay progression, HMPPS will simplify the structure of the pay bands and reduce the number of pay points between the minimum and the maximum pay points in each pay band.
   3. The HMPPS proposal for pay modernisation starts with structural reform over two years that will reduce the number of pay points in each pay band from an average of 23 to 12 in Year 1 (18/19) and then to 6 points in Year 2 (19/20) for most pay bands. This is with the exception of the NPS Band 1 which will reduce from the current 18 pay points, to four pay points in Year 1 (18/19) to two pay points in Year 2 (19/20).
   4. Consolidated Pensionable Pay Increase/Restructure Element: as a consequence of reducing the number of pay points within each pay band staff will be moved to the next highest available pay point on 1 April 2018 and on 1 April 2019. See Annex A and Annex B for details.
   5. The guaranteed minimum percentage award for eligible staff in Year 1 will be 3%, and again in Year 2 will be 3%.
   6. To guarantee staff a minimum percentage pay award in each year of the offer, the increase from the restructuring will be compared against a minimum percentage. If required an additional non-consolidated[[1]](#footnote-1) payment (a ‘Top Up’ payment) will be made. The non-consolidated pensionable “Top Up” payment will, where payable, have a minimum value of £250. This will apply in 2018/19 and in 2019/20. The Top Up payment will be paid as one lump sum as soon as possible after implementation for 2018/19 and in April 2019 for 2019/20.
   7. The pay band 1 minimum will increase to £16,584 on 1 April 2019.
   8. The pay band 2 minimum will increase to £17,934 on 1 April 2019
   9. The pay band 3 minimum will increase to £22,261 on 1 April 2019
   10. The pay band 5 minimum will increase to £36,084 on 1 April 2019.
   11. The pay band minima for all other Bands will remain the same.
2. **Two year Pay deal for 2018/19 and 2019/20 – the detail**
   1. This agreement will give eligible staff a minimum 6% pay award across the two years of the agreement. Eligible staff will receive a guaranteed minimum award in 2018/19 of 3% and eligible staff will receive a guaranteed minimum award in 2019/20 of 3%.
   2. All consolidated elements of the award will be backdated to 01 April 2018 and in Year 2 (19/20) paid with effect from 01 April 2019.
   3. Staff who join the service after the month of implementation will receive the benefit of the structural reform but will not receive a Top Up payment for 2018/19.
   4. For staff on the maximum of their pay band a consolidated award across the two years of 3% plus 3% non-consolidated, all pensionable, made up as follows.

**2018/19** - all on the maximum of the pay band (excluding Band 6) to receive:

1% Consolidated pensionable increase

2% Non Consolidated pensionable payment

**2019/20** - all on the maximum of the pay band (excluding Band 6) to receive:

2% Consolidated pensionable increase

1% Non Consolidated pensionable payment

* 1. Band 6 staff on the maxima will receive a Year 1 award of 3% consolidated increase on 1 April 2018 and a Year 2 award of 1% consolidated increase from 1 April 2019 with a 2% Top Up payment. This top up payment will be paid in Year 2 only. This equates to a 6% award across two years, in line with the HMPPS commitment to recognizing the value of all staff on the maximum but has a different balance of 4% consolidated award with 2% Top Up payment.
  2. Where a non-consolidated payment is made, this will be a minimum of £250.
  3. All payments will be pro rata for part time staff.
  4. All payments, consolidated and non-consolidated will be pensionable.
  5. In Year 1 only all staff in the month of implementation to receive a one off (non‑consolidated) pensionable transition payment of £300.

The revised pay scalesare detailed at Annex A

The detail of the award for each pay point is set out at Annex B.

1. **Removal of contractual pay progression**

The current system gives a contractual right for staff to progress by at least one step a year (with each step worth just under 1%). The new model removes the contractual entitlement to at least one step and replaces it with progression based upon the outcomes of a CBPPF (see below).

