

Pay and Reward Policy Statement

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1 Introduction

This policy describes the Trust's approach to pay and reward issues.

2 Why we need this policy

2.1 Purpose

- Pay accounts for some 77% of all expenditure within the Trust and pay and reward issues impact upon staff morale, motivation and the use of financial resources. The way that we use these resources affects the services that we provide, the experiences of our patients and our staff.
- We need to be able to articulate how we can make best use of pay and reward to support the recruitment and retention of staff and to provide a source of reference for when consideration is being given to decisions about future pay and reward issues.

2.2 Objectives

- That the Trust uses pay and reward, including opportunities for local flexibilities, to best effect to support the delivery of services and to improve patient outcomes.
- To help achieve the Trust's strategic goals particularly the strategic goal 'To recruit, develop and retain a skilled, compassionate and motivated workforce'.
- That the Trust is committed to an approach to pay and reward issues that is consistent with the principle of equal pay for work of equal value
- That we have an open and transparent approach to pay and reward within the Trust.
- That we can demonstrate effective partnership working with staff representatives when addressing pay and reward issues
- That the approach taken to pay and reward issues will complement the Trust Workforce Strategy and recognises the impact of good staff engagement upon patient experience.

3 Scope

3.1 Who this policy applies to

- This policy covers all posts and employees within the Trust.

- This policy does not apply to the remuneration of Non-Executive Directors of the Trust whose arrangements are determined by the Nominations and Remuneration Committee that is made up of Trust Governors.

3.2 Roles and responsibilities

Role	Responsibility
Chairman and Chief Executive	<ul style="list-style-type: none"> • To monitor the application of the policy within the Trust in respect of Very Senior Managers, to highlight national and/or regional pay and reward developments and to propose the use of local flexibilities where appropriate.
Medical Director	<ul style="list-style-type: none"> • To monitor the application of the policy within the Trust in respect of Medical Staff conditions of service, to highlight national and/or regional pay and reward developments and to propose the use of local flexibilities where appropriate.
Director of Human Resources and Organisational Development	<ul style="list-style-type: none"> • To monitor the application of the policy within the Trust in respect of Agenda for Change conditions of service, to highlight national and or regional pay and reward developments and to propose the use of local flexibilities where appropriate.
Nomination and Remuneration Committee of the Board of Directors	<ul style="list-style-type: none"> • To consider and decide ways to make the most of Trust Very Senior Manager pay and reward flexibilities.
Joint Consultative Committee	<ul style="list-style-type: none"> • To consider and propose ways to make the most of Agenda for Change staff pay and reward flexibilities within the Trust.
Local Negotiating Committee	<ul style="list-style-type: none"> • To consider and propose ways to make the most of medical staff pay and reward flexibilities within the Trust.

4 Policy

The Trust is committed to using national terms and conditions of service for staff with the exception of Very Senior Managers, whose terms and conditions are determined by the Trust Remuneration Committee. The Trust's continuing commitment to national terms and conditions is dependent upon these arrangements aligning with service needs. The pay arrangements that are used must be sustainable, affordable and fair to staff. The Trust will contribute to efforts to ensure that national pay arrangements are responsive to service needs, for example by participation in national and regional consultation exercises and reference groups, as and when opportunities arise.

The use of job evaluation is a key part of ensuring that the Trust can demonstrate its commitment to the principle of equal pay for work of equal value, and to help maintain compliance with the Equal Pay Act. The Trust will continue to use the Agenda for Change job evaluation system for all posts covered by the national agreement and will continue to use independent job evaluation as part of maintaining and developing Very Senior Manager pay arrangements. As part of its commitment to equal pay for work of equal value the Trust completed its first Equal Pay Audit in 2013 and is committed to undertaking equal pay audits every three years.

The Trust's approach to pay and reward will complement its Workforce Strategy as follows:

- (i) The aim is to develop and use a new local appraisal process, with a streamlined Knowledge and Skills Framework, linking annual pay progression and/or the re-earning of the top two pay increments (Bands 8C and 8D only) to the achievement of objectives. Staff should have a right to earn pay progression not a right to pay progression. This complements the Workforce Strategy aims of **Delivering great management and leadership** and **Ensuring every role counts**.



The identification and assessment of employee competencies and performance compared to local standards must be based upon honest conversations between line managers and their staff, whether pay progression is at stake or not.

