

## Procedure for Managing Incremental Pay Progression

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<b>Date of Approval:</b>	15 <sup>th</sup> February 2017	
<b>Review Date:</b> <b>This is the most current document and should be used until a revised version is in place</b>	7 <sup>th</sup> December 2020	
<b>Target Organisation(s)</b>	Worcestershire Acute Hospitals NHS Trust	
<b>Target Departments</b>	All departments in Worcestershire Acute Hospitals NHS Trust	
<b>Target staff categories</b>	All staff on Agenda for Change Terms and Conditions	

### Policy Overview:

Revised arrangements for pay progression linked to employee performance have been agreed by the NHS Staff Council to apply to appraisal objectives from April 2013 for incremental pay progression post April 2014.

This procedure sets out the arrangements for managing incremental pay progression and provides guidance on how increments may be deferred if appropriate.

This procedure is supported by the revised Trust's performance development review procedures.

### References:

Code:

Agenda for change terms and conditions of service	

### Key amendments to this Document:

<b>Date</b>	<b>Amendment</b>	<b>By:</b>
June 13	New policy to support changes to incremental progression for staff on Agenda for Change terms and conditions as introduced from April 13.	Julia Cross
Dec 15	Review of document and amendments. Amendment to include Appendix 4 letter Amendment to include mandatory training objectives Amendment to include reference to the PDR Policy	Carol Deakin
Feb 16	Document approved at Key Document Approval Group	KDAG
June 2019	Document extended for 12 months whilst review process takes place	Rachel Morris/Tina Ricketts
June 2020	Document extended for 6 months during COVID-19 period	

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**1. Introduction**

The Trust has the patient at the centre of everything it does and this includes having the workforce with right skills, knowledge and competence to carry out roles in order to have the best outcome for the patient. Every individual should also have the diligence and motivation to deliver the required standard of performance to ensure that our patients are safe and receive effective and efficient service delivery.

This procedure outlines the process to be followed when pay progression needs to be deferred on an individual basis for reasons where performance standards are not satisfactory. This reflects the nationally agreed set of agreed principles and criteria contained in the new Annex W of the NHS terms and conditions of service handbook that underpin pay progression within locally developed personal development review systems.

The process outlined below provides for the employee’s pay to be halted at their current pay point until such a time as the performance standards improve to a satisfactory level or the individual leaves the organisation.

**2. Scope**

This procedure is aligned to the nationally agreed Agenda for Change terms and conditions of service for staff covered by these agreements. Those staff not covered by the AfC agreement are as follows, although these staff groups are subject to performance management processes:

- Hospital Medical and Dental Practitioners employed on the Whitley pay Scales
- Those staff whose contract of employment is deemed to fall outside of the Agenda for Change agreement and have personally opted to retain their local contractual terms that predated the Trust’s assimilation process. Staff within these groups should refer to the relevant sections of their national terms and conditions handbook for details..

This procedure also allows for pay progression through the top two pay points in pay bands 8C, 8D and 9 to be annually earned, dependent on performance.

**3. Purpose of this document**

It is the expectation of the Trust that employees will progress through the pay points of their pay band on an annual basis.

The Agenda for Change Handbook Section 6 and Annex W states the following:

*“Incremental pay progression for all pay points will be conditional upon individuals demonstrating that they have the requisite knowledge and skills/competencies for their role and that they have demonstrated the required level of performance and delivery”*

#### 4. Definitions

The definition of the requisite skills, knowledge and competence are as follows:

- A *skill* can be physical, oral, analytical or having the skill to judge situations and make decisions or plan and organise work, events or projects.
- *Knowledge* includes theoretical and practical knowledge; professional, specialist or technical knowledge; and knowledge of the policies, practices and procedures associated with the job/task.
- *Competence* is the capability and aptitude to implement the skills and knowledge to do the tasks allocated and deliver the required outcomes.
- *Satisfactory* means an acceptable level of performance i.e. achieving all parts of the role to an adequate standard.
- *Performance* means to undertake actions in order to achieve a pre-determined aim or outcome.
- *Delivery* means to achieve an expected and pre-determined outcome.

#### 5. Responsibility and Duties

Overall responsibility for this Procedure rests with the Trust Board. Operational responsibilities are delegated as follows:

##### 5.1 Executive Directors

The lead Executive Director for this Procedure will be the Director of Human Resources and Organisational Development. In addition, all Executive Directors will be responsible for ensuring that:

- All employees are informed of the terms of the procedures that apply to them
- The procedure is implemented and operated effectively within their directorates
- Managerial action is fair, equitable and reasonable in all circumstances and is monitored effectively

##### 5.2 Managers and Supervisors

**Pay progression cannot be deferred unless there has been prior discussion between the individual's and the person undertaking the review about the skills and knowledge and the individual needs**

Managers and Supervisors carry responsibility for effectively and fairly implementing and operating this procedure within their department.

