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## Job levels

- Individual jobs are positioned within seven employment job levels:

Level 1	Director
Level 2	Head of Team
Level 3	Senior Specialist/Manager
Level 4	Specialist/Manager
Level 5	Senior Advisor / Manager
Level 6	Advisor
Level 7	Administration / Technical Administration Support

- The position of the Chief Executive will be subject to separate pay and grading arrangements.

## Levels and job size points range

- There are seven pay levels in total. Within a pay level are grouped jobs whose sizes are broadly similar and therefore paid according to the same pay level.

## Pay levels

- HEFCW introduced a new pay and grading system with effect from April 2009 designed to meet the needs of the organisation for the foreseeable future.

## Pay levels

Pay Level	Step 1	Step 2	Step 3	Step 4 - Rate for the job	Maximum 120%
1	£75,000	£77,250	£79,568	£82,353	£98,824
2	£50,500	£52,015	£53,575	£55,450	£66,540
3	£41,000	£42,230	£43,497	£45,019	£54,023
4	£32,500	£33,475	£34,479	£35,686	£42,823
5	£26,750	£27,553	£28,380	£29,373	£35,248
6	£21,000	£21,630	£22,279	£23,059	£27,671
7	£15,500	£15,965	£16,444	£17,020	£20,424
% difference between steps:		3.00%	3.00%	3.50%	

## **Pay comparators and market position**

5. The market position adopted by HEFCW is:
  - i) the rate for the job is aligned to the market median;
  - ii) the entry point is at c90% of median;
  - iii) the maximum salary is at 120% of rate for the job.
6. This arrangement will be reviewed periodically and reflects both affordability and recruitment and retention considerations.

## **Individual progression through the pay steps and links to the Management of Performance and Development Scheme (MOPD)**

7. No employee will be positioned lower than the indicated minimum of that job level.
8. Future progression within the pay level is determined by an employee's overall assessment within the Management of Performance and Development Scheme. The progression will take place from April 2010. Progression will normally be by one incremental step within the pay level with the exceptions noted under the relevant categories below.

### **Box One: 'Unacceptable'**

Steps 1, 2, 3, 4 and up to maximum

- A box one rating will result in a zero increase.
9. Following the annual performance review, the employee will be subject to a challenging personal improvement programme and performance will be reviewed every four months in line with the MoPD review cycle until the rating improves.
  10. Where an employee subsequently receives a box two, 'requirements of the post met in part' or better, following the four monthly review in line with the MoPD review cycle, the appropriate rules as detailed within the MoPD Guidelines, will be applied from the date following that review.

### **Box Two: 'Requirements of the post met in part'**

Steps 1, 2 and 3

- A box two rating will result in a revalorisation only.

Step 4 and up to maximum

- A box two rating will result in a zero increase.

11. Salaries exceeding the top of the relevant pay level will continue to mark time.

### **Box three: 'Requirements of the post fully met'**

Steps 1, 2 and 3

- A box three rating will result in a revalorisation plus the step increase.

Step 4 and up to maximum

- A box three rating will result in a revalorisation only.

12. Salaries exceeding the top of the relevant pay level will continue to mark time.

### **Box four 'Requirements exceeded in one or more substantial areas'**

Steps 1, 2 and 3

- A box four rating will result in a revalorisation plus the step increase (no performance award).

Step 4 and up to maximum

- A box four rating will result in a revalorisation plus a 2% consolidated increase.

13. Salaries exceeding the top of the relevant pay level will continue to mark time.

### **Box five: 'Exceptional'**

Steps 1, 2 and 3

- A box five rating will result in a revalorisation plus the step increase (no performance award).

Step 4 and up to maximum

- A box five rating will result in a revalorisation plus a 2% consolidated increase plus a non-consolidated pensionable payment of 1%.

This one-off non consolidated payment will be paid during April in respect of the previous year's performance award.

14. Salaries exceeding the top of the relevant pay level will continue to mark time.

## **Maximum Salary Level**

15. Once maximum is reached, revalorisation will be paid, plus an additional non consolidated payment for those rated box four or box five payable in April.

## **New Starters**

16. No employee will be positioned lower than the minimum step of the job related pay level and will be appointed on steps 1 to 3 within the appropriate pay level.
17. Line management, advised by HR, will determine the appropriate pay step for new recruits, having regard to the relevance of their qualifications, experience and competencies and how that relates to existing employees in similar roles and at similar stages of development.
18. Employees who commenced in the period 1 April 2009 to 31 March 2010 will remain on their appointed salary step until 31 March 2010 based on the 2009-10 pay levels. There will be no eligibility for a step movement but they will move to the new salary for their current step on the 2009-10 pay levels on 1 April 2009. Progression through the pay steps in 2010-11 will then be based on their overall performance assessment for the period ending 31 March 2010.
19. Employees who joined between 1 August 2008 and 31 March 2009 and achieving a box three rating or above will receive a minimum of a 3% increase from 1 April 2009.
20. Where the probation period is extended for a further period, as described in the Probation policy, the employee's salary will not be reviewed.
21. Once the extended probation period has been completed successfully, consideration will be given to applying a box two, 'requirements of the post met in part' or box three 'requirements of the post fully met', applied from the date at which the extended probation period ends.

