

PAY PROGRESSION POLICY

Policy Number:	HR028/11/2022
Version	4
Approving Body	Governance Sub Committee
Date of Approval	27 August 2019
Date of Implementation	September 2019
Next Review Date	1 November 2022
Review Responsibility	Human Resources Manager

To ensure you have the most current version of this policy please access via the NHS Sheffield CCG Intranet Site by following the link below:

<http://www.intranet.sheffieldccg.nhs.uk/policies-procedure-forms-templates.htm>



POLICY AUDIT TOOL

Please give status of Policy:	Revised
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1.	Details of Policy	
1.1	Policy Number:	HR028/11/2022
1.2	Title of Policy:	Pay Progression Policy
1.3	Sponsor	Accountable Officer
1.4	Author:	Human Resources
1.5	Lead Committee	Governance Sub Committee
1.5	Reason for policy:	Legislative and best employment practice
1.6	Who does the policy affect?	All employees
1.7	Are the National Guidelines/Codes of Practices etc issued?	NHS Agenda for Change Terms and Conditions of Service
1.8	Has an Equality Impact Assessment been carried out?	Yes
2.	Information Collation	
2.1	Where was Policy information obtained from?	See 1.6
3.	Policy Management	
3.1	Is there a requirement for a new or revised management structure for the implementation of the Policy?	No
3.2	If YES attach a copy to this form.	n/a
3.3	If NO explain why.	Current management structure satisfactory
4.	Consultation Process	
4.1	Was there external/internal consultation?	Yes
4.2	List groups/persons involved	Joint Staff Consultative Forum
4.3	Have external/internal comments been included?	
4.4	If external/internal comments have not been included, state why.	n/a
5.	Implementation	
5.1	How and to whom will the policy be distributed?	All employees via the intranet
5.2	If there are implementation requirements such as training please detail.	Ongoing
5.3	What is the cost of implementation and how will this be funded	No funding required
6.	Monitoring	
6.2	How will this be monitored	Workforce Reports
6.3	Frequency of Monitoring	Quarterly

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SECTION A – POLICY

1. Policy Statement, Aims and Objectives

1.1 NHS Sheffield CCG strives to be a high performing organisation which seeks continuous improvement to quality, safety and the patient experience through excellence in commissioning. In order to achieve this, maximising the contribution of each employee is key.

1.2 Amendments to the national Agenda for Change terms and conditions of employment have been agreed which clarify the arrangements for employees progressing through pay bands (pay progression).

Following the 2018 refresh of the NHS Terms and Conditions of Service (Agenda for Change), the new pay structure will:

- Increase starting salaries
- Remove overlapping points on pay scales
- Reduce the number of pay points
- Shorten the amount of time it takes to reach the top of the pay band for most staff.

Following the reforms to the pay structure, staff will not receive an annual incremental increase in pay, but will receive an increase in pay every two to three years depending on pay band in addition to any annual cost of living increase on 1 April each year.

However, employees will still be expected to have an annual PDR to allow them to progress to the next pay step on their pay step date. The pay step date, previously called an increment date, is the anniversary of the date when an employee commenced employment in their current band. Moving to the next pay step reflects the extra year of experience that an employee has gained, but does not necessarily result in a financial increase.

1.3 It is expected that employees who can demonstrate the required level of performance and conduct, who have met their objectives, and who are compliant with their mandatory and statutory training requirements, will progress annually through the pay steps within their pay band.

1.4 For employees on Band 8c, 8d and Band 9, the top step point will have 5 to 10 percent of their basic salary annually re-earnable, subject to meeting performance requirements.

1.5 The development of this policy:

- Ensures a robust procedure and approach to pay progression is applied
- Sets out the responsibilities for line managers and employees in relation to managing pay progression

- Satisfies legislative requirements.

2. Legislation and Guidance

2.1 The following legislation and guidance has been taken into consideration in the development of this procedural document:

- NHS Terms and Conditions of Service

3. Scope

3.1 This policy applies to those members of staff that are directly employed by NHS Sheffield CCG and for whom NHS Sheffield CCG has legal responsibility.

