

Livewell Southwest
**Pay Progression
Policy and Procedure**

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Notice to staff using a paper copy of this guidance

The policies and procedures page of LSW Sharepoint holds the most recent version of this guidance. Staff must ensure they are using the most recent guidance.

Author: People and Professionalism

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Reader Information

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Document review history

Version no.	Type of change	Date	Originator of change (Name and job title)	Description of change
1.0	New Policy	6/1/2020	Human Resources	New Policy
1.1	Updated	2/3/21	Human Resources	Link to ESR updated
1.2	Updated	30/01/2024	Human Resources	Updated Hyperlinks
1.3	Updated	18/9/2024	Human Resources	Added SBS to 7.2.4
1.4	Updated	2/10/2024	Human Resources	Appendix C link updated
1.5	Updated	9/4/2025	Human Resources	Updated last bullet point in section 5.3

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Pay Progression Policy and Procedure

1 Introduction

- 1.1 Livewell Southwest is committed to eliminating all forms of discrimination on the grounds of age, disability, gender reassignment, marriage / civil partnership, pregnancy maternity, race, religion or belief, sex and sexual orientation in the provision of our services and in recruitment and employment. This enables an environment that is characterised by dignity and respect which is free from harassment, bullying and victimisation.
- 1.2 The Pay Progression Policy and Procedure has been developed in accordance with the 2018 Agenda for Change Pay Award. The intention of this policy and procedure is to assist employees and managers to understand the requirements needed to progress through the relevant pay scale following the 2018 framework agreement on the reform of Agenda for Change.
- 1.3 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 agreement removed annual incremental pay increases from the pay structure.

2 Scope

- 2.1 This policy applies to all Livewell Southwest employees covered by NHS terms and Conditions (Agenda for Change), this excludes very senior managers, staff within the remit of the Doctors' and Dentists' Review Body and those on local terms and conditions.
- 2.2 Pay progression for Medical Consultants and Speciality Doctors are determined in line with their contractual arrangements, in particular the requirement to meet the relevant job planning criteria.

3 Purpose

- 3.1 **This procedure applies from 1 April 2019 for all new starters to the organisation or those promoted* to a new role on or after 1 April 2019,** This does not cover any posts which are re-banded/matched/evaluated in accordance with an organisational change process, moving to a lower banded post or a post in the same band. In these cases the pay step date remains unchanged.

*promoted for the purpose of this procedure means moving to a higher band.

- 3.2 **From the 1 April 2021 these changes will apply to all employees who will be required to meet nationally agreed standards in order to progress through pay step points.**
- 3.3 After 1 April 2021, pay step submissions for all employees will only take place after two, three of five years depending on pay band as pay steps are not

every year in line with Annex 23 (England) of the NHS National Terms and Conditions of Service (Agenda for Change) Handbook.

- 3.4 During transition, pay points are removed from the structure in April 2019, and April 2020 (points have already been removed in April 2018). Employees already on a pay point at the time it is to be removed (April 2019 and April 2020) will immediately move to the next higher available point, even where this does not coincide with their existing pay step date. These employees will not receive a further increase on their pay step date, because they will have received their pay increase early.
- 3.5 Where an issue is raised involving a seconded employee from another organisation who is employed on Agenda for Change terms and conditions of service, Human Resources will liaise with the Human Resources department of the employing organisation involved agreeing a way forward in accordance with the policy framework of each organisation.