Managers and supervisors should ensure that all their staff have an annual personal development review.

They are responsible for keeping accurate records regarding performance and for discussing any concerns with their staff at the earliest opportunity.

In addition all managers will be responsible for ensuring that employees are informed of this procedure and its operation.

Managers and supervisors should include mandatory objectives for all individuals to include full compliance with statutory and mandatory training requirements.

Line managers are responsible for ensuring that this policy is applied fairly and consistently to all in their teams, that employees are made aware of this procedure within their own department, and ensuring that each employee is aware of the implications for the personal development review process and failure to meet the required standards of performance reference Personal Development Review Policy WAHT-HR-049.

Managers must ensure that they successfully complete the appropriate training for undertaking Personal Development Reviews to enable them to apply the processes fairly and consistently.

### **5.3 Employee Responsibilities**

Employees are responsible for achieving the required standards of performance supported by their manager in line with the PDR process.

Employees are responsible for requesting time off to attend study days etc especially mandatory training updates as specified by the Trust. In exceptional circumstances where training is cancelled due to factors outside of the control of the individual the individual is required to re schedule training at the earliest convenience.

Employees should be aware that failure to achieve standards or maintain their mandatory training could result in increments being withheld.

### **5.4 The Role of Human Resources**

The responsibility of the Human Resources Department is to ensure that the policy and procedure is applied, maintained and updated accordingly in line with any organisational or legislative changes; as well as provide support for managers and employees in dealing with the management of staff affected by this procedure.

## 5.5 The role of Staff Side Representatives

Staff side representatives are a source of advice and support to managers and union members in the application of this procedure. The application of this policy will be monitored in partnership with staff side colleagues. How?

## 6. Policy detail

It is the expectation of the Trust that employees will progress through the pay points of their pay band annually. However, progression through all pay points will be conditional upon individuals demonstrating the required standards of performance and delivery and that they have the requisite knowledge, skills and competence for their role. This document outlines the procedure to be followed to defer pay progression where the above cannot be demonstrated.

### 1. Principles

Annex W of the Agenda for Change terms and conditions of service sets out the principles that inform this procedure as follows;

1. Local personal development and performance reviews will need to be consistent with the employer's local objectives and the NHS Constitution;
2. Regular appraisal, performance and/or development reviews will continue to be the basis for determining whether an individual has met the standards required of them locally for pay progression
3. Those staff demonstrating and applying the required levels of performance and delivery consistently during the performance review period will benefit from incremental pay progression;
4. In assessing an individual's performance, the Trust may consider not just whether the objectives have been achieved (or not) but also how they are achieved.
5. Pay progression into the annually earned pay points, the last two pay points in pay bands 8C, 8D and 9, will be available to all members of staff in these bands subject to the criteria set out in Annex W.
6. Individuals will have the right to seek a review of any decision where the required level of performance is not considered to have been met. See section 3 (i).
7. All line managers undertaking personal development reviews will be trained in undertaking appraisals and their equality responsibilities.
8. The impact of this procedure will be jointly monitored and reviewed regularly by Human Resources and the JNCC via data captured via the change form.

9. All employees who fail to meet performance requirements will be provided with appropriate training and support to achieve the required improvements in performance

**2. Assessment of Performance**

1. Standards of performance and delivery will differ greatly from role to role. All managers will need to determine the expected satisfactory levels of performance and to define what the ‘required standards’ are for the role.
2. These standards of performance will be assessed via the Trusts’ PDR process that will operate as an objective, evidence based performance appraisal and development review process. A further policy and procedure document will support this process. Personal Development Review Policy WAHT-HR-049.
3. In addition individual performance will be monitored throughout the year so that any under performance is brought to the attention of the individual and addressed appropriately as soon as possible.

Information regarding performance throughout the year will need to be taken into account in the performance appraisal and development review process. This ensures that reference is made to all experiences rather than those close to the PDR to include timely recognition of accomplishment (or feedback about poor performance).

1. In assessing an individual’s performance, line managers should take note of factors that are outside the control of individual employees
2. In some posts it is appropriate to adopt a team approach to performance measures which could be linked to team indicators of quality of patient care. These will be developed involving all staff in the team and may be considered alongside an individual performance assessment;
3. The operation of this procedure will be communicated to all staff so that they fully understand the operation of the process and the expectations of the role.

