

## **PAY PROGRESSION POLICY – FAQs/GUIDANCE – Revised September 2021**

### **Background:**

- A new updated Pay Progression Policy for NHS Wales was agreed by the Welsh Partnership Forum on 14 November 2019.
- The development and implementation of the policy was one of the elements agreed as part of the Framework Agreement on the Reform of Agenda for Change was approved at the extraordinary meeting of the Welsh Partnership Forum on 28 September 2018
- The approach taken was to set a high level facilitative policy with some common parameters within which individual NHS organisations can incorporate local requirements for inclusion in individual appraisals/objectives.
- The arrangements were paused in March 2020 as a result of the COVID-19 pandemic and will be restarted from 1 October 2021.
- To allow managers and staff to have a full 12 months within which to put the necessary processes in place for the policy to operate, managers will not be required to open any pay steps in line with this policy until a full 12 months has elapsed from the restarting of the pay progression policy and associated local processes i.e., from 1 October 2022. Accordingly, individuals will automatically be paid any pay steps which are reached prior to 30 September 2022.
- A series of FAQs are set out below to support managers in relation to the implementation of the policy.

### **Q1. What is the effective date of the new policy?**

The policy came into effect from the 1 April 2019 but was paused from March 2020 until 30 September 2021 as a result of the COVID-19 pandemic. The policy and all its provisions will now become operational from 1 October 2021 with any pay steps reached after 1 October 2022 needing to be opened by managers. Individuals will automatically be paid any pay steps reached prior to 30 September 2022.

### **Q2. What are the implications for pay progression of the 1 October 2021 implementation date?**

All employers are now expected to re-start the new pay progression system from 1 October 2021.

Staff will retain their existing pay-step date (previously referred to as incremental date).

Where a pay step is reached between 1 October 2021 and 30 September 2022 staff will move automatically on to the next pay step.

**Any pay steps reached after 1 October 2022, will need to be opened by managers in line with this policy.**

**Q3. Why has annual pay progression been removed?**

Within NHS Wales, agreement was reached in 2015 that allowed employers to link pay progression to their appraisal processes so that it is no longer automatic. The 2018 Framework agreement aimed to ensure that all employers move to that system for all staff with pay step (incremental) progression by April 2021. (As a result of the pause caused by the COVID-19 pandemic this date has been moved to 1 October 2022). By establishing this link, the importance of effective appraisals, line management and staff development will be strengthened allowing greater staff engagement and understanding of how the work we do ultimately impacts on the delivery of each Health Board and Trust's organisational objectives and a tighter focus on the training and skills staff need to deliver the best patient care.

**Q4. Is it expected that staff will successfully progress through their pay-step review?**

Yes. Employers should plan and budget on the basis that all staff are expected to progress on time. The exception will be where an individual has not met the criteria for progressing to the next step point, and there are no mitigating factors sufficient to justify this. Employers should work jointly with local trade union partners to develop policies which ensure that staff receive the training and support they need to meet appraisal requirements. The revised annex 23 covers situations where progression may be delayed.

**Q5. How will local appraisal policies relate to the All Wales Pay Progression policy?**

Local appraisal policies will need to be consistent with local objectives and organisational standards/values and should identify relevant competency frameworks ensuring that staff and management understand how they operate. Regular appraisal, performance and/or development reviews should continue to play a central role in determining whether an individual has met the standards required of them locally for pay progression. Local policies will need to be developed, monitored and reviewed in partnership. Line managers undertaking appraisals should have access to appropriate time, training and development for this purpose. Staff should actively participate in appraisal processes and be supported to do so. Line managers should monitor and discuss performance throughout the year so that problems are identified and addressed appropriately as soon as possible.

**Q6. How will the new progression system work when people move employers?**

The Electronic Staff Record (ESR) will ensure relevant information is recorded on to the system and included in Inter-authority transfer (IAT) information. Further information is available in the FAQs produced by ESR.

**Q7. Will the new progression system be linked to individual, department, team, or organisational performance?**

The new progression system is linked to individual objectives and organisational standards/values, part of which is the appraisal process. Individuals may have objectives related to the wider organisation as part of their individual appraisal objectives. The system also allows any local standards/values agreed in partnership to be included in the appraisal process.

**Q8. What standards need to be met for someone to progress to their next pay step?**

The policy specifies the progression standards which are:

- i. The appraisal process has been completed within the last 12 months and outcomes are in line with the individual's objectives and the organisation's standards/values
- ii. There is no formal capability process in place
- iii. There is no formal disciplinary sanction 'live' on your record. 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.

- iv. Statutory and/or mandatory training has been completed
- v. For line managers only – appraisals have been completed for all your staff as required

Where factors beyond the individual's control, such as organisational or operational issues have prevented compliance with any of the above requirements, these should not prevent the employee from progressing. Managers should ensure that they take full account of such factors and staff should bring these to the attention of their line manager as soon as possible [not waiting until the pay step review] so that these can be addressed and remedied

**Q9. What is meant by 'Capability Process'?**

Capability Process covers processes for dealing with lack of competence, including professional and clinical competence, and clear failure by an employee to achieve a satisfactory standard of work through lack of knowledge, ability or consistently poor performance. 'Process' means that there has been an outcome placing the employee in a formal stage of the process. Investigations, informal stages and processes for dealing with absence due to ill health are all excluded from this pay progression standard.