4 Definitions

- 4.1 **Agenda for Change (AfC)** - Nationally agreed NHS terms and conditions of service for NHS organisations, except very senior managers and staff within the remit of the Doctors' and Dentists' Review Body
- 4.2 **TCS** – Terms and Conditions of Service
- 4.3 **NHSPRB** - NHS Pay Review Body covering staff other than very senior managers and staff within the remit of the Doctors' and Dentists' Review Body
- 4.4 **Pay step** – a pay step date is the new terminology for an incremental date. This will be the anniversary of the date the individual commenced employment in their current band (previously referred to as an increment point).
- 4.5 **Pay bands** – a number of pay steps through which an individual can progress up a pay scale. New pay bands implemented as part of the 2018 new TCS describe the minimum length of service on a pay step point required before employees are eligible to move to the next pay step.
- 4.6 **Promotion** - moving to a higher banded role.
- 4.7 **Pay step submission** – the process under national pay step progression criteria that managers confirm progression standards have been met.
- 4.8 **ESR** – The Electronic Staff Record; this system provides information for employees to be paid.
- 4.9 **Capability process** – in relation to the organisation's Performance Management Policy. Process means that there has been an outcome placing an employee at a formal stage. Investigations, informal stages and processes dealing with ill **health do not apply**.

4.10 Disciplinary sanction – in relation to Livewell Southwest’s disciplinary policy and Procedure relating to conduct only and excludes warnings related to ill health. Sanction refers to formal warnings. It does not include investigations, informal warnings or other informal activities that may fall with the disciplinary policy.

5 Duties & responsibilities

5.1 The **Chief Executive** is ultimately responsible for the content of all policies, implementation and review.

5.2 Responsibilities of **Director(s)**

- Implementing and monitoring this policy within their service areas, which includes ensuring that all employees and managers participate fully, and taking appropriate action if this is not the case.
- Determining which managers are responsible for carrying out an annual appraisal, line management and practice supervision for specific employees. Best practice would suggest that an effective manager would have no more than eight direct reports.
- Ensuring that the job descriptions for all management and team leader posts within their area specify the requirement to carry out appraisals, line management and practice supervision, and that this important role is monitored.
- Ensuring that employees have access to appraisal and line management training when indicated.

5.3 Responsibility of **line managers**

- Implement this policy and procedure as appropriate, in accordance with the guiding principles outlined to enable that employees develop and utilise their skills and behaviours required for their roles.
- Communicate effectively the competencies and the behaviours expected in performing those roles.
- To conduct an objective appraisal, at least on an annual basis, of the employee’s work against the required standards, including an assessment of the employee’s achievement of any personal or organisational objectives, values and behaviours.
- If the pay step date is different to the appraisal date the manager must conduct a pay step review meeting and complete a file note to record the discussions. If the pay steps are deferred this must be confirmed in writing with the employee as detailed in section 7.3 - Failure to meet the standards to progress.
- To ensure employees understand what evidence they will need to demonstrate they have met the required standards for pay progression.
- Completing the submission on ESR to activate or delay the pay step point for their employees as appropriate and this will notify payroll (this will be NHS Shared Business Services Payroll) in accordance with the agreed payroll cut off timescales.

Appendix A - [Pay progression manager guidance](#)

5.4 Responsibility of all **employees**

- Actively participate in the performance management processes outlined in this policy and procedure.
- Complete an annual appraisal review each year, regardless of whether or not a pay-step is due and to agree personal and organisational objectives with the line manager.
- Attain and maintain continued professional development, academic and practical based qualifications and where necessary undertake such supervision as is relevant to their role, i.e. clinical/managerial supervision, as required in order to perform their duties as identified in their job description.
- If the pay step date is different to the appraisal date the employee must participate in the pay step review meeting.
- Take personal responsibility for proactively maintaining expected levels of performance and notify the line manager of any issues which may impact on continued performance.
- Responsible for demonstrating that they have met the required standards for pay progression.
- To maintain 100% compliance with their statutory and mandatory training requirements. See section 6 for further clarity.
- Take all reasonable steps possible to ensure personal health, safety and wellbeing.
- To be aware of their pay step date.

Appendix B - [Pay progression employee guidance](#)

5.5 Responsibility for the **Human Resources (HR) Team**

- Advise Line Managers and supervisors on the application of this policy and the linkages to the Performance Management Policy and the disciplinary policy as appropriate.
- Advise Line Managers and supervisors on the application of this policy and the links to Agenda for Change Terms and Conditions.
- Assist managers in utilising the tools available within other policies and procedures to support employees at work in accordance with good practice and any associated employment legislation.
- Link with recognised trade unions where any common problems arise in order that working in partnership provides the best results.

