

## PAY PROGRESSION POLICY

Policy reference – LWHR14

SUMMARY	In accordance with AfC, this policy sets out the basis upon which an individual's performance drives pay progression.
AUTHOR	Heather Prest, Senior HR Associate
VERSION	Final
EFFECTIVE DATE	3 <sup>rd</sup> June 2015
APPLIES TO	All Employees on agenda for change terms and conditions
APPROVAL BODY	Assurance Committee
RELATED DOCUMENTS	Managing Concerns with Performance Policy Disciplinary Policy Learning and Development Policy Appraisal Guidance
REVIEW DATE	June 2018

## VERSION CONTROL SHEET

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Status</b>	<b>Comment</b>
1.1	06/12/13	Heather Prest	Draft	
1.2	03/02/14	Hannah Morris	final	Updated following consultation at the Social Partnership Forum
1.3	31/03/15	Hannah Morris	Final	Updated following the 2015/15 national pay deal

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## **1. PURPOSE**

- 1.1 Nationally agreed changes to Agenda for Change (AfC) were agreed by the NHS Staff Council in February 2013 clarifying new arrangements for employees progressing through pay bands (incremental pay progression). This procedure applies to all employees of the organisation employed under Agenda for Change terms and conditions of service and describes the approach to be followed concerning pay progression.
- 1.2 Pay progression should not be seen as an automatic right by employees but rather is something to be earned and is a reward that is dependent on satisfactory performance, conduct and demonstration of meeting all statutory and mandatory training requirements relevant to their role.
- 1.3 The organisation has a duty to provide high quality services to our stakeholders and partners, and strives to be a high performing organisation that continuously improves quality, safety and the patient experience. It is a key part of the organisations strategy to achieve its goals through maximising the contribution of each employee.
- 1.4 In support of this aim, and in accordance with AfC, this policy sets out the basis upon which an individual's performance drives pay progression. It is expected that employees who can demonstrate the required level of performance and conduct, who have met their objectives and are compliant as regards their statutory, mandatory training will progress annually through the increments in their salary band.
- 1.5 Any amendments to the NHS terms and conditions of service handbook will supersede this policy as new pay arrangements are agreed.
- 1.6 For staff in pay bands 8C, 8D and 9, pay progression in the last two points in the pay band are earned on an annual basis and therefore not subject to pay protection. Where staff in these pay points/bands do not meet the locally determined performance standards for a given year, one annually earned pay point may be withdrawn.

## **2. SCOPE**

- 2.1 This policy applies to all employees on Agenda for Change (AfC) terms and conditions of employment (including those on permanent and temporary contracts).
- 2.2 The organisation will determine a fair and consistent approach to applying the Pay Progression Policy and will give due consideration to employee's bespoke circumstances when considering a request for pay progression.

## **3. EQUALITY STATEMENT**

- 3.1 In applying this policy, the organisation will have due regard for the need to eliminate unlawful discrimination, promote equality of opportunity, and provide

for good relations between people of diverse groups, in particular on the grounds of the following characteristics protected by the Equality Act (2010); age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sexual orientation, in addition to offending background, trade union membership, or any other personal characteristic. A single Equality Impact Assessment is used for all policies and procedures.

#### **4. ACCOUNTABILITY**

4.1 The Chief Officer is accountable for this policy.

#### **5. IMPLEMENTATION AND MONITORING**

5.1 The Assurance Committee is responsible for formal approval and monitoring compliance with this policy. Following ratification the policy will be disseminated to staff via the intranet and internal communication methods. Relevant training will be provided by the Human Resource Team.

5.2 The policy and procedure will be reviewed periodically by the Senior Management Team in conjunction with managers, Human Resource Representatives and Trade Union representatives where applicable. Where review is necessary due to legislative change, this will happen immediately.

#### **6. RESPONSIBILITIES**

6.1 Good working relations are vital for the organisation to operate successfully and provide services. There is a joint responsibility for management, trade unions and employees to accept the responsibility of working together on issues in good faith and with the shared intention of facilitating good working relations.

##### **6.2 Employees**

6.2.1 It is the responsibility of employees to ensure that they:

- Initiate the process by completing and submitting the Pay Progression Proforma to their line manager in line with the specified timescale.
- Actively participate in the annual and ongoing appraisal process and jointly agree and work towards their objectives.
- Make their line manager aware of any organisational constraints that are preventing them from achieving their objectives.
- Demonstrate that they have reached a satisfactory level of performance and achievement of objectives in line with the Appraisal Procedure within the previous 12 months.
- Ensure that all statutory and mandatory training relevant to the individual's post is up to date and recorded as compliant.
- Make their line manager aware of any organisational constraints that are preventing them from being compliant in statutory and mandatory training.
- Have a good level of conduct in the 12 months in line with the Appraisal Procedure prior to their incremental date.

