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Pay Progression Policy



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Pay Progression Policy

Approved by: Welsh Partnership Forum

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01 NHS Wales Pay Progression Policy

1. The Core Principles of NHS Wales:

- **We put patients and users of our services first:** We work with the public and patients/service users through co-production, doing only what is needed, no more, no less and trying to avoid harm. We are honest, open, empathetic and compassionate. We ensure quality and safety above all else by providing the best care at all times.
- **We seek to improve our care:** We care for those with the greatest health need first, making the most effective use of all skills and resources and constantly seeking to fit the care and services we provide to users' needs. We integrate improvement into everyday working, by being open to change in all that we do, which also reduces harm and waste.
- **We focus on wellbeing and prevention:** We strive to improve health and remove inequities by working together with the people of Wales so as to ensure their wellbeing now and in future years and generations.
- **We reflect on our experiences and learn:** We invest in our learning and development. We make decisions that benefit patients and users of our services by appropriate use of the tools, systems and environments which enable us to work competently, safely and effectively. We actively innovate, adapt and reduce inappropriate variation whilst being mindful of the appropriate evidence base to guide us.
- **We work in partnership and as a team:** We work with individuals including patients, colleagues, and other organisations; taking pride in all that we do, valuing and respecting each other, being honest and open and listening to the contribution of others. We aim to resolve disagreements effectively and promptly and we have a zero tolerance of bullying or victimisation of any patient, service user or member of employees.
- **We value all who work for the NHS:** We support all our colleagues in doing the jobs they have agreed to do. We will regularly ask about what they need to do their work better and seek to provide the facilities they need to excel in the care they give. We will listen to our colleagues and act on their feedback and concerns.

They have been developed to help and support employees working in NHS Wales.

NHS Wales is about people, working with people, to care for people. These Core Principles describe how we can work together to make sure that what we do and how we do it is underpinned by a strong common sense of purpose which we all share and understand.

The NHS is continually under pressure to deliver more services, with better outcomes and maintain and increase quality against the backdrop of significant financial challenge, high levels of public expectation and with a population which is getting older and with increased levels of chronic conditions.



These principles have been developed to help address some of the pressures felt by employees in responding to these demands. They will re-balance the way we work together so we are less reliant on process and are supported to do the right thing by being guided by these principles when applying policies and procedures to the workforce.

As people working within the health service, we will all use them to support us to carry out our work with continued dedicated commitment to those using our services, during times of constant change.

The Principles are part of an ongoing commitment to strengthen the national and local values and behaviour frameworks already established across Health Boards and Trusts.

They have been developed in partnership with representatives from employers and staff side.

The Principles will be used to create a simpler and consistent approach when it comes to managing workplace employment issues.

2. Policy Aims, Summary and The Appraisal Process

Policy Aims

- **2.1** This policy applies to all members of staff on NHS Terms and Conditions of Service and has been developed in line with Annex 23 of the NHS Terms and Conditions Handbook and must be used in conjunction with local PADR and KSF policies and with the PADR/ Appraisal principles.
- **2.2** This policy sets out the reasons for pay progression and the procedure to be followed to deal with the pay step process. It clarifies the performance ratings to be used and includes a description of each rating.

The policy also covers issues arising relating to pay step progression and deferment and the process for handling any disagreement and it aims to ensure consistency of approach and application.

- **2.3** The aim of the pay progression approach is to improve performance and productivity as well as support the implementation of change by helping staff to understand more clearly what is expected of them in terms of behaviours and new ways of working. The aim is to provide a framework that seeks to get value for money by linking pay progression with performance rather than time served in a role.
- **2.4** The Pay Progression Policy needs to work closely with the Appraisal Process and therefore sets out some best practice principles for appraisal that all organisations should embed in their local processes.

These principles are:

- We will agree and understand what's expected of us in terms of what we should be doing and how we should be doing it
- We will all receive constructive and timely feedback on how we have done
- We will all ensure that we actively seek to develop and improve what we are doing for the benefit of patients
- **2.5** The Pay Progression Policy together with local Appraisal Policies will encourage and reward all staff to give their best contribution whatever their job is and to ensure that when pay steps are awarded they are a reward for performance not because of time in employment.
- **2.6** The Chief Executive of NHS Wales will ensure that the policy is implemented fairly.