**3. Circumstances where Pay Progression MAY be Deferred**

An individual is considered not to be meeting the ‘required standards’ in the following circumstances:

- i. The failure to meet annual objectives.

These can include:

- group or individual objectives although team performance is

one aspect of the annual review process, the assessment of performance for the purpose of incremental progression will continue to be on an individual basis, specific targets with a threshold percentage attached.

- organisational targets

The objectives will need to be assessed in order to ensure that they are Specific, Measurable, Achievable, Realistic and Timebound. Where individuals have been assessed as having not met their objectives by at least 75%, pay progression will be deferred until such a time that the objectives have been achieved which will be determined at an appraisal review not more than 3 months following the original assessment of the objectives. Upon achievement of the objectives, pay progression will be re-instated with the new incremental date being deferred until the day after appraisal review.

ii. The failure to demonstrate “living” the values assessed by reference to for example a proven incident of misconduct that relates to the ‘living’ the organisation’s values or defined standards of behaviour i.e. formal disciplinary/conduct warnings/ capability or objective evidence of poor standards of behaviour.

Employees on formal disciplinary warnings (i.e. formal warnings) MAY have their pay progression deferred for the duration of the disciplinary warning. This will be considered by the panel hearing the case and be determined as an outcome of the disciplinary decision making process. Upon expiry of the warning, pay progression will be re-instated with the incremental date deferred until after expiry of the warning.

iii. Employees managed under the Trust’s Performance Procedure

Where an employee is being managed under the Performance Management Procedure, pay progression will be deferred until acceptable performance has been achieved and sustained for a period of 6 months. On achievement the employee will then continue to the next incremental point and their incremental date will be deferred to the day after the performance review.

iv. Non-compliance with mandatory training requirements

It is a contractual requirement for all employees to undertake mandatory training necessary for their role. Failure to do this is a breach of this contract. Employees who have failed to comply with their mandatory training requirements will have their pay progression deferred until the day after compliance. Clearly, there may be situations where circumstances have prevented an employee from undertaking their training, these must be clearly documented by the line Manager. Where the reason for non-compliance is due to managerial issues, the employee will not be penalised.

v. Non-compliance with the personal development review process

It is a job requirement for every employee to actively participate in the annual appraisal process. Failure to do so is a breach of contract and may result in deferral of pay progression until compliance is achieved. The Trust acknowledges that there may be situations where it has not been possible for an employee to have their personal development review prior to their incremental date, e.g. due to maternity or long term sick leave, and in such circumstances pay progression will not be deferred as long as the PDR is completed within 8 weeks upon the employee's return to work. Where the reason for non-compliance is due to managerial issues, the employee will not be penalised.

**4. Process for Deferring Pay Progression**

4.1 Failure to meet set objectives following a Personal Development Review

Where pay progression is to be deferred for failure to meet the set objectives, the manager must complete a change form for sign off by Human Resources.

Once the objectives have been completed, the line manager must complete a payroll amendment form to re-instate the increment. The incremental date is deferred to the date of achievement and it will not be backdated.

4.2 Non-compliance with appraisal or mandatory training requirements

Where pay progression is to be deferred for non-compliance with appraisal or mandatory training requirements, the manager must complete a change form for sign off by Human Resources..

Once the PDR or mandatory training requirements have been completed, the line manager must complete a change form in a timely manner to re-instate the increment. The incremental date is deferred to the date of achievement and it will not be backdated unless in exceptional circumstances.

In addition, the employee should be made aware that any future lapse in mandatory training requirements or the appraisal process may result in disciplinary action. A copy of the letter in Appendix A must be given to the employee and a copy kept on their personal file.

Disciplinary or formal warnings under the Trust's performance management procedure can be found on the Trust intranet WAHT-HR-009. Where pay progression is to be deferred due to a disciplinary warning or the individual has been subject to the Trust's performance management procedure, the line manager will complete a change for sign off by Human Resources.

Once the employee’s warning has expired or the recommended period of deferral has ended the pay increment will be re-instated. The effective date of the re-instated increment will be the day after expiry of the warning. The incremental date is deferred to the date of achievement and it will not be backdated.

**5. Appeals Process**

If an employee is aggrieved with their line manager’s decision to defer pay progression they have the right to submit an appeal. This should be submitted to their line manager’s manager within 15 days of the individual being advised of the decision.

The appeal will be heard by the next level of management, provided they have not been involved in the decision to defer pay together with an HR representative. The individual will be entitled to be accompanied by a work colleague or a trade union representative. The panel’s decision will be followed up in writing within 5 working days of the hearing. There is no further appeal after this stage.

Where the panel uphold the employee’s appeal, pay will be backdated to the date at which pay progression should have occurred.

