Pay Progression working group report to the NJC

The 2023 pay offer letter which subsequently formed the basis of an NJC agreement contained the following paragraph:

> *"The employers' side of the NJC is content to continue discussions around pay structure and progression. It is proposed that both parties commit to a joint working party commencing as soon as possible once the current pay award negotiations are concluded with the intention of the joint working party concluding its work within 8 months."*

In relation to the continuous professional development scheme (CPD) the employers letter said:

> *"The employers' side notes the issues raised in the claim and is open to exploring further. Given the overlap with the pay progression point, it is proposed that consideration be incorporated into that proposed working party."*

Members of the working group

Employers side:

- Sarah Ward/Gill Gittins
- Ross Haggart
- Ben Ansell
- Nick Mernock
- Aidan Jennings
- Huw Jakeway/Alison Reed

Employees side:

- Matt Wrack
- Ben Selby
- Pete Trayner
- Pete Smith
- Andrew Scattergood
- Les Skarratts

The working group met 7 times during the 8-month period:

- 4 May 2023
- 23 June 2023
- 27 July 2023
- 6 September 2023
- 31 October 2023
- 30 November 2023
- 5 January 2024

Key activities undertaken by the group

Retention and CPD survey:

A survey was issued on 4 July 2023 to Chief Fire Officers and Directors of HR in all 49 FRSs via email. The full survey results are captured in annex 1.

Presentation on different pay progression models:

Dr Duncan Brown, Principal Associate, Institute for Employment Studies attended the July meeting of the working group to give a presentation outlining various types of pay structures and approaches taken in other workforces within both public and private sectors. Those slides are contained in annex 2.

Emerging narrative within the group

While there remains a lot to be said for the existing pay structure as set out in the grey book, it provides for clarity and rationale of rate for the job and provides for a structure that sits well in relation to equal pay. However, the group discussions explored potential areas of improvement and development of the existing pay and reward structure, linking closely to skill and role development.

Principles

If you were starting with a blank piece of paper and developing principles to underpin a pay progression structure, the group agreed the following broad principles:

- Structuring around a principle of upskilling and developing in role
- That development should be demonstrable over time
- Progression should be realistic, and achievable
- The system should be easy to understand and operate
- Delivering potential expansions to the role of a firefighter *(note: these principles remain relevant outside of this discussion)*
- Applied across all services in the same way

The working group found consensus around the principle that any new pay structure would be part of:

- A package driving rewarding, fulfilling careers to firefighters[1]
- Underpin a nationally agreed and consistent system across all FRS's - that is transparent and justifiable.

[1] We are using the phrase firefighters to capture all grey book roles.

Consideration of the use of continuing professional development (CPD)

In discussing the survey results (annex 1) and individual or representative experiences and views in relation to the CPD scheme, the following table provides a capture of the views expressed within the group:

The current CPD scheme provides:	The current CPD scheme is:
• an uplift in pay at roles of Firefighter to Area Manager once the post holder has reached the competent rate of pay in that role. • an earlier and more equitable (age) application of a payment to recognise development beyond • competence than the historic payment which required 15-year service before becoming eligible. • An uplift which applies across all duty systems. • An additional element of pensionable pay. • An incentive to develop competencies in role. • An award which can be removed in appropriate circumstances (which some managers have told us they value).	• inconsistently applied across UKFRSs from a payment rate perspective, with a range of payment rates between £400 and £1300 per annum across different services. • inconsistently assessed across UKFRSs in relation to individual firefighter eligibility for payment • an incentive to transfer between neighbouring UKFRSs creating additional recruitment and training costs. • A disincentive to access career development/promotion as CPD eligibility is removed for up to 18months following appointment into a new role- i.e., a promotion. • Is not an element of core pay. • A scheme with many complexities which can lead to additional administrative burden, plus time and energy lost to other HR procedures. • Not linked/clearly applied to the firefighter (FF-AM) role map in demonstrating competence to support its payment. • Sometimes removed as a consequence of disciplinary procedures rather than effective capability management (thus has the wrong focus). • Pensionable only through an APB • Viewed by many FRSs as a tick box exercise which brings little or no value in the maintenance or demonstration of the four areas associated with CPD: ➢ Professional competence ➢ Commitment to the job ➢ Relations with the public and colleagues ➢ Willingness to learn and adjust to new circumstances.

The group discussions built on the ““principle”” points noting:

- The lack of a nationally agreed, clear timetable underpinning the training and development of firefighters to reach “competent” and the lack of additional development thereafter,
- Different approaches in FRSs,

- Opportunities to develop the profile and standing of firefighting, being able to point to a highly skilled workforce with clear career development opportunities,
- The need to attract and retain excellent firefighters,
- The current journey from trainee through to development, then onto competent,
- The potential to add additional levels on top of “competent” rate of pay
- Further discussion needed to agree what evidence would be required in order to allow movement into any new and additional band/bands?
- A similar discussion would be required within each grey book role, including senior/supervisory grey book roles.

In developing this line of thinking, and to expand understanding of current practice, the group ran an additional survey to ascertain the length of time it takes in FRSs to move through trainee, development and competent throughout the pay scale, the results of this survey are still to be finalised.

Potential example (additional) skillsets which could underpin additional skill-based progression opportunity within the firefighter role by means of starting discussion:

- Mentoring
- ICL 1 qualification to support fire appliance availability through acting up qualification
- climate change skillsets around wildfire, flood, sustainability, and emerging risks
- environmental protection
- Aerial appliance
- large animal rescue
- petrochemicals
- rope/line rescue
- water rescue
- Fire Safety
- Fire Prevention
- Fire Investigation
- Detection Identification and Monitoring
- Future roles

Note: list for illustration purposes only

In principle example: To build in additional “check points” on the journey to competent (lines 3 and 4) and to allow additional skill-based pay progression beyond current “competent” as demonstrated below for firefighter pay band only. We have set out three potential options for pay spine extension by differing percentage increase). Crew manager current scale included by way of understanding any impact on differentials:

		Firefighter			Crew Manager
1	Trainee	27178	27178	27178	
2	Development	28310	28310	28310	
3		30948	30948	30948	
4		33586	33586	33586	38,501(d)
5	Competent	36226	36226	36226	40,161(c)
6		36951	37132	37313	
7		37691	38,061	38,433	
8		38445	39013	39586	
		2%	2.50%	3%	

This paper and the examples provided are intended to provide a starting point for a wider discussion across the sector, noting that further detail and work is required, should the NJC wish to take this forward.

CPD & Retention Survey – Final results report

Background

1) A survey was issued on 4 July 2023 to Chief Fire Officers and Directors of HR in all 49 UK FRSs via email.

2) Responses were requested via Microsoft Forms, and FRS were given until Wednesday 25 July to respond.

3) By the initial deadline on 36 services had responded. We now have responses from all 49 UK FRSs.

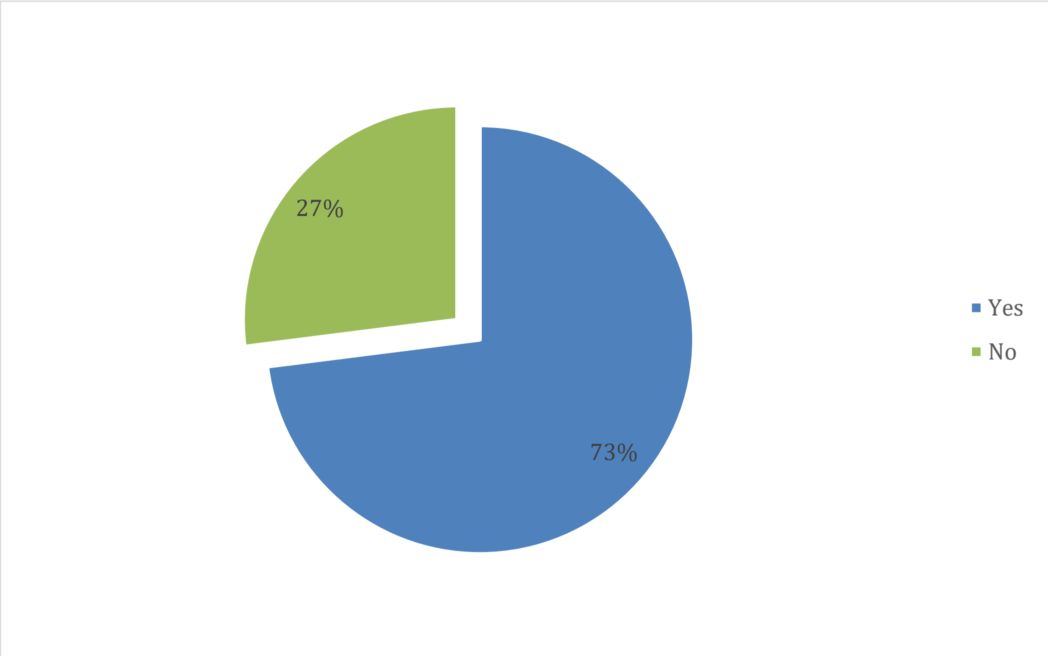
Responses

Questions 5-10: How many grey book staff left your service for reasons other than retirement or ill-health discharge in the financial years covering 2020-2023?

Please see the tables spreadsheet that is circulated for all of the data collected for these questions.

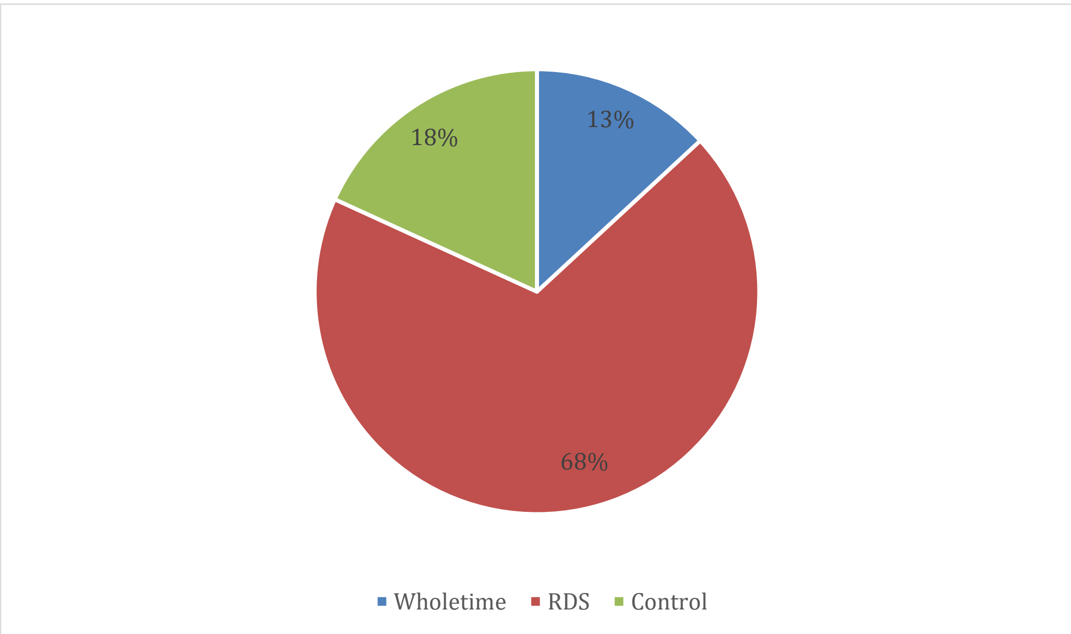
Question 11 – Do you consider retention rates in any specific part of your FRS to be a concern? (i.e., Wholetime, RDS & Control)

- **Yes** – 36 responses (73%)
- **No** – 13 responses (27%)



Question 12 - If you indicated YES to QUESTION 11, Please indicate which of the following staff group retention rates you are concerned about?

- **Wholetime** – 6 responses (13%)
- **Retained Duty System** – 35 responses (68%)
- **Control** – 8 responses (18%)



Question 13 - What do you identify as the reasons driving your retention challenges?

