



Incremental Pay and Appraisal Policy

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Approving Committee	CCG Chief Officer
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Policy Author	CSU People's Services
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The CCG is committed to an environment that promotes equality, embraces diversity and respects human rights both within our workforce and in service delivery. This document should be implemented with due regard to this commitment.

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Version Control Sheet

Version	Date	Reviewed By	Comment
Draft v0.1	July 2015	Staff Forum	Comments received to be incorporated into the draft prior to submission to CO
Draft v0.1	Dec 15	CCG Chief Officer	Final sign off.

Analysis of Effect completed:	By:	Date:
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1. Policy Statement

- 1.1 This Policy sets out the principles and objectives of Performance Appraisal and links these objectives to pay progression within the Agenda for Change pay framework. The aim of this policy is to enhance the quality of the appraisal process to ensure the personal development of the employee and is crucial if the CCG is to achieve the required efficiency savings whilst commissioning high quality services.
- 1.2 An organisation –wide appraisal process, that focuses in performance and personal development, and links to the organisational priorities and values helps deliver this.
- 1.3 The CCG is committed to supporting staff to perform their role to the best of their ability through the following principles and will ensure that they:
 - Have a clear understanding of their role and the part they play in their team and organisation.
 - Have an agreed set of priorities and objectives for their work.
 - Possess and apply the knowledge and skills they need to perform that role effectively and to achieve their objectives.
- 1.4 The CCG will always aim to ensure that employees are fully supported to achieve and maintain a high standard of performance in their work. Managers must therefore ensure that acceptable standards are established and communicated, individual performance is regularly monitored and employees are given appropriate training and support to meet these standards.
- 1.5 The policy also sets out the principles and approach for incremental pay progression as required by Section 6a (England) and Annex W (England) of Agenda for Change and applies to all staff on agenda for change terms and conditions.
- 1.6 This policy should be read in conjunction with the CCG's PDP guidelines and appraisal documentation.

2. Principles

- 2.1 All CCG staff should meet with their Manager to have a performance appraisal and development review at least once a year and this should form part of an ongoing relationship between the member of staff and their Manager.
- 2.2 Effective appraisals are an essential part of good employment practices; leading to improved staff performance, higher satisfaction and better organisation and ultimately patient outcomes. The NHS Constitution also commits the NHS to providing staff with clear roles and responsibilities, and personal development and line management support to succeed.
- 2.3 Managers are expected to promote such a culture through their own values and behaviours and the application of the policies of the organisation in a consistent and equitable manner across their areas of responsibility.
- 2.4 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.

- 2.5 In accordance with the AFC terms and conditions of service, staff in bands 8C, 8D and 9, pay progression into the last two points in a band will become annually earned, and only retained where the required level of performance and delivery is achieved via a formal performance appraisal. Please also note and advise staff accordingly of any pay freeze agreements that are in place.
- 2.6 All those staff, at all pay bands demonstrating and applying the required levels of performance and delivery during the performance review period will benefit from incremental pay progression. They need to demonstrate that:
- They have attended all relevant mandatory training within required timescales.
 - They have met all the objectives and have the required level of knowledge, skills and values for the post.
 - They have demonstrated compliance with the CCG's value's to a satisfactory level.
 - They are not on a formal performance improvement plan and/ or they do not have a relevant disciplinary warning on file.

Staff at the top of their pay band are required to engage in the appraisal process to ensure that they set objectives that are in line with organisational objectives and that they are measured against such objectives.

- 2.7 Where an individual has not met their performance criteria they will not be entitled to progress up the pay band for that given year.
- 2.8 In assessing an individual's performance, the CCG will consider not just whether the objectives have been achieved (or not) but also how they are achieved.
- 2.9 The CCG appraisal form should be used to record the appraisal meeting.
- 2.10 Pay Progression will not be deferred unless there has been prior discussion between the individual and the person undertaking their review (which should be recorded) about the knowledge and skills, competencies and values that the individual needs to demonstrate develop and apply and the member of staff has been given the opportunity to improve their performance. Organisational objectives over which an individual has no control would not form part of a discussion regarding an individual's performance. Managers should schedule regular one to one meetings with their staff and should also plan in a half yearly review to formally review progress against objectives set.
- 2.11 Performance throughout the year will need to be considered in the performance appraisal and development review process, so that undue influence of experiences close to the review is avoided. Timely recognition of accomplishment (or feedback about poor performance) is more effective. Managers and staff will need to build a picture of performance during the course of the review period.
- 2.12 Any formal warnings issued under other policies will not automatically affect pay progression although it may be decided at the appraisal meeting that such issues are relevant.
- 2.13 In assessing an individual's performance, Line Managers should take account of factors that have been outside the control of individual staff.

- 2.14 Individuals will have the right to seek a review of any decision where the required level of performance has not been met.
- 2.15 Every Manager undertaking appraisal should have access to appropriate training and development in relation to undertaking appraisal and their equality responsibilities.
- 2.16 Employees on maternity leave will be entitled to receive incremental pay progression without participating in an appraisal/ performance review meeting so long as their Line Manager had no concerns with their performance prior to the start date of their maternity leave. However, it would be good practice for the line manager to undertake an appraisal with the individual prior to commencement of maternity leave.
- 2.17 Employees who are on long term sick leave can either have their Appraisal/ Performance Review Meeting delayed for up to three months or a decision can be made by their Line Manager to take a previous period of good performance as evidence that the employee is eligible for incremental pay progression.
- 2.18 Employees on a career break will not be eligible for pay progression and will have to wait until the incremental date following their return for their next incremental pay rise dependant on them demonstrating that they have achieved their objectives and performance requirements.
- 2.19 Employees with a live disciplinary warning on file will not necessarily be precluded from incremental pay progression instead the nature of the warning will be considered and a decision made accordingly.
- 2.20 There needs to be careful consideration of cases where deferral of pay progression is recommended and an employee is covered by one of the 11 protected characteristics as per the Equality Act 2010.
- 2.21 If there is no notification of deferral via the ESR employee changes paperwork progression to the next increment will happen automatically.
- 2.22 Employees have the right to representation by a trade union representative or a colleague at any Appeal Meetings but not at appraisal meetings.

3 Responsibilities

- 3.1 Managers Responsibilities
- To ensure that the employee is clear about the standards required of them and their objectives in their role.
 - Provide information on the CCG and vision, aims and strategic objectives.
 - To promote organisational values through their own actions and behaviours.
 - To ensure that employees have an annual appraisal at least three months prior to their incremental date.

- To meet at regular intervals throughout the review year to monitor employees performance against agreed objectives/indicators and to advise them of any shortfalls in performance at the earliest possible stage.
- Maintain written records of all meetings to discuss performance against agreed objectives/ appraisal. A copy of the annual appraisal meeting and decision about pay progression should be kept on the employees personal file held securely by the CCG.
- For delivering effective feedback on performance.
- To act in a fair and consistent manner.
- To submit any pay deferrals via the appropriate ESR form to hr.businessservices@nhs.net in a timely manner.
- To access any appropriate training and support to assist them in conducting effective performance reviews/ appraisals.

3.2 Employee Responsibilities

- Be familiar with the CCG vision, aims and strategic objectives.
- To participate and engage in the appraisal process.
- To undertake work in a competent manner.
- Ensure that they attend and complete any training required including mandatory training.
- Accept and engage in any appropriate development opportunities, reviews or support that is provided to them.
- To highlight to their Manager any areas of underperformance at an appropriate stage of the review cycle and not at the end.

4. Procedure

4.1 This procedure is detailed at PART 2.

5. Equality Statement

5.1 In applying this policy, the CCG will have due regard for the need to eliminate unlawful discrimination, promote equality of opportunity, and provide for good relations between people of diverse groups, in particular on the grounds of the following characteristics protected by the Equality Act (2010); age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sexual orientation, in addition to offending background, trade union membership, or any other personal characteristic.

5.2 An Equality Analysis has been carried out on this policy and can be viewed in Human Resources.

6. Monitoring and Review

- 6.1 The policy and procedure will be reviewed periodically by CCG Executive Team in conjunction with operational managers and Trade Union representatives. Where review is necessary due to legislative change, this will happen immediately.
- 6.2 The implementation of this policy will be reviewed on an annual basis by the CCG Executive Team.

1 Part 2 - Procedure

Stage 1- Setting Objectives and a Personal Development Plan

- 1.1 Personal Development Review and Plan. This should include:
- Specifying the level of knowledge and skill required to carry out the role successfully and achieve the agreed objectives.
 - Discussing and summarising the levels of skills and knowledge displayed during the previous year.
 - Assessing if the required levels of skills and knowledge have been displayed by the appraisee.
 - Agreeing development actions such as training, coaching or work shadowing to address identified shortfalls or gaps in the required skills and knowledge.
 - Prioritising the development in terms of the most important and essential to the role. Development will primarily focus on the appraisee meeting the knowledge and skills required for their current job although personal interests and opportunities for career progression will also be taken into account.
- 1.2 In discussing and agreeing any Development Plan a manager should consider the following principles:
- 70% of learning should take place in role through developing skills by stretching abilities every day, working with new colleagues, volunteering for projects, taking on more responsibility and acquiring skills, knowledge and behaviour. Maintaining a CPD portfolio is a good way of capturing this form of learning.
 - 20% of learning will come through coaching and mentoring, working with peers and managers to set goals and achieve them.
 - 10% of learning is from formal learning, in a classroom environment, e- learning or even studying for a professional or academic qualifications through external learning institutions.

Stage 2- Communication (setting appraisal date)

- 2.1 The appraising Manager (usually the appraisee's Line Manager) and appraisee (employee) will agree an appraisal meeting date (which will also be an incremental review) which will normally be held at least three months before the individual's

incremental pay progression date. The HR Provider is responsible for notifying managers at least three months prior to a member of staff's incremental date. The CCG specifies that all appraisal meetings should be conducted between April and July with interim reviews planned in December. In all cases, the review meeting must take place before the incremental pay progression date, thereby ensuring that if areas for improvement are identified, then the individual has reasonable time and opportunity to improve before a final decision of pay progression is made.

- 2.2 The meeting will normally be conducted by the individual's Line Manager using the CCG's appraisal documentation and they will review the individual's performance over the preceding 12 months.
- 2.3 The appraising Manager will ensure that the individual has a copy of the CCG's appraisal documentation, a copy of the previous appraisal documentation and any other relevant job information as agreed.

Stage 3: Preparation (appraisee and appraiser)

- 3.1 Once a date has been fixed for the annual performance appraisal and development review meeting, both appraising manager and the individual need to prepare for the meeting.
- 3.2 Two aspects of preparation are typically involved:
 - Reviewing current information on job, person and skill and knowledge requirements for the relevant job of the staff member.
 - Considering performance and development actions, experiences and achievements over the previous year. (Achievement of objectives, standards, delivery, consistency of performance.
- 3.3 It is important to keep a record of achievements and experiences throughout the year, in order to help avoid the undue influence of experiences close to the annual meeting, and to present a representative picture of performance, achievements and development over the prior 12 months.
- 3.4 Information on the job, person and skills can be derived from both the job description and person specification.

Stage 4: The Annual Appraisal Meeting

- 4.1 The meeting should form a two way quality discussion between the appraiser and appraisee with the appraisal form being used as a guide and record of the meeting. At the end of the meeting both appraiser and appraisee should agree and sign the paperwork. Both Appraiser and appraisee should retain a copy. All Managers should be trained in giving and receiving effective feedback as this lies at the heart of good performance management. The Appraising Manager should:
 - Encourage the appraisee to discuss their performance over the last 12 months, highlighting and describing key achievements.
 - Consider how the objectives have been achieved taking into account values and behaviours.

- Consider any issues or concerns that they have faced which have prevented their objectives being achieved or affected their performance
- 4.2 Objectives and KPI's for the next year- these should be set by the appraiser in agreement with the appraisee and should be based on the departmental business plan/ objectives. All objectives should be based on the principles of SMART and should be clear about support mechanisms available to the appraisee in achieving these objectives.
- 4.3 Summary of Performance and Development.
To conclude a summary of the discussions and agreed actions, objectives and development plan should be made by the appraisee and a rating should be assigned for the following areas based on the criteria given:

Achievement of objectives

- Not met all objectives
- Met all the objectives
- Exceeded the objectives

Level of skill, knowledge and values

- Below the required levels of knowledge, skills and values for the post
- At the required level of knowledge, skills and values for the post.
- Beyond the required levels of knowledge, skills and values for the post.

It is important to note that:

- A whole picture of performance over the last 12 months should be built up and considered so that undue influence caused by experiences close to the date of review are avoided.
- Factors outside the control of the individual should be considered and mitigated during the review.
- Individuals will have the right to a review of any decision where the require level of performance is deemed not to have been met.
- The appraiser has overall responsibility for determining the ratings, however where possible this should be a joint agreement between appraiser and appraisee.
- If the individual has met or exceeded the performance requirement then pay progression will take place.
- If the individual has not met the performance criteria then the appraiser will ensure that the appraisee is clear about the specific factors/ areas of underperformance and confirm the evidence for this. The appraiser will make a recommendation that pay progression is deferred and this will then be validated by an appropriate manager who will inform People Services through submission of the relevant ESR form. It is important to note that both the objectives should be met and also the level of skills, knowledge and values acquired in order to confirm pay progression.

- If the individual does not agree with the ratings that they have been given then they have the right to appeal (see appeals section of this procedure) Pay will be deferred until any appeal outcome is known.
- Line managers should share the appraisal documentation and PDP with the member of staff and both should keep their own paper or electronic copies for ease of reference.

Stage 5 – Follow up and on-going review

- 5.1 Regular, on-going discussion, coaching and feedback and review of performance and skills is by far the most important aspect of the skills development process.
- 5.2 The appraisee and appraiser should refer regularly to the objectives and development plan set and review progress to ensure that the appraisee is supported in achieving these objectives and that consideration should be given to adjusting objectives where it is identified that there are factors outside of the appraisee's control which will affect the achievement of these objectives.

Section 6- Deferral of Pay Progression

- 6.1 If an employee does not meet the objectives required for their role and/or is below the required levels of knowledge, skills and values for the post then this will usually result in pay progression being deferred for a period of 12 months up until the point of their next annual appraisal.
- 6.2 If the employee meets their objectives/ required knowledge, skills and values for the post at a point within the 12 months preceding their next review then they will be required to wait until their next annual appraisal before being eligible for incremental pay and there will be no entitlement to back pay.

Pay Progression should be deferred if the employee:

- Does not have an up to date appraisal
- Is not up to date with their mandatory training.
- Has a formal performance improvement plan in place.
- Has a live relevant disciplinary warning on file.

- 6.3 Deferral of Pay Progression should not come as a surprise to the employee and there should be written evidence of prior meetings between the employee and the appraiser where the issues affecting pay progression have been discussed and documented and that there is demonstrable support displayed by the appraiser in helping the employee achieve their objectives/role requirements.
- 6.4 Incremental Pay deferrals can only be made for a period of 12 months at a time. If an employee is still not meeting their objectives/ role requirements at their next appraisal then the decision can be made to defer pay for the next 12 months.
- 6.5 Where staff are absent from work (excluding maternity leave) this may lead to a delay in the appraisal meeting taking place.
- 6.6 Where there has been an absence from work:

- Either Pay is deferred, the appraisal will take place once they have been back in role for 3 months and if performance is acceptable, the pay increment will be backdated.
- Or a management decision is made based on evidence of previous performance and if this is positive the pay increment is made. If there are any questions over previous performance in role (with evidence) then pay progression will be deferred until an appraisal can take place but with the possibility of the pay increment being backdated.

6.7 Where an employee is on Maternity, Paternity, Adoption or Shared Parental Leave, the employee will receive their incremental pay progression on their due date unless any formal concerns have previously been raised about their performance prior to the commencement of their Maternity/Paternity/ Adoption/ Shared Parental Leave.

Section 7 Right of Appeal

- 7.1 An employee has the right of one appeal against the decision to defer their pay progression. Any appeal must be made in writing to the manager immediately senior to the manager making the pay deferral decision and must state the reason why the employee disagrees with the original decision. This should be received within seven calendar days of the date on which the decision was confirmed by the Manager in writing.
- 7.2 An employee has the right to be represented by a trade union representative or colleague at the appeal meeting.
- 7.3 The appeal hearing should be convened within a reasonable timeframe of the appeal being submitted. (normally14 days).
- 7.4 It may not be possible to give an outcome on the day of the appeal, however the decision to either uphold or not uphold the appeal should be given in writing as soon as practicably possible after the hearing.
- 7.5 Decisions at the appeal stage may include:
- Decision to overturn the original decision and confirm that the employee is eligible for pay progression
 - Decision to uphold the original decision and confirm that pay progression will be deferred.
- 7.6 The decision of the appeal panel is final and there is no further right of appeal.
- 7.7 Where the original decision is to defer pay progression and the employee subsequently appeals, pay progression will remain deferred until the outcome of the appeal is known. If the decision following appeal is that the employee is eligible for pay progression, the pay uplift will be backdated to the date that progression was due to take place.

Appendix 1- Incremental Pay Progression Record

Incremental Pay Progression Review Record

Employee Name:	
Department:	
Date next increment due:	
Date of review:	

Pay Progression Criteria

Is all mandatory training up to date?	Yes/No
Has the member of staff met or exceeded all of their objectives and are they at the required level or beyond the required levels of knowledge, skills and values for the post?	Yes/No
Has the member of staff demonstrated the CCG's values to a satisfactory level?	Yes/No
Has the member of staff been subject to any Formal Performance Improvement Process and / or Disciplinary Procedure justifying withholding an increment.	Yes/No

Outcome of Review

Progression to the next pay increment?	Yes/ No
Additional Information/ Justification	
Signed:	
Print Name	
Date:	

Appendix 2- Template letter where increment is withheld

Name
Address

Date

Dear NAME

Further to your appraisal meeting on DATE I am writing to confirm that unfortunately you have not met your objectives and/ or you have not met the required level of knowledge, skills and values for the post over the 12 month period preceding your incremental date. Your incremental progression therefore will be deferred for a 12 month period.

We discussed the reasons for this, and this is recorded on the Pay Progression Review Record form, which is attached for your information.

I will continue to review your performance and provide you with support to improve this on an ongoing basis. Your next increment date is due on <DATE> and I will arrange to meet with you formally at least 12 weeks prior to this to conduct your appraisal and review whether your performance has improved sufficiently to allow you to progress to the next increment.

You have the right to request a review of this decision and if you wish to exercise this right, you should write to<Insert Job Title> within 7 days of this letter.

Yours sincerely

Name (Manager)
Job Title

Appendix 3- Equality Impact Assessment

GMCSU Equality Analysis Form

The following questions will document the effect of your activity on equality, and demonstrate that you have paid due regard to the Public Sector Equality Duty. The Equality Analysis (EA) guidance should be used read before completing this form.

To be completed at the earliest stages of the activity and before any decision making and returned via email to GMCSU Equality Diversity Human Rights Team for Quality Assurance:

Samina Arfan: samina.arfan@nhs.net
Julia Allen: juliaallen@nhs.net

Andrew McCorkle: andrew.mccorkle@nhs.net
Rosie Kingham: rosie.kingham@nhs.net

Section 1: Responsibility		EDHR Reference :	Your ref:
1	Name & role of person completing the EA:	Employee Relations Team, People Services	
2	Service/ Corporate Area	People Services	
3	Head of Service or Director (as appropriate):	Andrea Anderson	
4	Who is the EA for? Select from the drop down box.	Other	
4.1	Name of Other organisation if appropriate	Bolton, Bury, HMR, Oldham, Salford and Stockport CCG's.	

Section 2: Aims & Outcomes	
5 What is being proposed? Please give a brief description of the activity.	Introduction of an Incremental Pay Policy across the CCG's in order to comply with guidance from Agenda for Change. The aim of the policy is to enhance the quality of the appraisal policy to ensure the personal development of the employee and also the efficiency of the organisation.
6 Why is it needed? Please give a brief description of the activity.	To provide a framework for Managers in order that they can make fair and consistent decisions around incremental pay progression, ensuring that staff are kept fully supported.
7 What are the intended outcomes of the activity?	Development of new policy will ensure that the policy is legally compliant, incorporates best management practice and that it is aligned with the new governance and organisational structures in the CCG.
8 Date of completion of analysis (and date of implementation if different). Please explain any difference	06/10/2015
9 Who does it affect? Select from the drop down box. If more than one group is affected, use the drop down box more than once.	CCG Staff

Establishing Relevance to Equality & Human Rights

10 What is the relevance of the activity to the Public Sector Equality Duty? Select from the drop down box and provide a reason.

General Public Sector Equality Duties	Relevance (Yes/No)	Reason for Relevance
To eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by Equality Act 2010	Yes	Open and transparent framework for Managers to follow in order to conduct effective appraisals and to make decisions around incremental pay progression.
To advance equality of opportunity between people who share a protected characteristic and those who do not.	Yes	To apply a consistent framework for conducting appraisals irrespective of employees personal characteristics
To foster good relations between people who share a protected characteristic and those who do not	Yes	To encourage an inclusive working culture for all employees fostering dignity and respect in an open and transparent but consistent way

10.1 Use the drop down box and advise whether the activity has a positive or negative effect on any of the groups of people with protected equality characteristics and on Human Right

Protected Equality Characteristic	Positive (Yes/No)	Negative (Yes/No)	Explanation
Age	Yes		Applies consistently to all employees irrespective of age
Disability	Yes		Applies consistently to all employees irrespective of disability

Gender	Yes		Applies consistently to all employees irrespective of gender
Pregnancy or maternity	Yes		Applies consistently to all employees irrespective of pregnancy / maternity
Race	Yes		Applies consistently to all employees irrespective of race
Religion and belief	Yes		Applies consistently to all employees irrespective of religion / belief
Sexual Orientation	Yes		Applies consistently to all employees irrespective of sexual orientation
Other vulnerable group	Yes		Applies consistently to all employees irrespective of other vulnerable
Marriage or Civil Partnership	Yes		Applies consistently to all employees irrespective of marriage / civil partnership
Gender Reassignment	Yes		Applies consistently to all employees irrespective of gender reassignment
Human Rights	Yes		Applies consistently to all employees

If you have answered No to all the questions above and in question 10, explain below why you feel your activity has no relevance to Equality and Human Rights.