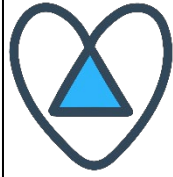


This policy can be made available in different formats, for example, in larger print, Braille or audio-format. It may also be made available in other languages as appropriate.



blue triangle

Pay Policy

13 October 2022

Our Mission Statement

“To empower people to thrive.”

Revision history

Rev No.	Rev. Date	Consultation Requirements	Lead Officer	Committee	Approved by COM	Review Due:
0	Dec 18	New policy	FS	COM	6 th Dec 2018	
1	26 Sep 19	UNISON	FS	COM	26 Sep 19	
2	Oct 22	Updated Policy	GL	D&C	26 January 2023	Jan 26

Chairperson

Signed:

Dated: 26 January 2023

Chief Executive Officer

Signed:

Dated: 26 January 2023

This policy sets out Blue Triangle's approach to pay for all employees and workers.

The purpose of the policy is to set out Blue Triangle's arrangements for pay, including how pay increases are determined, arrangements for salary payments and other pay related issues.

Blue Triangle is committed to ensuring that its pay system operates as effectively, efficiently and equitably as possible.

The Organisation will consult and negotiate with UNISON on matters as set down within the Recognition Agreement and the Job Evaluation Scheme. All relevant decisions will be made according to these requirements.

Our current operating environment reflects political and social pressures around the concepts of equal pay for work of equal value.

We will ensure as much as possible that we eliminate any inequality through adopting principles and processes which comply with best practice around pay structures and policies to ensure equal pay for work of equal value.

This policy is also required to assist us being able to both retain and recruit the very best quality staff that we can within our funding constraints.

Job Evaluation

In line with good employment practice, all jobs within the organisation will be evaluated using the negotiated and agreed job evaluation scheme. This is to ensure that jobs are graded fairly and equitably, and that we comply with the Equal Pay Act.

All revised and new jobs are assessed by the relevant manager in conjunction with the People Team using the Job Evaluation Scheme documentation. Job Evaluation Templates (JETs) are then evaluated by Job Evaluation Committee. All managers and Job Evaluation Committee members are fully trained in the Job Evaluation process.

Every job, following the departure of the post holder, will be reviewed in line with business needs, alongside the staffing structure around it.

Pay Grades

All jobs are evaluated into a relevant pay grade, which determines the salary scale for each post. The overall pay system details the pay ranges for each grade level.

Records of the rationale for decisions made by the Job Evaluation Committee, which then determines the pay grade for a particular post, are kept and monitored by the People Team.

Pay Structure

The grading structure consists of grades with increment points. Employees progress through their pay grade each year until they reach the top increment.

In implementing this pay policy, Blue Triangle is delivering on its commitment to pay the Scottish Living Wage as a minimum to its employees and workers.

As part of good governance, the Remuneration Committee will assess and take a view on the Senior Leadership salaries on an annual basis (as part of the overall review of the pay system) to ensure they are benchmarked appropriately for the sector.

Equality Impact Assessment

The job evaluation template, the resultant grading structure and the transitional arrangements from one salary scale to another has had an equality impact assessment carried out on it by the organisation to ensure that discrimination is removed as much as possible.

New/Revised Posts

Where a new or substantially revised post arises, it will be necessary to have the role evaluated by the Job Evaluation Committee to ensure that it is placed in the correct pay grade.

New jobs are defined as follows:

- a) Jobs where there is no current post-holder and where a grade of the job is required to allow recruitment to proceed; or
- b) Jobs where there is a current post-holder, which changes as a direct result of changing organisational need and where the new grade is required before any change can be made to the contract of employment.

This job evaluation process will be completed before the post is advertised.

Remuneration on Recruitment

New employees will generally be appointed to the first point on the scale for the role, however, it may be appropriate to appoint to a higher point on the scale in line with relevant skills and experience. In such cases, approval should be sought from the Head of People.

Where an existing employee successfully obtains a different post within Blue Triangle on the same grade as their previous post, they will maintain their placement on the pay scale unless otherwise agreed with the Head of People.

Pay Grade Increments and Cost of Living Increases

Pay variations within the organisation have two separate elements: increments and cost of living increases.

Cost of living increases are reviewed on 1 April each year in negotiation with the organisation's recognised trade union, UNISON. Where salary reviews have not been agreed or finalised in time to enable salaries to be increased on 1 April, negotiations will take place with UNISON to determine the appropriate date from which pay awards will take effect.

The proposals for pay increases, and their subsequent settlement, must be affordable to Blue Triangle in the current financial year and in the longer term.

It is the standard practice to award an increment when the employee has accrued one full financial year of service (i.e. 1 April to 31 March).