- **2.7** This policy will be subject to a full review in April 2021 when a full year of data on pay progression will be available. This review will include an impact assessment of the number of first and final written disciplinary warnings against the protected characteristics outlined in the Equality Act.

3. Pay Progression summary

- **3.1** To help us give the best possible care and services, whatever our role, it is important that we understand what is expected of us, how our contribution helps the organisation achieve its aims and that we are rewarded for doing the right things well and not because of another year in post. Therefore, pay steps will only be given after we've achieved what's expected of us in 3 areas:

Doing the right things, Doing them the right way, Doing things better.

- **3.2** The reason for introducing pay progression linked to performance is to help improve your performance and productivity and that of the organisation. It will better support the implementation of change by helping you and your manager agree what is expected of you in terms of your behaviours and new ways of working. It is important to understand that this has been introduced to increase value for money and to promote fairness by linking pay progression with performance rather than basing incremental progression simply on time served in the role.
- **3.3** Alongside this rationale, Annex 23 of the NHS Terms and Conditions of Service sets out five specific pay progression standards which set out requirements which need to be demonstrated before you are able to progress to your next pay step point

on your pay step date.

These standards are:

- i. The appraisal process has been completed within the last 12 months and outcomes are in line with the organisation's standards.
 - ii. There is no formal capability process in place.
 - iii. There is no formal disciplinary sanction live on your record (this policy expands on the specific application of this provision in paragraph 5.4.4).
 - iv. Statutory and/or mandatory training has been completed.
 - v. For line managers only – appraisals have been completed for all your staff as required.
- **3.4** Your pay step submissions will only take place after two, three or five years depending on your pay band. Your appraisals will continue to take place annually.
 - **3.5** All pay bands will have either one or two step points with specified minimum periods before you become eligible to progress. Your pay step point is set in relation to your start date in that pay band. It is expected that if you meet the required standards at your pay step date you will progress to your next pay step point.
 - **3.6** Each year, you and your manager will review how well you have met your objectives, whether you have met the pay progression standards and agree whether your performance is satisfactory or unsatisfactory. In the year when a pay step is due your performance will need to be satisfactory for you to progress to the next pay step point.



If it is unsatisfactory then you will not receive your pay step and you will work with your manager to agree a plan to help you meet the requirements in order that you receive your pay step once the relevant requirements are shown to have been met.

you are at the top of the scale.

Importantly, there will be checks in place to make sure that if you have not been able to meet what was expected of you, through no fault of your own, then you should receive the next pay step.

- **3.7** Pay progression works in parallel with appraisal however they remain as two separate processes. The flow diagram overleaf shows how the two work together.

4. The Appraisal Process

- **4.1** This Pay Progression Policy does not replace or change Appraisal policies but does set out three principles that will be embedded into local appraisal processes. They are:
 - *We will agree and understand what's expected of us in terms of what we should be doing and how we should be doing it*
 - *We will all receive constructive and timely feedback on how we have done*
 - *We will all ensure that we actively seek to develop and improve what we are doing for the benefit of patients*
- **4.2** The details of best practice appraisal techniques which will support performance linked pay progression are included in appendix 2 and should be embedded in your local appraisal processes.
- **4.3** Your appraisals should continue to take place on an annual basis at the very least, regardless of whether it is a year which includes a pay step date, or

