

## Pay progression (England)

## Introduction

1. The 2018 framework agreement on the reform of Agenda for Change introduced provisions to move to a new pay system with faster progression to the top of pay bands through fewer pay step points. This annex describes the agreed pay progression framework which underpins the pay structure and requires a manager/staff submission process to be followed for pay step points to be achieved.
2. This pay progression framework will be underpinned by local appraisal policies that deliver the mandatory annual appraisal process. It is intended to ensure that within each pay band staff have the appropriate knowledge and skills they need to carry out their roles and so make the greatest possible contribution to patient care. Local appraisal policies will be agreed in partnership with trade unions and may cover issues such as development opportunities and organisational values and behaviours (see also paragraph 54).
3. The expectation is that all staff will meet the required standards (see paragraph 19) and therefore be able to progress on their pay step date. Appraisal processes should involve regular conversations between staff and their line managers to ensure that required standards are understood, and additional support identified in good time.

## Timetable for transition to the new pay progression arrangements

4. The provisions in this annex will apply to all staff commencing NHS employment or promoted on or after 1 April 2019. Promotion means moving to a higher banded role.
5. 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 too will be subject to the provisions in this annex.
6. After 1 April 2021, pay step submissions for all staff will only take place after two, three or five years depending on pay band. Appraisals will continue to take place annually.
7. From 1 April 2021 all pay bands will have either one or two step points with specified minimum periods before staff become eligible to progress. An employee's pay step point is set in relation to their start date in that pay band. The exception to this is the re-banding of paramedics to the band 6 job profile in ambulance trusts in England who retain their personal pay step date. It is expected that staff who meet the required standards at their pay step date will progress to their next pay step point.

## Arrangements for staff in post prior to 1 April 2019

8. During the three-year transition period ending on 31 March 2021, current organisational pay progression procedures will continue to apply, unless the employee is promoted to a new post. These staff, unless they have received a promotion, will continue to receive incremental progression according to the transitional arrangements and follow the individual pay journeys described in the framework agreement on the reform of Agenda for Change (June 2018). During transition, pay points are removed from the pay structure in April 2018, April 2019, and April 2020. Staff already on a pay point at the time it is to be removed will immediately move to the next available point, even where this does not coincide with their existing incremental date. These staff will not receive a further increase on their incremental date, because they will have received their pay increase early.
9. Staff will retain their existing incremental date throughout transition. On their incremental date, (if they have not already benefited from deletion of a pay point) it is expected that all staff

will move to the next pay point reflecting their additional complete year of experience. Pay progression during transition will continue to be subject to any existing locally-agreed arrangements for managing pay progression which may have been implemented locally in accordance with the Staff Council's 31 March 2013 pay progression agreement.

#### Pay step dates

10. The pay step date is the anniversary of the date the individual commenced employment in their current band.

11. It is expected that staff new to the NHS will be appointed to the bottom of the relevant pay band.

12. Where staff move to a job in a higher pay band, their pay step date will become the anniversary of the date they commenced in that new band. The exception to this is professional roles covered by annex 20 who will retain their original pay step date.

13. Where a post is re-banded to a higher band as a result of a changed job evaluation outcome (see provisions of the Job Evaluation Handbook), the pay step date will become the anniversary of the agreed date that the new job description is deemed to have taken effect.

14. In all other cases including changing jobs within the same band, and moving to a lower band as part of an organisational change process, pay step dates will remain unchanged.

15. The new pay bands describe the minimum length of service on a pay step point required before staff are eligible to move to the next pay step.

16. Continuous previous service with any NHS employer counts in respect of reckonable service for pay step eligibility (See section 12: Contractual continuity of service).

17. Employers will continue to have discretion to take into account service with employers outside the NHS for this purpose, where this is judged to be relevant (See section 12.2: Contractual continuity of service).

18. There should be clear responsibilities agreed for the appraisal review where an employee is on a secondment to a different role at the time of their pay step date to ensure that they are able to access their pay step point without any detriment.

#### Pay progression standards

19. 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 completed for all their staff as required.

20. 'Capability process' in paragraph 19ii will be defined in the organisation's local policy and 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.

21. 'Disciplinary sanction' in paragraph 19iii refers to sanctions in relation to conduct only, and excludes warnings applied in relation to absence due to ill health. It refers to formal disciplinary sanctions such as formal warnings. It does not include investigations, informal warnings, counselling or other informal activities that may come within a disciplinary policy.

22. If a 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 will be backdated to the pay step date if all other standards have been met.

23. Where factors beyond the individual's control, such as organisational or operational issues, have prevented compliance with any of the requirements in paragraph 19 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.