## **6.3 Line Managers**

6.3.1 It is the responsibility of line managers to ensure that they:

- Have discussed with the employee their incremental date and have scheduled the appraisal to meet the timescale required.
- Undertake annual appraisals for all members of their team, prioritising appraisals in line with incremental dates.
- Approve or decline pay progression on the receipt of a completed proforma evidencing compliance with the criteria in Section 7.1.3.
- Discuss pay progression with the employee prior to any deferment of pay and the rationale for deferment and contact Payroll via a change form at the beginning of the month prior to the incremental date if progression is declined.
- Conduct an objective review of the individual's work based on feedback, examples and previous informal discussions.
- Ascertain that performance that falls below the accepted levels is managed effectively in line with the Managing Concerns with Performance Policy and that appropriate support is provided to address the concerns.
- Ensure the employee is encouraged and given the opportunity to undertake statutory and mandatory training.
- Demonstrate they have encouraged and supported the employee to achieve the criteria for pay progression.
- Make the employee aware of the right of review.

## **6.4 Workforce Team**

6.4.1 The Human Resource representative will provide advice and support on all aspects of this policy to ensure application and support. The Learning and Development representative will make managers aware of their teams statutory and mandatory training compliance.

## **6.5 Role of Payroll**

6.5.1 To ensure that pay progression requests are processed in the specified timescale to initiate pay progression.

# **7. PROCEDURE FOR REQUESTING PAY PROGRESSION**

## **7.1 Making a request for pay progression**

7.1.1 Pay Progression is a joint responsibility of the employee and the line manager. The employees incremental date should be discussed during 1:1 meetings so that both the employee and the line manager agree when they need to schedule the appraisal. It is the employee's responsibility to initiate the process 2 months prior to the month that their incremental date is due and to submit a completed proforma to their line manager requesting pay progression (Appendix 1). This timescale is to ensure that the line manager has the opportunity to review the employee against the criteria below and that Payroll can action the pay progression. For example, for an incremental date of 16th December 2014 the employee would submit their request to their line

manager on the 1<sup>st</sup> October 2014. Any late submissions without good reason would not be accepted.

7.1.2 It is the employee's responsibility to make a request for pay progression, in the specified timescale. Incremental dates can be found on the employees pay slip.

7.1.3 Pay progression will be conditional upon:

- Individuals demonstrating that they have achieved the required level of performance against the appraisal framework, measured by the following two factors:
  - a. Objectives
  - b. Values/BehavioursBoth these factors are measured in accordance with organisations Appraisal Framework within the previous 12 months.
- All statutory and mandatory training relevant to the employees role is up-to-date and recorded as compliant.
- No live disciplinary warnings.
- Not in a formal stage of the organisations Managing Concerns with Performance Policy.

If the employee has failed to meet the pay progression criteria as a consequence of organisational constraints, beyond their control, they must evidence this on the Pay Progression Proforma (Appendix 1). The line manager will consider this when making a decision about pay progression.

## **7.2 Pay progression that falls within a prolonged period of agreed or recognised leave**

7.2.1 For employees whose incremental date falls within a period of long term sickness, maternity, shared parental leave, adoption leave, the line manager would consider the 12 month period prior to the commencement of the current episode of leave to make a decision on pay progression. If employees have not had the opportunity to complete the relevant appraisal paperwork then they will automatically progress if they have met the other requirements in 7.1.3.

7.2.2 Employees on secondment will undertake the pay progression procedure of the employing organisation. This may involve the substantive manager working in conjunction with the line manager of the partner organisation to undertake a review of performance over the previous 12 months.

7.2.3 In line with the Employment Break Policy, the increment of any employees on an employment break would be frozen until they return to work. If the incremental date is imminent on their return then they will progress as normal to the next incremental point within their pay band to ascertain they are not penalised. However, it is recommended that a review takes place to ascertain that their statutory and mandatory training is up-to-date and recorded as

compliant. If the incremental date is 3 months or more in advance of their return the normal process would apply.

### **7.3 Employees on pay bands 8C, 8D and 9**

7.3.1 For employees on pay bands 8C, 8D and 9, progression to the last two pay points on their pay band are annually earned in the same way as for other AfC employees. The last two pay points on their pay band are only retained where the appropriate level of performance has been reached. For example, an employee on the second to last pay point who doesn't meet the criteria set out in Section 7.1.3 will drop a pay point for a 12 month period. No protection will apply. Support will be given in line with paragraph 9.

### **7.4 Employees not on AfC terms and conditions**

7.4.1 It is expected that all employees directly employed by the organisation will be subject to the organisations appraisal procedure. Pay progression for these staff will need to be agreed in accordance with their contractual arrangements and subject to agreement at Remuneration Committee where applicable.

## **8. APPROVING THE REQUEST FOR PAY PROGRESSION**

8.1 Pay progression of one increment point will be conditional upon individuals demonstrating that they have achieved the requisite criteria in Section 7.1.3. The line manager will review the employees performance against the criteria for pay progression in conjunction with Section A of the Proforma (Appendix 1).

8.2 The line manager will need to ascertain that the employee has no 'live' disciplinary warnings in place at the time of the application date and are not being managed at a formal stage of the Managing Concerns with Performance Policy. If a disciplinary sanction is issued to an employee between their application for pay progression and their incremental date the line manager will decline the request and contact Payroll to stop the progression.

8.3 If the employee has not actively participated in an appraisal, has failed to meet the agreed objectives or is not compliant with statutory and mandatory training applicable to their role pay progression would not be approved. However, if the employee has failed to meet the criteria due to valid organisational constraints beyond their control pay progression would be approved.

8.4 If the employee has met the criteria for pay progression their request would be approved. When approving a request the line manager must complete Section B of the Proforma to confirm that they have made the employee and Payroll aware of the pay progression. It is imperative that the line manager notifies Payroll via email at the beginning of the month prior to the date to ascertain the timescale is met to achieve the increase for the specified date.

8.5 For example, for an incremental date of 16<sup>th</sup> December 2014, the line manager would notify Payroll on the 1<sup>st</sup> November 2014.

## **9. DECLINING THE REQUEST FOR PAY PROGRESSION**

### **9.1 Deferment of pay progression**

9.1.1 At the incremental date, any employee remaining non-compliant in any of the four areas identified in section 7.1.3 or who fail to complete and submit the proforma in line with the associated timescales will not receive their pay progression. It is the employee's responsibility to submit their proforma in a timely manner.

9.1.2 The decision to defer pay progression must have been discussed with the employee prior to any deferment being instigated. The line manager will complete Section B of the Proforma submitted by the employee to record that incremental pay progression has been deferred.

9.1.3 Any individual for whom a pay progression has been deferred must be offered the appropriate support in order that they have the fairest opportunity to meet the performance requirements in future. Managers will therefore be expected to agree a 3 month development plan to improve performance. The Managing Concerns with Performance Policy should be instigated at this point if it is not already in progress. Advice should be sought from a HR Representative. Employees have the opportunity to request a review of their development plan at the end of the 3 month period. If the employee has improved and met requirements they can follow the procedure in 7.1 to make a request for pay progression.

9.1.4 If pay progression is awarded after the 3 month development plan, the employees' increment date will remain the same and they will receive an uplift in payment for the remaining 9 months of the year onto the next incremental point. No retrospective payments would be due for the outstanding development period. If the employee does not meet the criteria of the development plan they cannot apply for pay progression again until the following year (for example an incremental date of the 4<sup>th</sup> October 2014, pay progression will not be considered again until the 4<sup>th</sup> October 2015). The Managing Concerns with Performance Policy will continue to be applied.

## **10. THE RIGHT OF REVIEW**

10.1 Where an employee disagrees with the decision made to defer pay progression, the employee has the right to request a review of the decision. To do so, they must write to their line manager within 10 working days of the notification of the manager's decision. They must set out the grounds on which they are requesting the review. The employee has the right to be accompanied at the meeting by a work colleague or trade union representative, provided they are not acting in a legal capacity. The review will be undertaken by a senior manager and a HR representative. The employee's manager will also attend the appeal to explain why they believe the request cannot be agreed.

- 10.2 It will be up to the review panel to decide, on the basis of the evidence provided by both the employee and the line manager, whether or not pay progression is approved. Where a review panel considers that pay progression has been inappropriately deferred, the pay progression will be reinstated from the incremental date and retrospective payments made from that date.
- 10.3 The employee must be informed of the outcome of their review in writing within 5 working days of the date of the meeting. This is the final decision and the end of the formal procedure.

**Pay Progression Proforma**

**Section A – Employee Declaration**

To be completed for all pay progression applications (and where staff on the top two spine points of bands 8c, 8d and 9 request to retain their increment)

Name:

Job Title:

Band:

Incremental Date:

I can confirm that:	Yes/No
All statutory and mandatory training is up-to-date & recorded as compliant	
I have achieved satisfactory appraisals and associated objectives	
I have no live formal disciplinary warnings	
I am not in the formal stage of the capability process	

**Please note any mitigation**

**Signed**

**Dated**

**Please ensure that you submit this to your line manager 2 months prior to the month that your incremental date is due.**

## Section B - Line Manager Declaration

Please select one option from the tables below.