## **Movement into a lower graded position**

22. If an employee moves into a lower grade position and their salary exceeds the top of the new pay level, they will mark time until the maximum for their new pay level matches or exceeds their salary.
23. Where an employee applies for a lower grade position in open competition and their salary exceeds the top of the pay level, their salary will be adjusted to the maximum of the new pay level, effective from the date of appointment. Where the salary falls within the new pay level, their salary will remain unchanged and progression through the pay steps will be based on their overall performance assessment. They will move to the next step on the pay level at the next incremental progression date.

## **Promotions**

24. Substantive and temporary promotions are governed by the principle of 'up one salary level, back one progression step'. Where employees are promoted two or three salary levels, they will move back two or three progression steps on the new salary level respectively. An exception to the rule is for a promotion into pay level 1 they will move back three steps. Employees who are above rate for the job and on or below the maximum will be treated as step four and the same principles will apply and the employee will therefore move back two or three progression steps.

## **Progression following promotion**

25. Employees promoted before 1 October will be entitled to progress through the subsequent year's pay steps, subject to their overall performance assessment.
26. Employees promoted during the period 1 October to 31 March will move to the new salary for their current step on the 2009-10 pay levels. There will be no further eligibility for a step movement in that pay year. Progression through the pay steps will then be based on their overall performance assessment for the period ending 31 March each year.

## **Re-evaluations**

27. A re-evaluation occurs where an established position is presented to the job evaluation panel and the post re-evaluated up or down.
28. Where an employee occupies a post that has been re-evaluated, the adjustment to their salary will be effective from the date of the job evaluation panel meeting.
29. If the re-evaluation results in the post being re-evaluated upwards, the post holder will move to the nearest step on the higher level. The employee's entitlement to a step increase in that year will be determined by their overall performance assessment.
30. If the re-evaluation results in the post being down graded, and the position is occupied, the employee will retain the right to progress within the original pay level for a further period of two years; thereafter, the salary will mark time. Progression will then continue when the maximum of the new pay level matches or exceeds the employee's salary.

## **Temporary promotion allowance**

31. Temporary promotions are governed by the same principles as for substantive promotions other than that the increase in pay is not consolidated or pensionable. This arrangement is not expected to last for more than six months without a formal review, and will not exceed 12 months unless authorisation is obtained from the Chief Executive. Where the employee is in receipt of an allowance and is absent for more than a total of four weeks within the 12 month rolling period of the allowance this

payment will cease.

32. Arrangements for temporary promotion may include cover for long-term absence, maternity leave, cover for another employee's temporary promotion or during periods when the organisation is reviewing its resource requirements and does not wish to fill a vacant position immediately.
33. Payments for temporary promotion must be agreed in advance by the Chief Executive or Director of Finance & Corporate Services, line manager and HR. Where the temporary promotion exceeds 12 months, approval and authorisation must be sought from the Chief Executive.
34. Employees who are promoted substantively following a period of temporary promotion in the same post will receive the promotional step increase as if the promotion were effective from the date at which the temporary promotion took place.
35. Employees may receive an exceptional award in conjunction with a temporary promotion allowance.

#### **Additional responsibility allowance**

36. Where an employee is asked to undertake additional duties (but not as a promotee) an additional non-consolidated, non-pensionable payment based on 10% of the annual salary, excluding allowances will be made. The additional responsibility must continue for one month minimum and will be reviewed at six monthly intervals. Where the employee is in receipt of an allowance and is absent for more than a total of four weeks within the 12 month rolling period of the allowance this payment will cease.
37. Payments for additional responsibility have to be agreed in advance by the appropriate line manager, HR and Director of Finance & Corporate Services in order to ensure that there is a substantial and reasonably continuous additional workload.
38. This mechanism may also be used in cases where employees are not eligible for overtime payments but where an additional high volume of work is required over a defined period of not less than one month. In these circumstances, the line manager should consult with HR to establish whether such a payment is appropriate.
39. Employees may receive an exceptional award in conjunction with an additional responsibility allowance.

## **Market Premia**

40. In certain circumstances the normal pay level for a particular job may not reflect the level of pay that the market place has established for jobs where specific skills and experience are in short supply. In such cases (which are likely to be few and generally related to particular specialisms), management may identify the need for an additional market related premium.
41. Before this can be agreed, it needs to be clearly established that the full flexibility of the job evaluation related reward structure has been invoked. In particular a review of the most recent job evaluation result should be undertaken in order to ensure that there has been no failure to reflect substantial change in the responsibilities and requirements for the job.
42. If there is clearly no flexibility to respond to the need in the context of the normal pay provisions, then the Director of Finance & Corporate Services will need to approve a study of both the particular sectors in which such jobs are likely to be found and the types of organisation with which HEFCW needs to compare. The information may exist in commercially available surveys or a bespoke survey of specific comparators may need to be commissioned. In all events, there must be a substantial rationale for the establishment of a premium and the need for that premium must be represented by a difference in pay at the maximum of the normal level of no less than 10%. Otherwise the case for a premium will be deemed not to have been made.
43. Where the case is successfully made and subject to approval at Director level, the premium will be paid separately from salary as a non-consolidated, pensionable payment, monthly. The continuing need for the premium will be kept under review by HR and formally reviewed six monthly by the relevant Director. At that time it may be varied or discontinued, depending on market information.
44. NB: In the event that more than a handful of jobs are identified as needing a premium then HEFCW will conduct a more general review of its overall market position.