1) Transfers of on call staff to wholetime roles (within service), can leave gaps on our on call stations which can be hard to fill depending on local area. 2) Transfers of wholetime staff to other FRS (e.g. closer to home address).
We do not have direct Control employees, these are shared with neighbouring FRS, so can not comment on their retention Leave for other FRS - London, borders/locally and nationally Expense of living in Buckinghamshire Various reasons - Money, promotion and terms and conditions, also move to private sector On Call employees transferring to our Wholetime Some employees move within the service from Grey Book to support services Personal reasons are cited for On Call The Workforce Planning Group review the leavers profile - expected and actual and adapt Support Services leavers (local terms and conditions) are also a concern and monitored
Low pay, lack of calls which is linked to pay, restriction of personal time within 5 mins to provide availability with very little reward if not enough calls to feel that they are helping their community. Job and lifestyle changes mean that people leave On-Call first. Turnover cycle at quieter stations means that others than leave e.g. too few people to crew appliances.
There are a multitude of factors influencing RDS / On call FF retention. Some of the most common issues are:- primary work/life commitments changing, the level of commitment/restriction that comes with the role for not much financial remuneration, a societal shift away from staying in careers for long periods, due to low availability at some On call stations the opportunity to actually attend many incidents is limited which leads to people becoming disillusioned with the role, the bureaucracy/admin requirements of the role i.e. entering training records etc.
High availability requirements e.g. minimum 90 hours per week
Managing expectations - commitment to on call hours, remuneration for commitment
Terms and conditions are outdated Working hours of applicants are not always suitable given they often travel outside of the area in which they live to go to work.
Pay, lack of call outs resulting in a lower morale, unable to commit to minimum hours due to primary employment, training commitment, lack of career progression and opportunities within On call duty system, transfer to whole-time creating vacancies in RDS
Financial drivers and work life balance are the biggest reasons for leaving.
The demands that are placed on the on-call staff in terms of training and requiring them to be available, and the impact this has on family life and their primary employment. Fire Control staff - we have seen increasing turnover, this could be due to the development of skills required to perform their role as well as the location of our Fire Control
Our RDS turnover rate is currently 19.6% (12 month rolling basis). These roles are hardest to fill in our organisation, because of the geographical requirement for the employee's location.
Difficulty recruiting in rural areas, Retirement, Transfer to Whole time
Opportunities to gain experience (this is due to low availability of the pump which is sometimes due to lack of OIC or Drivers; but may also be due to lack of crew rotation).

Time to reach competence as an OC FF and Training requirements within the first 2-3 years in role The impact of the commitment and requirement to be within 4 minutes of your station and the associated number of hours required to do this Life circumstances change which results in inability to fulfil requirements of the contract
Regarding retention the only area that is an issue is On Call. Control, Wholetime and Support turnover rates seem to be increasing a little but are within normal expectations and not excessive in comparison to other public sector organisations, societal changes, longer working life and lower pension benefits. On Call is a significant issue and will worsen over time, and will need innovative and new working solutions.
The impact of the job on mental health and pay are leading factors that lead to post holders feeling undervalued, and unrecognised. Data and intelligence tells us that we are losing staff to LFB and the private sector.
Secondary employment and the commitment of contractual hours
Societal change makes the provision of an RDS commitment more challenging to achieve. Different drivers apply to individuals. Flexibility being the issue. The links to whole-time conditions of service means that flexibility is restricted. Whilst motivation to work the RDS system is varied, the remuneration package is restricted (Examples being only the retaining fee is variable and this has not proven to be the solution to retention. The rigid application of the 75% link is a different problem. In many areas the lack of activity and non availability cause frustration. Increased activity is seen to be part of the solution.
We require a large amount of commitment for our on call staff. They need to remain within 5 or so minutes from the station for a large proportion of the time. This is not conducive with modern living, particularly in rural communities. There are less businesses in rural communities, less shopping facilities and other amenities. Grey book contracts are inflexible, requiring 120 hours of commitment per week to qualify for 100% of the retaining fee. The reducing to 75% for any undetermined period under this. This has not changed for decades.
Hours of availability Primary employment Salary
Main reason for Retained duty system staff leaving NWFRS is to gain a better work life balance, in particular the following aspects of the Retained duty system are understood to be the biggest challenges: • a lack of flexibility of hours, • the pressure to be available, • the restricted location, and • the decline in emergency incidents. Control: Some retention examples recently provided are adapting to working a shift-based system and finding work life balance with a young family challenging. Some candidates believed that the control role was an opportunity to transfer to operational roles (Wholetime). A challenge for recruiting is the requirement in Wales to have fluent Welsh language skills. The number of Welsh speakers in the area where the Control room is located is lesser than in the West where the majority of Welsh speakers live and there seems to be a reticence to travel during the current time (i.e., post pandemic).
Attrition is higher in Retained at 13.16% average over the last two years compared with 2.3% wholetime and Control which is at 5.06% (which looks higher purely because it's a smaller group, so when one person leaves it has a greater impact) . Potential reasons driving retention challenges within Retained: shortfall of numbers of applicants, balance between roles - reluctance by employers to release from their place of work to attend incidents due to economic pressure, family pressures, wholetime recruitment campaigns attract applications from on Retained- we are planning another campaign so likely to see this as an ongoing trend
Due to changes in employment pensions and retirement age Wholetime employees are now leaving for alternative employment rather than waiting for retirement. The retention of Retained employees has always been an issue due to the requirements to be a retained employee and modern life. This is a nationally known issue

Provision of availability requirement is challenging and incompatible with family/work balance. Requirement of 5 minute from home limits the pool of potential candidates, particularly in rural areas. Retained pay is not attractive to retain
The retention of RDS is nationally recognised and the reasons are many. Some of them being: - The level of commitment required and the restrictive nature of it. - The low levels of candidate pools due to the inherent rural nature of the station locations and the catchment areas for recruitment - The pay levels not always attractive to new applicants - Low activity rates which impacts motivation. - Etc.
Variable pay and changes to personal circumstances (moving away from station catchment area or changes in personal life).
The cost of housing in Oxfordshire - means people must move away from Villages and Small towns to be able to rent - or if they are able to buy a house elsewhere . Those lucky enough to be able to afford to stay sometimes leave for other reasons. Work life balance is always hard to achieve being On Call/Retained. Sometimes primary employment can make a big difference and people sometimes need to move jobs meaning they cant provide fire cover .
Cost of living Salaries offered by other Fire and Rescue Services being higher (for example LFB London weighting) Salaries offered by private sector Working patterns/availability requirements for on-call staff and the need to stay in the area More leavers due to changes in pension legislation (Wholetime staff)
Wholetime: impact of pensions remedy on retirements, levels of remuneration/opportunities in other sectors On Call/RDS: levels of commitment/availability required, levels of remuneration, impact on personal life/work life balance/primary employer Control: OC terms and conditions namely level of pay and shift patterns, nature of work, staff movement to wholetime roles
Data captured through exit interviews suggests On Call staff are leaving due to normal retirement, to take up other employment, IHR or dismissal. Turnover levels are higher for this group of staff but there are no real trends having analysed this across the stations.
There can be misconceptions about the nature of the On-Call (Retained) role and underestimations as to the potential impact on family life.
1. Level of commitment required 2. Job expectations not being achieved including lower number of fire calls 3. Negative Impact upon family life
The flexibility we are able to offer in terms of commitments vs work life balance and the pay for the role.
We have had high attrition in our wholetime service over the last 12 months due to many wholetime staff leaving for London Fire Brigade. Attrition in Joint Fire Control has also been high. We believe this is due to the merger of two services which meant relocation for some staff. Normally, our attrition is not an issue within Control.
Our location means that people are often drawn to urban conurbations such as London or Birmingham. This means that people are not able to be near fire stations. Low salaries are also an issue for us.
Level of commitment required is not adequately remunerated
Particularly for RDS, rate of pay.

Question 14 - Do you pay CPD payments?

- **Yes –** 47 responses (97%)
- **No –** 2 responses, London Fire Brigade & Isles of Scilly (3%)

Question 15 - What is your FRSs total current yearly expenditure on CPD?

Please see the tables spreadsheet that is circulated for all of the data collected for these questions.

Question 16 – If you indicated YES to QUESTION 14, how is this paid to employees?

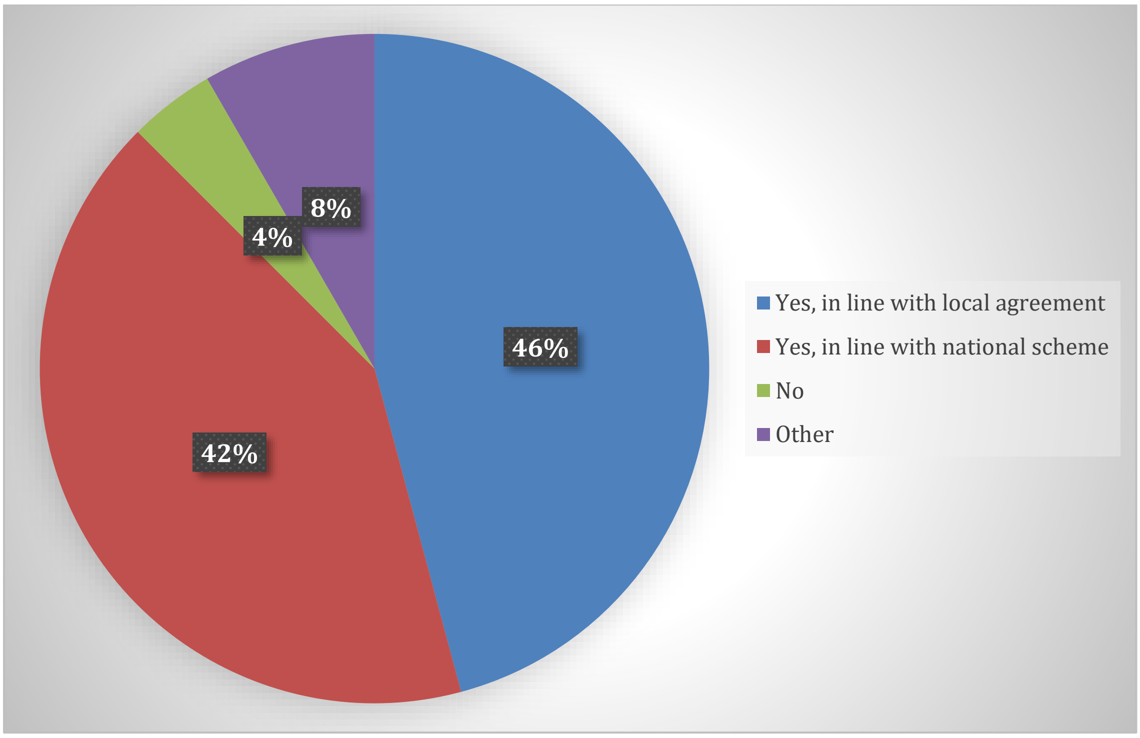
- All of the 47 FRS who indicated that they pay CPD payments, said that they pay them as a 'Distinct CPD payment'.

Question 17 – Was for extra information related to Q14-16

- No responses were received.

Question 18 - Do you make CPD payments to all Grey Book staff in your FRS?

