

Pay Progression Policy

Policy reference – HR005

SUMMARY	This procedure applies to all CCG staff employed under Agenda for Change terms and conditions of service and describes the approach to be followed concerning pay progression and an individual's performance.
AUTHOR	Human Resources
VERSION	4.0 FINAL
EFFECTIVE DATE	May 2019
APPLIES TO	Applicable to all CCG employees
APPROVAL COMMITTEE	CCG Remuneration Committee
REVIEW DATE	February 2021

This policy has been aligned to Greater Huddersfield and North Kirklees CCGs in light of shared staff working across the CCGs.

THIS POLICY HAS BEEN SUBJECT TO AN EQUALITY IMPACT ASSESSMENT

VERSION CONTROL SHEET

Version	Date	Author	Status/Approval Body	Circulation
0.1	June 2013	Heather Prest	Draft	
0.2	14.04.2014	Vera Savarani	Draft	Amended following comments from SMT
0.3	17.04.2014	Vera Savarani	Draft	Comments from SMT incorporated into the policy
0.4	29.05.2014	Vera Savarani	Draft	Comments from SPF incorporated. Reference to sickness removed.
1.0	June 2014	HR Manager	Final	Approved at Remuneration Committee
1.1	22.01.2018	Tazeem Hanif	Draft	Revised policy aligned to GH/NK CCGs submitted to SMT for comment – policy approved.
1.2	04.01.2018	Tazeem Hanif	Draft	Policy agreed by Trade Unions at the Social Partnership Forum
2.0	28.02.2018	Tazeem Hanif	Final	Policy Approved by the Remuneration Committee, in line with the electronic policy approval process.
3.0	22.05.2019	Tazeem Hanif	Draft	Policy updated in line with national changes and the new National Agenda for Change Pay Progression Framework. Remuneration Committee notified of amendments
4.0	05.06.2019	Tazeem Hanif	Final	Equality impact assessment updated by the Equality Team

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1. POLICY STATEMENT

- 1.1 The 2018 framework agreement on the reform of Agenda for Change introduced provisions to move to a new pay system with faster progression to the top of pay bands through fewer pay step points.
- 1.2 The new pay progression system will be underpinned by local appraisal policies that deliver the mandatory annual appraisal process. It is intended to ensure that within each pay band, staff have the appropriate knowledge and skills they need to carry out their roles, allowing them to make the greatest possible contribution to patient care.
- 1.3 This procedure therefore applies to all Clinical Commissioning Group (the “CCG”) employees employed under Agenda for Change terms and conditions of service and describes the approach to be followed concerning pay progression.
- 1.4 The new system will come into effect on 1 April 2019 for new starters or those promoted to a new role on or after 1 April 2019. Promotion means moving to a higher banded role. For all other staff who were in post before 1 April 2019, current organisational pay progression procedures will continue to apply until 31 March 2021, after which time they will also be subject to the new provisions.
- 1.5 The new pay progression system will ensure that all staff receive the help and support needed to gain the appropriate knowledge and skills they need to carry out their roles. Effective use of appraisals will enable the CCG to identify those staff that would benefit from further development opportunities. This will help to create a culture based upon continuous learning which in turn will help improve the patient experience.
- 1.6 Pay progression is considered to be a reward that is dependent on satisfactory performance, conduct and demonstration of meeting all statutory and mandatory training requirements relevant to their role.
- 1.7 The CCG has a duty to provide high quality services to its 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 CCG strategy to achieve its goals through maximising the contribution of each employee.
- 1.8 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.
- 1.9 Any amendments to the NHS terms and conditions service handbook will supersede this policy as new pay arrangements are agreed. This policy will be updated to reflect any changes.

2. PRINCIPLES

- 2.1 This policy applies to all employees on AfC terms and conditions of employment (including those on permanent and temporary contracts). Secondees from organisations will be subject to the policy of their employing organisation.
- 2.2 The CCG will ascertain a fair and consistent approach to applying the Pay Progression Policy and will give due consideration to employee's individual circumstances when considering a request for pay progression.