4. Accountabilities and Responsibilities

4.1 Overall accountability for ensuring that there are systems and processes to effectively manage pay progression lies with the Accountable Officer. Responsibility is delegated to the following:

<p><i>Accountable Officer</i></p>	<ul style="list-style-type: none"> • Maintaining an overview of the corporate ratification and governance process associated with the policy. • Ensuring that the policy is applied fairly, consistently and in a non-discriminatory manner.
<p><i>Human Resources</i></p>	<ul style="list-style-type: none"> • Leading the development, implementation and review of the policy. • Advising managers and employees on the application of this policy. • Ensuring relevant training and development in relation to pay progression is provided.

<p><i>Appointing Officers/ Line Managers</i></p>	<ul style="list-style-type: none"> • Ensuring they discuss with the employee their pay step date and schedule the performance development review (PDR) to meet the required timescales. • Completion of the pay progression form and its submission to Human Resources three months before the pay step date. • Ensuring deferment of pay progression is fully discussed with the employee. • Objectively completing a PDR in accordance with the PDR guidance. • Invoking the Managing Performance Policy where performance falls below the accepted levels in an appropriate and timely manner, ensuring support is given to the employee to enable them to address the concerns. • Ensuring employees are able to undertake mandatory and statutory training. • Ensuring they encourage and support employees to achieve the criteria for pay progression. • Informing the employee of their right to review.
<p><i>All Employees</i></p>	<ul style="list-style-type: none"> • Actively participating in the PDR process. • Informing their line manager of any organisational constraints that are preventing them from achieving their objectives. • Demonstrating that they have achieved a satisfactory level of performance and conduct and achievement of objectives. • Ensuring they are fully compliant with mandatory and statutory training requirements. • Ensuring they are aware of their pay step date.
<p><i>Staff Side</i></p>	<ul style="list-style-type: none"> • Ensuring they are familiar with the policy and procedure. • Advising, representing and supporting employees who are members of a recognised Trade Union.

<i>Payroll Services</i>	<ul style="list-style-type: none"> • Processing pay progression requests in the specified time scales.
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5. Dissemination, Training and Review

5.1 Dissemination

5.1.1 The effective implementation of this policy will support openness and transparency. NHS Sheffield CCG will:

- Ensure all staff and stakeholders have access to a copy of this policy via the organisation's website.
- Communicate to staff any relevant action to be taken in respect of pay progression.
- Ensure that relevant training programmes raise and sustain awareness of the management of pay progression.
- Ensure staff are notified by email of new or updated policies.

5.2 Training

5.2.1 All staff will be offered relevant training commensurate with their duties and responsibilities. Staff requiring support should speak to their line manager in the first instance. Support may also be obtained through the HR Department. This policy should be read in conjunction with:

- Management of Performance Policy
- Disciplinary Policy
- Induction, Mandatory and Statutory Training Policy
- Management of Sickness Absence Policy

5.3 Review

5.3.1 As part of its development, this policy and its impact on staff, patients and the public has been reviewed in line with NHS Sheffield CCG's Equality Duties. The purpose of the assessment is to identify and if possible remove any disproportionate adverse impact on employees, patients and the public on the grounds of the protected characteristics under the Equality Act.

5.3.2 This policy will be reviewed every three years, and in accordance with the following on an as and when required basis:

- Legislative changes
- Good practice guidelines
- Case Law
- Significant incidents reported
- New vulnerabilities identified

- Changes to organisational infrastructure
- Changes in practice

5.3.3 Policy management will be performance monitored to ensure that policies are in-date and relevant to the core business of the CCG. The results will be published in the regular Governance Sub Committee Reports.

SECTION B – PROCEDURE

1. Pay Progression

- 1.1** Pay progression is the joint responsibility of the employee and the line manager. The employee's pay step date should be discussed during 1:1 meetings in order for the employee and the line manager to agree the appropriate scheduling of the PDR.

The mandatory annual PDR process should involve regular conversations between staff and their line manager to ensure the required standards are understood and additional support identified in good time. The expectation is that all staff will meet the required standards and therefore be able to progress.