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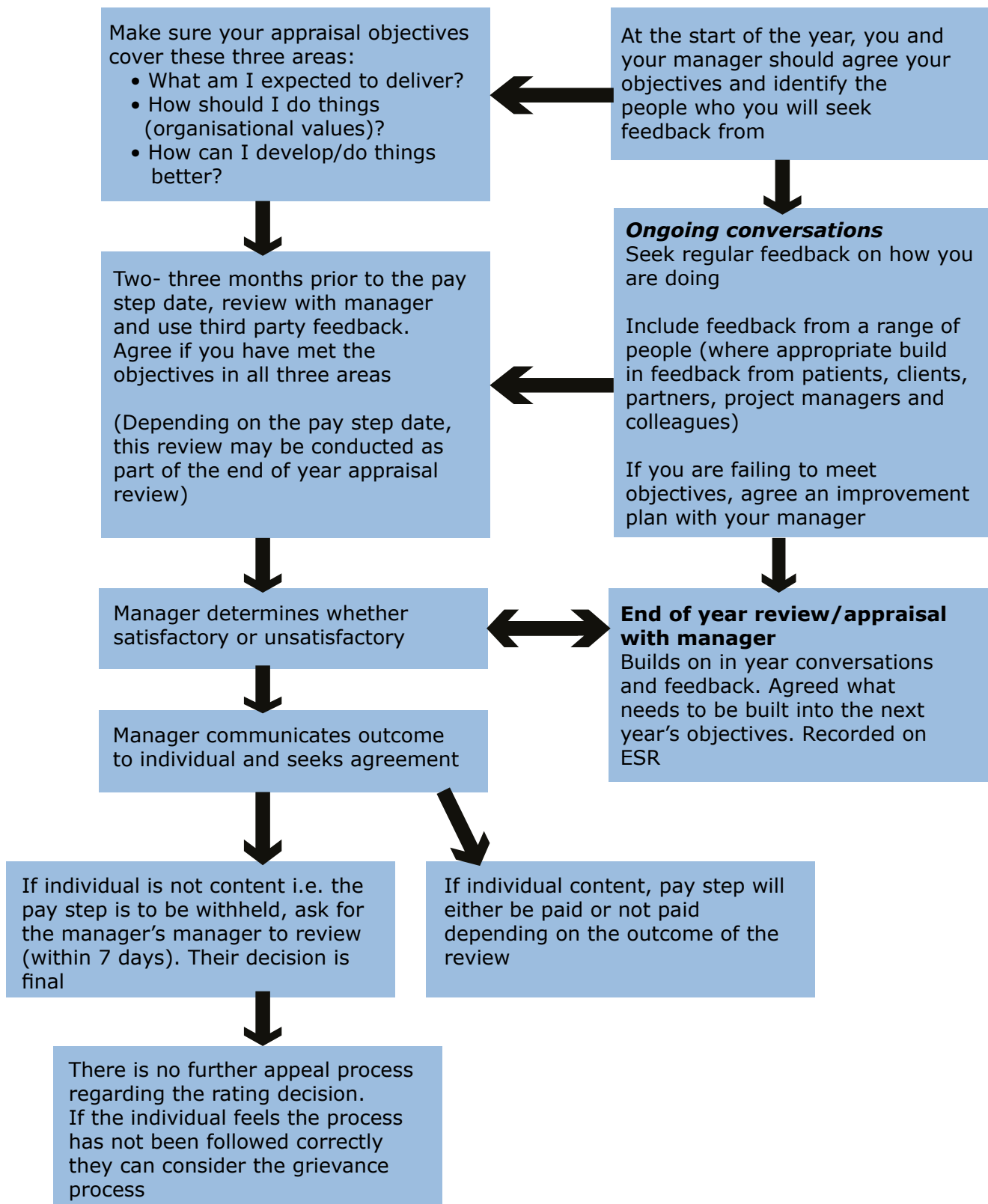
The Pay Progression Process

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The Pay Progression Process

Pay Progression Process

Appraisal Process



5. Who does what and when?

5.1 Agreeing Objectives

As part of the annual appraisal process, you and your manager will agree a set of objectives which cover:

- what you need to do i.e. the things you need to deliver;
- how you need to do things, i.e. your behaviours, and the way you demonstrate the values;
- ways in which you can seek to develop and improve what you are doing.

You should play an active role in setting the objectives and checking that you understand what your manager expects of you as the extent to which you meet these objectives will determine whether or not you receive your pay step when it is due.

5.2 Feedback

Both you and your manager should actively seek feedback and information from different people (e.g. patients, colleagues, partners), any relevant results/data, project/improvement work you have been involved in. This feedback will help you and your manager prepare for your pay progression review and support the rating you are given.

5.3 Pay Step Review

You should have a review 8-12 weeks before your pay step is due which will be arranged by your manager. Both you and your manager should prepare in advance. At the meeting you should discuss examples of how you have met your objectives, where appropriate using feedback from other people. Depending on your pay step date, this meeting may also be your end of year appraisal/PADR review. It is good practice to have regular conversations and feedback through out the year so there should be no surprises.

If you have been struggling to meet your objectives, this should have been discussed earlier in the year and an improvement plan agreed.

5.4 Agreeing the rating

- **5.4.1** At the end of your pay step review, your manager will tell you your rating i.e. whether you are satisfactory or unsatisfactory and their reasons for the decision. If you both agree the rating, your manager will inform the W&OD department and payroll and undertake the necessary steps in relation to ESR. If the rating is satisfactory your pay step uplift will be paid, if the rating is unsatisfactory you will not receive the pay step.