3. RESPONSIBILITY

- 3.1 Good working relations are vital for the CCG 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.

3.2 Line Managers

The key responsibilities for line managers include:

- Ensuring that they have discussed with the employee their incremental date and have scheduled the appraisal to meet the timescale required.
- Undertaking annual appraisals for all members of their team, prioritising appraisals in line with pay step dates. Line managers will receive a monthly email that will detail the pay step dates of their direct reports which are due within the next 90 days.
- Discussing pay progression with the employee prior to any deferment of pay and the rationale for deferment.
- Contacting Payroll via email at the beginning of the month prior to the incremental date to inform them that pay progression has been declined.
- Conducting an objective review of the individual's work based on feedback, examples and previous informal discussions.
- Ensuring that performance that falls below the accepted levels is managed effectively in line with the Performance Management Policy and that appropriate support is provided to address the concerns.
- Ensuring the employee is encouraged and given the opportunity to undertake statutory and mandatory training.
- Demonstrating that they have encouraged and supported the employee to achieve the criteria for pay progression.
- Making the employee aware of the right of review where necessary.

3.3 **Employees**

It is the responsibility of the employee to ensure that they:

- Initiate the pay progression process by informing their line manager in line with the specified timescale. Employees will receive notifications 4 months and one month prior to any pay step date.
- Actively participate in the annual 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 and agree a solution.
- Demonstrate that they have reached a satisfactory level of performance and achievement of objectives in line with the policy and process within the previous 12 months.
- Ensure that all statutory and mandatory training relevant to their post is up to date and recorded as compliant.
- To make their line manager aware of any organisational constraints that is preventing them from being compliant in statutory and mandatory training.
- To have a satisfactory level of conduct in the 12 months prior to their incremental date.

4. **OTHER SUPPORT**

4.1 The HR representative will provide advice and support to all employees on all aspects of this policy to ensure application.

4.2 The Trade Union representative will offer support and advice to both HR and employees as required.

4.3 Payroll will ensure that any requests to defer pay progression are processed in the specified timescales upon completion of the completed form found in appendix 1.

5. **EQUALITY STATEMENT**

5.1 In applying this policy, the CCG 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, sex, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, carers and sexual orientation. A consistent Equality Impact Assessment is used for all policies and procedures.

6. **ACCOUNTABILITY**

6.1 The Chief Officer is accountable for this policy.

7. IMPLEMENTATION AND MONITORING

- 7.1 The Remuneration Committee is responsible for the formal approval of this policy. Following approval, the policy will be disseminated to staff via internal communication methods and available through the staff intranet.
- 7.2 Senior Managers will have responsibility for the ensuring that their employees are aware of the policy and its application.
- 7.3 The policy and procedure will be reviewed periodically by the HR Team in conjunction with management and with Trade Union representatives. Where review is necessary due to legislative change, this will happen sooner.

8. PAY PROGRESSION PROCEDURE

- 8.1 Pay progression is the joint responsibility of the employee and the line manager. The employee's 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.
- 8.2 The employee needs to initiate the process two months prior to the month that their incremental date is due and informing their line manager. This timescale is to ensure that the line manager has the opportunity to review the employee against the criteria set out below. (Employees will receive a notification 4 months in advance and a final notification 1 month before the pay step date).
- 8.3 **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.**
- 8.4 Pay steps will be closed on the payroll system. Once the pay step review (for new starters and those recently promoted on or after 1 April 2019) has been successfully completed, the line manager must take the necessary action to open the pay step point. Line managers must ensure that the pay step submission process is completed in a timely fashion in line with Payroll timescales.
- 8.5 **Pay progression will be conditional upon:-**
- The appraisal process been completed within the last 12 months and outcomes are in line with the CCG's standards;
 - Not on a formal stage of the CCG's Performance Management Policy process;
 - No live disciplinary warnings issued within the last rolling year;
 - All statutory and mandatory training relevant to the employee's role is up-to-date and recorded as compliant;
 - Satisfactory assessment against the values and behaviours of the CCG;
 - **For line managers only** – appraisals will need to have been completed for all their staff as required.
- 8.6 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.
- 8.7 If the last appraisal outcome was not satisfactory but remedial actions have been successfully completed by the time of the pay step date, the staff member will be able to progress without delay if they meet the other standards.