5.6 **Responsibility of Trade Unions**

- Trade Union representatives have an important role to play generally in providing individual representation and advice, support and working in partnership with managers and the HR team in looking to ensure that the Pay Progression Policy is implemented.

6 Pay Progression

- 6.1 The pay spine for employees covered by the NHSPRB (NHS Pay Review Body) is divided into nine pay bands. Within each pay band there are a number of pay steps to allow pay progression in post.
- 6.2 From April 2013 incremental pay progression for all pay steps (increment points), within each pay band, became 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. Further national changes to the required standard for pay progression were agreed in the 2018 NHS TCS.
- 6.3 Provided the appropriate level of performance and delivery has been achieved during the review period, individuals will progress from pay step to pay step in line with their respective pay band journey. For pay bands 2 to 7, 8A and 8B this will apply to all the pay steps in each pay Band.
- 6.4 Re-earnable process for bands 8C, 8D and 9 (Please note that the organisation is waiting for further guidance from NHS Employers. When this is received the policy and procedure will be updated. For information the principles are set out below).**
- 6.4.1 Under 2013 arrangements this related to progression beyond the first four pay points dependent on whether appraisal objectives were achieved and in line with Livewell Southwest's values. Under the national guidance in 2018 in view of the change to the pay scale structure this has been amended so that in the year after an employee has reached the top of their pay band 5 per cent or 10 per cent of basic salary will become re-earnable. Further detail is available in Annex 23 and guidance to follow about how this will operate in transition.
- 6.4.1 The principles and standards for pay progression and then re-earnable pay for employees in bands 8c, 8d, and 9 are the same as the principles and standards for all other employees.
- 6.4.2 Once they have reached the top of their pay band, the expectation is that all employees 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.
- 6.4.3 In the year after an employee has reached the top of bands 8c, 8d or 9, 5 per cent or 10 percent of basic pay will become re-earnable. Where standards are not met salary may be reduced by 5 per cent or 10 per cent from the pay step date. The employees will be able restore their salary to the top of the band at the end of the following year by meeting the required standards.
- 6.4.4 Employees on the top two points of these bands on 31 March 2013 have reserved rights to the relevant pay point. This reserved right will be retained

on a time limited basis until the end of 2020/21. 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.

7 Procedure

7.1 Standards required for pay progression

7.1.1 Employees will progress to their next pay-step point in their pay band where they demonstrate the following requirements have been met:

- The appraisal process has been completed within the last 12 months and the outcome is in line with the organisation's aims and values.
- No formal capability* process is in place.
- There is no formal disciplinary sanction live on the employee's record. This only applies to disciplinary sanctions and not disciplinary investigations which may be in progress and awaiting an outcome. Sickness absence cautions are excluded.
- Mandatory training has been completed.
- For line managers only – appraisals have been completed for all employees.

*capability – means that the employee has not been placed on formal performance monitoring as per the performance management policy.

7.1.2 Where factors beyond the employees control have prevented compliance with any of the requirements detailed above e.g. training being cancelled, this should not prevent them from progressing. Employees should bring such factors 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.

7.1.3 Although employees must have successfully completed the appraisal process by their pay step date in order to move to their next pay-step point, the date of the appraisal is not necessarily linked to this (see section 7.2 below).

7.1.4 Please refer to appendix C for the pay step submission review.

7.2 The pay-step process

7.2.1 It is the employee's responsibility to know when their pay step date is as is documented on their electronic pay slip.

7.2.2 Managers should ensure they have an appraisal date arranged with the employee at least one month before their pay-step is due. This will allow the manager enough time to notify payroll via the ESR system whether the pay step has been awarded or not.

