

NHS Rotherham Clinical Commissioning Group

Operational Executive – 8 February 2019

Remuneration Committee – Virtual – 6 March 2019

Clinical Commissioning Group Governing Body - 3 April 2019

Pay Progression Policy Review

Lead Executive:	Chris Edwards
Lead Officer:	Peter Smith
Lead GP:	Jason Page

Purpose:

To review the revised Pay Progression Policy in light of new national arrangements.

Background:

Under the 2018 contract refresh new national arrangements were introduced relating to pay progression prompting a review of the RCCG Policy

Analysis of key issues and of risks

A new pay progression system will come in to place and 1st April 2019 for new starters and those promoted to a new role on or after 1st April 2019. Promotion means moving to a higher banded role.

For existing staff in post up to 31st March 2019 the current CCG pay progression procedures will continue to apply until 31st March 2021 after which time they will also be subject to the new provisions.

The key change for practical purposes will be the scrapping of automatic pay progression for new and promoted staff from 1st April 2019 and for all staff from 1st April 2021. This will require positive action by managers at the pay step date. This can be managed on a paper system, as it is now, but there will be options using ESR to process this electronically. Managers and staff will be notified when the pay step date is due.

Pay step dates will be less frequent than the current incremental system. Bands will have fewer pay points and staff will mark time on some pay points for a number of years. Pay progression up pay bands will not be annual as in the past. Cost of living awards will continue to be negotiated from 1st April 2021.

More information about the national NHS pay progression arrangements is available on the NHS Employers website at <https://www.nhsemployers.org/your-workforce/2018-contract-refresh/pay-progression>

Patient, Public and Stakeholder Involvement:
None
Equality Impact:
Neutral
Financial Implications:
Nothing additional
Human Resource Implications:
Applies to all staff on national NHS Terms and Conditions of Service
Procurement Advice:
n/a
Data Protection Impact Assessment
None
Approval history:
Approved by virtual RATS Committee
Recommendations:
To ratify the amended Policy
Paper is for Ratification

Title:	Pay Progression Policy
Reference No:	019/HR
Owner:	Operational Executive
Author	Peter Smith
First Issued On:	April 2014
Latest Issue Date:	April 2014
Operational Date:	April 2014
Review Date:	April 2022
Consultation Process	Staff representatives, staff, OE, AquA, Governing Body, Counter Fraud.
Ratified and approved by:	Governing Body 3 rd January 2018
Distribution:	All staff and GP members of the CCG.
Compliance:	Mandatory for all permanent and temporary employees of Rotherham CCG.
Equality & Diversity Statement ; Impact Assessment	See Appendix 2

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SUMMARY	<p>It is a key part of the Rotherham CCG strategy to achieve its goals through maximising the contribution of employees.</p> <p>In support of this aim, and in accordance with the A4C-NHS Terms and Conditions of Service, 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/paysteps in their salary band.</p>
AUTHOR	Peter Smith
VERSION	V4
Reference No.	RCCG HR 25
EFFECTIVE DATE	1 April 2014 2019
APPLIES TO	All directly employed staff on national NHS Terms and Conditions of Service
APPROVAL BODY	Rotherham CCG Governing Body
RELATED DOCUMENTS	Performance Management Policy; Disciplinary Policy;- Appraisal Policyarrangements
REVIEW DATE	June 2017

THIS POLICY WILL BE SUBJECT TO A FULL EQUALITY IMPACT ASSESSMENT

VERSION CONTROL SHEET

Version	Date	Author	Status	Comment
V1	19/2/14	Peter Smith	Draft	To be approved by RCCG Governing Body
V2	26/2/14	Peter Smith	Draft	To be approved by RCCG Governing Body
V3	June 2017	Peter Smith	Review	To be approved through AQA
V4	January 2019	Peter Smith	Review	Reviewed in light of new national arrangements for pay progression under the 2018 Contract Refresh

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INTRODUCTION

1.1. Purpose

4.1. A new pay progression system will come in to place and 1st April 2019 for new starters and those promoted to a new role on or after 1st April 2019. Promotion means moving to a higher banded role. For existing staff in post up to 31st March 2019 the current CCG pay progression procedures will continue to apply until 31st March 2021 after which time they will also be subject to the new provisions.