Appeals against warnings for performance/disciplinary processes will be conducted as part of the normal appeals process within those procedures.

**7. Implementation of key document**

Awareness of this Policy will be raised throughout the Trust. It will be included in all Induction training and will also form an integral part of all Management Development training.

Specific training and awareness sessions will be provided as part of the implementation of the Policy to enable all managers and staff-side representatives to understand what is expected of them.

**8. Monitoring and compliance**

<b>Monitoring Requirements</b>	a) the application of the policy via t change forms b) effectiveness and equality impact of the policy
<b>Monitoring Method</b>	Via change forms received by HR for sign off and recorded.
<b>Monitoring Prepared by</b>	Workforce and HR Managers & HR Officers
<b>Monitoring Presented to</b>	Divisional Management meetings, JNCC and Directorates

## 9. Training and awareness

Awareness of this Policy will be raised throughout the Trust. It will be included in all Induction training and will also form an integral part of all Management Development training.

Specific training and awareness sessions will be provided as part of the implementation of the Policy to enable all managers and staff-side representatives to understand what is expected of them.

## 10. Financial risk Assessment

There are no financial risks associated with this policy

## 11. Consultation/Approval Process

This policy has been developed in conjunction with the policy working group and approved by the Joint Negotiating and Consultative Committee

## 12. Dissemination process

The policy will be placed in the Trust's HR Document library on the Intranet and will be publicised through Trust update, policy update briefings for managers and notified to the Trust Board by the Workforce and Organisational Development Group.

## 13. Development of the Policy

This policy will be reviewed after 2 years, or earlier in the light of any legislative changes, developments in best employment practice, to ensure its continuing relevance and effectiveness.

## 14. Appendices

1. Equality Impact Assessment tool
2. Financial risk assessment
3. Checklist for the Review and Approval of Key Document
4. Letter

## APPENDIX 1

**Equality Impact Assessment Tool**

To be completed by the key document author and attached to key document when submitted to the appropriate committee for consideration and approval.

		Yes/No	Comments
<b>1.</b>	Does the policy/guidance affect one group less or more favourably than another on the basis of:		
	• Race	No	
	• Ethnic origins (including gypsies & travellers)	No	
	• Nationality	No	
	• Gender	No	
	• Culture	No	
	• Religion or belief	No	
	• Sexual orientation including lesbian, gay & bisexual people	No	
	• Age	No	
	• Disability - learning disabilities, physical disability, sensory impairment & mental health problems	No	
<b>2.</b>	Is there any evidence that some groups are affected differently?	No	
<b>3.</b>	If you have identified potential discrimination, are any exceptions valid, legal and/or justifiable?	N/A	
<b>4.</b>	Is the impact of the policy/guidance likely to be negative?	N/A	
<b>5.</b>	If so can the impact be avoided?	-	
<b>6.</b>	What alternatives are there to	N/A	

		Yes/No	Comments
	achieving the policy/guidance without the impact?		
7.	Can we reduce the impact by taking different action?	N/A	

**Appendix 2**

**Financial Risk Assessment**

To be completed by the key document author and attached to key document when submitted to the appropriate committee for consideration and approval.

	Title of document:	Yes/No
1.	Does the implementation of this document require any additional Capital resources	No
2.	Does the implementation of this document require additional revenue	No
3.	Does the implementation of this document require additional manpower	No
4.	Does the implementation of this document release any manpower costs through a change in practice	No
5.	Are there additional staff training costs associated with implementing this document which cannot be delivered through current training programmes or allocated training times for staff	No

### Appendix 3

#### Checklist for the Review and Approval of Key Document

To be completed by the key document author and attached to any document which guides practice when submitted to the appropriate committee for consideration and approval.

	Title of document being reviewed:	Yes/No/Unsure	Comments
<b>1.</b>	<b>Title</b>		
	Is the title clear and unambiguous?	yes	
	Is it clear whether the document is a guideline, policy, protocol or standard?	yes	
<b>2.</b>	<b>Rationale</b>		
	Are reasons for development of the document stated?	yes	
<b>3.</b>	<b>Development Process</b>		
	Is the method described in brief?	yes	
	Identify which people have been involved in the development including stakeholders/users?		
	<b>Name</b>	<b>Job Title</b>	
	Di Pugh	Interim Head of HR	
	Kath Ackah	Staff Side Chair	
	JNCC Staff Side	Unison, Unite, RCN, SOR.	
		<b>Yes/No/Unsure</b>	<b>Comments</b>
	Do you feel a reasonable attempt has been made to ensure relevant expertise has been used?	yes	
<b>4.</b>	<b>Content</b>		