24. Appraisals should continue to take place as a minimum on an annual basis, regardless of whether it is a year which includes a pay step date.

#### Pay step submission process

25. The pay step submission process is as follows:

i. Line managers will receive notification before an individual's next pay step date and initiate a meeting to review whether the requirements for progression have been met. This meeting will draw on the most recent appraisal outcome and consider the standards in paragraph 19. It is not necessary to schedule appraisals to coincide with pay step dates.

ii. A locally determined simple form, template or checklist should be used to support this process, which should be signed by the line manager and the member of staff.

iii. This will then be used as the basis for confirmation of movement to the next pay step point.

26. Pay step points will be closed on the payroll system. Once the pay step review has been successfully completed the line manager must take the necessary action to open the pay step point.

27. 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 staff member's pay step date. This must take account of local payroll timescales.

28. Although staff must have successfully completed their last appraisal to move to their next pay step point, the date the appraisal takes place does not have to be linked to their pay step date.

29. If the last appraisal outcome was not satisfactory but remedial actions have been successfully completed by the time of the pay step date the staff member will be able to progress without delay if they meet the other standards.

#### Decisions to delay a pay step

30. 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.

31. In situations where standards have not been met as per paragraph 19, 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 in paragraphs 32-38.

32. The line manager must use the pay step review meeting process in paragraph 25 to discuss the standards that have not been met and review previous discussions about these, consider any mitigating factors, and record their decision.

33. The line manager should advise the member of staff of their right to contest any decision using the locally agreed procedure where the required level of performance is deemed not to have been met in line with the local policy (see paragraph 53viii). If this is upheld, the pay step should be applied backdated to the pay step date.

34. 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.

35. 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.

36. 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.

37. 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.

38. A disciplinary sanction cannot be applied retrospectively to delay a pay step if it comes into effect after the pay step date.

#### Re-earnable process for bands 8c, 8d and 9

39. The principles and standards for pay progression and then re-earnable pay for staff in bands 8c, 8d and 9 are the same as the principles and standards for all other staff.

40. Once they have reached the top of their band, the expectation is that all staff will meet the required standards and will re-earn the relevant element of pay annually. The first point at which the re-earnable element becomes relevant is 12 months after employees have passed through their pay step point to reach the top of the band.

41. 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 paragraph 19 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, subject to the provisions in paragraph 23. 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 using the locally agreed procedure.

42. The standards that apply to staff in these bands are defined in paragraph 19-24. Employers will put in place robust monitoring arrangements for the use of annually re-earned pay in line with the expectations set out in paragraph 50-52.

43. Staff on the top two points of these bands on 31 March 2013 have reserved rights to the relevant point. This reserved right will be retained on a marked time basis. At the end of 2020/21, 5 per cent of pay will become annually earned and then, when annual increases to the top of the band add a further 5 per cent, annually earned pay will apply to 10 per cent of basic pay.

#### Absent from work when pay step is due

44. 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.

45. 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.

46. 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, subject to paragraph 44.

47. If there was a live disciplinary sanction 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.

48. 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.

49. 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 paragraph 19 at the point of suspension.

### Monitoring and reporting

50. Data on pay step and re-earnable pay outcomes must be collected, audited, published and monitored locally in partnership with trade unions, including by protected characteristics and contract status, and in line with Staff Council guidance

51. Organisations should have a clear line of accountability for investigating and taking action on any evidence of disadvantage or discrimination in process and outcomes

52. Organisations must also collect and submit the required data necessary to support national monitoring of the pay progression system by and on behalf of the Staff Council.

### Local appraisal policies

#### **Principles**

53. The following principles will inform the development of local appraisal policies:

- i. policies will need to be consistent with the employer's local objectives and the NHS Constitution for England.
- ii. organisations will budget and plan financially on the basis that all staff are expected to achieve their pay step points on their pay step dates.
- iii. regular appraisal, performance and/or development reviews will continue to play a central role in determining whether an individual has met the standards required of them for pay progression.
- iv. local policies will be developed, monitored and reviewed in partnership with trade unions and include a comprehensive training and development policy covering all staff.
- v. every line manager undertaking appraisal will have access to appropriate time, training and development including training on their equality responsibilities.
- vi. staff will actively participate in appraisal processes and receive time and support to do so.
- vii. performance will need to be monitored throughout the year so that problems are identified and addressed appropriately as soon as possible
- viii. individuals will have the right to contest any decision where the required level of performance is deemed not to have been met.
- ix. local systems will be equality assessed before implementation, and equality monitored once in operation.

#### **Checklist**

54. The following is a checklist for local appraisal schemes

Focus on organisational values and objectives, for example those linked to patient care.

Identify relevant competency frameworks such as the KSF and ensure staff and managers understand how they operate.