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Nationally ~~agreed~~ changes to Agenda for Change NHS Terms and Conditions of Service (A4C) NHS Terms and Conditions of Service were agreed by the NHS Staff Council in February 2013/2018 clarifying new arrangements for employees progressing through pay bands (incremental/Pay Step pay progression). This procedure applies to all Rotherham Clinical Commissioning Group (RCCG) employees employed under Agenda for Change NHS Terms and Conditions of and describes the approach to be followed concerning pay progression.

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.

The CCG 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 CCG strategy to achieve its goals through maximising the contribution of each employee.

In support of this aim, and in accordance with NHS Terms and Conditions of Service A4C, 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/Pay Step Points in their salary band.

For existing employees in pay bands 8C, 8D and 9, pay progression into the last two points in the pay band are earned on an annual basis. There is also the scope within the nationally agreed changes to remove earned increments in the last two points of the pay band. From 1st April 2019 for new and promoted staff in Pay Bands 8c, 8d and 9 up to 10 per cent of basic salary will become re-earnable subject to performance.

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1.2 Scope

This policy applies to all employees on [Agenda for Change national NHS Pay and Terms and Conditions of Service \(AfC\) terms and conditions of employment](#) (including those on permanent and temporary contracts). Seconded employees from NHS organisations will be subject to the policy of their employing organisation.

The CCG will ascertain 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.

Line managers for the purpose of the policy are defined as the senior person responsible for the employee's management, performance and appraisal.

1.3 Implementation

The new changes require CCGs to work in partnership with staff side and Trade Unions to develop a consistent approach to the assessment of employees in respect to incremental/[Pay Step](#) progression.

PROCEDURE FOR PROGRESSION

2.1 Arrangements for pay progression

[A new pay progression system will come in to place and 1st April 2019 for new starters and those promoted to a new role on or after 1st April 2019. Promotion means moving to a higher banded role. For existing staff in post up to 31st March 2019 the current CCG pay progression procedures will continue to apply until 31st March 2021 after which time they will also be subject to the new provisions.](#)

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[More information about the national NHS pay progression arrangements is available on the NHS Employers website at https://www.nhsemployers.org/your-workforce/2018-contract-refresh/pay-progression](https://www.nhsemployers.org/your-workforce/2018-contract-refresh/pay-progression)

Pay progression is the joint responsibility of the employee and the line manager. The employee's incremental/[pay step](#) 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 and the formal assessment of their pay progression. [As incremental/pay step progression may occur at any time during the year assessment may be different to the appraisal date.](#)

The process [for incremental/pay step progression would will](#) need to be initiated two months prior to the incremental date. A proforma to record the pay progression discussion will be completed (Appendix 1). This timescale is to ensure that the line manager has the opportunity to review the employee against the criteria below and, should the increment/[pay step](#) be withheld, that Payroll can prevent the pay progression. For example, for an incremental

date of 16th December assessment will be initiated by the 16th October 2014.

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It is the joint responsibility of the manager and the employee to ensure the pay progression discussion takes place in the specified timescale. The [HR/ESR service HR manager](#) will provide information to managers about the incremental/[pay step](#) dates of staff. Also, employees can find their incremental/[pay step](#) date on their pay slip.

Pay progression will be conditional upon:-

- Individuals demonstrating that they have achieved the required level of performance. This is measured by the following two factors:
 - 1) The achievement of agreed objectives through the Appraisal system agreed by the CCG
 - 2) Satisfactory rating against the values and behaviours of the organisation with no areas rating below the level outlined in the CCG Appraisal documentation.

Both these factors are measured in accordance with the CCGs Appraisal [Policy Arrangements](#) and process within the previous 12 months.