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

1. If an employee is absent from work for reasons such as sickness or parental leave when a pay step is due. The principle of equal and fair treatment should be followed so that no detriment is suffered as a result.
2. In the case of planned long term paid absence such as maternity, adoption and shared parental leave, the pay step review can be conducted early if this is reasonable and practical, allowing the pay step to be applied on their pay step date in their absence.
3. If an individual is on long term paid absence such as maternity, adoption and shared parental leave and a pay step review cannot be conducted prior to the pay step date, the pay step point should be automatically applied in the individuals absence subject to point 1 (section 8.8).
4. Employees on secondment will undertake the pay progression procedure of the employing organisation. This may involve the substantive line manager working in conjunction with the line manager of the partner organisation to undertake a review of performance over the previous 12 months.
5. In line with the Employment Break Policy, the pay step 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 ensure they are not penalised. However, it is recommended that a review takes place to ensure 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 applies.

8.9 Employees on bands 8C, 8D and 9

For employees on pay bands 8C, 8D and 9, the principles and standards for pay progression are the same as for all staff. Once they have reached the top of their band, the expectation is that all staff will meet the required standards and will re-earn the relevant element of pay annually. The first point at which the re-earnable element becomes relevant is 12 months after employees have passed their pay step point to reach the top of the band.

- 8.10 In the year after an employee has reached the top of bands 8c, 8d or 9, 5% or 10% of basic salary will become re-earnable. Where the standards in 8.5 are met, salary is retained at the top of the band. If standards are not met salary may be reduced by 5% or 10% from the pay step date, subject to factors beyond the individuals control, such as organisational or operational issues have prevented compliance in relation to requirements of 8.5. The employee will be able to restore their salary to the top of the band at the end of the following year by meeting the required standards.

- 8.11 Staff on the top two points of these bands on 31 March 2013 have reserved the rights to the relevant point. This reserved right will be retained on a marked time basis. At the end of 2020/21, 5% of pay will become annually earned and then, when annual increases to the top of the band adding a further 5%, annually earned pay will apply to 10% of basic pay.

8.12 Employees not on AfC terms and conditions

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

9. APPROVING THE REQUEST FOR PAY PROGRESSION

- 9.1 Pay progression will be conditional upon individuals demonstrating that they have achieved the requisite criteria. The line manager will review the employee's performance against the criteria for pay progression in conjunction with section A of the proforma (appendix 1).
- 9.2 The line manager will need to be assured that the employee has not been issued with a disciplinary sanction in relation to conduct only and (excludes warnings applied in relation to absence due to ill health) or have a live formal warning on file in that rolling 12 month period at the time of the application date and is not being managed at a formal stage of performance management. If a disciplinary sanction is in place at the time of the pay step date and is subsequently repealed, for example as a result of a successful appeal, the pay step will be backdated to the pay step date if all other standards have been met.
- 9.3 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 will not be approved, unless in exceptional circumstances.
- 9.4 However, if the employee has failed to meet the criteria due to valid organisational constraints beyond their control pay progression will be approved. This would include for example, any technological or practical reasons for statutory or mandatory training not being provided by the provider, or through, lack of training or other exceptional issues, including sickness, disability.
- 9.5 If the employee has met the criteria for pay progression their request will be approved. In terms of the automatic increment process, employees with a start date prior to 1 April 2019 will remain unaffected and the process will, unless identified otherwise, automatically update pay based on the pay step date (previously referred to as incremental date).