- (ii) **Promoting health and wellbeing amongst our staff** is a key aim of the Workforce Strategy and a Trust priority. The Trust will continue to use the opportunities provided by Section 14(a) (England) and Annex Z of the national agreement to develop its approach to the local management of sickness absence. Early intervention, access to treatment, good communication and timely decision making are characteristics of the approach taken. The provision of employee support measures including Mindfulness Training, Staff Retreats, Employee Support Officer's and Occupational Health services complements sickness absence management procedures. Achieving the Trust sickness absence target rate of less than 4.5% will mean that staff and financial resources can be used more productively.
- (iii) **Supporting training and development** is a key aim of the Workforce Strategy. Annex U of the national agreement is the foundation of the Trust's Healthcare Assistant Career Framework that is used to improve the quality of training and work performance of more than 20% of the Trust workforce. Being able to evidence compliance with emerging national standards, to be produced by Health Education England, in respect of non-registered workforce competencies is of increasing importance. The use of Annex U will enable the Trust to do this. Efforts to further develop the use of Annex U, where appropriate, will continue.

A number of locally determined conditions of employment policy and practice are provided. These include:

- (i) The right to request the purchase of up to two weeks of additional annual leave each year. This facility can improve the work/life balance of staff and free up financial resources for the Trust to re-invest in services.

- (ii) The provision of ‘Mind the gap’ payments to medical staff providing significant cover for absent colleagues or vacant posts, agreed via the Local Negotiating Committee to ensure continuity of service provision.
- (iii) The provision of flexible retirement where this is in the interests of the member of staff and the service. Flexible retirement enables the Trust to retain access to valuable skills and experience and for some members of staff a graduated retirement is preferable to giving up work altogether. Ensuring that staff understand the true value of their pension benefits and the scheme flexibilities that are available will be an important part of maximizing the potential of flexible retirement.
- (iv) The use of non-standard shifts, such as 12 hour shifts, to increase productivity and to address the work/life balance of Trust staff. Such non-standard arrangements are kept under regular review to ensure that their impact is fully understood.
- (v) Access to a Staff Benefits Scheme administered by South Tees Acute Hospitals NHS Foundation Trust that, amongst other things, provides for access to nursery places for the children of Trust staff in the Teesside area.
- (vi) A commitment to pay the Living Wage rate as the minimum rate of pay within the Trust. This rate includes unsocial hours payments. Trainees and apprentices are not covered by this commitment.
- (vii) The payment of local recruitment and retention premium where there is clear documented evidence available that such payment is needed, can be justified and is compatible with the principle of equal pay for work of equal value.
- (viii) The provision of free car parking for Trust staff on all Trust premises or the reimbursement of Trust staff when car parking expenses are incurred.
- (ix) The provision of access to salary sacrifice schemes.

These locally developed pay and reward initiatives are used to complement national pay and conditions of service and are developed in partnership with local staff representatives.

Being able to publicly recognise and reward staff for the efforts and contributions that they make as individuals and as team members is an important means of increasing staff engagement. Amongst the ways in which the Trust provides recognition are:

- (i) The annual ‘Making a Difference Awards’ for individuals and teams
- (ii) The Chairman’s ‘Living the Values Award’
- (iii) Trust Long Service and Retirement Recognition Scheme
- (iv) Executive Management Team – Individual/Team of the Week Award

The results of the annual staff survey and the Staff Friends and Family Test provide regular information about the level of staff engagement within the Trust together with feedback received from recognition events.

5 Definitions

Term	Definition
Knowledge and Skills Framework	A tool for describing the knowledge and skills staff need to apply at work in order to deliver high quality services.
Annex U	A description of arrangements governing how trainees employed by the NHS should be dealt with.

6 Related documents

[Flexible working procedure](#)

[Job evaluation procedure](#)

[Option for staff to increase annual leave allowance](#)

[Pay progression procedure](#)

[Reasonable adjustment information pack](#)

[Retirement and Long Service Recognition procedure](#)

[Workforce Strategy](#)

7 How this policy will be implemented

- | |
|---|
| <ul style="list-style-type: none">• This policy will be published on the Trust's intranet and external website. |
| <ul style="list-style-type: none">• Line managers will disseminate this policy to all Trust employees through a line management briefing. |
| <ul style="list-style-type: none">• The policy will be referenced within the Trust Business Plan |

8 How this policy will be audited

This policy will be subject to, as a minimum, bi- annual review by the Executive Management Team, the Joint Consultative Committee and the Local Negotiating Committee. The Trust's internal auditors will be asked to audit the application of related policies and procedure on a regular basis.

9 References

NHS terms and conditions of service handbook

[Trust Workforce Strategy](#)

Annual NHS Staff Survey

Staff Friends and Family Test

10 Document control

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This document replaces:	New document	
Lead:	Name	Title
	David Levy	Director of HR and OD
Members of working party:	Name	Title
	Workforce and Development Group Joint Consultative Committee (JCC)	
This document has been agreed and accepted by: (Director)	Name	Title
	David Levy	Director of HR and OD
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