- All statutory and mandatory training relevant to the employees role is up-to-date and recorded as compliant.
- No disciplinary warnings issued within the last rolling year or currently extant.
- Not on a formal stage of the CCGs performance management process, i.e. Formal or Final Review or Appeal stages.
 - [For line managers only –appraisals have been completed for all their staff as required.](#)

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

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

For employees whose incremental date falls within a period of long term sickness, maternity, paternity, adoption leave or during a secondment, 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.

In line with the Employment Break Policy, the increment/[pay step](#) of any employees on an employment break would be frozen until they return to work. If the incremental/[pay step](#) date is imminent on their return then they will progress as normal to the next ~~incremental~~-[increment/pay step](#) 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~~ [increment/pay step](#) date is 3 months or more in advance of their return the normal process set out in Section 2.0 would apply.

2.3 Employees on pay bands 8C, 8D and 9

~~For existing staff~~ The same process will apply for employees on pay bands 8C, 8D and 9 until they reach the last two pay points ~~on their~~ [of the incremental](#) scale. Progression through the last two pay points will be annually earned in the same way. However failure to meet the accepted criteria set out in paragraph 2.1 may result in losing an earned ~~increment~~ [increment/pay step](#). There is no automatic retention of ~~increment~~ [increment/pay steps](#) on the last two points of the pay band, i.e. for staff in bands 8C, 8D and 9, pay progression into the last two points ~~in a~~ [in the](#) band ~~will become~~ [are](#) annually earned, and only retained where the appropriate local level of performance is reached in a given year.

[From 1st April 2019 for new and promoted staff in Pay Bands 8c, 8d and 9 up to 10 per cent of basic salary will become re-earnable in the penultimate and final pay points subject to performance as described above. This will become a requirement for all staff in bands 8C, 8D, and 9 from 1st April 2021.](#)

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2.4 Employees on VSM contracts

The performance of employees on VSM contracts will be assessed in the same way as employees on ~~Agenda for Change~~ [NHS Terms and Conditions of Service terms and conditions](#) as outlined in this policy. Pay awards for VSM employees will be subject to approval at the CCGs Remuneration Committee.

3.0 APPROVING PAY PROGRESSION

Pay progression will be conditional upon individuals demonstrating that they have achieved the requisite criteria in Section 2.1. The line manager will review the employees performance against the criteria for pay progression in conjunction with Section A of the Proforma (Appendix 1).

The line manager will need to assure themselves that the employee has not been issued with a disciplinary warning in that rolling 12 month period at the time of the application date and/or have an extant disciplinary warning and is not being managed at a formal stage of the Performance Management policy. If a disciplinary sanction is issued to an employee between the initiation of the pay progression process and their ~~increment~~ [increment/pay step](#) date the line manager will decline the request and ~~contact Payroll~~ [use the increment/pay step arrangements](#) to stop the progression.

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.

However, if the employee has failed to meet the criteria due to valid organisational constraints beyond their control pay progression will be approved.

If the employee has met the criteria for pay progression their ~~increment~~[increment/pay step](#) will be approved.

When approving a request the line manager must complete [Section B](#) of the Proforma to confirm that they have made the employee aware of the pay progression. If pay progression is withheld, it is imperative that the line manager notifies Payroll via email at the beginning of the month prior to the ~~increment~~[increment/pay step](#) date to ensure that the timescale is met to prevent the increase for the specified date.

For example, for an ~~increment~~[increment/pay step](#) date due on 16th December, the line manager would notify Payroll to prevent the ~~increment~~[increment/pay step](#) by the 1st November.

4.0 DECLINING PAY PROGRESSION

4.1 Deferment of pay progression

At the ~~increment~~[increment/pay step](#) date, any employee remaining non-compliant in any of the areas identified in section 2.1 or who fail to engage in the process described above will not receive their pay progression.

Pay progression will subsequently be deferred for 12 months until the next ~~increment~~[increment/pay step](#) pay progression date. For example, if an employee's ~~increment~~[increment/pay step](#) date is 4th October 2019, pay progression will not be considered until 4th October 2020. If at this stage the employees request for pay progression is approved, it will be paid from that date, no retrospective payments would be due for the previous 12 months.