- 1.2** Pay progression is conditional based on the following:

- The employee can demonstrate that they have achieved the required level of performance in terms of achievement of objectives and required levels of conduct and behaviours as detailed in the PDR procedure and have had a PDR within the last 12 months.
- The employee is fully compliant with mandatory and statutory training requirements, including any additional training requirements as required for their role.
- The employee has no live disciplinary warnings.
- The employee is not on a formal stage of the Managing Performance Policy
- The employee can demonstrate Continual Professional Development as required for the role
- The employee can demonstrate that they have maintained Professional Registration if essential for their role, and that the revalidation process has been completed satisfactorily if essential for their role
- Where employees are also line managers, they can demonstrate that they have conducted regular 1:1s and annual PDRs for all staff whom they line manage

- 1.3** If the employee fails to meet the pay progression criteria as a consequence of organisational constraints beyond their control, this must be evidenced on the pay progression form. This will be taken into account by the line manager when making a decision about pay progression.

2. Pay progression that falls within a prolonged period of agreed or recognised leave

- 2.1** For employees whose pay step date falls within a period of long term sickness, maternity, parental or 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.

Where the pay step date falls whilst an employee is on secondment, the substantive line manager retains responsibility for ensuring that necessary communication takes place between them and the secondment line manager to determine that the required criteria have been met, and retains responsibility for completing the pay progression form.

If an employee's pay step falls whilst their line manager is absent for a prolonged period, the next most senior manager should discuss pay progression with them and complete the pay progression form, or nominate another manager to do so.

- 2.2** In accordance with the Flexible Working Policy, the pay step of any employees during a career break would be frozen until they return to work. If the pay step date is less than 3 months before their return to work they should progress to the next pay point under the same principles set out in 2.1.

3. Band 8c, 8d and Band 9 Employees

- 3.1** The process described above will apply for employees on pay bands 8c, 8d and Band 9 until they reach the final pay step point on their pay band. In the year after the employee has reached the top of bands 8c, 8d and 9, up to 10 per cent of basic salary will become re-earnable. Subject to performance, the employee will retain their basic salary or their salary will be reduced by 5 per cent or 10 per cent. The employee will be able to restore their salary at the end of the following year by achieving agreed levels of performance.

4. Very Senior Manager (VSM) Contracts

- 4.1** The performance of employees on VSM contracts will be assessed in the same way as employees on Agenda for Change terms and conditions as outlined in this policy. Pay awards for VSM employees will be subject to approval by the Remuneration Committee.

5. Approving Pay Progression

- 5.1** Where the line manager assesses that an employee is compliant with the criteria set out in 1.2, pay progression should be approved. The line manager must complete the pay progression form and submit it to Human Resources (SHECCG.humanresources@nhs.net) for processing 3 months before the employee's pay step is due.
- 5.2** Where there are any changes before the pay step date which would mean that an employee whose pay progression has been approved would now not meet the criteria for progression, Human Resources should be notified and the line manager should submit a new pay progression form to defer pay progression

e.g. where a disciplinary sanction has been given after the pay step review meeting but before the pay step date.

- 5.3** If there are matters outstanding relating to the criteria for pay progression when the pay step meeting is due to be held, then the manager should delay the meeting to allow the matters to be resolved. In these circumstances the pay step meeting should be held and the pay progression form completed no later than one month before the pay step date. Managers should contact the HR team for further advice where necessary.

E.g. an employee has a disciplinary hearing scheduled two months before their pay step date. The manager should delay the pay step review meeting until after the disciplinary hearing has been held as the outcome may affect whether the employee can progress to the next pay step.

E.g. an employee's mandatory and statutory training is up to date three months before their pay step is due, but is due to expire before their pay step date. The manager should ensure the employee undertakes the required training and hold the pay step review meeting once it has been completed.

It is acknowledged that occasionally an employee may be booked on classroom training that is due to take place after the pay step date and may therefore be unable to attain full compliance with mandatory and statutory training until the training has been delivered. Pay progression will not be unreasonably withheld for this reason, as long as all reasonable attempts to undertake the training have been made (including consideration of e-learning options).

