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## ALL WALES PAY PROGRESSION POLICY

### Policy Statement

In his letter of 11 June 2015 the Minister for Health and Social Services set out the intention to introduce pay progression linked to performance. The aim 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. It is important to note that this is not a cost saving measure aimed to limit progression but a policy that seeks to get value for money by linking pay progression with performance rather than time served in role.

### Policy Commitment

This policy sets out the reasons for pay progression and the procedure to be followed to deal with annual incremental reviews. It clarifies the performance ratings to be used and includes a description of each rating. The policy also covers issues arising relating to incremental progression and deferment and the process for handling any disagreement and it aims to ensure consistency of approach and application.

### Supporting Procedures and Written Control Documents

#### Other related documents are:

My Contribution Appraisal Scheme  
All Wales Capability Policy

### Scope

This NHS Wales policy applies to all members of staff on NHS Terms and Conditions of Service, and has been developed in line with Annex W of the NHS Terms and Conditions Handbook and must be used in conjunction with local appraisal policies and principles.

### Equality and Health Impact Assessment

See accompanying document

### Approved by

People and Organisational Development Committee

### Approval Date

04 July 2017

### Review Date

To be determined by Welsh Partnership Forum

<b>Date of Publication:</b>	06 July 2017
<b>Group with authority to approve supporting procedures</b>	People and Organisational Development Committee
<b>Accountable Executive Director/Director</b>	Phil Bushby Director of People and Organisational Development.
<b>Author</b>	Karen Williams, People Business Partner

### Disclaimer

**If the review date of this document has passed please ensure that the version you are using is the most up to date either by contacting the document author or [Corporate Governance](#).**

### Summary of reviews/amendments

Version number	Date of Review	Date of Approval	Date published	Summary of Amendments
v1	4 April 2017	04 July 2017	06 July 2017	First version of policy produced by Welsh Partnership Forum

## NHS Wales

### Pay Progression Policy

This NHS Wales policy applies to all members of staff on NHS Terms and Conditions of Service, and has been developed in line with Annex W of the NHS Terms and Conditions Handbook and must be used in conjunction with local appraisal policies and principles.

This policy sets out the reasons for pay progression and the procedure to be followed to deal with annual incremental reviews. It clarifies the performance ratings to be used and includes a description of each rating. The policy also covers issues arising relating to incremental progression and deferment and the process for handling any disagreement and it aims to ensure consistency of approach and application.

**In his letter of the (11<sup>th</sup> June 2015) the Minister for Health and Social Services set out the intention to introduce pay progression linked to performance. The aim 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. It is important to note that this is not a cost saving measure aimed to limit progression but a policy that seeks to get value for money by linking pay progression with performance rather than time served in role.**

The Pay Progression Policy needs to work closely with the Appraisal Process and therefore sets out some best practice principles for appraisal that all Health Boards and Trusts 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*

The Pay Progression Policy together with local Appraisal Policies will encourage and reward all staff to give their best contribution whatever their job is, be it in delivering care, services, advice or support functions and that increments are awarded as a reward for performance not because of time in employment.

The Chief Executive of NHS Wales will ensure that the policy is implemented fairly.

This policy will be reviewed 6 months and 12 months after implementation and then in response to new evidence, legislation or guidance, or every three years, whichever is sooner.

## 1. Pay Progression summary

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, increments 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*

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.

Each year before your increment date, you and your manager will review how well you have met your objectives and agree whether your performance is satisfactory or unsatisfactory. If it is satisfactory, you will receive your annual increment. If it is unsatisfactory you will not receive your increment and you will work with your manager to agree a plan to help you improve in order that you receive your increment at the next opportunity.

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 increment.