7.2.3 As part of the appraisal review process, both the manager and employee will know if they are 100% compliant with their mandatory training requirements as determined by the organisation through ESR manager and employee self-

service. This will be also be monitored regularly through regular line management meetings.

- 7.2.4 The awarding of pay-step points will no longer be automatic on the ESR payroll system for newly appointed employees from April 2019, or those promoted to a new role on or after 1 April 2019. For all other employees the pay step points remain automatic until April 2021. Line Managers are responsible for completing the submission on ESR to activate or delay the pay step point for their employees as appropriate and this will notify payroll (this will be NHS Shared Business Services Payroll) in accordance with the agreed payroll cut off timescales.

Appendix D - [Flowchart to follow pay-step submission process](#)

Appendix E - [Pay progression infographic](#)

Appendix F – [Pay progressions scenarios](#)

7.3 Failure to meet the standards to progress

- 7.3.1 Employees will not be eligible for pay-step progression if they fail to meet the standards as defined in section 7.1.
- 7.3.2 It is expected that employees will achieve the required standards at the point of their pay-step date. It is also expected that the employee and their line manager should be aware of 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.
- 7.3.3 The deferment of pay-step progression linked to conduct or capability can only take place if the conduct/capability issues are being formally managed in accordance with Livewell Southwest Policy. Please refer to the Human Resources Department for guidance in respect of these matters.
- 7.3.4 In situations where standards have not been met as per section 7.1, 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 detailed below.
- 7.3.5 If the decision is taken to defer pay-step progression, the line manager will need to update ESR to delay the pay step point which also includes the reasons for the deferment. The line manager is also responsible for confirming this in writing to the employee clearly detailing why the pay-step point has not been agreed. The line manager should also discuss and agree a plan with the employee for any remedial action needed to ensure that the required standards are met; including a timescale, and how any training and support needs will be met. The employee must take all necessary steps to meet the requirements as soon as possible and the line manager must provide the necessary support.
- 7.3.6 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 employee should progress to the next pay-step effective from the date

that the relevant requirements have been met. Their pay step-date for future years will remain unchanged in essence the pay step is delayed for the year in which they did not demonstrate compliance with the standards (e.g. pay step was 22 July and was delayed until 1 October, but for the following year the pay step date is the 22 July).

7.4 Pay step delayed due to a live disciplinary sanction/outcome

7.4.1 Where a pay-step is delayed due to a live disciplinary sanction, the line manager should initiate a pay-step review meeting before the expiry of the sanction. This should be used to confirm that all other requirements have been met and to ensure that the employee progresses to the next pay-step, effective the day after the sanction expires. The pay-step date will remain unchanged.

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

7.5 Employees absent from work when their pay step is due

7.5.1 If an employee is absent from work for authorised reasons when a pay-step is due, the principle of equal and fair treatment should be followed so that no detriment is suffered due to the authorised absence.

7.5.2 In the case of planned long-term paid absence e.g. maternity, adoption, shared parental leave etc. the pay-step review can be conducted early if appropriate, allowing the pay-step to be applied on their pay-step date in their absence. If the review cannot be conducted prior to the pay step date, the pay step point should be automatically applied in the employee's absence.

7.5.3 If an individual is on long-term paid absence and a pay-step review cannot be conducted prior to the pay-step date, the pay-step point should be applied in the individual's absence, subject to the following - *If an employee is absent equal and fair treatment should be followed so that no detriment is suffered due to the authorised absence.*

7.5.4 If there was a live disciplinary sanction/outcome 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.

7.5.5 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.

7.5.6 In the event of suspension from work on full pay – for example in the event of an investigation – the pay-step review should be completed based on performance up to the point of suspension in order to ensure that suspension

remains a neutral act.