Satisfactory

Has successfully met core objectives and demonstrated satisfactory progress in achieving other objectives and met the national pay progression principles set out overleaf

Unsatisfactory

Has been unsuccessful in meeting core objectives and/or has not demonstrated satisfactory progress in achieving other objectives and/or has not met the national pay progression principles set out overleaf

Individual organisations will need to determine what will constitute a satisfactory or unsatisfactory performance on a departmental, team or individual basis. It will depend on the type and nature of the role but should be based on clear, reasonable, agreed objectives.



Managers should agree a core set of achievable objectives on which pay progression is assessed but also include furthermore ambitious objectives as part of a wider performance review process. It must, however, be made clear what level of performance would amount to satisfactory and therefore what would be an unsatisfactory level of performance.

- **5.4.2** In addition to achieving objectives the following national pay progression standards will also need to be demonstrated:
 - i. The appraisal process has been completed within the last 12 months and outcomes are in line with the organisation's standards.
 - ii. There is no formal capability process in place.
 - iii. There is no formal disciplinary sanction live on the staff member's record (the specific application of this provision is set out in paragraph 5.4.4).
 - iv. Statutory and/or mandatory training has been completed.
 - v. For line managers only – appraisals have been completed for all their staff as required.
- **5.4.3** It is expected that you will achieve the required standards at the point of your pay step date. It is also expected that you and your line manager should have had regular discussions about any problems in reaching the required standards before the pay step date. This will allow time for issues to be raised and possible solutions found to enable the pay step point to be opened on time.
- **5.4.4** Your manager must use the pay step review meeting to discuss the standards. If any of the standards have not been met, there should be a review of the previous discussions about these to consider any mitigating factors and to record the decision.

With regard to live disciplinary sanctions, if you are in receipt of a first written warning, your progression won't be delayed because of the warning. Your manager will however, consider the reasons and circumstances giving rise to the sanction, as well as your performance and behaviour since the sanction was applied. This will form part of the information which your manager will use in determining a pay progression rating. If following due consideration your manager determines that you should receive a satisfactory rating, then you will progress to the next pay step. If you receive an unsatisfactory rating your pay step will be delayed. The decision will be clearly recorded, noting the rationale for withholding the pay step. A final warning will always result in a pay step delay.

- **5.4.5** Importantly, if you have not been able to meet what was expected of you, through no fault of your own, then you should receive the pay step.
- **5.4.6** Pay step points will be closed on the payroll system. Once the pay step review has been successfully completed your manager must take the necessary action to open the pay step point.
- **5.4.7** Managers must ensure that the pay step submission process is completed in a timely fashion to ensure that pay step points can be implemented in time for the staff member's pay step date. This must take account of local payroll timescales and ESR requirements.
- **5.4.8** Although you must have successfully completed your last appraisal to move to your next pay step point, the date the appraisal takes place does not have to be linked to your pay step date. If your last appraisal outcome was not satisfactory but remedial actions have been successfully completed by the time of the pay step date you will be able to progress without delay if you meet the other standards.



5.5 Decisions to delay a pay step

- **5.5.1** In situations where standards have not been met and there are no mitigating factors sufficient to justify this, your pay step will be delayed. Your line manager will discuss and agree a plan with you for any remedial action needed to ensure that the required standards for pay progression are met, including a timescale, and how any training and support needs will be met. In such circumstances you must take all necessary steps to meet the requirements as soon as possible and your line manager must provide you with the necessary support.
- **5.5.2** A further pay step review meeting should be arranged at an agreed date to review progress and, where satisfactory, initiate the opening of the pay step. The effective date for progressing to the next pay step should be the earliest date that the relevant requirements are shown to have been met. The pay step date for future years will remain unchanged.
- **5.5.3** Where a pay step is delayed due to a live disciplinary sanction, or a formal capability process, your line manager should initiate a pay step review meeting before the expiry of the sanction or capability plan. This should be used to confirm that all other requirements have been met and to ensure that you progress to the next pay step, effective the day after the sanction expires. Any future pay step dates will remain unchanged.

5.6 Integrating outcomes into next year's appraisal

- **5.6.1** The pay step review should be part of your ongoing performance management discussions with your manager and will provide a useful source of feedback to take into account in the end of year appraisal review and future objective setting.