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

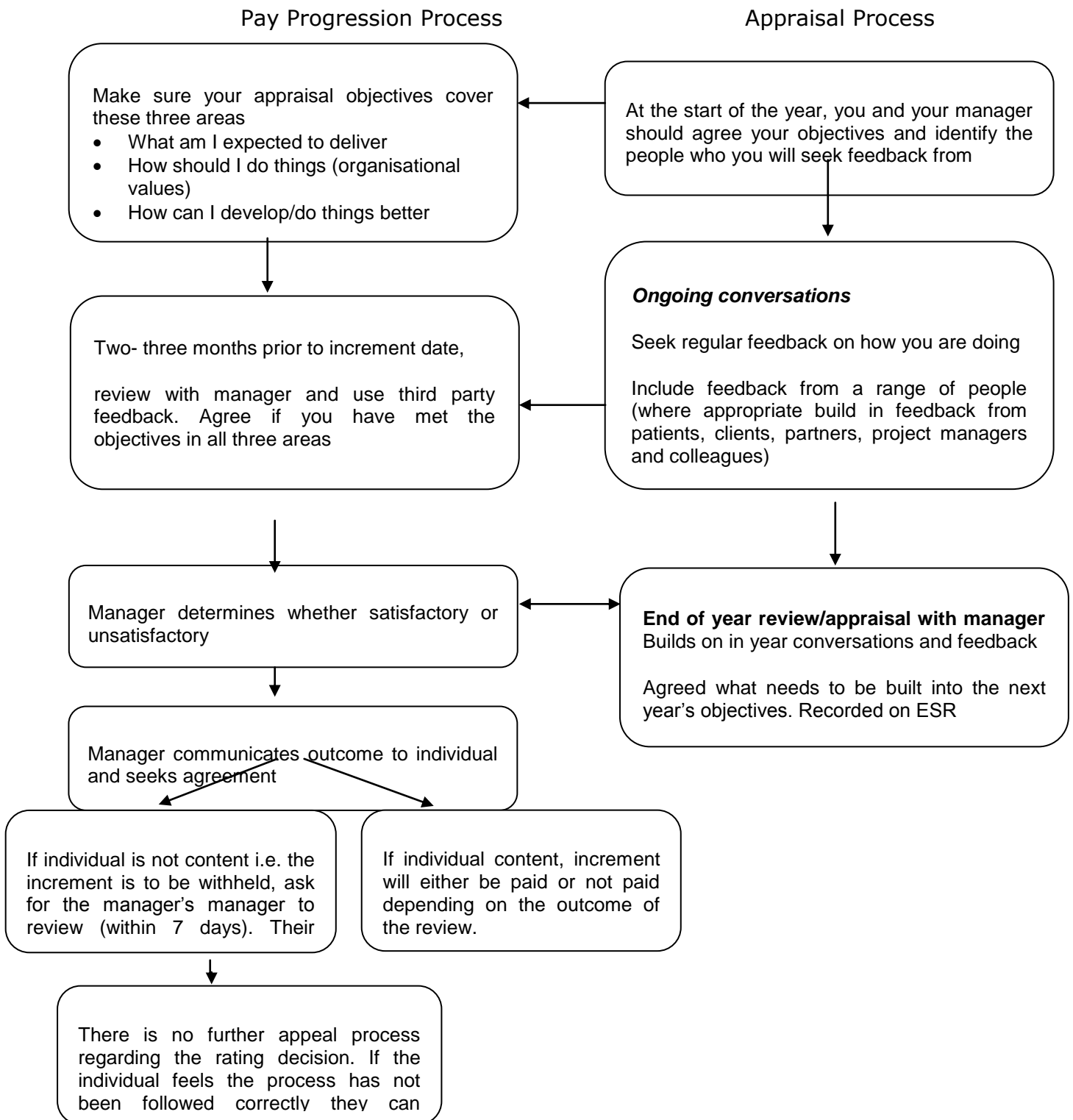
## 2. The Appraisal Process

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*

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.

### 3. The Pay Progression Process



## 4. Who does what and when?

### 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 you receive your annual increment or not.

### 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.

### Increment Review

You should have a review 8-12 weeks before your increment 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 increment date, this meeting may also be your end of year appraisal.

It is good practice to have regular conversations and feedback throughout 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.

### Agreeing the rating

At the end of your increment 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. If the rating is satisfactory your increment will be paid, if the rating is unsatisfactory you will not receive an increment.