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 to record that [increment/pay step](#) pay progression has been deferred for 12 months.

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.

Any decision to prevent pay progression must be brought to the attention of the relevant OE member prior to the decision being confirmed and the ~~increment~~[increment/pay step](#) being withheld.

5.0 THE RIGHT OF REVIEW

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 not acting in a legal capacity. The review will be undertaken by a senior manager (8c/d or above as appropriate) and a HR representative. The employee's manager will also attend the review to explain why they believe the request cannot be agreed.

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 ~~increment~~[increment/pay step](#) date and retrospective payments made from that date.

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.

6.0 ROLES AND RESPONSIBILITIES

6.1 Employees

- To be actively involved in the process with their line manager in line with the specified timescale
- To actively participate in the annual appraisal process and jointly agree and work towards their objectives
- To make their line manager aware of any organisational constraints that are preventing them from achieving their objectives
- To demonstrate that they have reached a satisfactory level of performance and achievement of objectives in line with the Appraisal Policy and process 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
- To make their line manager aware of any organisational constraints that are preventing them from being compliant in statutory and mandatory training
- To have a good level of performance in the 12 months prior to their ~~increment~~[increment/pay step](#) date.

6.2 Line Manager

- To ensure that they have discussed with the employee their ~~incremental~~[incremental](#) ~~increment~~[increment/pay step](#) date and have scheduled the appraisal/[review](#) to meet the timescale required
- To undertake annual appraisals for all members of their team, ~~prioritising~~[aligning](#) appraisals/[reviews in line](#) with ~~increment~~[increment](#)/[increment/pay step](#) dates

- To contact Payroll via email at the beginning of the month prior to the [incremental increment/pay step](#) date if pay progression is declined in accordance with the criteria in Section 2.1
- To discuss pay progression with the employee prior to any deferment of pay and the rationale for deferment
- To conduct an objective review of the individual's work based on feedback, examples and previous informal discussions
- To [ascertain ensure](#) 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
- To ensure the employee is encouraged and given the opportunity to undertake statutory and mandatory training
- To demonstrate they have encouraged and supported the employee to achieve the criteria for pay progression
- To make the employee aware of the right of review.

6.3 Human Resources

- To advise line managers and employees on the general application of this Policy
- To organise a system to notify line managers of the [incremental increment/pay step](#) dates of staff to ensure that the assessment of performance takes place in sufficient time for the increment to be paid or withheld as appropriate.
- To make managers aware of their teams statutory and mandatory training compliance
- To provide training to managers in the application of this Policy and carrying out appraisals for their staff.

6.5 Trade Union/Staff Representatives

- To offer support and advice to employees as required.

6.6 Role of Payroll

- To ensure that where pay progression is declined this is processed in the specified timescale to prevent pay progression.

7.0 POLICY DEVELOPMENT AND EQUALITY

8.0 CONSULTATION, APPROVAL AND RATIFICATION

8.1 Consultation

The local staff side lead and full time officers of recognised trade [unions haveunions have](#) the opportunity to make comments and suggestions on the document content.

8.2 Approval and Ratification

Once discussions on all HR policies and guidance through the Trade Unions, RCCG Operational Executive and the Audit, Quality and Assurance Committee (AQuA) have been concluded and amendments made they will be submitted to the RCCG Governing Body for ratification.

9.0 DOCUMENT CONTROL

9.1 Publication

The policy will be published on the RCCG [Intranet website](#) in the policies and procedures section. Details of the issue of the document will be communicated to Senior Managers, through the Senior Managers [meeting](#) and email circulation list.

10.0 DISSEMINATION AND IMPLEMENTATION

10.1 Dissemination and Communication

The policy will be published on the [Intranet website](#) in the policies and procedures section.

10.2 Implementation

Senior Managers will have responsibility for ~~the~~ ensuring that their employees are aware of the new policy.

10.3 Training and Support

Any relevant training or advice in relation to the implementation of the policy will be specified and provided by the [Head of HR](#) ~~Business Partner~~ where appropriate.