1. **Equality Analysis**
2. HMPPS has undertaken a thorough quantitative and qualitative equality analysis. Staff data has been assessed to ensure that this pay award is not discriminatory to any group of staff.
3. The principles of the restructure design will facilitate faster and more transparent progression for all groups of staff to progress to the maximum of their pay band.
4. As per HMPPS policy (PI 19-2016 Implementation of Equality Analysis) the impact of this pay award on the protected characteristics of staff has been fully considered.
5. **NPS Competency Based Pay Progression Framework** 
   1. From April 2020 and beyond, once HMPPS have modernised and restructured the NPS pay scales, HMPPS will work in partnership with NPS Unions to introduce a CBPPF based on competency based assessment. This will replace the existing pay progression agreement which formerly provided a contractual entitlement to incremental progression on 1 April each year.
   2. The development of the CBPPF will be closely aligned to discussion around the creation of national professional standards and informed by the development of a Probation Professional Register and Civil Service Success Profiles.
   3. An agreement in principle on how we plan to transition to the new NPS Competency Based Pay progression framework (CBPPF) model are set out at Annex C.
6. **Increase to promotion pay uplift** 
   1. On temporary and permanent promotion to the next NPS Band, staff will receive a 5% consolidated increase and will then be placed onto the next pay point in the new Band. This is more beneficial than the currently used NNC policy (movement of 3 steps).
   2. Staff on temporary promotion will be entitled to receive the pay award in the higher Band if they have been in post for a minimum period of six months and still on temporary promotion at 1 April.
   3. Staff promoted for less than 6 months at 1st April, will receive their pay award the following year (April 19).
   4. Staff who are permanently promoted will be entitled to receive a pay award in the higher Band if they have been in post for a minimum period of six months on the 1 April.
   5. If staff have been promoted temporarily or substantively for less than 6 months on 1 April they will not receive any award other than the revalorisation of their current spine point or, if eligible, the Top Up payment (see below).
   6. Staff on Temporary Promotion will benefit from the restructuring of their temporary grade. In addition they will also receive any Top Up due based on their substantive grade.
   7. When staff revert to their substantive band after a period of temporary promotion, their base salary will be re-assessed and will include all pay awards they would have received in their substantive band had they not been temporarily promoted. The Top Up will not be paid if they have received this in the higher band.
7. **NPS Pay Manual**

HMPPS will compile and produce a NPS Pay Manual including all extant NPS pay related terms and conditions. The purpose of a NPS Pay Manual will be to find and bring together all relevant pay policies for ease of reference for staff and to avoid confusion with any previous outdated and superseded guidance. This new manual will be shared with the NPS unions for a review of content and accuracy assurance prior to publication and seeks only to bring together established policies into one document and not introduce any new policies outside of established employee relations mechanisms or protocols.

1. **NPS Detached Duty Scheme**

HMPPS will work with NPS Unions to introduce a national detached duty scheme to fill vacancies in a temporary capacity while recruitment activity is ongoing:

* 1. The scheme will be business needs driven and HMPPS expect it to be predominantly aimed at Band 4 Probation Officers and Band 5 Senior Probation Officers.
  2. This scheme will attract reward incentives (See Annex E). HMPPS will work with business units to introduce such a scheme only where there is a justified business need.
  3. The scheme will be available to volunteers in the first instance however HMPPS reserve the right, in exceptional circumstances, to instruct staff to take up a detached duty posting when there are overriding business needs and all alternative avenues have been exhausted.
  4. When considering these exceptional circumstances full and due regard will be given to staff members’ personal circumstances, including matters of health and equality (See Annex E for details).
  5. Staff will only be instructed in exceptional circumstances. The reward incentives will also apply under these circumstances.

1. **NPS First Deployment Scheme**
   1. On a voluntary basis the NPS First deployment Scheme (FDS) will be a national scheme that deploys new Band 3 probation service officers or Band 4 probation officers to probation business units with the most acute recruitment challenges.
   2. Those eligible will be invited from existing merit lists, outside of our existing hard to recruit areas.
   3. This scheme will offer these candidates the opportunity to join the National Probation Service immediately and take up their first deployment at a probation site (receiving sites to be determined).
   4. The scheme will contain appropriate financial support (see Annex F) aligned with that offered in similar schemes for Public Sector Prisons, including help towards accommodation. It will also include a guaranteed return to a probation office within reasonable travelling distance of the candidate’s permanent home at the end of the 12/24 month deployment.
2. **Agreement to further talks.**
3. This agreement to further talks recognises that HMPPS is committed to ensuring NPS pay modernisation reflects the probation profession and rewards continuous professional development.
4. All Public Sector pay is governed by HM Treasury guidance, including that of the National Probation Service. The guidance provides a framework within which all departments set pay, agree departmental pay strategies and report on pay to HM Treasury. Departments have responsibility for implementing Civil Service pay policy for their workforce in a way that is consistent with the Civil Service pay guidance but also reflects the needs of their business and their labour market position. This agreement has already received HM Treasury approval and any subsequent agreement will also need to be compliant with Civil Service pay policy guidance as issued by HM Treasury.
5. The reforms introduced by this collective agreement over the next two years form part of that commitment and have by financial necessity focused on restructuring pay scales to facilitate the progression of our dedicated and valued Probation staff.
6. HMPPS and the NPS Unions have also agreed that future talks and our joint working will seek to address the following identified issues:

**Competency Based Pay Progession Framework**

1. A commitment to work together in partnership to develop the CBPPF (see Annex C below) in readiness for its introduction in 2020/21 and a link to pay in 2021/22. The CBPPF will be in place for a full year before it impacts on pay progression in 2021/22 (Year 4).
2. The development of competency based pay progression in the managerial roles will include a review of these roles and responsibilities and HMPPS is committed to working in partnership with NPS trade unions on this important work.