Backdated pay will not be made to employees who have left before any pay increases are implemented.

Qualification Bars

All service staff are required, upon entry to the organisation, to have the appropriate SVQ qualifications as specified in the person specification for the role.

All other roles will be expected to have appropriate qualifications for the function of the role, and it is not expected that anyone would be recruited without the required qualifications.

It is recognised, however, that there may be exceptional circumstances where the local labour market is unable to attract an appropriately suitable candidate with the specified qualifications. In this case, the recruiting manager may appoint an unqualified candidate on the basis that the candidate will be asked to achieve their SVQ qualification(s) within a set period of time. This will usually be within 12 months of the individual passing their probationary period and achieving their SVQ qualification.

The employee will be given financial support to achieve their SVQ, on the proviso that they successfully achieve their qualification(s) within the set timeframe and do not leave the employment of the organisation for a set period of time following the achievement of their qualification(s). The employee will be asked to sign a specific training agreement to state that they understand the terms of the agreement and the consequences of not meeting those terms.

A qualification bar is therefore set at the first point of the scale, with movement to the next point of the scale in line with the terms of this policy and the achievement of the qualification.

Discretion may be applied to the holding of an employee's salary at the first point of the scale if delays in achieving the qualification(s) can be attributed to disability, sickness absence relating to underlying health conditions, maternity and any other relevant protected characteristics.

The above principles may apply to other posts within those or other grades. If this is the case, the qualification bar will be clearly communicated at the time of advertising.

Pay Position

Blue Triangle wishes to position itself in terms of pay as follows:

- ▲ Act as a fair employer by paying all employees and workers at least the current Scottish Living Wage
- ▲ Have pay rates competitive with comparable organisations as much as possible, given funding pressures, to ensure that it attracts and retains high quality staff

Market Supplements

While Blue Triangle is committed to a pay structure that reflects equal pay for work of equal value, it also recognises that there are some circumstances where it may find it difficult to recruit to specific posts and/or retain employees because of the competition for candidates in the labour market. In these circumstances, the payment of a market supplement to basic salary may be necessary, following discussions with UNISON.

Definitions

- ▲ A market supplement payment is made where the organisation, due to its job evaluation and pay structure, would be unable to match the market rates offered by other employers as part of the basic salary.
- ▲ A recruitment market supplement is made where the organisation is recruiting for a role where there is a skills shortage and an additional payment is required to attract an individual who meets fully the criteria for the post.
- ▲ A retention market supplement is made where there is a skills shortage for a role filled by an existing staff member or where there is a significant uniqueness in the role for which there would be a detrimental effect on the organisation if it is unable to fill the role.

Principles

Market supplements awarded will sit within a framework which adheres to the following principles:

- ▲ The organisation will continue to ensure that it meets its obligations under equal pay legislation and that it maintains the overall integrity of its pay structure.
- ▲ Market supplements will only be considered where there is a clear and evidenced business need, with the failure to appoint or retain acting as a detriment to the organisation.
- ▲ Other non-pay options, such as career development opportunities, will also be fully explored before a market supplement is considered.
- ▲ Market supplements will only be approved if an objective assessment of appropriate evidence supports the payment of a supplement.
- ▲ The decision behind the approval of any market supplement will be recorded in writing, alongside any particular conditions that will apply to the payment of the supplement to be retained by the People Team.
- ▲ Market supplements will be reviewed on an annual basis and may be varied or removed where necessary.



Pay Policy Procedures

Appendices

Appendix 1: Market Supplement Procedure.....	7
<i>Application for market supplement</i>	10
<i>Application for market supplement: Senior Leadership Team stage</i>	13
Appendix 2: Job Evaluation Process	14

Appendix 1: Market Supplement Procedure

General considerations

All prospective and existing employees come under the framework. All decisions around market supplements need to be carried out in accordance with the Trade Union Recognition Agreement and the Job Evaluation Terms of Reference Agreement. This procedure should be read in conjunction with the Pay Policy.

Market supplements may be applied to temporary, fixed term or permanent posts.

New employees will be appointed on their pay scale and the agreed market supplement will be applied. For staff already in post, the employee will be placed each year on the scale in line with the normal procedure and the agreed market supplement will be applied.

The market supplement applies to the post and not to the individual. It therefore affects the people who occupy these posts only so long as they are in those posts and the market supplement applies to those posts. When an employee moves from a post that attracts a market supplement to a post that does not, they will lose their right to receive the market supplement.

All contractual conditions for the payment and withdrawal of market supplements will be clearly set out for recipients, including notice provisions.

Market supplements will be taken into account when calculating all statutory entitlements such as sickness/maternity/paternity/adoption leave and redundancy. In addition, occupational entitlements to sickness/maternity/paternity/adoption leave and redundancy will take account of the market supplement payable.