11.0 ASSOCIATED DOCUMENTATION

Appraisal Policy
Performance Management Policy, Disciplinary Policy

12.0 APPENDICES

Appendix 1: Pay Progression Proforma
Appendix 2: Equality Impact Assessment

Appendix 1

Pay Progression Proforma

Section A – Employee Declaration

| To be completed prior to all ~~pay~~-increments/[pay step points](#)

Name:

Job Title:

Band:

| Incremental/~~pay step~~ Date:

| Next ~~Incremental~~ Increment/~~pay step~~ Point:

I can confirm that:	Yes/No/ comments
All statutory and mandatory training is up-to-date & recorded as compliant	
I have achieved satisfactory appraisal & associated objectives	
There are no live formal disciplinary warnings applying to me	
I am not subject to a formal stage of the capability/performance procedure	
For line managers only – appraisals have been completed for all my staff as required.	

Please note any mitigation which in your view has prevented you from achieving any of the above.

Signed

Date

Section B - Line Manager Declaration

Confirmation	Yes/No/Comments
The employee has met the pay progression criteria and should progress to the next increment/ pay step point .	
The 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. (Please detail reasons for non-compliance)	
The employee is on maternity/adoption leave, on a secondment 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 and will progress to the next increment. (Please delete not applicable statements)	
The employee has failed to meet the criteria for pay progression and there are no valid organisational constraints that have prevented this and therefore pay progression is declined.	
<p>Pay Bands 8c, 8d and 9 on last two points of the pay band ONLY</p> <p>The request for pay progression has been declined and the employee will reduce to the previous pay point.</p>	

By signing this form 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 review. If the decision is to decline the payment of the increment I confirm that I have informed the payroll manager of Victoria Pay Services of that decision in sufficient time for the pay increment to be withheld.

Name:

Position:

Signature:

Date:

Please place a copy on the employees file.

Equality Impact Assessment

Title of policy	Pay Progression
Names and roles of people completing the assessment	Peter Smith Head of HR Katie Hodgson Staff side lead
2. DATE ASSESSMENT STARTED/COMPLETED	July 2017

1. Outline	
Give a brief summary of the policy	<p>The Nationally agreed changes to NHS terms and conditions around incremental increment/ pay step progression for A4C staff on national NHS Terms and Conditions of Service take effect from 1st April 2014. This policy offers a framework for the implementation of this change. RCCG has the freedom to locally decide the measures that they put in place to determine satisfactory performance.</p>
What outcomes do you want to achieve	<p>An agreed and standardised process for measuring satisfactory performance amongst staff on national NHS Terms and Conditions of Service A4C staff in RCCG. The Pay Progression process is designed to reward good performance and to make individual employees accountable for their own performance and behaviour. It meets the needs of smaller organisations, ensuring that the skills of all employees are utilised to maximum benefit.</p> <p>Potentially motivational for employees as incremental/pay step progression is regarded as a reward for good performance rather than an automatic right irrespective of performance. 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</p>

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	Performance Management process may not qualify for incremental progression. Similarly, employees who don't achieve set objectives or meet the agreed behaviours at appraisal may not progress through incremental increments/pay steps .
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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	No		
Carers	No		
Disability	No		
Sex	No		
Race	No		
Religion or belief	No		
Sexual orientation	No		
Gender reassignment	No		
Pregnancy and maternity	Possible	Negative	May be on parental leave in 12 months prior to increment/pay step date. The 12 months prior to their leave commencing would be used to assess their eligibility for the increment/pay step.
Marriage and civil partnership	No		
Other relevant group	No		

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4. Monitoring, Review and Publication			
How will you review/monitor the impact and effectiveness of your actions	<p>Six monthly<u>Periodic</u> reports will be submitted to the Operational Executive reviewing the impact of the Policy on incremental/<u>pay step</u> dates occurring in the relevant period.</p>		
Lead Officer	Head of HR	Review date:	<u>July February 2017-2019</u>

5. Sign off			
Lead Officer			
Director		Date approved:	<u>July 2017 February 2019</u>

Once complete please forward to your Equality lead

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