10. DECLINING THE REQUEST FOR PAY PROGRESSION

- 10.1 At the pay step date, any existing employee employed before 1 April 2019 remaining non-compliant in line with the associated timescales will not receive their pay progression. In such circumstances pay progression will subsequently be deferred for 12 months until the next incremental pay progression. A personal development plan will be implemented after the original review and achievement against this will be used to determine whether a pay step will be paid. If at this stage the employees request for pay progression is approved, it will be paid from this date, no retrospective payments would be due.
- 10.2 The decision to defer pay progression must have been discussed with the employee prior to any deferment being instigated. The line manager will complete the proforma (appendix 1) to record that the pay step has been deferred for 12 months and Payroll made aware.
- 10.3 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.
- 10.4 For new starters and those promoted to a higher grade from 1 April 2019, pay step progression may be deferred if the individual has not met the pay progression requirements, unless there are mitigating circumstances. Payroll will need to be informed of any deferment and discussed with the individual. The manager will need to work with the individual to assist them to meet the expectations/standards required and once these have been achieved to a satisfactory standard, the pay step can be applied. Deferral of a pay step will not affect their next pay step date where they have one.

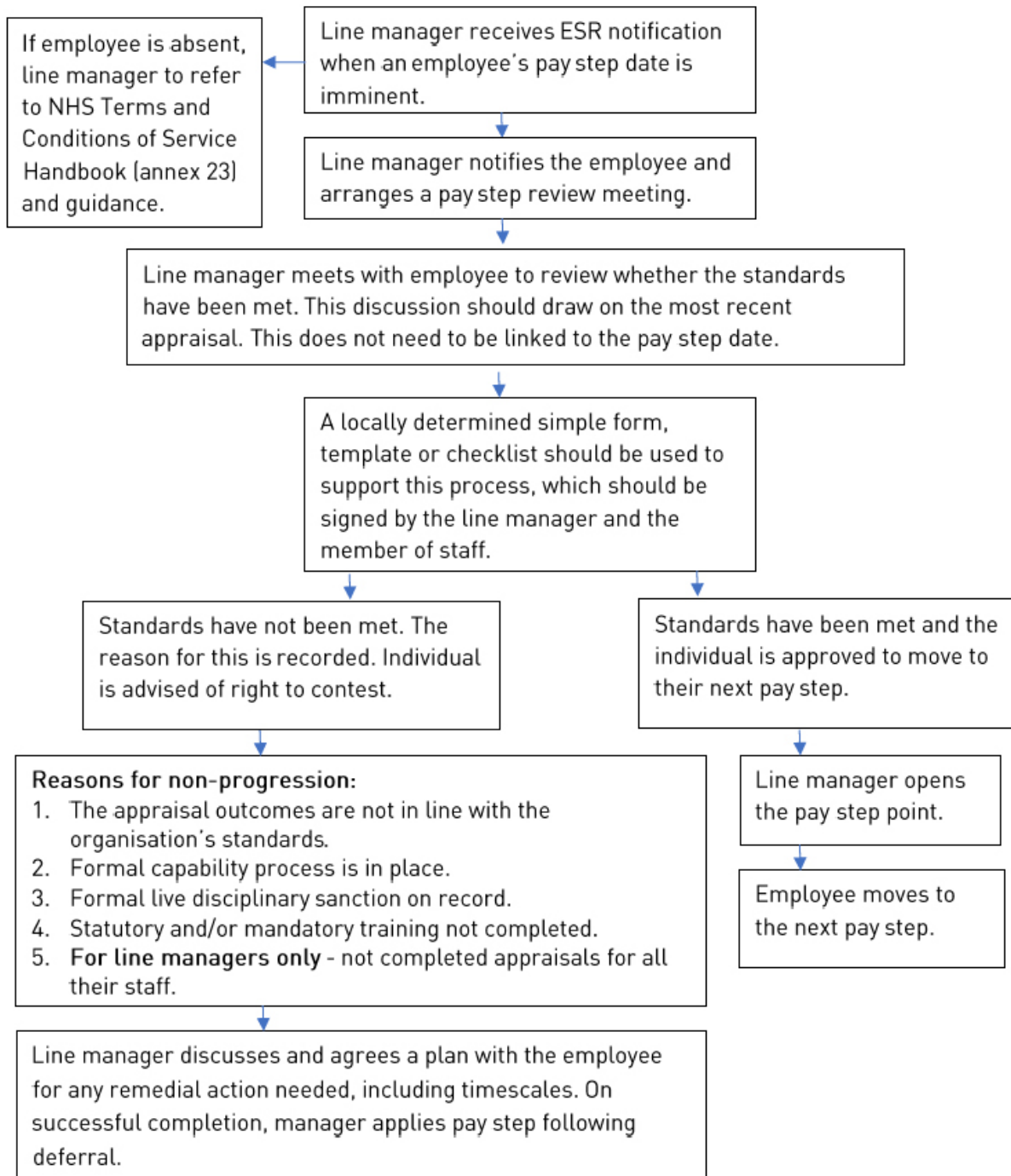
11. THE RIGHT OF REVIEW

- 11.1 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 7 calendar 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.
- 11.2 A review panel will be set up to review the decision. The review will be undertaken by a Senior Manager and a HR representative. The employee's line manager will also attend the appeal to explain why they believe the request cannot be agreed. The employee will be given 5 days' notice of the review panel hearing and be entitled to be accompanied at the meeting by a work colleague or Trade Union representative, provided they are not acting in a legal capacity.
- 11.3 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.
- 11.4 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.