- **Yes, in line with local agreement –** 22 responses (46%)
- **Yes, in line with the national CPD scheme –** 20 responses (42%)
- **No -** 2 responses (4%)
- **Other -** 4 responses (8%)

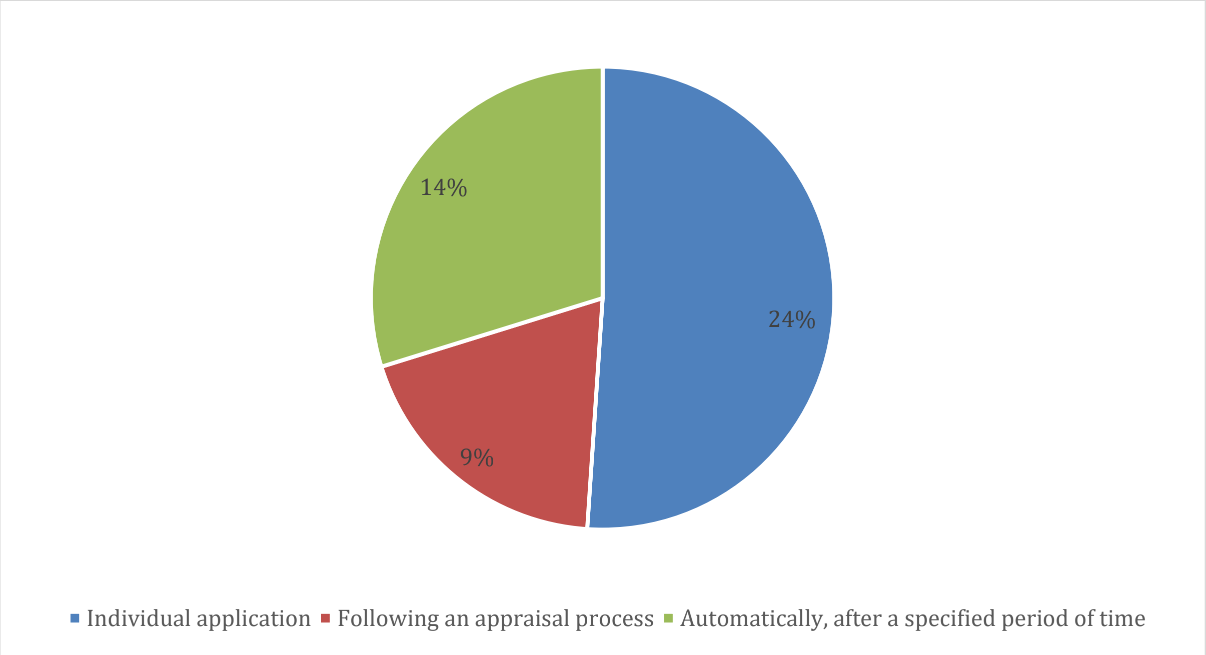


Question 19 - Asked those who selected other in Q18 provide more detail.

- No responses were received.

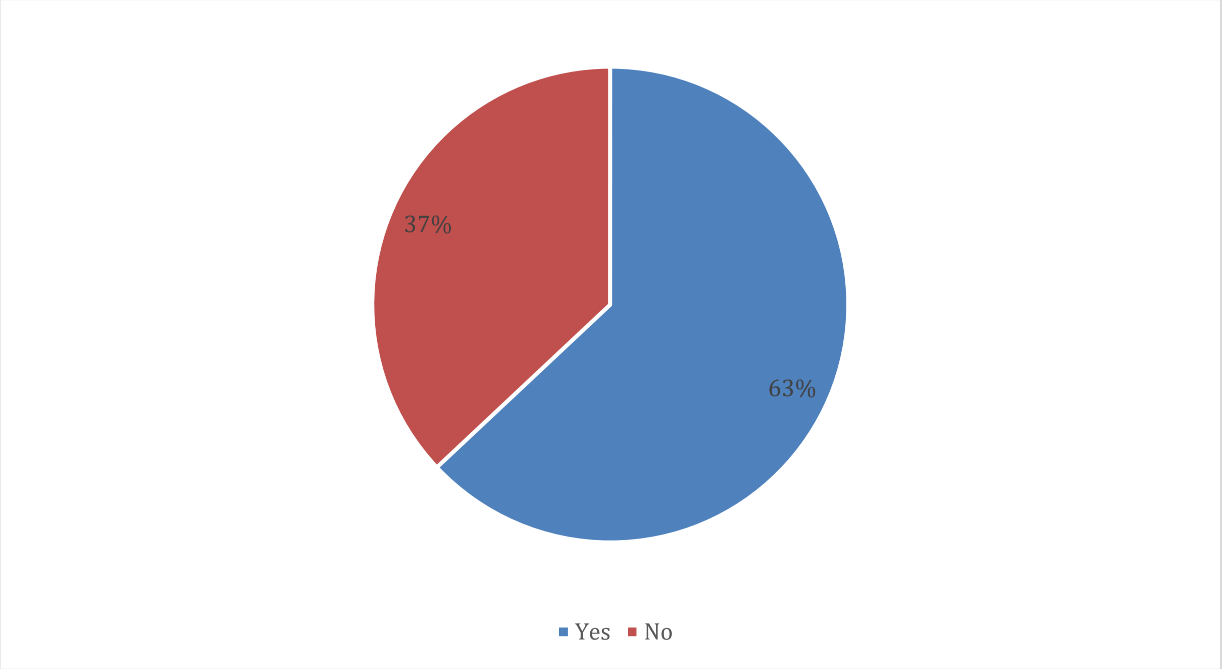
Question 20 - How do employees first receive their CPD payments?

- **Individual application** - 24 responses (51%)
- **Following an appraisal process** – 9 responses (19%)
- **Automatically, after a specified period of time** – 14 responses (30%)



Question 21 - Do you ever refuse CPD applications?

- **Yes –** 22 responses (63%)
- **No -** 13 responses (37%)



Question 22 - If you responded YES to QUESTION 21, what are the reasons for refusing an application? (34 responses)

Rarely, but sometimes individuals apply when they don't meet the qualifying period. If they have a current live discipline warning for example, we would wait for that to expire before approval.
Insufficient Length of Service. Not competent in role. Suspension. Poor performance. Outstanding disciplinary sanction in CPD year of claim.
If an applicant receives a live discipline warning or exceeds absence beyond 6 working days or fails to attend required insight day during the CPD reference period applications will be reviewed by the managers and CPD Review Panel and may be declined. This is not an automatic refusal but their application would be considered and depending on the circumstances in line with the locally agreed policy their application may be refused.
Disciplinary sanction of 3 months or more, insufficient evidence against how meets standards or manager has evidence that standards have not been met
Firefighters (or Control equivalent) who have served a minimum period of five years following attainment of ‘competent’ level in their role may submit their application for the CPD payment. Continuous service in any UK Fire and Rescue service will count towards eligibility.
disciplinary sanctions or not following correct application process i.e providing evidence
If the eligibility criteria were not met and/or the National Standards had not been evidenced to a satisfactory standard.
Employees do not need to 'apply' - they are not processed if they do not meet the eligibility criteria such as if they are under formal attendance monitoring, have live disciplinaries or not maintaining core skills
No reached the required level
Failure to meet the below criteria. Normally related to Fitness or being subject to proceedings under capability and/or Disciplinary procedure. To be eligible to receive an annual CPD payment, an employee must: • have a minimum of 5 years’ continuous service • be in receipt of ‘competent’ pay • be able to demonstrate and/or provide evidence of CPD during the previous 12 months between 1 April and 31 March • have passed a Service fitness test (not applicable to Control) • not be subject to ongoing formal proceedings under the Capability Procedure and/or Disciplinary Procedure
However, we reserve the right to remove a CPD payment as part of a formal disciplinary sanction (but will not cease automatically because of a disciplinary process or warning).
Non-compliance with policy
Performance issues, disciplinary sanction, attendance concerns, failed fitness test
Not achieved appropriate length of service or sufficient competency in role Disciplinary reasons Behaviour
Generally due to applications being made where the parameters of the application does not meet the requirements for eligibility. On very rare occasions applications have been refused by the assessor due to lack of clear evidence toward CPD.
Failure to evidence CPD

If eligibility requirement is not met
We have recently reviewed our policy and procedure and whilst we have not refused an application yet these are the criteria for refusal on initial applications: Evidence: The applicant has not provided four examples of continual professional development, demonstrating sufficient and authentic behaviours in line with the NFCC Leadership Framework and Services' Core Values. Eligibility: The applicant is not employed under the NJC's Scheme of Conditions of Service (Grey Book). The applicant has not completed five years' service following their attainment of competence in the Firefighter / Firefighter (Control) role. Discipline: The applicant has been awarded a disciplinary penalty sanction in the form of a verbal, written or final written warning. The applicant has more than one current informal disciplinary note for file. Incident Command (if applicable): Operational Assurance assessment is not current and is out of date. Capability: The applicant has a current verbal warning for capability (Stage 2 of the Service's Capability Procedure). Fitness Capability (for operational roles): The applicant has met the third formal stage trigger points as detailed in the Procedures for Operational Employees Health and Fitness Reviews of the Health and Fitness Procedure Attendance: The applicant has met second formal stage general, combined and equality triggers as detailed in the Management of Absence, Trigger Points of the Attendance Management Policy and Procedure. Welsh Language: The applicant has not achieved the Service's Welsh language level applicable to their role Core Skills: The applicant has not attended and satisfactorily completed all annual safety critical training relevant to the role, and PDRPro scheduled training and LearnPro modules in line with the annual plan. Appraisal: The applicant has not actively participated in the Service appraisal process in the last 12 months.
We have very few applications which are refused - however our procedure states : 'Where any formal management procedures, including the performance assessment operated by the Fire and Rescue Service, concerns are identified with respect to the

maintenance of the continual professional development by an employee in receipt of any payment, managers will inform the applicant in good time and provide opportunity for those concerns to be rectified prior to the renewal date.'
Initially if application is assessed as not meeting criteria.
Live disciplinary warning of written warning or greater Failed to meet criteria Not served required period in the role
If individual applications do not meet the criteria required for CPD payments. There are a number of areas that need to be covered as part of the application form. Each section is scored, a total of 85 points out of a possible 100 are required for the CPD application to be successful.
There is capacity to refuse an application as all are verified by line managers. This rarely, if ever, happens.
Training Records were not up to date.
Not meeting national standards Not meeting minimum requirements of service length after achieving competence
Failure to meet professional standards during the appraisal process
Sanctions in relation to disciplinaries and sickness
Where requirements to demonstrate that work knowledge and experience exceeds that required to be competent in their role. Where a disciplinary sanction of written or final written warning has been awarded.
If they do not meet the eligibility criteria (8 years service or 5 years competence in role).
Where an individual is under capability or disciplinary proceedings and live warnings are in place.
Reasons for refusal would be not meeting the required minimum point score, against the set criteria.
If the application standards are not met.

Question 23 - Do you ever withdraw CPD payments?

- **Yes** – 36 responses (77%)
- **No** – 11 responses (23%)
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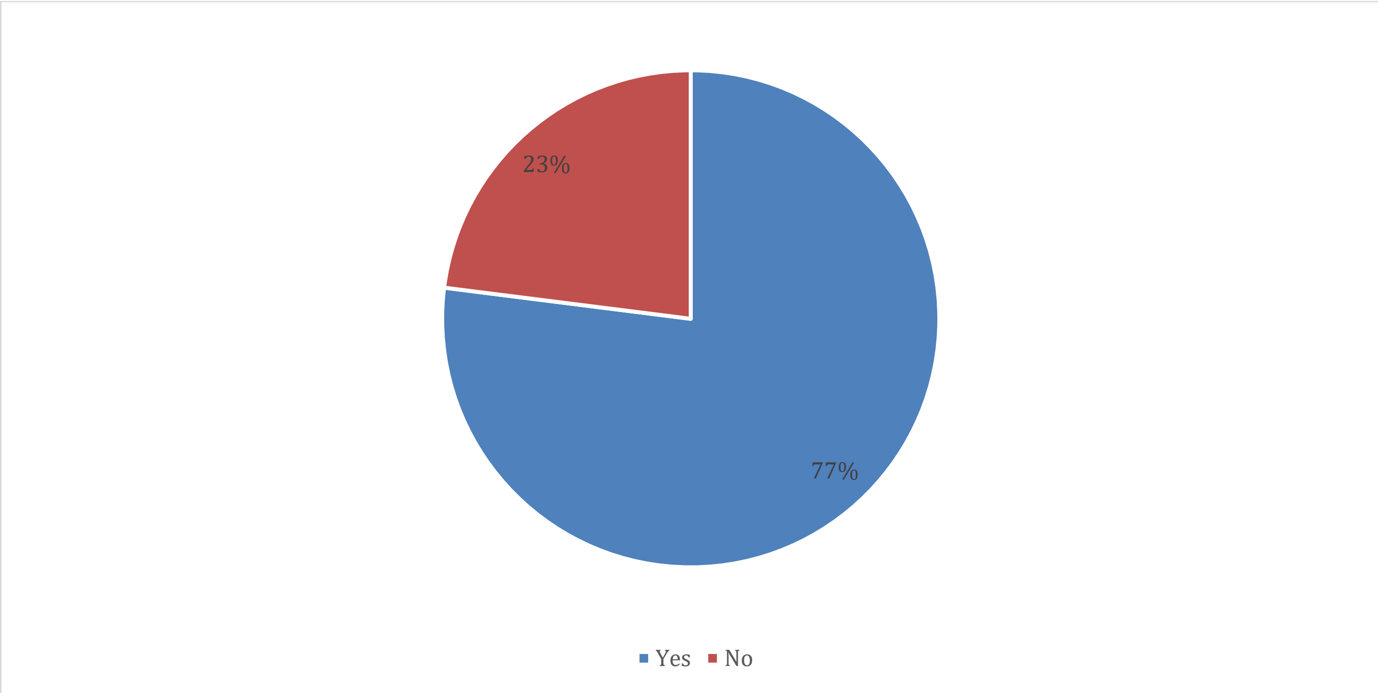


Question 24 - If you indicated YES to QUESTION 23, what are the reasons for withdrawing the payment?