## **Payment for Overtime**

45. Employees whose jobs are positioned within pay levels 6 and 7 are eligible to receive overtime payments. Overtime should be the exception rather than the rule and should not be agreed for long periods. If workload demands extended overtime working then line management should review staffing levels and/or distribution of workload within their departments. The detailed provisions are as follows:
  - i) all overtime must be authorised in advance by a line manager whose job falls within no lower than pay level 3 and/or the budget holder;
  - ii) overtime and travel time cannot be authorised retrospectively;
  - iii) overtime is payable only where at least one hour is worked each day;

- iv) overtime may not be aggregated but, where it is continuously worked on a single occasion, additional payments above one hour will be made to the nearest lower quarter hour;
- v) a minimum break of half an hour should be taken when six additional hours have been worked;
- vi) overtime payments will not be pensionable;
- vii) overtime will be paid Monday to Friday at time + 50%;
- viii) overtime will be paid at time + 100% outside of core working hours (7pm – 7am), at weekends and on Public Holidays;
- ix) overtime on week days will not be paid until the full normal working week of 37 hours has been worked;
- x) travelling time is paid at plain time rate subject to employees having worked the full 37 hour week;
- xi) travelling time outside of core working hours (7pm – 7am), at weekends and public holidays will be paid at time +100%;
- xii) a line manager and employee may agree time off in lieu instead of payment. This will be on an hour for hour basis;
- xiii) time off in lieu may be taken instead of payment for weekend or public holiday working. This will be on an hour for hour basis, provided the line manager has agreed this arrangement in advance;
- xiv) overtime payments will be paid monthly in arrears;
- xv) in exceptional circumstances, the Director of Finance & Corporate Services may authorise overtime payments for employees in pay level 5 who are requested to work in the office on Saturday, Sunday or public holidays. Payment for overtime will only be made where the employee attends the office for a specific project such as the installation/maintenance of IT equipment; supervising building work or preparing specific documentation. Overtime will be paid at 'time' only.

### **Payment for Additional hours for part time workers**

46. Such payments are distinct and separate from overtime and apply only to part-time workers. The determination of additional payments is based on a calculation which establishes a personal hourly rate based on the job holder's current basic pay and normal hours. That hourly rate is then multiplied by the additional hours in order to establish the extra payment due.

47. Line managers in pay level 3 and above and/or the budget holder must authorise the working of additional hours in advance and agree the total number of actual hours. Further processes apply as follows:
- i) additional hours are pensionable and paid monthly in arrears;
  - ii) additional hours are payable only where at least one hour is worked each day;
  - iii) additional hours may not be aggregated but, where they are continuously worked on a single occasion, additional payments above one hour will be made to the nearest lower quarter hour;
  - iv) a minimum break of half an hour should be taken when six additional hours have been worked;
  - v) where a part-time worker aggregates 37 hours in any one calendar week they will receive overtime payments for authorised hours in excess of 37, Monday to Friday, and in accordance with the normal provisions outlined in the rules governing overtime payment;
  - vi) where a part-time worker is required to work on a weekend or public holiday they will receive payment at time +100% provided they have prior authorisation and fall within the pay levels 6 or 7.

### **Payments for call outs**

48. Keyholders who are called out to attend the office outside normal working hours will be compensated by the payment of overtime. The following conditions will apply:
- i) an employee may claim for time spent travelling to and from the building and time spent at the building in response to the callout;
  - ii) for the purposes of an overtime callout claim, 'normal working hours' will be 7.00 am to 7.00 pm from Monday to Friday;
  - iii) the nature of the overtime will be such that prior authorisation cannot be obtained in advance;
  - iv) appointment as a keyholder will serve as authorisation to claim overtime for time spent on callouts;
  - v) the normal procedure for claiming overtime should be followed;
  - vi) all keyholders in pay levels 3–7 will be eligible to claim overtime;
  - vii) all keyholders in pay levels 3-7 will be eligible to claim the standard mileage rate.

## Calculation of Pay

49. In accordance with calculating pay, the table below provides the basis for this.

Starters	*Annual salary/260
Leavers	*Annual salary/260
Increasing/decreasing hours	*Annual salary/260
Daily rate	Annual salary/260
O/T – hourly rate calculation	Annual salary/52/37
Paid annual leave to leavers	Daily rate calculation as above
Unpaid leave	Daily rate calculation as above
Monthly salary calculation	Annual salary/12
* Part-month changes	If every available working day is actually worked during the month, the salary adjustment will be based on 1/12 <sup>th</sup>

\*Annual salary will be defined as the salary in the letter of appointment to the post excluding temporary promotion or responsibility allowances.