If you are rated satisfactory then you and your manager can discuss whether you require further development opportunities etc. If you are rated unsatisfactory you and your manager should agree a plan to help you improve and get your performance back on track. These objectives should be included and reviewed in your next appraisal.

- **5.6.2** If your manager identifies that you have been unable to meet your objectives through no fault of your own, then you and your manager will need to work together to reset your objectives or remove the barriers to their achievement

5.7 Dealing with disagreement

Very occasionally, you and your manager may disagree on how well you have met your objectives and therefore on the rating you are given. Wherever possible, you should try to resolve issues with your manager. If your manager rates you unsatisfactory and you feel that you have demonstrated satisfactory progress in achieving your objectives and you have met the national pay progression principles, and you can't resolve the reason for an unsatisfactory rating directly with your manager, then you can ask your manager's manager to review the decision.

This process will take place within the provisions of Stage 2 of the Grievance Policy and should be undertaken within 7 calendar days of notification to your manager that you wish to proceed to stage 2 of the Grievance Policy.

The notification requirements for registering a grievance should be used, setting out the grounds upon which you consider the rating should be reviewed. Your manager's manager will want to understand both you and your manager's points of view. She/he will then make a decision on the rating and will communicate their reasons to both you and your manager within 7 calendar days of receiving the review letter.



If you are still unhappy with the decision then you should use the appeal arrangements outlined at stage 3 of the Grievance Policy. Your manager will then inform the W&OD department and payroll, and update ESR. If it is agreed that you should receive your pay step it will be backdated to the original pay step date.

5.8 Band 8c/d and 9 Roles

We recognise that rewarding good performance with pay steps is a significant and positive change. We also recognise that senior leaders are in the main already expected to be setting and reviewing objectives in this way. They are also more likely to be used to asking for and receiving feedback from a number of people. Additionally, we know it's important for leaders to model the behaviours we want from others.

Therefore, for Band 8c, 8d and 9 roles, there are the following differences:

In the year after you have reached the top of bands 8c, 8d or 9, 5 per cent or 10 per cent of basic salary will become re-earnable. Where a satisfactory performance is agreed, your salary will be retained at the top of the band.

If your performance is deemed to be unsatisfactory, your salary may be reduced by 5 per cent or 10 per cent * from the pay step date. You will be able to restore your salary to the top of the band at the end of the following year by meeting the required standards. You have the right to contest a decision to reduce your pay using the Dealing with Disagreement process outlined above.

*the NHS Staff Council Executive has advised that there are plans to develop some criteria in relation to the application of the re-earnable 5% and 10% of salary and this section of the policy will include the appropriate details once these have been determined.

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Appendix 1: Legal issues

Absence from Work When a Pay Step Is Due

If you are 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.

In the case of planned long-term paid absence such as maternity, adoption and shared parental leave your pay step review can be conducted early if this is reasonable and practical, allowing the pay step to be applied on your pay step date in your absence.

If you are 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 your absence provided that there are no disciplinary sanctions or formal capability processes in place.

If there is a live disciplinary sanction in place at the point you go on leave, the pay step point should be applied in your absence if appropriate, effective from the day after the sanction expires.

If there was an active formal capability process underway at the point you go on leave, the pay step point can be delayed. The improvement process should be resumed immediately upon your return. On satisfactory completion, the period of absence should be set aside, and the pay step point backdated to an agreed date as if you had completed the improvement process without being absent.

Suspension from work on full pay is a neutral act. In order to ensure this is the case, your employer should ensure that your pay step point is applied from your pay step review date where you are suspended on that date, provided your performance was deemed satisfactory and you have met the national pay progression standards.

These standards are:

- i. The appraisal process has been completed within the last 12 months and outcomes are in line with the organisation's standards.
- ii. There is no formal capability process in place.
- iii. There is no formal disciplinary sanction live on your record (this policy expands on the specific application of this provision in paragraph 5.4.4.
- iv. Statutory and/or mandatory training has been completed.
- v. For line managers only – appraisals have been completed for all your staff as required.

If it is unsatisfactory then you will not receive your pay step and you will work with your manager to agree a plan to help you meet the requirements in order that you receive your pay step once the relevant requirements are shown to have been met.