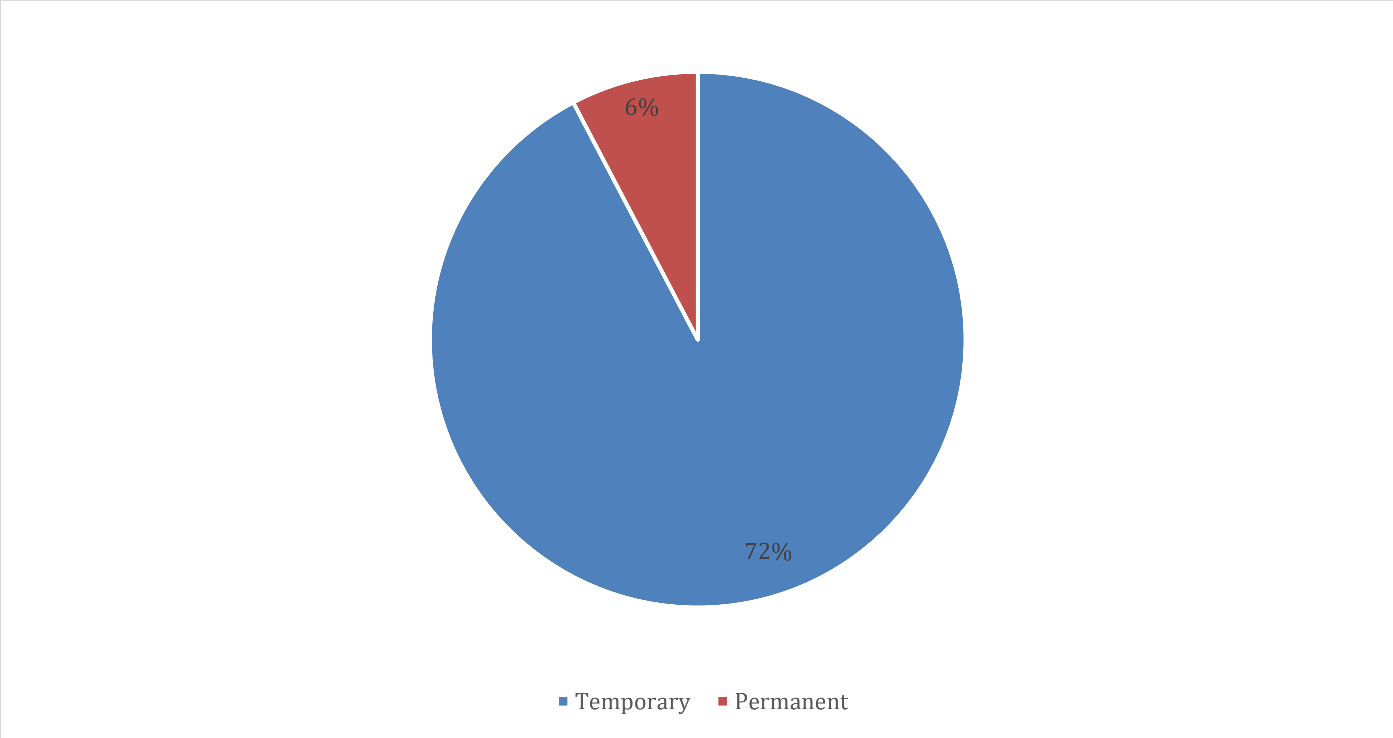
8. Disqualifying Criteria CPD payments will not be made to employees who meet one or more of the criteria detailed below: • An employee not meeting the National Standards listed in Appendix 1 • An employee not maintaining a basic level of competence • An employee in receipt of a formal Attendance Management Stage Two review period warning and above • An employee in receipt of a formal discipline warning • An employee in receipt of a formal performance / capability management warning • An employee with a formal development plan which is outstanding for 28 days or more from the due date (this does not include a personal development plan)
As part of a capability sanction
If normal pay stops CPD payment will stop in circumstances such as unpaid leave. If an employee in receipt of CPD is on sick leave/ paternity or maternity leave the pay received will include CPD.
Disciplinary sanction of 3 months or more, non maintenance of CPD through negative actions or behaviors against standards
The employee must be able to demonstrate the following as a minimum: • Completion of their annual appraisal • Successful performance against the service's Core Values • Wholetime and On Call employee must demonstrate competence in their operational role via PDRPro, achieving a minimum 100% competence for TAFF, BA, ICS, First Aid, Water and Line and 85% competence in pumps, hose and ladders, RTC and hazmat. • Compliance with all mandatory training • No formal managerial action regarding any area of the national standards Employees who have hit the sickness (attendance) triggers under the SIS Sickness Absence Procedure may have their CPD payment reduced or declined, depending upon the individual circumstances.
Disciplinary sanctions or under performance
Individuals who are deemed to have not demonstrated CPD will be notified of the outcome in writing within 28 days of their appraisal. Those individuals that have not maintained a suitable level of CPD will have the payment removed and will be offered support and guidance regarding the specific areas for improvement from their line manager, non-renewal of the payment will be the exception. Payment may also be removed in cases of long-term absence but this is reviewed on a case by case basis and likely to be in exceptional circumstances.
Not withdrawn, - CPD is given retrospectively so current actions would not affect CPD payment until the next year if eligibility is not met, such as formal attendance monitoring, live disciplinaries, not maintaining core skills
On promotion/temporary promotion to a new role.
They can be removed as part of a disciplinary sanction.
Have only done this one in 10 years for not maintaining their operational competency during light duties.
If an employee's eligibility changes - e.g. moving to a non grey book T&C position.
Disciplinary Sanctions, Reduced for Unpaid leave
Disciplinary sanction
Non-compliance with policy

We may considering removing CPD in capability cases
On promotion above watch manager competency in role disciplinary reasons behaviour not attending mandatory training or maintaining fitness standard (dependent on situation)
Sanction as a result of disciplinary or performance and capability processes.
Upon promotion into a new role.
On rare occasions but based on a Discipline issue, or failure of an individual to demonstrate evidence of CPD
On promotion or disciplinary sanction
We have only recently reviewed and amended our CPD policy and procedure. Although we have not yet withdrawn a payment, the following would be likely circumstances where this would be considered. We would not currently withdrawal a payment as these are paid in arrears for the previous 12 months, we would however consider not continuing payments on the application anniversary based upon the reasons in 22 above.
Temporary promotion longer than 3 months or on promotion and in development for a higher role.
On promotion and still in development rate of pay Live discipline of written warning or greater Long term sickness over 6 months
Eligibility for CPD payment may be withdrawn for the following reasons: Personnel in receipt of CPD payment who subsequently receive a formal disciplinary sanction will no longer be eligible for CPD payments while the disciplinary sanction remains live. The payment will cease with immediate effect from the date when the disciplinary sanction is confirmed. Eligibility for CPD payment will be regularly reviewed by Line and Station Managers against the relevant criteria. Any evidence submitted and substantiated that the applicant has not demonstrated continual professional development against the criteria may result in the payment being withdrawn. This evidence can include but is not limited to: - Self-certified sickness absence in excess of 3 periods/one period over 14 days during the previous 12-month period (or there is cause for concern); - Not displaying the expected Service Values; - Lack of commitment to drive all types of Fire & Rescue Service Vehicles; - Lack of commitment to act-up to higher roles when required; - Non completion of Redkite and appraisals. If CPD is withdrawn, this will be withdrawn until the applicant is able to submit a new application and achieve the correct number of points and not be in contravention of the points above.
Linked to disciplinary action or capability.
Withdrawal of CPD payment Where personnel are unable to demonstrate a continuous level of acceptable performance or continually does not attend mandatory courses set by the

service i.e. through Operational Incidents, Station Training or failure to attend mandatory training courses, Performance Management must be initiated. Where an individual is still unable to achieve an acceptable level of performance, following Performance Management, CPD payment may be withdrawn as an outcome of a Discipline or Capability hearing.
Discipline, permanent promotion, excessive absence, not meeting national standards
CPD is withdrawn on promotion. It is also stopped if an employee moves onto no pay during long term sick leave.
Sanctions in relation to disciplinaries and sickness
Where a disciplinary sanction of written or final written warning has been awarded
Where someone has had a warning for any reason within the monitoring period they must submit an assessment form for this and we will stop the payment if appropriate.
Through disciplinary action / not achieving standards
Reasons for withdrawal would be if a discipline sanction is given and/or on an annual review if point score drops below the required amount.
CPD payment may be withdrawn if the employee is not consistently demonstrating competence in role and are being managed under the capability process
CPD payments are temporarily stopped while an employee is placed on a formal performance improvement plan.
This is withdrawn should a discipline sanction be awarded. It is withdrawn for the length of that sanction. Once the warning is spent, they have to reapply themselves. (This is made clear in any outcome letter).

Question 25 - If you responded YES to QUESTION 24 is the withdrawing of a payment:

- **Temporary –** 26 responses (72%)
- **Permanent –** 2 responses (6%)
- **Blank –** 8 responses left this blank (22%)

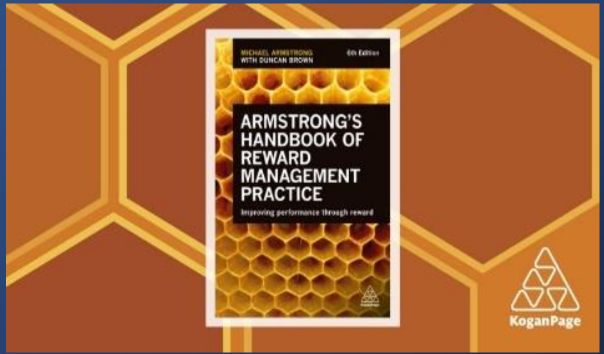


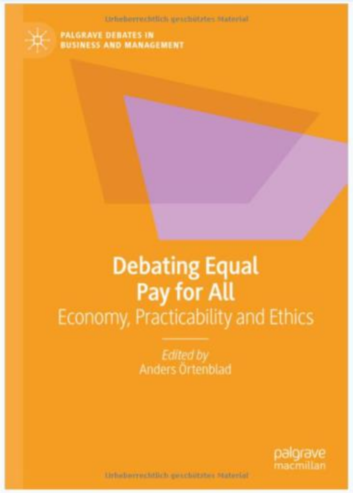
Question 26 - FURTHER INFORMATION: Is there any other comments you wish to share.

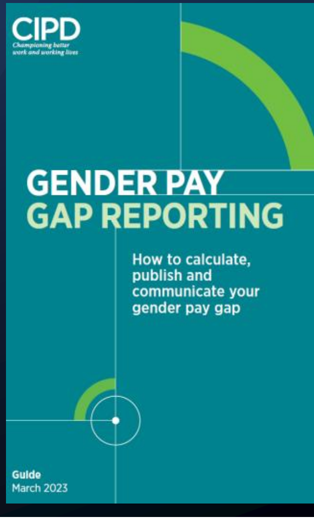
Detail for questions 5 - 10 are below: Resignations (excluding ill health and retirements) and other (inc. AWOL, dismissal and end of fixed term contract) Data sourced from HR and Payroll system - the data excludes leavers with the following leaver reasons: processing errors, offers of employment withdrawn and candidates who withdrew application. Leavers with additional grey book roles have been counted once only (primary role) if both roles have the same leaving date Detail for question 20 is below: 6. Initial payment of CPD - Under normal circumstance, CPD payments will be applied to an operational employee with effect from the date the employee has been deemed Firefighter “competent”. CPD Procedure - last updated and approved, following consultation 29 April 2021. Procedures are normally reviewed every 3 years or if legislation, changes are needed
Rep bodies are often a blocker to introducing more flexible pay arrangements for grey book staff, so the Service would ideally like to link pay more closely to performance and value added. We are currently exploring the possibility of introducing a CPD like payment for support/green book staff.
Cornwall FRS have locally agreed a CPD payment of £500 which exceeds the NJC figure. This is NOT subject to national pay increases until it exceeds the £500 payment.
If eligible for CPD payments, but in a temporary promotion then APB payment is made instead.
The withdrawing of the one CPD payment will be reinstated once the employee in question regains their competency.
Regarding CPD payments, we would welcome this being reviewed as the current system is not effective. In particular the ability to use CPD payments for employees of the same role (Ff) who have a greater skill set would be something of value to Services. Skills related pay is needed acutely in some areas and is applied inconsistently in some FRSs across the UK already.
We do withdraw CPD payments but this does not happen very often.
Although the withdrawal is permanent, they are allowed to reapply when appropriate
CPD payments have been consolidated into basic pay at London Fire Brigade.
A copy of our revised CPD policy and procedure is available for consideration by the working group. (North Wales FRS)
It would have been helpful to have split wholetime and on-call data as the level of turnover for on-call will skew the figures.
Withdrawal is temporary and can be re-applied for (for example when disciplinary sanction expires, evidence of CPD is gathered in new role following promotion)
CPD Payment is a complete waste of time. Not linked in any way to professional development
CPD payments can be paused where there are conduct or performance issues.

LGA

Pay progression: the what, how and why







Dr Duncan Brown

Principal Associate, IES

June 23rd 2023


Equality and Human Rights Commission
Research report 110 | Pay gaps research

Tackling gender, disability and ethnicity pay gaps

a progress review

Duncan Brown, Catherine Rickard and Andrea Broughton
The Institute for Employment Studies

Equality and Human Rights Commission

Quick introduction

- IES
  - Charitable institute founded in 1968
  - Mission to research/promote good employment practice
  - Recently merged with IPA
  - Work spans:
  - government policy eg flexible working, low pay, Commission on Employer Support;
  - Employer HR policies eg workforce planning, COL crisis;
  - Employee and TU support eg training reps, surveys
- Duncan Brown
  - 30 years’ experience focused on pay management research and practice
  - Reviews of Armed Forces, Judiciary and Medics pay methodologies; pay review body input
  - Co-author of student textbook *A Handbook of Reward Management Strategy*
  - Major job evaluation and pay structure design eg AfC, HERA, JEGs
  - Recent work on pay reviews/progression: RSPCA, Church of England and Shell.

Government Equalities Office

Rapid evidence assessment: parents' decisions about returning to work and child caring responsibilities

Research review

May 2018

Becci Newton, Penny Tamkin, Rosie Gloster, Annette Cox, Clare Everett and Jamie Cotton

Gender pay gap

Jeremy Hunt vows to tackle gender pay gap in medicine

Health secretary launches review addressing the obstacles female doctors face in their career progression

Aims and agenda today

- Background:
- Arising from the 2023 pay award negotiations, a joint working group on pay progression has been established
- Currently 2 – 3 rates/steps per role

- Aims and agenda today:
- Profile the current landscape on pay and progression
- Define and illustrate the main approaches
- Share research on what works/what doesn't and why.

Firefighting Roles

	Basic annual £	Basic hourly rate £	Overtime rate £
Firefighter			
Trainee	27,178	12.41	18.62
Development	28,310	12.93	19.40
Competent	36,226	16.54	24.81
Crew Manager			
Development	38,501	17.58	26.37
Competent	40,161	18.34	27.51
Watch Manager			
Development	41,031	18.74	28.11
Competent A	42,170	19.26	28.89
Competent B	44,911	20.51	30.77

Pay progression: what do we mean?

RANGE 3 (OR-6) Sergeant ARMY	OR-6-6	�41,039	�42,767	�44,266	�46,029
	OR-6-5	�40,057	�41,708	�43,161	�44,848
	OR-6-4	�39,084	�40,536	�42,110	�43,712
	OR-6-3	�38,125	�39,470	�41,100	�42,588
	OR-6-2	�37,198	�38,451	�40,076	�41,393
	OR-6-1	�37,198	�38,451	�40,076	�41,393
RANGE 2 (OR-4) Corporal ARMY	OR-4-6	�35,419	�36,609	�38,154	�39,295
	OR-4-5	�34,922	�36,112	�37,474	�38,525
	OR-4-4	�34,452	�35,625	�36,702	�37,623
	OR-4-3	�33,948	�34,931	�35,894	�36,761
	OR-4-2	�33,065	�34,027	�34,963	�35,830
	OR-4-1	�33,065	�34,027	�34,963	�35,830
RANGE 1 (OR-2 - OR-3) Lance Corporal Private ARMY	OR-3-3	�31,043	�31,901	�32,574	�33,210
	OR-2-9	�29,665	�30,443	�31,037	�31,587
	OR-2-8	�28,351	�29,010	�29,576	�30,091
	OR-2-7	�27,117	�27,656	�28,222	�28,582
	OR-2-6	�25,917	�26,290	�26,757	�27,104
	OR-2-5	�24,978	�24,995	�25.368	�25,715
	OR-2-4	�23,749	�24,026	�24,314	�24,314
	OR-2-3	�22,286	�22,286	�22,286	�22,286
	OR-2-2	�22,286	�22,286	�22,286	�22,286
	OR-2-1	�21,452	�21,425	�21,425	�21,425
Initial Pay		�16,844	�16,844	�16,844	�16,844

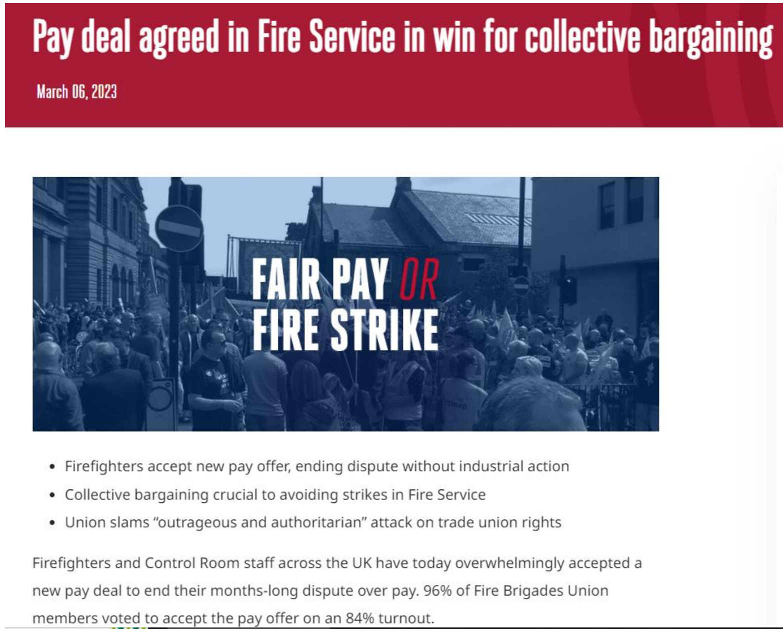
- Pay progression definition:
- ‘Increasing individual base pay rates within a pay grade beyond the rate at which they are recruited to reflect the greater value of individuals to the organization… in their present job’ Armstrong and Brown, 2019
- ‘Base pay is typically ‘job based’ but can also be ‘person based’. When the level of contribution increases, so does the value of the person to the organisation. Especially in loosely structured organisations, there may be the opportunity to enhance the contribution of the people. This increased value can be rewarded by increases to the person’s base pay’. Ibid.
- An individual rather than collective pay increase, so not a general annual review/award (although it can occur at the same time and/or be integrated with a general pay review)
- A pay increase in the same job or at the same level/type of job, as opposed to a pay increase for moving into a bigger job (promotion)
- Some employers will have higher ranges or position high-market-worth jobs higher in a broadband, for example the Armed Forces, but this rarely affects pay progression.
- Though focus here on pay, a lot of work on this at the moment is being driven by wider employment/careers and development agendas and needs.

Pay progression: what’s involved?

- Key questions and design issues:
  - Whether to have progression/range, or pay a fixed ‘spot’ rate?
  - In Structure, how much progression to provide, in one-go and in total (the range) – and how to fund that?
  - The basis for the progression eg service, performance, skills, etc?
  - The process for fairly judging who does/doesn’t progress?
  - Affordability and control – avoiding ‘pay drift’

- My experience is that everyone is initially interested in the technical design and progression mechanics of this…

….but success or failure usually rests on the quality of the operating processes and the continuing rationale/justification.


Pay deal agreed in Fire Service in win for collective bargaining

March 06, 2023

- Firefighters accept new pay offer, ending dispute without industrial action
- Collective bargaining crucial to avoiding strikes in Fire Service
- Union slams “outrageous and authoritarian” attack on trade union rights

Firefighters and Control Room staff across the UK have today overwhelmingly accepted a new pay deal to end their months-long dispute over pay. 96% of Fire Brigades Union members voted to accept the pay offer on an 84% turnout.

Pay progression: why the current interest?

- 2010's saw pay progression drop off the HR agenda, especially in the public sector.

Why?

- Austerity/cost-focused management
- Low inflation, so focus on general awards and little extra to progress or differentiate
- Removal of service increments (on grounds of age/gender discrimination and VfM)
- Negative research on PRP and 'rank and yank' appraisals; reaction against broadbanding
- Response to the 'polycrises' focused on benefits and variable/one-off payments

- Revival in interest over last 2 years.

Why?

- Labour shortages and recruitment/retention problems
- Covid exposed criticality and poor rewards of many keyworkers; intensified pressure to move National Minimum Wage up to the real Living Wage level
- It also intensified health/economic inequalities and pay gaps eg gender and ethnicity

- Evidence on return on investing in skills ie higher skilled employees add more value eg HM Treasury Pay Guidance 2023/24 : 'business cases (for awards over 4.5%) that can be submitted: 1. transformational pay and workforce reform (including introducing Capability- based pay frameworks)'.


'Austerity' in public services: lessons from the 2010s

Jeremy Hunt is right to delay his fiscal statement – but should not rush into a new austerity programme.

25 OCT 2022

THOMAS POPE STUART HODDINOTT MATTHEW FRIGHT

Download PDF


The Observer
UK unemployment and employment statistics

It's not quite the Black Death, but worker shortage hits UK firms hard

Soaring vacancy rates mean employers need to work to attract and retain staff, but this will require a shift in attitude

How welcoming is Britain to older workers?

Larry Elliott and Richard Partington

Sat 12 Feb 2022 16.00 GMT

Pay progression: The incidence

- Current incidence and changes: CIPD Annual RM Survey (n=420)

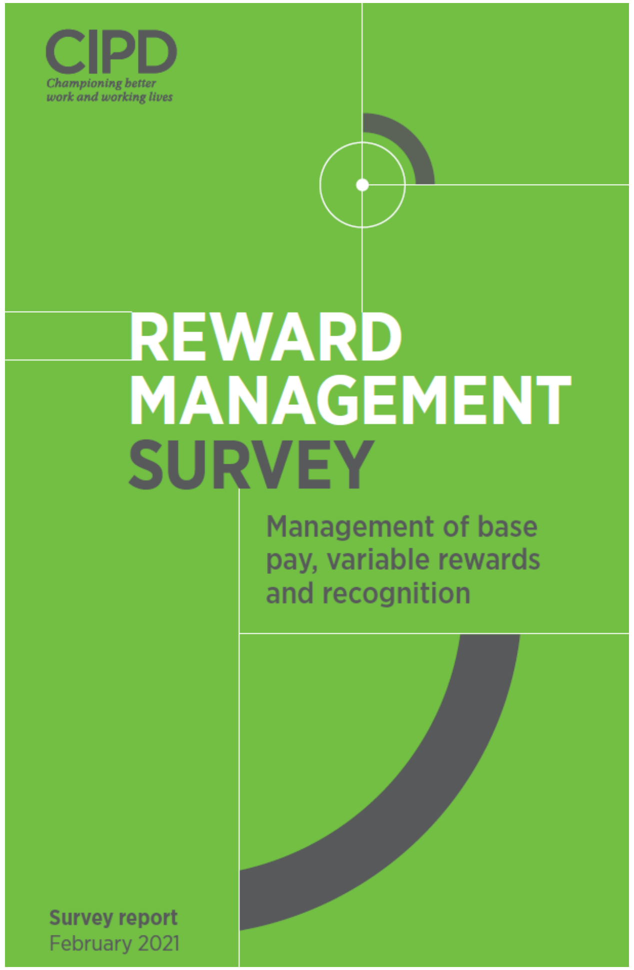
- 76% of employers offer some type of pay progression
- Typically this does not cover all staff but particular grades/occupations
- 14% of employers changed base pay systems in 2021, 56% this affected all staff:
- 11% job evaluation changed
- 7% grade and pay structure/market-link changed
- 9% pay progression changed
- Fair pay and pay inequality future priority for almost two-thirds

- What influences which jobs have pay progression and which don’t?

- Organisation sector, structure and culture/philosophy

Eg hierarchical, multi-grade Department vs flat, broadbanded tech firm

- Type and level of work: more common in higher skilled and managerial and professional roles, but growing use now in low paid roles



Pay progression: how's it done?

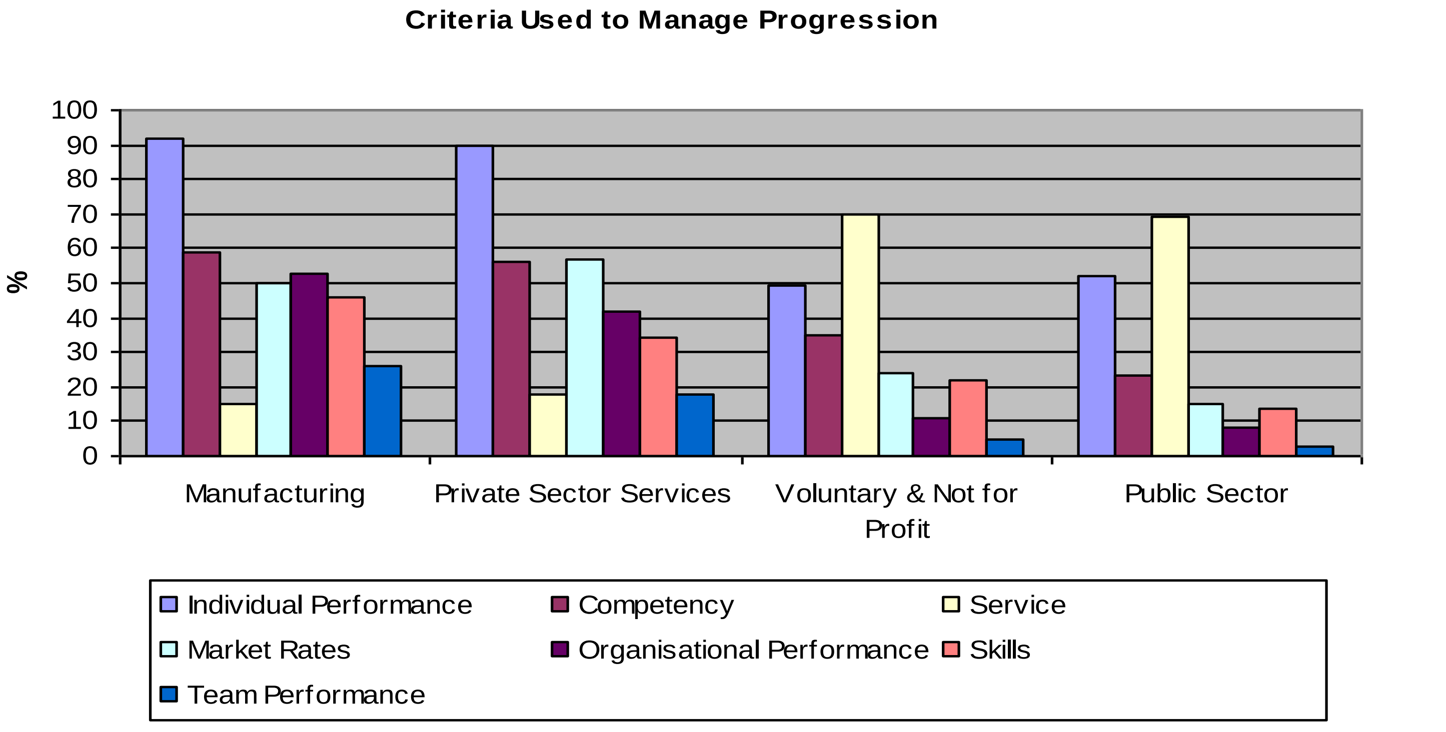
- There are many types and combinations, and many larger organisations will apply different methods for different staff.
- Method: can be formal/objective or informal/more subjective, with fixed increments or flexible amounts eg equity shares
- Main criteria:

1. Service-based, typically through annual increments
2. Skills/competence/qualifications-based, often with pay steps
3. Performance-based/merit pay, typically with more flexibility in progression and assessment eg matrices in public sector
4. Combinations, which are the most common variant, most commonly 'contribution-based' ie mixture of skills and performance assessment

Market Trends in Pay Management and Progression

- Continuing variety of pay structure types, incl. fixed rates
- Service-related progression continues to decline (removed in Civil Service)
- The external market and individual performance/ contribution now influence base pay reviews in a majority of UK employers.
- Moves away from simple MBO-style rating/pay increase links in favour of broader assessments of all round contribution.
- Flat rate awards and market-linked pay rates still predominant for manual work, lower paid roles and top executives
- A growing number of employers using skill and competency-based progression at lower levels (50% for at least some staff in the CIPD data)

Source: CIPD, (2018)



Source: OME

How employers progress base pay - CIPD Reward Survey (% of the ¾ of respondents who progress base pay)

	Individual performance	Competencies	Market rates	Skills	Employee potential/ value/retention	Length of service	Negotiated with union works council
2017*	**74**	**61**	**41**	**57**	**53**	**26**	**24**
2015*	74	64	61	60	52	35	
2013*	72	65	64	58	51	31	
2012*	79	49	57	44	48	29	
2011*	74	50	63	44	46	25	
By sector*							
Manufacturing and production	79	63	48	65	64	20	25
Private sector services	86	72	51	66	67	23	14
Public services	52	42	14	32	16	46	49
Voluntary, community and not-for-profit	52	46	33	44	37	21	21
By employee category							
Management/ professional	70	56	34	49	49	21	14
Other employees	57	47	34	47	38	21	23

Approach 1. Service-based: Example of incremental progression - Higher Education

- Covers c200,000 academic, professional, support staff
- National pay spine structure up to professor level
- Driven by desire for simplicity, single status/equal pay
- Flexibility for each university on number/length of grades and ranges
- Service-based progression
- Can award double progression or deny it on basis of individual contribution, but handful of cases each year.
- Reviewed a number of times by UCEA in recent years
- Significant number of institutions now adding performance/contribution points eg LSE
- Where they are used more generally, increments average c3% base pay

Framework agreement single pay spine 2019-22

	2019-20	2020-21	2021-22	2022-23
Spine point	Salary from August 2019* Details	*Salary from August 2020° Details*	*Salary from August 2021" Details*	*Salary from August 2022^ Details*
1	-	-	-	-
2	-	-	-	-
3	16,736	*16,736*	*17,338*	*18,898*
4	17,046	*17,046*	*17,596*	*19,092*
5	17,361	*17,361*	*17,901*	*19,333*
6	17,682	*17,682*	*18,212*	*19,578*
7	18,009	*18,009*	*18,529*	*19,863*
8	18,342	*18,342*	*18,852*	*20,134*
9	18,709	*18,709*	*19,209*	*20,400*
10	19,133	*19,133*	*19,623*	*20,761*
46	54,131	*54,131*	*54,943*	*56,592*
47	55,751	*55,751*	*56,587*	*58,284*
48	57,418	*57,418*	*58,279*	*60,027*
49	59,135	*59,135*	*60,022*	*61,823*
50	60,905	*60,905*	*61,818*	*63,673*
51	62,727	*62,727*	*63,668*	*65,578*

Example: NHS AfC reforms

- 12 bands cover the organisation below Very Senior Managers
- Includes over 1 million employees, nurses, professionals, ancillary, ologists, excl medics
- Set up in 2005 as part of 'skills ladder' in the workforce plan and to address equal pay
- An overlapping single pay range for each band
- Service-linked progression with two competence 'gateways' in a band
- Limited flexibility at the local level
- Felt to have worked fairly well, although KSF appraisal process has been considerably reformed and simplified
- Market and skills pay supplements limited and their use declining
- They moved in a phased long-term deal to fixed rate and narrow ranges with a maximum of 3 points to 2020/2021 , with largest increases in lowest bands (driven by need to be NLW compliant)
- Progression still via KSF appraisal assessment

Band	Basic Pay 17/18 as at 31.03.18	Basic pay 18/19	Basic pay 19/20	Basic pay 20/21
Band 1	£15,404	£17,460	£17,652	£18,005
	£15,671	£17,460	£17,652	£18,005
Band 2	£15,404	£17,460	£17,652	£19,337
	£15,671	£17,460	£17,652	£19,337
	£16,104	£17,460	£17,652	£19,337
	£16,536	£17,460	£17,983	£19,337
	£16,968	£17,787	£19,020	£19,337
	£17,524	£18,702	£19,020	£19,337
	£18,157	£18,702	£19,020	£19,337
Band 3	£16,968	£17,787	£18,813	£21,142
	£17,524	£18,429	£18,813	£21,142
	£18,157	£18,608	£19,332	£21,142
	£18,333	£19,122	£19,917	£21,142
	£18,839	£19,700	£20,795	£21,142
	£19,409	£20,448	£20,795	£21,142
	£19,852	£20,448	£20,795	£21,142
Band 4	£19,409	£20,150	£21,089	£24,157
	£19,852	£20,859	£21,819	£24,157
	£20,551	£21,582	£22,482	£24,157
	£21,263	£22,238	£22,707	£24,157
	£21,909	£22,460	£23,761	£24,157
	£22,128	£23,363	£23,761	£24,157
	£22,683	£23,363	£23,761	£24,157
Band 5	£22,128	£23,023	£24,214	£26,970
	£22,683	£23,951	£26,220	£27,416
	£23,597	£24,915	£26,220	£27,416
	£24,547	£25,934	£27,260	£30,615
	£25,551	£26,963	£28,358	£30,615
	£26,565	£28,050	£30,112	£30,615
	£27,635	£29,608	£30,112	£30,615
	£28,746	£29,608	£30,112	£30,615
Band 6	£26,565	£28,050	£30,401	£33,176
	£27,635	£29,177	£32,525	£33,176
	£28,746	£30,070	£32,525	£33,779
	£29,626	£31,121	£32,525	£33,779
	£30,661	£32,171	£33,587	£37,890
	£31,696	£33,222	£34,782	£37,890
	£32,731	£34,403	£37,267	£37,890
	£33,895	£36,644	£37,267	£37,890
	£35,577	£36,644	£37,267	£37,890

Service increments: the pros and cons

- Benefits:
- Simple, in design and assessment
- If recruitment is right, in many jobs most people should/will progress to full competence with experience
- Motivational, at least in early years
- Easy to add to eg competence
- Fair (?)
- Downsides
- Costs – for what return?
- Potential for age and gender discrimination if scales are too long
- High contributors, especially shorter-service ones? does contribution increase in line with service?

Approach 2: Skills/competency-based progression

"Skill is nothing, a mere hoard of gold, til it is set to work" Troilus and Cressida

- Around since the 1930's. Originally used in manufacturing to upskill and multi-skill
- Common in professional jobs eg lawyers, accountants to reward exams and qualifications
- Revival in UK, especially in multi and up skilling in customer service and administrative roles

- Forms: 2 main types:
- Skill blocks and progression steps
- Pay increases based on 'hows' and 'whats' (professional jobs)

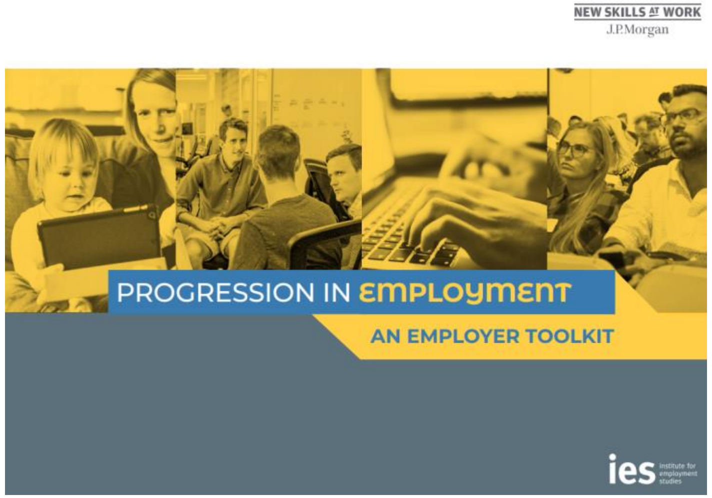
- Assessment typically in one of two ways:
- Through an integrated performance management process
- Through a distinct development process separated from the annual pay review

- Research record (Armstrong and Brown, 1999)
- Associated with higher productivity (Lawler, 1986, Ledford 1998)
- Popular with employees
- But also evidence of cost issues and significantly higher demands on line manager skills and employee communications

Its often part of a wider agenda: Skills Progression, ‘growing your own’

- Government talks of high skill/high productivity/high pay economy.
- REBA (2021): 63% say improving fairness and inclusivity ‘key priority’ in pay.
- Trend to offering pay and career progression opportunities to lower paid, often skills/capability based .
- Our IES research found employers acting on low-pay workers.
- Redesign of jobs to facilitate progression eg into supervisory roles;
- Structured career paths, competency building;
- Contracted minimum hours to address costly turnover;
- Regular career conversations, development of line manager skills.
- Results – lower turnover/recruitment costs; higher quality; brand.

‘We took the decision early in the pandemic to provide security through goodwill payments to our casual staff . Now fans are able to return we have reviewed hourly salaries to make sure there is a minimum £10 across the board and training and opportunities for everyone.’ Manchester United COO Collette Roche



Example: School teachers, service-based increments, combined with a competence threshold

Main pay scale for teachers salary 2022/2023 England

Main Salary Scale	England excludes London & Fringe	Outer London
M1	£28,000	£32,407
M2	£29,800	£34,103
M3	£31,750	£35,886
M4	£33,850	£37,763
M5	£35,990	£40,050
M6	£38,810	£43,193

England teacher main pay scale

Upper Teachers Pay Scale England 2022/23

Upper Pay Range	England excludes London & Fringe	Outer London
U1	£40,625	£44,687
U2	£42,131	£46,340
U3	£43,685	£48,055

Teacher upper pay scale England

- Classroom teachers start on the main pay scale, usually on M1
- Schools may also award discretionary points for other relevant experience. Each school’s pay policy explains how.
- Teachers are awarded a pay rise each September and on the main pay scale move to the next point, subject to satisfactory performance - can be two points if performance is excellent.
- Teachers who reach the top of the main pay scale can apply to be assessed against eight national standards. If they meet the standards, they cross the ‘threshold’ to the upper pay scale.
- Teachers on the upper pay scale receive the usual annual salary rise. However, progression is performance based. Governing bodies decide on progression, progress more frequently than every two years.
- Classroom teachers may also be eligible for Teaching and Learning Responsibilities (TLR) payments.

Example: the Police- Constables, Sergeants, Inspectors and Chief Inspectors

Part 1B: Incremental progression through the pay scale

- Incremental progression through the pay scale is dependent upon a member receiving a grade of 'achieved performance' or above in their performance development review ("PDR") relating to the preceding period of 12 months'
- On completion of initial training, an officer entered at pay point 0 will move to point 1.
- All officers will move to pay point 2 after 12 months; progression will continue at a rate of one pay point per 12 months of service thereafter with the exception of pay point 4.
- Before moving to pay point 4, members must: Complete at least 12 months' service at pay point 3; and successfully complete an assessment at the Foundation Level of the Assessment and Recognition of Competence process ("a Foundation Level ARC assessment") meeting standards set by the College of Policing
- Members will be reassessed for pay progression annually… progress through the pay scale at the anniversary of their appointment or promotion, if they receive (or are assumed to receive) a grade of 'achieved performance' or above.
- Increments will not be paid until formal completion of the PDR process.
- Incremental progression will only be denied if the officer: is graded as 'not achieved'; and is also subject to formal action within Stages 1, 2 or 3 of Unsatisfactory Performance

Constables appointed on or after 1 April 2013

Pay point	**With effect from 1 September 2022**
0 and PCDA minimum	£23,556
1	£26,682 (h)
2	£27,804 (i)
3	£28,932
4	£30,060
5	£32,313
6	£36,852
7	£43,032

Skill and competence-based pay progression: what are the pros and cons?

Figure 1

- Researched benefits:

- It encourages employees to develop the skills/ competencies – they generally like it
- It pays off for the employer: value add can exceed costs
- It integrates pay with career progression, again to benefit employee and employer

- Potential issues and risks:

- Escalating costs: can public sector employers get the return on them?
- Complexity of the design and process
- Managers may lack the skills to evaluate complex issues like human behavioural competence, and there is a risk of gender and ethnic stereotyping

The business case for employers

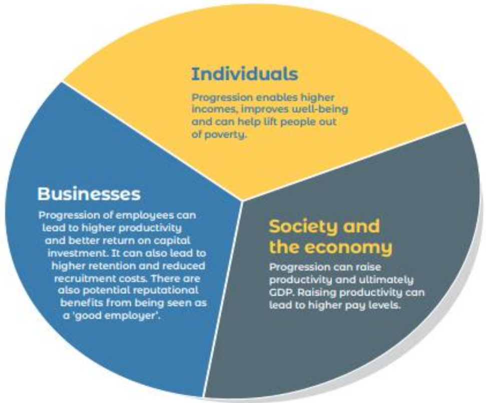
The potential for increased payroll costs and inflating employee expectations, that may be difficult to meet, can deter employers from focussing on progression at work. Equally, employers also face constraints in what they can do – not everyone can be promoted for example, particularly in smaller organisations with limited vertical opportunities to progress up a hierarchy. Employers also have to grapple with the reality that not everyone is suitable for such vertical progression even if opportunities are available.

Despite these very real challenges, investing in progression can offset higher costs through increased productivity, and work to benefit both the individual employee and the business.

Benefits for employers of investing in progression

- Addressing recruitment and retention challenges.
- Enhancing employee engagement and productivity.
- Improved quality and continuity of customer service.
- Enhanced employer reputation and brand.
- Improving skills development and use, unleashing the latent potential of the workforce.

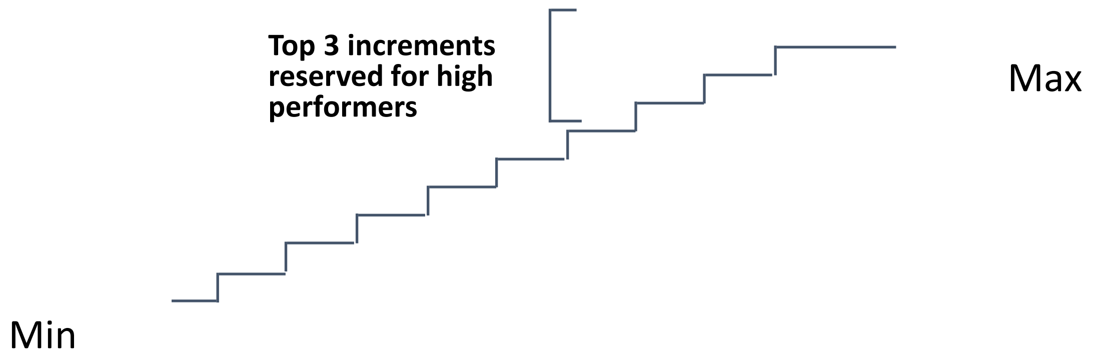
Why does progression in work matter?



Reducing the share of low-skilled workers in the EU from 14.7% to 7.4% by 2025 could boost long-term annual GDP by £480 billion by 2050

Approach 3: Performance-related progression: Examples of PRP

A:



B: Appraisal-based increases

Hi 5-10% Med 3-6% Low 0%

C: Full merit flexibility

Performance		Lo	Med	Hi
	Hi	7%	5%	3%
	Med	5%	3%	1%
	Lo	0%	0%	0%

Position in Range

Example: Matrix Approach in a Major Charity

Pay review matrix

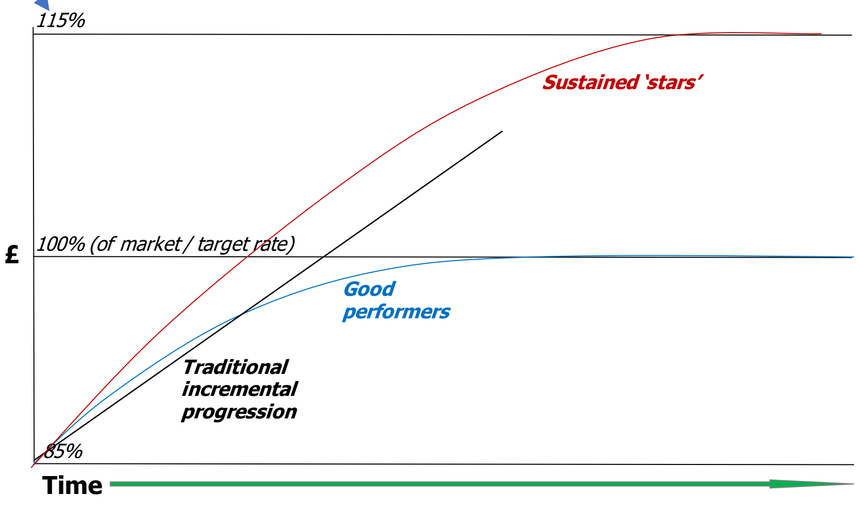
Contribution

Position in pay band

	Not fully met	Fully met	Exceptional
Added Value	0%	0-1.5%	3.0%
Competitive	0-1.5%	3.0%	4.0%
Developing	0-2.5%	4.0%	6.0%

- This approach is relatively common in public and private sectors for more senior professional and managerial roles. It allows for differentiation of pay awards based on contribution and position in the pay band.
- Unlike increments, it produces a curved pattern of progression over time (below). Staff can also, relatively, fall back in their range if their assessed contribution no longer reflects their current range position.

Pay progression through range



- Staff lower in their range/against the market and contributing highly progress the fastest here.
- In the private sector the matrix generally distributes the whole pay budget; in public/charity sectors a general award may also operate.
- The middle figure would normally reflect the budget amount and the ranges would be moved by that. So a person assessed to be a higher contributor gets more of the budget and awards also increase lower in the range to facilitate progression to the market competitive rate, normally set in the middle of each band.
- The total budget is controlled normally by guiding/restricting the allocation of performance ratings and some type of moderation/comparison of initial ratings across the employer.

Performance-related pay progression: the pros and cons

Potential benefits

- Those who perform better should receive higher rewards than those who contribute less
- Linking pay to performance can improve motivation and hence performance for some workers
- Performance-linked pay can send strong messages about what behaviour is expected

Arguments against:

- Pay is not a motivator
- It demotivates staff who do not benefit
- It ruptures relationships and teamwork
- It represents a diversion from managing staff performance
- The public sector seems to have more trouble with targeting and assessing performance

Duncan Brown: Do executive bonuses really work?

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If you were offered a cash bonus, would it make you work any harder or better? How about a 250% bonus?

That was the maximum available to WPP chief executive Sir Martin Sorrell last year. However, 60% of shareholders voted against his £6.8 million package at the annual general meeting. Under his new scheme, that maximum will fall to a mere 217.5%.

That seems strange to me. If you believe bonuses work, then presumably you believe the bigger they are, the more impact they have. And if you believe they don't work, then you don't have them at all.

Comment is free

Series: Brain food

Yes, bonuses do work – but for fruit-pickers, not City bankers

The justification that banks need to fork out massive payouts to retain top talent is a fallacy

Aditya Chakrabortty
The Guardian, Tuesday 18 January 2011
Article history

Approach 4: The use of mixed approaches to progression

Pay for performance + Pay for skill/ competence = Paying for contribution

Past | Future

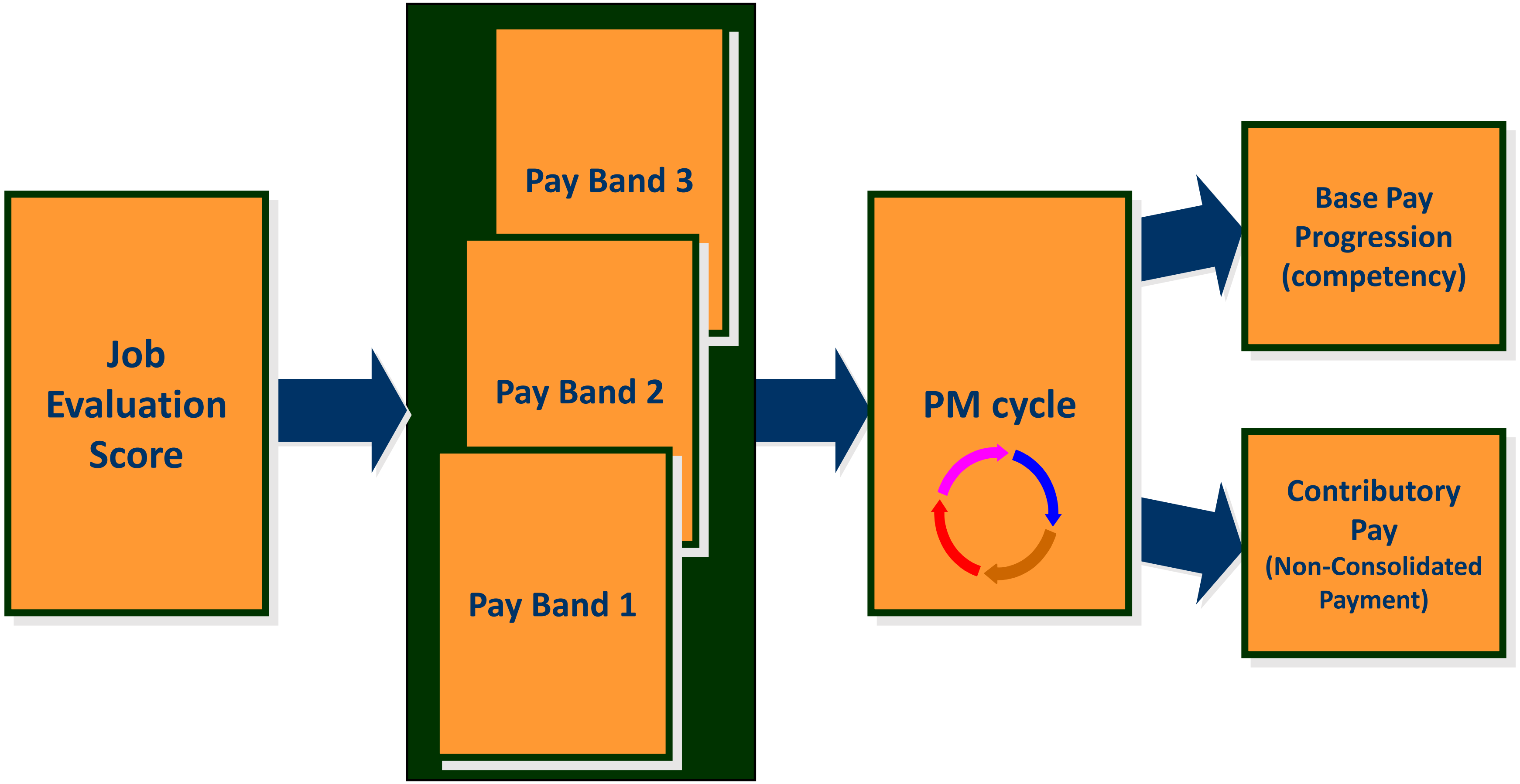
‘Contribution captures the full scope of what people do, the level of skill and competence they apply and the results they achieve, which all contribute to the organization achieving its long-term goals. Contribution pay works by applying the mixed model of performance management: assessing inputs and outputs and coming to a conclusion on the level of pay for people in their roles and their work; both in the organization and in the market; taking into account both past performance and future potential.’

- 76% use a combination approach (CIPD):

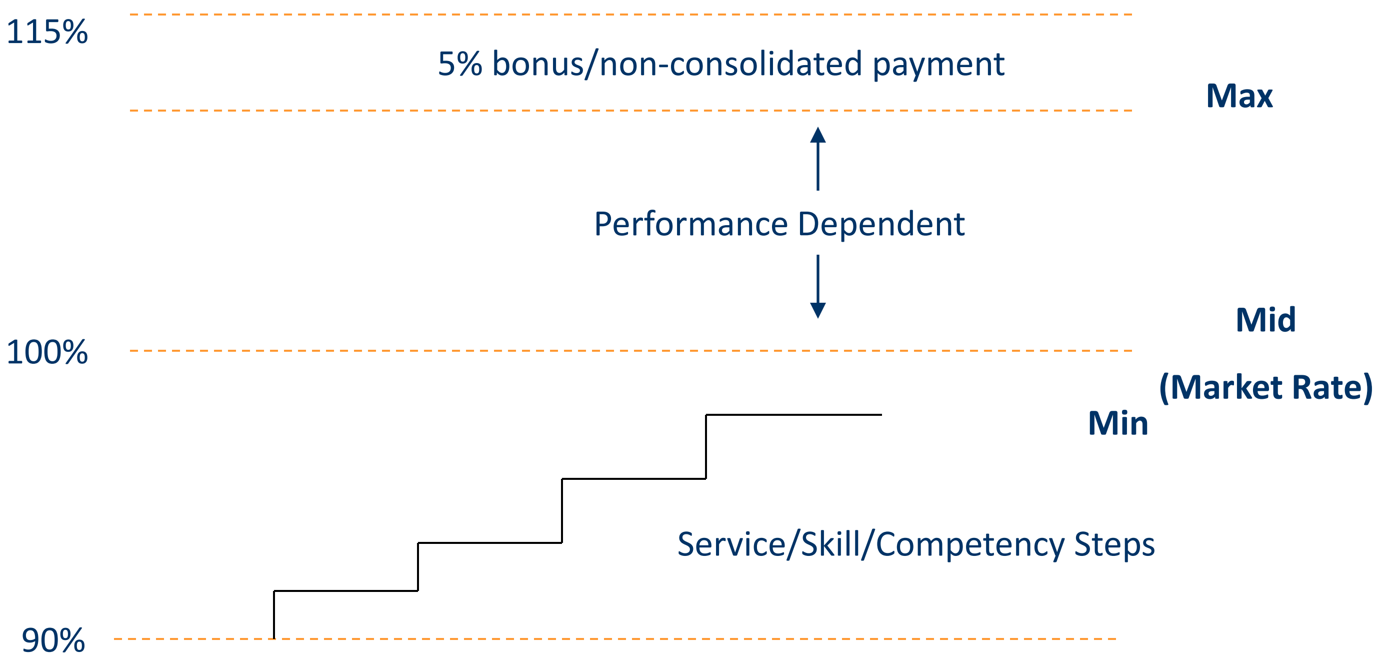
Increments/pay for service	20%
Pay for individual performance	88%
Pay for skill/competence	51%
Pay for org. performance	45%

- Differentials have been widening between high and average performers, from 1.5 – 2x to 2 – 3 x

A mixed example in a local authority



Example: Mixed approach to pay progression in a public sector body



- In this example new staff are recruited below mid-point and normally progress to the scale mid point in c3 years. Increments are c3% and staff can receive between zero and two.
- An annual common award applies. Further progression is reserved for the top 10% of staff. But for those at maxima, non-consolidated recognition payments of up to 5% can be made.

The pros and cons of a mixed approach

- ‘Combination or hybrid systems provide employers with an approach that can combine the best aspects of service-related schemes, in that they usually provide a level of transparency, predictable pay growth and simplicity, with the benefits of appraisal-based systems that can provide efficiencies and act as a driver for continuous development’.

https://www.unison.org.uk/content/uploads/2013/09/Briefings-and-CircularsIDS-report-on-progression3.pdf

- They can reflect a different range of factors that often apply, suiting different jobs
- Often are an evolution from a simpler approach.

But…

- Watch out for:

- Over-complexity
- Confusion/mis-understanding
- The policy/practice gap –you need really high levels of communications and management

Some implications and conclusions

- Learn from others but tailor to suit yourselves: ‘Best fit’ not ‘best practice’ - suit employer and employees
- Be clear about aims and purpose – To address skill shortages? Or low pay? Or gender pay gaps?
- Be clear about budgets and funding

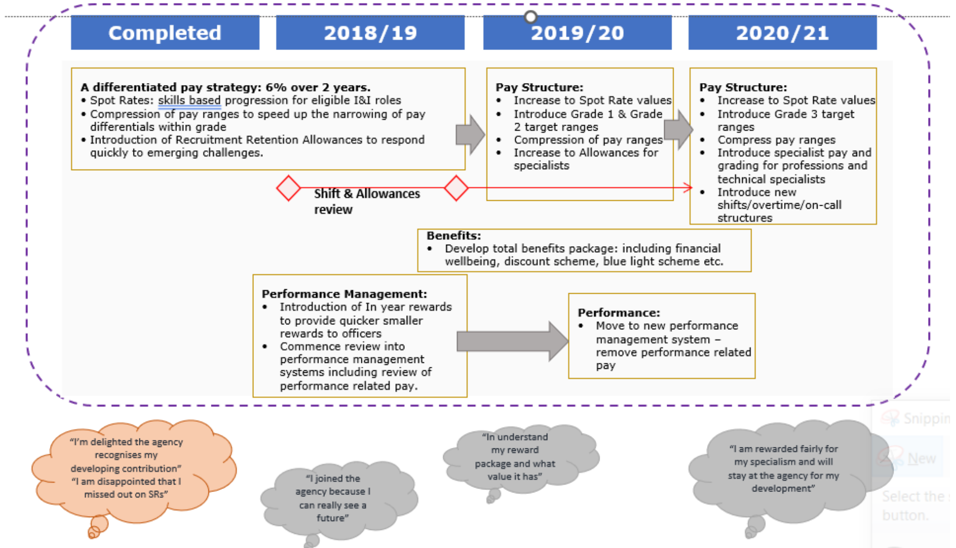
- What are the benefits? For employer, employees and wider?
- Questions to ask: Is it affordable, will it add value?

- Assess readiness in processes such as performance management and the capacity of line managers

- Involve all stakeholders highly from the start, maintain high communications and transparency throughout
- Have checks and balances. Set out clear success measures and joint monitoring processes

- Be pluralistic/pragmatic in the design: weigh up the advantages/disadvantages of the different approaches.
- Implementation and practice is key if/once agreement reached:

- Evolutionary rather than big bang change, phased implementation
- Test and pilot
- Progressive extension
- Learn and adapt as you go



Thanks!

Duncan is an independent adviser and researcher on rewards. He has worked at major HR consultancies and research institutes including Aon, Willis Towers Watson and IES. He spent 5 years as Deputy CEO at the CIPD.

Duncan's clients have included Shell and Lloyds Banking Group, the Cabinet Office and NHS Employers, and major charities including Unicef, the Prince's Trust, Fairtrade and RSPCA.

He has advised government on issues including pay determination for doctors, the Armed Forces and the judiciary. He was closely involved in developing the gender pay reporting regs and worked on the gender pay gap in medicine review.

Duncan is a leading commentator on HR and publishes and speaks widely. He is the joint author with Michael Armstrong of the UK's best-selling *Handbook of Reward Management. Human Resources* magazine placed him in its listing of the top 10 most influential thinkers in UK HR in 2022.

Duncan has an MA from Cambridge University, an MBA from the London Business School, his PhD was in reward strategy and he is a Companion of the CIPD. He is Visiting Professor at the University of Greenwich and Principal Associate at IES. He is a Board trustee at the Industrial Participation Association. and Children's Society.

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