**Further work on Pay Modernisation (post 2018 Agreement)**

1. For HMPPS and NPS unions to continue to work together on the development of pay modernisation with a view in particular to addressing those areas/items which we have not been able to address in the Collective Agreement on Pay Modernisation. We do recognise that these reforms are not conclusive. HMPPS recognises the difficulties pay band overlaps can create for management to incentivise staff to apply for a promotion. Addressing this issue remains a priority and is an objective for any future reforms.
2. Following this initial restructure of pay points, we will continue to work towards significantly minimising and, over time, eliminating the overlap between pay bands.

**Review of NPS Allowances**

1. To work in partnership with NPS Unions on a review of a limited and defined number of current NPS allowances.

**Alignment of redundancy terms (to wider Civil Service)**

1. To consult or negotiate as appropriate with NPS unions on alignment of redundancy terms in the NPS with the wider Civil Service Compensation Scheme for all staff.

**Alignment of Occupational Sick Pay (to wider Civil Service)**

1. To consult with NPS unions regarding alignment of Occupational Sick Pay with the wider Civil Service for new staff employed from a future date. This alignment for new staff will not impact on staff already in our employment.
2. **Award Eligibilty Criteria**

Most staff are eligible to receive the awards proposed in this agreement. The specific eligibility criteria are included at Annex D and details which staff are eligible for the award and those not eligible for payment elements.

Signed

Michael Spurr

Chief Executive Officer (on behalf of HMPPS)

Ian Lawrence

General Secretary NAPO

Ben Priestley

National Officer UNISON

George Georgiou GMB SCOOP

Date

**Index to Annexes**

|  |  |  |
| --- | --- | --- |
| Annex A | Revised NPS pay scales and illustrated pay points restructure | See separate document |
| Annex B | Detail of the award for each current pay point | See separate document |
| Annex C | Competency based pay progression framework | See below |
| Annex D | Eligibility Criteria | See below |
| Annex E | Detached Duty incentives and Exceptional Circumstances | See separate document |
| Annex F | First Deployment Enhancements | See separate document |
| Annex G | Conduct & Discipline PI 34-2014 | See separate document |
| Annex H | Managing Poor Performance PI 13-2017 | See separate document |

**Annex C**

**COMPETENCY BASED PAY PROGRESSION FRAMEWORK**

**(CBPPF)**

Following the NPS pay modernisation changes which take effect from 1 April 2018, the new Competency Based Pay Progression Framework will operate with effect from 1 April 2020, and will be linked to pay from 2021.

All staff will receive the support, training and line manager input appropriate to develop the knowledge and skills required for their role and to progress through the pay bands in accordance with the competency based pay progression framework.

**Design Principles:**

**Pay progression over a reasonable time period:** the NPS pay bands have been restructured and designed to facilitate competency based progression from the minima to the maxima over a reasonable timeframe. It is anticipated that the majority of NPS staff will achieve the competency based requirements and can expect, to progress through the pay band over a five year period.

**Regular assessment of continuous professional development** in accordance with the competency based pay progression framework.

**Prompt feedback** so that competency based pay progression framework gaps can be identified early and potential issues addressed.

**Resources** will be made available for staff development where this is a requirement for competency based pay progression.

**Suitably trained line managers** who operate the competency based pay progression framework.

**Robust and transparent appeals process** where there is the opportunity to make representations.

**Timely joint communications** as the competency based pay progression framework is developed.

**Requirements to receive pay progression** in accordance with the CBPPF will include:

* + - * + Staff must meet the competency based framework requirements to progress to the next pay point.
        + Staff must be up to date with all statutory and mandatory training that has been made available to them.
        + Staff must not be subject to formal poor performance processes as set out in the following Probation Instruction Managing Poor Performance 13-2017 (See Annex H).
        + Staff must have fully complied with the assessment process which underpins the competency based pay progression framework.

**Next steps:**

* **2018-19 and 2019 -20 ( Years 1 & 2):**

HMPPS will now work closely with the NPS trade unions and work in partnership with them as the CBPPF and its contents are developed. This will be closely aligned to discussion around the creation of national professional standards and informed by the development of a Probation Professional Register and Civil Service Success Profiles.