7.6 Pay step decision review

- 7.6.1 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 in line with the relevant performance standards as set out in this policy.
- 7.6.2 Prior to formal review, consideration should be made as to whether: (i) the issue of concern is based on correct information; (ii) the issue of concern is not based solely on opposition to the clear terms of the pay step progression policy; (iii) reasonable attempts have been made to first resolve the issue without recourse to a review/ appeal.
- 7.6.3 The manager will advise the employee of their right to seek a review of any decision where the required level of performance is deemed not to have been met.
- 7.6.4 The review will be dealt with in line with the principles outlined in the formal stage of the organisation's Grievance Policy and will be heard by the next most senior manager and the review should be held within one month of the request being made. If the review is upheld, the pay step should be applied backdated to the pay-step date.
- 7.6.5 Employees will have 10 working days from the notification in the pay step review meeting to request a formal review. This should be made in writing. Employees may use appendix A – statement of grievance form set out in the organisation's Grievance Policy.
- 7.6.6 The decision of the local review procedure is final and there will be no further levels of appeal.

8 Training implications

- 8.1 Training will be provided to managers, as required, on their duties in relation to this policy and procedure.

9 Monitoring compliance

- 9.1 Compliance and effectiveness of this policy and procedure will be monitored through the Workforce Committee and the Workforce Policy Group.
- 9.2 Compliance with local requirements for line management will be monitored by the relevant service or nominated lead.
- 9.3 The business intelligence (BI) report in ESR.

will enable the organisation to pull off the following information:

- When pay step date reviews are due, when they take place and when they are signed off on the system.

- Outcome of the pay step review and any reasons for non-progression.
- Employees who have or have not progressed, by grade and employee group.
- Equality and diversity data.

All policies are required to be electronically signed by the Lead Director. Proof of the electronic signature is stored in the policies database.

The Lead Director approves this document and any attached appendices. For operational policies this will be the Head of Service.

The Executive signature is subject to the understanding that the policy owner has followed the organisation process for policy Ratification.

Signed: Director of People and Professionalism

Date: 7th May 2024

Appendix A	Pay progression manager guidance	N/A
Appendix B	Pay progression employee guidance	N/A
Appendix C	Pay step submission review	16
Appendix D	Flowchart to follow pay-step submission process	N/A
Appendix E	Pay progression infographic	N/A
Appendix F	Pay progression scenarios	N/A

Appendix C

Pay step submission review

Please complete this form if the employee has joined the organisation from 1 April 2019, or if they have been promoted to a new role on or after 1 April 2019.

Employee name:		Employee role:	
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Manager name:		Manager role:	
Date of pay step review:		Date pay step due:	
Date of last appraisal:			

Section one – summary of pay step review meeting

Employee's summary

Manager's summary

Section two – standards for progression

Has the appraisal process been completed within the last 12 months and outcomes are in line with the organisation's standards? Yes No

Is there a formal capability process in place? Yes No

Is there a formal disciplinary sanction live on the employee's record? Yes No

Has mandatory training been completed? Yes No

For line managers only – have appraisals been completed for all of their employees as required?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Section three – assessment of standards	
Is the pay-step approved or deferred?	<input type="checkbox"/> Yes <input type="checkbox"/> Yes, following initial deferral <input type="checkbox"/> No
Reason for the decision: <input type="checkbox"/> Local objectives/behaviours/standards have not been achieved. <input type="checkbox"/> Formal capability process is in place. <input type="checkbox"/> Formal live disciplinary action on record. <input type="checkbox"/> Statutory and/or mandatory training not completed. <input type="checkbox"/> For line managers only - not completed appraisals for all their staff.	
Section 4 – employee action plan and timescales	
Manager and employee agree to an action plan and timescales if the employee does not meet the required standards	

Appraiser’s action: Enter the outcome of your pay progression meeting on ESR. Instructions to do this are contained in the link:

 [How-to-complete-a-Pay-Progression-Meeting-on-ESR-v2.docx](#)

Place a copy of this appraisal on the employee file and provide a copy to the employee.

Signed (manager):

Date:

Signed (employee):

Date: