Pay progression webinar

8 February 2019
Background

- The framework agreement on the reform of Agenda for Change, adopted 27 June 2018, committed the parties to undertake further work on the new pay progression system:

- To prepare, the NHS Staff Council established a sub group to negotiate details of the new system and produce guidance materials. The sub group has been working to ensure that all documentation relating to pay progression changes would be available ahead of 1 April 2019.
The new system

• The new pay progression system will come into effect on 1 April 2019 for new starters or those promoted to a new role on or after 1 April 2019. Promotion means moving to a higher banded role.

• For all other staff who were in post before 1 April 2019, current organisational pay progression procedures will continue to apply until 31 March 2021, after which time they will also be subject to the new provisions.

• The new pay progression system is underpinned by the annual appraisal process.

• The expectation is that all staff will meet the required standards and therefore be able to progress on their pay step date.
Transitional arrangements

- Staff in post before 1 April 2019 will retain their existing pay step date (previously referred to as incremental date) and move automatically through their pay journey during transition.

- On their pay step date, (if they have not already benefited from deletion of a pay point) it is expected that they will automatically move to the next pay point reflecting their additional complete year of experience.

- The ESR system is able to progress existing staff automatically.

- Pay step points will be closed on the payroll system for new starters or those promoted to a new role on or after 1 April 2019 and for all staff from 1 April 2021. The new pay progression arrangements will apply.
Pay progression: All staff until 31 March 2021 (during transition)

Example
This example shows the pay progression journey for both new and existing staff during the transitional arrangements:

- For all staff who were in post before 1 April 2019, current organisational pay progression procedures will continue to apply until 31 March 2021.
- New starters or those promoted to a new role on or after 1 April 2019 will be subject to the arrangements contained within annex 23.
Pay progression: New staff from 1 April 2019 and all staff from 1 April 2021

Example: Band 5  Number of years progression

Entry 1 2 3 4

Entry step-point

Ongoing regular appraisal discussions and appraisal takes place during this period

Line managers will receive notification prior to an individual’s next pay-step date.
The staff member and line manager will meet to review whether the standards have been met.
A locally determined template should be used to support this process, which should be signed by the line manager and the member of staff.
This will then be used as the basis for confirmation of movement to the next pay-step point

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The staff member and line manager will meet to review whether the standards have been met.
A locally determined template should be used to support this process, which should be signed by the line manager and the member of staff.
This will then be used as the basis for confirmation of movement to the top pay-step point
Pay structure for new staff from 1 April 2019 and all staff from 1 April 2021

Number of years progression

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**Key**
- Entry step-point
- Intermediate step-point
- Top step-point
- Discretionary re-earnable

*Discretionary re-earnable*
A newly revised annex 23 (England) describes the agreed pay progression framework which underpins the pay structure. The NHS Terms and Condition of Service Handbook will be amended with the revised annex ahead of 1 April 2019.
Pay progression standards

In the new pay progression system, staff will progress to the next pay step point on their pay step date where the following can 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.
IV. Statutory and/or mandatory training has been completed.
V. For line managers only – appraisals have been competed for all their staff as required.
The published resources will help you, your managers and staff to understand and prepare for implementation of the pay progression framework.
Key actions

• The guidance and checklists contain the responsibilities and key actions for organisations, managers and staff to consider and take forward.

• Consider how you will communicate the changes within your organisation and any training that may be required.

• Consider how your organisation uses ESR. ESR (including its Self Service facilities) will enable organisations to implement this new system effectively and efficiently.

• You should also consider in partnership any amendments that may be required to your local policies and practices.
Supporting the NHS TCS 2018
Pay Progression

Nick Adcock
NHS Development Team
• The NHS Central Team have been working closely with the pay progression sub group to understand the policy implications from the revised annex 23.

• We are reflecting the updates to policy in ESR. This includes how employees will be expected to demonstrate that they should progress through the new pay structure.

• A key change is the concept of the manager opening the pay step for the employee.

• The support material released by NHS Employers states:
  • Pay step points will be closed on the payroll system for new starters or those promoted to a new role on or after 1 April 2019 and for all staff from 1 April 2021.
  • To ensure that ESR is ready to meet the policy a number of changes are planned for release 42 – End of March 2019.
Self Service

• A new review type called pay progression meeting review will be added.
• This is in addition to the normal appraisal an employee should have as the completion of the appraisal is one of the key considerations in assessing pay progression.
• A standard template will form part of the new pay progression review meeting to capture:
  • Employee comments
  • Manager comments
  • Rectification plan where it is noted the employee is not progressing through the pay step.
• As part of the pay progression review meeting the following values (up to five reasons can be recorded), confirmed by pay progression sub group, can be selected as reasons for non-progression:
  • The appraisal process has been completed within the last 12 months and outcomes are in line with the organisation’s standards.
  • There is no formal capability process in place.
  • There is no formal disciplinary sanction live on the staff member’s record.
  • Statutory and/or mandatory training has been completed.
  • For line managers only – appraisals have been competed for all their staff as required.

Organisations that are yet to deploy Self Service

• A form against individual assignments on ESR will be available to enable input by central users (HR).
Pay progression – summary

• New notifications will be sent to employees, managers and role holders, but only in years where the pay step will lead to an increase in pay.
• ESR business intelligence and the strategic Data Warehouse are being updated to enable reporting on the new policy and its implementation and effect.
• A new portlet is being designed to help employees view their ESR appraisal information.
Payroll processing

- The auto increment process is being re-written. Employees with a start date prior to 1 April 2019 remain unaffected and the process will, unless identified otherwise, automatically update pay based on the pay-step date (previously referred to as incremental date).

- Employees joining or promoted to a higher banded role from 1 April 2019 will be subject to a new check within the auto increment process.

- Organisations are encouraged to review how they use ESR to support the appraisals process to plan for the first round of pay progression following the implementation in April 2019.

- We are not removing the existing AfC development review template. Organisations can continue to manage existing staff as they have done, which may include using this review type in ESR Self Service.
Pay progression

• How are we determining those this will impact:
  • We are using a calculation based on the start date in grade to determine this. That means existing employees where the start date in their assignment linked to the grade they are on is pre 1 April 2019 will not be picked up by the new conditions in the increment process.
  • The new pay step review meeting self service review type will have three outcomes - “Yes”, “Yes following deferral” and “No”.
  • For those starting or promoted after 1 April 2019, a “Yes” value will be required against the record to enable progression. A null value will be treated as a “No”. This is to reflect the changes that confirmation is required to enable progression.
  • “Yes, following deferral” will be complimented by the ability to record a date that progression should be re-instated from. Manual intervention will still be required at that point to re-enable progression to the appropriate point from the appropriate date.
Reports

• Prompts will be added to the business intelligence staff requirements dashboard to allow users to filter on employees whose pay step date is between a specific period.

• Ensure that the “Yes”, “No” and “Yes, following deferral” values are recorded against the pre and post increment payroll reports.

• ESR business intelligence requirements will include new reasons and pay step date, last appraisal date, next appraisal date, appraisal/review type.

• Inclusion of value or indicator where progression will result in pay increase.

• Ensure reporting supports local, regional and national analysis from within the ESR strategic data warehouse, including equality and diversity data and job role analysis.
New My ESR portlet

• New optional portlet to be added to the portlet library
• Details of latest appraisal and next pay step date
Implementation of 2018 NHS Terms and Conditions of Service:
Monitoring Arrangements
Our role

Department of Health and Social Care have requested that NHS Improvement:

• Monitor the implementation of the 2018 NHS Terms and Conditions of Service.

• Provide assurance that the contractual flexibilities created are harnessed to full operational and financial effect.
How will we do this?

We are currently:

• Reviewing data requirements against those available within ESR so that we minimise any burden on providers to provide assurance.

• Working with NHS Employers to align communications and support materials.

• Engaging with national Staff Council colleagues about implementation and benefits realisation approaches and methodologies.

Data collection from ESR on a local, regional and national basis. Oversight of the implementation will be undertaken through existing NHSI oversight mechanisms on behalf of the NHS Staff Council.

We will monitor on areas including:

• Completion of Equality Impact Assessments.
• Timeliness of processing pay progression reviews so that pay progression is not delayed.
• Quality assurance and consistency of decision-making across different parts of the organisation.
Local monitoring processes

• Key principle is that the new system should be adopted in an equitable approach, applied fairly and consistently across all staff groups and departments.

• Employers should put in place systems to monitor how well processes around appraisal and pay progression are working.

• Data must be collected, audited, published and monitored in partnership with trade unions including:
  • Pay step outcomes.
  • Re-earnable pay outcomes for bands 8c, 8d and 9.
  • Equality and diversity.
  • Contract status.
Readiness Survey

We requested providers to complete a survey in partnership with local staff side leads to inform our understanding of the issues you are facing as you implement pay progression.

The survey closed on Monday 4 February 2019 with a 45% response rate. Contact will be made with HRD’s where a response has not been received.

- The survey identified that only 60% of respondents have highlighted the risks and issues associated with local implementation of the NHS TCS 2018 reforms to their Board or a subcommittee of the Board.
- 53% of respondents advised they already have a pay progression policy in place and 33% are already operating re-earnable points for Band 8c plus.
- Providers reported the greatest level of challenge to implementing the new pay progression system were; (i) capacity of managers to process pay step reviews in a timely way, (ii) the effectiveness of appraisals and (iii) consistent application of the policy.
Q&A
Thank you for attending today’s webinar.

The pay progression materials are available at www.nhsemployers.org/payprogression