Satisfactory	Has successfully met core objectives and demonstrated satisfactory progress in achieving other objectives.
Unsatisfactory	Has been unsuccessful in meeting core objectives and/or has not demonstrated satisfactory progress in achieving other objectives

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 further more 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.

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 next increment.

### **Integrating outcomes into next year's appraisal**

The increment 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.

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

### **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 can't resolve this directly with them, then you can ask your manager's manager to review the decision. This should be done within 7 calendar days of being told your rating. Your manager's manager will want to understand both you and your manager's points of view. They 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 appeal letter. This decision is final and your manager will then inform the W&OD department and payroll. There is no further appeal against the rating decision. If the individual feels the process has not been followed correctly they can consider the grievance process.

### **Band 8c and d/9 Roles**

We recognise that rewarding good performance with increments 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 and d/9 roles, there are the following differences:

- The top two incremental points are earned each year following the demonstration of good performance and so the individual will not automatically stay on top of the scale.
- Managers and individuals must get a range of feedback from patients/clients, colleagues and partners



## **Appendix 1: Legal issues**

### **Maternity / Adoption Leave**

During Maternity, Paternity and Adoption leave service is considered to be continuous. Therefore, if you take Maternity, Paternity or Adoption Leave which coincide with incremental dates, you should not be penalised.

Should your leave coincide with review/incremental date; pay progression will not be affected and an assessment will take place upon your return. This assessment will form part of your return to work, ensuring that essential skills are updated and objectives revised.

If you are in the formal stages of the capability policy at the time of commencing of your maternity/adoption leave, and there is evidence to show that you would be unlikely to have met your pay progression criteria, it may be possible to withhold your pay increment. However, advice must be sought from a relevant member of the W&OD department.

### **Paternity Leave/Parental Leave/Carers Leave/Shared Parental Leave**

As this period of leave is relatively short, managers are encouraged to ascertain whether an incremental date may occur during your absence and plan ahead to undertake the assessment before the leave of absence occurs. If this is not possible, it would be expected that, unless it is clear that you are unlikely to meet all of the progression criteria that you will receive your incremental rise and an assessment will take place on your return.

### **Sabbaticals/Career Breaks**

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.

### **Long Term Sickness**

Where a period of long term sickness coincides with your review/incremental date, pay progression will not be affected and an assessment will take place upon your return. This will not form part of normal return to work assessments and will be dealt with as part of a separate discussion.

If you are in the formal stages of the capability policy at the beginning of your sick leave, and there is evidence to show that you would be unlikely to have met your pay progression criteria, it may be possible to withhold your pay increment. However advice must be sought from a relevant member of the W&OD department.

### **Formal Processes**

The NHS Organisation reserves the right to defer pay progression should you be absent from work due to formal processes or where concerns with regard to performance would have been raised with us should they have been at work. The NHS Organisation will formally notify you accordingly, including your right to appeal and right to representation; it is anticipated this would only be in exceptional circumstances.

### **Equality Monitoring**

The NHS Organisation 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**

The NHS Organisation 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.

## **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 Data Protection requirements. Managers must ensure that all details of appraisal meetings are recorded on ESR.

## EQUALITY IMPACT ASSESSMENT

### 1. General

<b>Title of document</b>	<b>Pay Progression Policy (non-medical staff)</b>
<b>Purpose of document</b>	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.
<b>Intended scope</b>	All non-medical and dental staff employed by NHS Wales

### 2. Consultation

<b>Which groups/associations/bodies or individuals were consulted in the formulation of this document?</b>	<b>NHS Wales Partnership Forum (including all unions recognised by NHS Wales); Strategic Pay Taskforce Implementation Group; NHS organisations; Line Managers</b>
<b>What was the impact of any feedback on the document?</b>	
<b>Who was involved in the approval of the final document?</b>	<b>NHS Wales Partnership Forum &amp; Strategic Pay Taskforce Implementation Group</b>
<b>Any other comments to record?</b>	

**3. Equality Impact Assessment**

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

**4. Compliance Assessment**

<b>Does the document comply with relevant employment legislation? Please specify.</b>	None applies

**5. Document assessed by:**

<b>Name</b>	
<b>Post Title/Position</b>	
<b>Date</b>	