6. Deferment of Pay Progression

- 6.1** Where an employee is non-compliant with the criteria for eligibility for pay progression they will not receive their pay step. The line manager must discuss deferment of pay progression with the employee before any deferment is instigated and inform them of their right to request a review. The line manager must complete the pay progression form to record the decision.
- 6.2** Where appropriate and if there is not already one in place, the line manager must discuss and agree an improvement plan with the employee for any remedial action needed, including timescales.
- 6.3** The employee should progress to the next pay step point from the date that all improvement targets are met. The line manager must submit a new pay progression form to Human Resources to confirm this. For example, if an employee has a disciplinary warning which is live when their pay step is due, their pay step should be applied as soon as the warning expires provided that all other criteria for pay progression are met at that time.
- 6.4** Deferment does not affect the employee's pay step date the following year.

Their original pay step date will be retained.

- 6.5** Line managers are expected to hold regular discussions with staff on the basis of 'no surprises', so that if an individual may not be on track to reach their pay step point any areas for development or improvement are identified and remedial action taken at the earliest opportunity. Employees should also inform their line manager of any constraints that are preventing them from meeting their objectives at the earliest opportunity.
- 6.6** Appropriate support must be offered to the employee to ensure they have a fair opportunity to meet performance requirements in the future.

7. Right to Review

- 7.1** Where an employee disagrees with the decision to defer pay progression they have a right to request a review of this decision. The review must be requested in writing to their line manager within 7 calendar days of the notification of the original decision. The employee must clearly set out grounds upon which they are requesting the review.
- 7.2** The review will be undertaken by a Senior Manager and a Human Resources Representative (the Review Panel). The employee has the right to be accompanied to the review meeting by a work colleague or Trade Union representative. The employee's line manager will also be in attendance to provide their rationale for the decision taken.
- 7.3** The Review Panel will decide on the basis of the evidence provided by both the employee and the line manager whether pay progression is approved or remains deferred. Where a Review Panel considers that pay progression has been inappropriately deferred, pay progression will be reinstated from the pay step date and retrospective payments made from that date if applicable.
- 7.4** The employee will be informed of the outcome of their review in writing within 7 calendar days of the date of the meeting. This is the final decision and there will be no further course of redress.

NHS Sheffield CCG Equality Impact Assessment 2017

Title of policy or service	Pay Progression Policy	
Name and role of officers completing the assessment	HR Manager	
Date assessment started/completed	December 2017	December 2020

1. Outline	
<p>Give a brief summary of your policy or service</p> <ul style="list-style-type: none"> • Aims • Objectives • Links to other policies, including partners, national or regional 	<p>NHS Sheffield CCG strives to be a high performing organisation which seeks continuous improvement to quality, safety and the patient experience through excellence in commissioning. In order to achieve this, maximising the contribution of each employee is key.</p>

2. Gathering of Information

This is the core of the analysis; what information do you have that indicates the policy or service might *impact on protected groups, with consideration of the General Equality Duty.*

	What key impact have you identified?			What action do you need to take to address these issues?	What difference will this make?
	Positive Impact	Neutral impact	Negative impact		
Human rights		✓			
Age		✓			
Carers		✓			
Disability		✓			Employees with a disability may potentially have long periods of absence which could impact on pay progression, although this is mitigated by the information at point 2.1 of the policy which states that where an employee has a long term absence such as sickness, their manager should consider the 12 month period prior to the episode of absence when making a decision regarding pay progression.
Sex		✓			
Race		✓			
Religion or belief		✓			
Sexual orientation		✓			
Gender reassignment		✓			
Pregnancy and maternity		✓			
Marriage and civil		✓			

partnership (only eliminating discrimination)					
Other relevant group					

Please provide details on the actions you need to take below.

3. Action plan				
Issues identified	Actions required	How will you measure impact/progress	Timescale	Officer responsible
None				

4. Monitoring, Review and Publication			
When will the proposal be reviewed and by whom?	Annually		
Lead Officer	HR Manager	Review date:	July 2020