Have clear processes to document objectives and personal development plans.

Provide guidance for how appraisals will be conducted in atypical situations such as staff on secondment, staff acting up, staff in split roles.

Ensure adequate provision for statutory and mandatory training and for access to continuing learning and development opportunities, including paid time and appropriate facilities.

Ensure effective systems for accurately flagging in advance when a pay step date is due.

Review and improve equality and diversity data held on staff to ensure that monitoring is based on comprehensive information.

Cross-check and review interaction with the organisation's disciplinary policy to ensure fairness and safeguard against inequity. Key factors to review:

Are disciplinary sanctions disproportionately applied to groups with particular protected characteristics?

Is there a process of checking dates before disciplinary sanctions are applied to understand and review whether they will have the effect of delaying a pay step point, and whether this would create inequity?

Is sickness absence dealt with through a separate absence management process (unless a conduct issue is involved)?

9. Develop in partnership with trade unions a procedure which allows staff to contest decisions relating to their pay progression or re-earnable pay and includes clear timescales and processes.

*Amendment number 40: NHS TCS Advisory Notice 01/2019*

Pay progression (Wales)

Pay progression

1. 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 (2).

This annex sets out the principles and criteria for determining local incremental progression policies (3).

Expectations around standards and performance, and how these will be measured, should be made clear.

Principles

2. The following principles will inform the development of local incremental progression policies:

(i) local appraisal, performance and development reviews will need to be consistent with the principles and values of NHS Wales (see paragraph 8, Principles and Partnership).

(ii) local performance and pay progression policies should be developed in partnership.

(iii) 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, as set out in their local policies.

(iv) all those staff demonstrating and applying the required levels of performance and delivery consistently during the performance review period will benefit from incremental pay progression.

(v) in assessing an individual's performance, an organisation may consider not just whether the objectives have been achieved (or not) but also how they are achieved (4).

(vi) local systems must be consistent with the criteria set out in paragraphs 3 and 4.

(vii) 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 this annex.

(viii) individuals will have the right to seek a review of any decision where the required level of performance is deemed not to have been met (5).

(ix) local systems must be equality assessed before implementation.

(x) should apply equally to all staff covered by this agreement.

(xi) every line manager undertaking appraisal should have access to appropriate training and development in relation to undertaking appraisal and their equality responsibilities.

Criteria for local schemes

3. Organisations will need to operate an effective process for objective, evidence based performance appraisal, development and review, recognising team work wherever this is

appropriate. Individual performance will need to be monitored throughout the year so that under performance is identified by all concerned and addressed appropriately as soon as possible. Local schemes for pay progression will take account of the following:

- (i) the KSF/other relevant competency frameworks will continue to be the basis for the annual systems of review and development for staff.
- (ii) information on performance throughout the year will need to be taken into account in the performance appraisal and development review process, so that undue influence of experiences close to the review are avoided. Timely recognition of accomplishment (or feedback about poor performance) is more effective/motivational. Managers and staff will need to build a picture of performance during the course of the review period.
- (iii) in assessing an individual's performance, line managers should be mindful of factors that have been outside the control of individual staff (7).
- (iv) some organisations may wish to adopt team performance measures for some staff groups which could be linked to team indicators of quality of patient care. If this is part of the local solution those involved should consider whether these measures will need to be combined with individual performance assessment.
- (v) local arrangements for determining pay progression, including through the last two annually earned incremental points in pay bands 8C, 8D and 9, will need to be jointly discussed, based on this guidance, and adequately communicated to all staff so that they fully understand the operation of the process and the role everyone plays in it.

4. In addition local schemes will need to:

- (i) minimise the administrative burden on all staff
- (ii) be as simple as possible and focused on organisational values and objectives linked to patient care.
- (iii) be jointly monitored and reviewed regularly (8).
- (iv) provide appropriate training and support for staff who fail to meet performance requirements.

5. The views of patients and colleagues may be used to inform performance reviews for example 360-degree tools and survey results may be helpful. Views of other managers and other staff can broaden, inform and validate line manager and staff experiences.

1 In Wales this Section is part of a three year agreement. It applies there until 31 December 2017.

2 See the question and answer guidance in Annex 28 (England and Wales).

3 See the question and answer guidance in Annex 28 (England and Wales).

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5 See the question and answer guidance in Annex 28 (England and Wales).

6 See the question and answer guidance in Annex 28 (England and Wales).

7 See the question and answer guidance in Annex 28 (England and Wales).

8 See the question and answer guidance in Annex 28 (England and Wales).

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TCS Advisory Notice (01/2021)***

**Note: For further guidance on pay on promotion, visit our TCS Resource hub**