- 11.5 The employee must 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 the end of the formal procedure.

Appendix 1

Pay Progression - Pay Step Submission process

The flowchart explains the pay step submission process for the pay progression system implemented on 1 April 2019.



Appendix 2 – Pay Progression Proforma

Pay step submission review

Employee name:	<input type="text"/>
Employee role:	<input type="text"/>
Manager name:	<input type="text"/>
Date of pay step review:	<input type="text"/>
Date pay step due:	<input type="text"/>
Date of last appraisal:	<input type="text"/>

Summary of pay-step review meeting

Employee's summary
Manager's summary

Standards for progression	Yes	No
Has the appraisal process been completed within the last 12 months and outcomes are in line with the organisation's standards?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a formal capability process in place in line with the CCG's Performance Management Policy?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a formal disciplinary sanction live on the staff member's record?	<input type="checkbox"/>	<input type="checkbox"/>
Has statutory and/or mandatory training been completed?	<input type="checkbox"/>	<input type="checkbox"/>
Has there been a satisfactory assessment of values and behaviours of the organisation?	<input type="checkbox"/>	<input type="checkbox"/>
For line managers only – appraisals will need to have been completed for all their staff as required.	<input type="checkbox"/>	<input type="checkbox"/>

Assessment of standards	Approved?	Deferred?
Is the pay-step approved or deferred	<input type="checkbox"/>	<input type="checkbox"/>
Reasons for this decision		

By signing I confirm that the employee has been made aware of the outcome of the review, and where appropriate they have been made aware of their right to appeal to their line manager and payroll have been advised of any necessary actions.

Signed (manager) _____ Date _____

Signed (employee) _____ Date _____

Please place a copy on the employees file. If the pay progression request has been deferred, please ensure you notify Payroll via email at the beginning of the month prior to the pay step date.

Employee action plan and timescales

Manager and employee to agree an action plan and timescales if the employee does not meet the required standards.