* **2020 -21: (Year 3)**

The year starting 1 April 2020 will be a transitional year to reflect the fact that the new CBPPF will need to be in place for 12 months prior to the first competency based framework assessment for pay progression.

On 1 April 2020 eligible NPS staff below the maximum that have met the required timeframes to progress will therefore progress by one pay point in their revised pay band with no link to the CBPPF.

* **2021/22 (Year 4) and beyond:**

HMPPS and NPS trade unions will work in partnership to develop the CBPPF by September 2019 prior to implementation from 1 April 2020. The CBPPF will be used in 2021 to assess pay progression for 1 April 2021. HMPPS reserves the right to implement the framework from 1 April 2020 provided that the change readiness criteria have been met.

**Annex D**

**Award Eligibilty Criteria**

**Who is eligible for this award?**

1. All staff in post on 31 March 2018 and not specified for exclusion below will receive the Year 1 (18/19) consolidated element, back dated to 01 April 2018.
2. All staff in post on 31 March 2018 and ***during the month of implementation*** and not specified for exclusion below for the Year 1 (18/19) non-consolidated Top Up element i.e. staff who have resigned in the interim will not qualify for a Year 1 (18/19) top up.
3. All staff in post on 31 March 2019 and not specified for exclusion below will receive the Year 2 (19/20) consolidated element, implemented from 01 April 2019.
4. All staff in post on 31 March 2019 and not specified for exclusion below for the Year 2 (19/20) will receive the non-consolidated Top Up element i.e. staff who have resigned in the interim will not qualify for a Year 2 (19/20) top up.
5. Any member of staff on maternity, paternity or shared parental leave will qualify for all elements paid whilst they are on maternity, paternity or shared parental leave.
6. Staff on unpaid career breaks will benefit from assimilation to reformed pay points on their return. Top Up payments will not be paid to staff if absent on their career break on the payment date.
7. New starters on or after 01 April 2018 will be assimilated onto new pay structure from date of joining and will receive the Top Up payment in Year 1 (18/19).
8. Staff who join after the month of implementation will not receive a Year 1 Top Up payment.
9. New staff joining after the date of this agreement and in post on 31 March 2019 will receive the consolidated award and if in post on 30 Sept 2019 .
10. New staff who join on or after 01 April 2019 will receive the benefit of Year 2 pay band structures but will not qualify for a Year 2 (19/20) Top Up payment.
11. The value of the Year 1 non-consolidated Top Up payment will be based on staff pay band as at 31 March 2018.
12. The value of the Year 2 non-consolidated Top Up payment will be based on staff pay band as at 31 March 2019.
13. Staff on half or no pay will have their full time equivalent salary adjusted if employed on the relevant payment date.
14. Staff on half or no pay will receive the Top Up payment if employed on the relevant payment date.
15. All payments will be pro rata for part time staff.
16. Staff who retire during either 2018-19 or 2019-20 will be entitled to pro-rata back pay, including non-consolidated payments up to the point they retired. Their pension will need to be adjusted upwards accordingly.
17. Staff who leave the service on grounds of capability will also be entitled to relevant back pay (in the same way as someone who has retired in p above) with any relevant compensation under the civil service compensation scheme also being adjusted accordingly.
18. Staff who have resigned from the service after 1 April 2018 may apply reterospectively for the consolidated increase but will not qualify for any non consolidated Top Up payment.

**Who is not eligible for the award?**

1. Staff who have resigned since 01 April 2018 and before the payment date will not be eligible for any Top Up payment.
2. Staff on legacy TUPE terms, i.e. those who have not opted into NPS terms and conditions are not eligible for any element of this agreement and its pay elements.
3. Staff on unpaid career breaks will benefit from assimilation to reformed pay points on their return. Top Up payments will not be paid to staff if absent on their career break on the payment date.
4. Staff who have already received a penalty of loss of increment/pay increase as per the following Probation Instruction Conduct & Discipline 34-2014 (included as Annex G). The Conduct & Discipline policy, s8, provides for penalties which include, amongst others: “loss of increment/ pay increase or part of an increment or pay increase”. This agreement replaces “increments” with “pay progression payments.” Where the policy refers to “loss of increment/pay increase or part of an increment or pay increase” this will translate as “loss of pay progression payment or part of a pay progression payment.”

1. Non-consolidated means a one off payment which is not repeated. Consolidated payments are a permanent increase in base pay. Both types of payment are pensionable for members of the Local Government Pension Scheme. [↑](#footnote-ref-1)