Progression Confirmed	Tick	Comments
I confirm that this employee has met the pay progression criteria and will progress to the next increment.		
I confirm that this employee has met the performance standards and will retain their current pay point (pay bands 8C, 8D & 9 only for the last 2 spine points only).		
I confirm that this employee has failed to meet the required criteria for Pay Progression but that there are organisational constraints beyond their control that have prevented the achievement of this and will therefore progress to the next increment.		
I confirm the employee is on maternity/adoption leave, or on long term sickness absence and they have been assessed on their performance over the 12 months prior to their current period of leave where possible and will progress to the next increment.		

Progression Declined	Tick	Comments
I confirm that the employee has failed to meet the criteria for pay progression and that there are no valid organisational constraints that have prevented this therefore pay progression is declined.		
I confirm that I am declining the request for pay progression & that the employee will reduce to the previous pay point (pay bands 8C, 8D & 9 only for the last 2 spine points).		
If declined I confirm that I have made the employee aware of this decision and the right of review. YES / NO		

**Name:**

**Position:**

**Signature:**

**Date:**

***A copy of this form must be sent to your local HR rep for the personal file.***

***If the pay progression request has been declined please ensure you notify Payroll via a change form at the beginning of the month prior to the incremental date. Payroll will also need to be notified specifically if a senior employee is to drop a pay point.***

## Equality Impact Assessment

<b>Title of policy</b>	Pay Progression Policy	
<b>Names and roles of people completing the assessment</b>	Hannah Morris, Senior HR Associate Sharon Moore, Senior Associate E&D	
<b>Date assessment started/completed</b>	10/01/14	27/02/14  Reconsidered on the 31/03/15

1. Outline	
<b>Give a brief summary of the policy</b>	This policy sets out the principles and procedure for awarding and declining annual pay increments in line with national Agenda for Change requirements effective from the 1 <sup>st</sup> April 2014.
<b>What outcomes do you want to achieve</b>	An agreed and standardised process for measuring satisfactory performance. The process is designed to reward good performance where they are meeting this and to make employees accountable for their own performance and behaviour.

2. Analysis of impact			
This is the core of the assessment, using the information above detail the actual or likely impact on protected groups, with consideration of the general duty to;  eliminate unlawful discrimination; advance equality of opportunity; foster good relations			
	<b>Are there any likely impacts?</b>  <b>Are any groups going to be affected differently?</b>  <b>Please describe.</b>	<b>Are these negative or positive?</b>	<b>What action will be taken to address any negative impacts or enhance positive ones?</b>
<b>Age</b>	No		
<b>Carers</b>	No		
<b>Disability</b>	Yes, disabled staff may potentially experience a higher sickness absence rate or may not be able to perform	Negative	Reasonable adjustments will be made for disabled staff where appropriate and will be taken into

	their role to its full capacity due to an impairment.		consideration when assessing performance so there is no detriment. Where staff are on long term sickness absence and this has prevented them from meeting the criteria they will automatically progress through their increment point.
<b>Sex</b>	No		
<b>Race</b>	No		
<b>Religion or belief</b>	No		
<b>Sexual orientation</b>	No		
<b>Gender reassignment</b>	No		
<b>Pregnancy and maternity</b>	Yes, staff on maternity leave may not have the opportunity to complete an appraisal or ensure they are up to date with statutory and mandatory training.	Negative	Where staff are on maternity leave and this has prevented them from meeting the criteria they will automatically progress through their increment point.
<b>Marriage and civil partnership</b>	No		
<b>Other relevant group</b>	No		
<b>If any negative/positive impacts were identified are they valid, legal and/or justifiable?</b>  <b>Please detail.</b>		The policy is applicable to all employees and adheres to NHS Litigation Authority Standards, statutory requirements and best practice. The Policy makes all reasonable provision to ensure equity of access to all employees and puts measures in place to support protected groups where there may be a detriment.	

<b>4. Monitoring, Review and Publication</b>			
<b>How will you review/monitor the impact and effectiveness of your actions</b>	Monitor where pay progression is declined against the protected group to ensure they are not adversely affected.		
<b>Lead Officer</b>	Hannah Morris	<b>Review date:</b>	July 2015

<b>5. Sign off</b>			
<b>Lead Officer</b>	Hannah Morris		
<b>Director</b>	Diane Hampshire	<b>Date approved:</b>	25/03/14