Importantly, there will be checks in place to make sure that if you have not been able to meet what was expected of you, through no fault of your own, then you should receive the next pay step.

Sabbaticals/career breaks are by definition your choice, therefore if you choose to take a sabbatical/career break at any stage during your career your pay progression will be 'frozen' at the incremental point you have achieved at your last working day.

You, therefore, will return to work at the same incremental point you left on.

An assessment will need to be undertaken within a few weeks of returning to identify your training and development needs.

Equality Monitoring

will monitor the application of the policy against the protected characteristics in line with the Equality Act 2010. This may be done a sample basis. A report will then be provided to the Board or appropriate sub committee on an annual basis.

Other Extenuating Circumstances

recognises that there may be other extenuating circumstances that have not already been covered in this section. In cases where it is believed there are extenuating circumstances for not achieving the progression criteria, advice should be sought from your line manager and a relevant member of the W&OD department.



04

Appendix 2: Principles and Best Practice to be integrated in to Local Appraisal processes



4

Appendix 2: Principles and Best Practice to be integrated in to Local Appraisal processes

To help us give the best possible care and services, whatever our role, it is important that we understand what is expected of us and how our personal contribution helps our teams and the organisation achieve its aims.

Appraisal discussions should be ongoing and:

- Provide feedback on how we have done - feedback should be honest, constructive and timely and where possible we should seek feedback from a range of people we work with (e.g. colleagues, stakeholders, patients, project managers)
- Ensure each of us agree and understand what's expected of us and how we should be doing things i.e. what we need to deliver and the behaviours and ways of working that are expected of us
- Ensure that we develop ourselves to do things better and/or move to another role and have a plan of what learning we are going to do

Managers involved in reviewing, assessing, agreeing objectives and supporting personal development plans, must ensure that they are competent and confident to do this role. Learning and development teams can help support managers where this is needed.

Agreeing Objectives

It is vital that we know what is expected of us. Importantly, we should agree our specific objectives so that we own them. Objective setting should always be a two-way conversation.

For objectives to be meaningful, they must be SMART: specific, measurable, realistic, time-based and achievable; they must particularly be "within our circle of control". You should not agree objectives on things you can do nothing about. Good objectives are ones where the outcomes are as a result of what we do and how we behave, i.e. they are things we can control.

Agreeing Development Needs

As part of the review or setting of objectives, it is likely that you will have identified things and/or ways you can do better. These are likely to need us to spend time developing ourselves and you should agree the best way to do this with your manager. Often a formal training course may not be the only or the best solution and you should think about the time you need to spend on your development, not just the budget you may need.

Keeping Records

Keeping accurate records is important and any records that you and your manager keep should be within the General Data Protection Regulations 2018 requirements. Managers must ensure that all details of appraisal meetings are recorded on ESR.



05

Appendix 3: EQUALITY IMPACT ASSESSMENT



1. General

Title of document	Pay Progression Policy (non-medical staff)
Purpose of document	To set out the procedure to be followed for linking pay progression to performance, to describe the process for handling annual incremental reviews, addressing issues arising relating to incremental progression and deferment and to ensure consistency of approach and application. The document shows how pay progression and appraisal processes align and reiterated the need for all staff to have a clear understanding of their expected role and function and have the opportunity to receive feedback about their performance in order that they may develop to their maximum potential.
Intended scope	All non-medical and dental staff employed by NHS Wales.

2. Consultation

Which groups/associations/bodies or individuals were consulted in the formulation of this document?	NHS Wales Partnership Forum (including all unions recognised by NHS Wales); Strategic Pay Taskforce Implementation Group; NHS organisations; Line Managers.
What was the impact of any feedback on the document?	Amendments were made and a commitment given to a full review in April 2021 when a full year of data will be available. See paragraph 2.7.
Who was involved in the approval of the final document?	NHS Wales Partnership Forum & Strategic Pay Taskforce Implementation Group.
Any other comments to record?	

3. Equality Impact Assessment

Does the document unfairly affect certain staff or groups of staff? If so, please state how this is justified.	No.
What measures are proposed to address any inequity?	None
Can the document be made available in alternative format or in translation?	Yes, on request to Workforce & OD Directors.



4. Compliance Assessment

Does the document comply with relevant employment legislation? Please specify.	Yes.

5. Document assessed by:

Name	Pay Progression Partnership Review Group
Post Title/Position	
Date	June 2019