	<b>Title of document being reviewed:</b>	<b>Yes/No/Unsure</b>	<b>Comments</b>
	Is the objective of the document clear?	yes	
	Is the target population clear and unambiguous?	yes	
	Are the intended outcomes described?	yes	
	Are the statements clear and unambiguous?	yes	
<b>5.</b>	<b>Evidence Base</b>		
	Is the type of evidence to support the document identified explicitly?	yes	
	Are key references cited?	yes	
	Are the references cited in full?	yes	
	Are supporting documents referenced?	yes	
<b>6.</b>	<b>Approval</b>		
	Does the document identify which committee/group will approve it?	yes	
	If appropriate have the joint Human Resources/staff side committee (or equivalent) approved the document?	yes	
<b>7.</b>	<b>Dissemination and Implementation</b>		
	Is there an outline/plan to identify how this will be done?	yes	
	Does the plan include the necessary training/support to ensure compliance?	yes	
<b>8.</b>	<b>Document Control</b>		
	Does the document identify where it will be held?	yes	
	Have archiving arrangements for superseded documents been addressed?		Plans have been agreed to ensure appropriate arrangements
<b>9.</b>	<b>Process to Monitor Compliance and Effectiveness</b>		
	Are there measurable standards or KPIs to support the monitoring of compliance with and effectiveness of	yes	

	<b>Title of document being reviewed:</b>	<b>Yes/No/Unsure</b>	<b>Comments</b>
	the document?		
	Is there a plan to review or audit compliance with the document?	yes	
<b>10.</b>	<b>Review Date – June 2015</b>		
	Is the review date identified?	yes	
	Is the frequency of review identified? If so is it acceptable?	yes	
<b>11.</b>	<b>Overall Responsibility for the Document</b>		
	Is it clear who will be responsible for co-ordinating the dissemination, implementation and review of the document?	yes	

**Individual Approval (this section to be completed by managerial/professional lead)**

If you are happy to approve this document, please sign and date it and forward to the chair of the committee/group where it will receive final approval.

Name	Denise Harnin	Date	March 2016
Signature			

**Committee Approval**

If the committee is happy to approve this document, please sign and date it and forward copies to the person with responsibility for disseminating and implementing the document and the person who is responsible for maintaining the organisation's database of approved documents.

Name	Denise Harnin	Date	March 2016
Signature			

## Appendix 4

Template letter 1 - **Deferral of general incremental progression – AMEND AS APPROPRIATE**

Dear

a) Performance

From April 2013 incremental pay progression for all pay points, within each pay band, is conditional upon individuals demonstrating that they have the requisite knowledge and skills/competencies for their role and that they have demonstrated the required level of performance and delivery during the review period.

As discussed on (date) I confirm that you have not achieved the locally agreed performance objectives, described below, which is a requirement for general pay progression:

- ***Detail here***

The impact of this (other than those already at the top of their pay band) is that your next pay increment will be deferred until acceptable performance has been achieved and sustained for a period of 6 months. On achievement you will then continue to the next incremental point and your incremental date will be deferred to the day after the performance review.

Should you wish to appeal this decision you have the right to appeal. Your appeal should be submitted to ##### (line managers manager) within 15 days of being advised of this decision.

b) **Non-compliance with PDR or mandatory training requirements.**

From April 2013 incremental pay progression for all pay points, within each pay band, is conditional upon individuals demonstrating that they have complied with the Trusts Mandatory training requirements/PDR process.

As discussed on (date) I confirm that you have not met these requirements which are a requirement for general pay progression:

- ***Detail here***

The impact of this (other than those already at the top of their pay band) is that your next pay increment will be deferred until you have completed your mandatory training/engaged with the PDR process. On achievement you will then continue to the next incremental point and your incremental date will be deferred to the day after the mandatory training/PDR.

I advise that any future lapses in mandatory requirements/PDR process may result in disciplinary action.

Should you wish to appeal this decision you have the right to appeal. Your appeal should be submitted to ##### (line managers manager) within 15 days of being advised of this decision.

**c) Disciplinary warning/formal performance management**

From April 2013 incremental pay progression can be deferred due to a disciplinary warning being issued/or subject to the Trusts performance management procedure.

As discussed on (date) I confirm that you have received a Stage ## warning on ###.

- ***Detail here***

The impact of this (other than those already at the top of their pay band) is that your next pay increment will be deferred until your warning has expired when your increment will be re-instated the day after the expiry of the warning.

Should you wish to appeal this decision you have the right to appeal. Your appeal should be submitted to ##### (line managers manager) within 15 days of being advised of this decision.