**Q10. What is meant by a 'live' Disciplinary sanction?**

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.

If the disciplinary sanction in place at the time of the pay step date is subsequently repealed, for example as a result of a successful appeal, the pay step date will be backdated to the pay step date of all other standards have been met.

Verbal warnings will have no impact on progression.

**Q11. How will the Pay Progression Process be managed?**

All aspects of the Pay Step submission process will be undertaken via the ESR system.

**Q12. How will managers and employees be notified about Pay Progression?**

From 1 October 2022, ESR will generate notifications, accessed by ESR Self Service users, to managers and employees to advise when a pay step is imminent. These will be sent only in a year where a pay step is due.

Employees will receive a notification sent four months and one month prior to a pay step date. Managers will be sent a monthly notification that will detail the pay step dates of all of their direct reports which are due within the next 90 days.

To give employees more information about their pay progression, a new portlet will be available on the My ESR dashboard covering:

- Pay step date
- When a pay step is due
- Last appraisal date
- Next appraisal date
- Appraisal or review type

### **Q13. What must managers do?**

From 1 October 2022 pay step points will be closed on ESR. Once a pay step review has been successfully completed, the line manager must take the necessary action on ESR to open the pay step point.

Line 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 employee's pay step date. This must take into account the local payroll timescales and cut off dates.

Notwithstanding that pay steps are automatic prior to 1 October 2022, managers and staff should engage in the processes and principles for progression as set out in the policy for all staff, irrespective of their pay step (incremental) date. Similarly, the requirement to meet the pay progression standards applies to staff where a pay step (increment) is not due in the annual cycle and for staff who have reached the top pay point of their band.

### **Q14. What happens if the required standards have not been met?**

It is expected that staff will achieve the required standards at the point of their pay step date. It is also expected that staff and their line manager should have 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.

In situations where standards have not been met as per Q8 and there are no mitigating factors sufficient to justify this, it is expected that an individual's pay step will be delayed, subject to arrangements outlined below.

The line manager must use the pay step review meeting process to discuss the standards that have not been met and review previous discussions about these, consider any mitigating factors, and record their decision.

The line manager should advise the member of staff of their right to contest any decision, as per Section 5.7 of the NHS Pay Progression Policy, where the required level of performance is deemed not to have been met in line with the standards outlined in Q8. If this is upheld, the pay step should be applied and backdated to the pay step date.

The line manager should also discuss and agree a plan with the staff member 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.

The staff member must take all necessary steps to meet the requirements as soon as possible and the line manager must provide the necessary support.

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.

**Q15. What happens where a pay step is delayed due to a 'live' Disciplinary sanction or a Formal Capability Process?**

Where a pay step is delayed due to a live disciplinary sanction, or a formal capability process, the 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 the staff member progresses to the next pay step, effective the day after the sanction expires. The pay step date will remain unchanged.

**Q16. What is the re-earnable process for staff in Bands 8c, 8d and 9?**

The National Terms and Conditions of Service state that in the year after an employee has reached the top of Bands 8c, 8d or 9, 5 per cent or 10 per cent of basic salary will become re-earnable. Where the standards in Q8 are met, salary is retained at the top of the band. If standards are not met salary may be reduced by 5 per cent or 10 per cent from the pay step date, apart from situations where factors are beyond the individual's control, such as organisational or operational issues have prevented compliance with any of the required standards. 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. The employee has the right to contest a decision to reduce their pay as per Section 5.7 of the NHS Pay Progression Policy.

**There is currently no nationally agreed procedure/criteria in relation to the application of the re-earnable 5% and 10% of salary at present. Criteria will be developed in due course and no reduction will take effect until criteria have been established.**

**Q17. What happens if the member of staff is absent from work when a pay step is due?**

If a staff member 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.

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.

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 individual's absence.

If there was a 'live' disciplinary sanction (see Q10) in place at the point the individual went on leave, the pay step point should be applied in their absence, if appropriate, effective the day after the sanction expires.

If there was an active formal capability process underway at the point they went on leave, the pay step point can be delayed. The improvement process should be resumed immediately upon their return. On satisfactory completion, the period of their absence should be set aside and the pay step point backdated to an agreed date as if they had completed the improvement process without being absent. Employers will need to take particular care to avoid any discrimination or detriment on the grounds of maternity, sex or disability that could arise in relation to staff on maternity/adoption/parental leave or sick leave.

Suspension from work on full pay is a neutral act. In order to ensure this is the case, employers should ensure that the pay step point is applied from the pay step review date where an individual is suspended on that date, provided they were meeting the standards in Q8 at the point of suspension.

***Detailed guidance for organisations in relation to how ESR will support the implementation of the All Wales Pay Progression Policy is also available and should be referred to alongside these FAQs.***