Appendix 3 - Equality Impact Assessment

Title of policy	Pay Progression Policy	
Names and roles of people completing the assessment	Tazeem Hanif – HR Business Partner Kate Bell – Equality Lead	
Date assessment started/completed	04.06.2019	05.06.2019

1. Outline	
Give a brief summary of the policy	This procedure applies to all CCG employees employed under AfC terms and conditions of service and describes the approach to be followed concerning pay progression.
What outcomes do you want to achieve	<p>An agreed and standardised process for measuring satisfactory performance amongst AfC staff in CCGs. The Pay Progression process is designed to reward good performance and to make individual employees accountable for their own performance and behaviour.</p> <p>Potentially motivational for employees as incremental progression is regarded as a reward for good performance rather than an automatic right irrespective of performance.</p> <p>Employees not able to demonstrate compliance in statutory and mandatory training, or employees who have been issued with formal warnings for conduct or placed on a formal stage of the Performance Management Policy may not qualify for incremental progression. Similarly employees who don't achieve set objectives or meet the agreed behaviours at appraisal may not progress incrementally.</p>

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			
	Are there any likely impacts? Are any groups going to be affected differently? Please describe.	Are these negative or positive?	What action will be taken to address any negative impacts or enhance positive ones?
Age	If formal short term sickness triggers are to be incorporated into this policy then it may have a differential impact on this group as in some cases age can be associated with more frequent bouts of ill health.	<p>Negative if not properly managed.</p> <p>Potential negative consequence could be that employees extend their short term</p>	<p>If short term intermittent sickness is to be used then CCGs will need to mitigate against the potential impact of any disputed decisions.</p> <p>1. The trigger point needs to be regarded as a guide rather than a definitive point</p>

		<p>absence to long term to avoid formal monitoring and possible loss of incremental progression.</p> <p>Positive if line managers understand the links between the policies.</p>	<p>and current sickness needs to be viewed in context with length of service and previous sickness records.</p> <p>2. Occupational Health services will need to be involved in the process.</p> <p>3. Absence Management Policy will need to include personal responsibility for own health and wellbeing.</p> <p>4. Needs to link with the Flexible Working Policy to ensure that alternative working patterns and reasonable adjustments have been fully explored.</p>
Carers	<p>This may have a differential impact on employees who take time off sick to care for dependents. May result in disability discrimination by association. Staff member should not suffer a detriment as a result of caring for a disabled child/parent/relative</p>	As above	As above
Sex	No		
Disability	<p>Yes, disabled employees might experience more disability-related absence) or might not be able to perform their role to its full capacity due to impairment. Discounting a reasonable period of disability related absence is considered a reasonable adjustment.</p>	Negative	<p>Reasonable adjustments will be made for disabled employees where appropriate and will be taken into consideration when assessing performance so there is no detriment. Where employees are on long term sickness absence and this has prevented them from meeting the criteria the policy ensures that this is taken into account.</p>
Race	<p>Requests for sabbaticals or longer holidays may be received from people whose families live far away and who may be of another ethnicity.</p>	Negative	<p>There is a provision within Annual and Special Leave Policy allowing staff to purchase additional leave and also request extended leave that can also be</p>

			unpaid.
Religion or belief	Hajj is a mandatory religious duty for Muslims that must be carried out at least once in their lifetime by all adult Muslims. Requests for time off to carry out Hajj may happen.	Negative	There is a provision within Annual and Special Leave Policy that allows staff to purchase additional leave and also request extended leave that can also be unpaid.
Sexual orientation	N/A		
Gender reassignment	N/A		
Pregnancy and maternity	Yes, employees 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 employees are on maternity leave, the policy ensures that this is taken into account and guidance is available for managers within the policy
Marriage and civil partnership	N/A		
Other relevant group	N/A		
If any negative/positive impacts were identified are they valid, legal and/or justifiable? Please detail.	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.		

4. Monitoring, Review and Publication			
How will you review/monitor the impact and effectiveness of your actions	Monitor where pay progression is declined against the protected groups to ensure they are not adversely affected due to unjustifiable reasons.		
Lead Officer	Tazeem Hanif	Review date:	01.06.2022

5. Sign off			
Lead Officer	Kate Bell		
	Date approved:	05.06.2019	