Where a market supplement is payable, the terms and conditions of employment will identify the market supplement payment as a separate element of pay and specify the amount and the duration. The market supplement will be paid monthly via the payroll system in the usual manner but will be listed separately from the employee's basic salary on pay slips and associated documentation. Market supplements will be subject to tax and national insurance in the normal way and will be regarded as pensionable. They will count for the purposes of calculating overtime and any other payments linked to basic pay such as company sick pay, maternity/paternity leave pay, holiday pay and redundancy pay.

Any employee of Blue Triangle who is in receipt of a market supplement and moves to another role within the organisation that does not attract a market supplement will be informed that the market supplement will stop on the date that they start in their new post.

Business Case

Where there is a clear business need supported by objective market data which has been discussed in conjunction with UNISON, Blue Triangle will consider offering a market supplement in addition to the basic salary. The organisation will take care to ensure that the payment of market supplements does not expose it to potential equal pay claims. The process followed is designed to protect the organisation from any such claims and to ensure that market forces account for the difference in pay.

Blue Triangle is committed to keeping the number of market supplements to a minimum and will also examine alternative options such as job redesign, flexible working, regrading and career development opportunities.

Questions which should be considered before making an application for a market supplement include:

- ▲ If insufficient job applications (either in terms of quantity or quality) have been received, is it appropriate to try other recruitment initiatives, such as different or targeted advertising?
- ▲ Does the job description and person specification fully reflect the requirements of the role?
- ▲ Have the non-reward benefits (such as annual leave, sick pay, work/life balance) been promoted within the job advertisement and other documents?
- ▲ Have opportunities for learning and development been promoted within the job advertisement and other documents?
- ▲ Could changes to working arrangements, such as flexible working options, make the post more attractive?
- ▲ Do exit interviews or other sources of information suggest that higher staff turnover in a post/group of posts could be partly or fully due to reasons other than pay?
- ▲ Is there a specific business need which is driven by an environmental variable

Calculation of the market supplement

The level of market supplement payment will be determined by calculating the difference between the organisations pay rate (including the value of any allowances that may be applicable) and the market, as determined from appropriate sources. The average market rate will normally be used when calculating market supplement payments.

Establishing comparators for market supplements

In establishing appropriate market rates for posts, efforts should be made to find comparators which have gone through a job evaluation process. This is so that comparisons are not being made with organisations that may have discriminatory grading structures as they have not been through job evaluation. However, it is recognised that this is not always possible. It is therefore relevant that in the first instance we obtain data from appropriate organisations who are likely to have pay structures that both reflect our values and who are likely to have a good level of robustness in achieving fairness in their pay structures such as the public sector or third sector organisations. It is also appropriate, dependant on the level of the post or the nature of the post, that we obtain comparators from the private sector in order to retain or recruit. This would be in the main for positions which may be recruited from the private sector such as finance, HR and the CEO. This will be carefully considered using other robust data sets such as the Office of National Statistics which provides employment data across all sectors.

All efforts will therefore be made to secure data from the following comparators:

- ▲ NHS Agenda for Change pay structure (equal pay compliant)
- ▲ Other organisations that have had their pay systems evaluated in relation to equal pay
- ▲ Local authorities
- ▲ Third sector employers
- ▲ Other public sector bodies (the posts identified should be the same in terms of duties and responsibilities or broadly similar in terms of the required knowledge, skills and responsibilities)
- ▲ Private sector.

Where salary surveys are used to support the market analysis, care will be taken to assess their appropriateness in terms of job titles used, geographic coverage and sector coverage. The Association will not use salary surveys to determine market rates but will use them to help to support the overall business case.

Establishing the level of market supplement

An appropriate assessment, based on objective criteria, will determine the level of market supplement applied.

The assessment will involve the following factors:

- ▲ The level of salary that is considered necessary to resolve the recruitment or retention issues
- ▲ Where the organisation wants to position itself in relation to the comparators in the market – this may vary depending on the type/level of post and the specific recruitment or retention difficulties being experienced

Advertising posts with market supplements

When a post with an approved market supplement is to be advertised, the recruitment documents should identify the market supplement as a separate amount and make it clear that the supplement is reviewed on an annual basis and may be subject to change.

Review of market supplements

Market supplements will be subject to review on an annual basis. The review will consider how far the market supplement has taken the organisation in reducing its recruitment or retention difficulties, the likely impact on service of removing or reducing the market supplement and any changes in the labour market.

The review will then determine whether the market supplement should be withdrawn, increased, reduced or maintained. Where there is no longer a business need for the payment of the market supplement, the post holder will be notified in writing that the payment will be withdrawn.

Right of appeal

There is no right of appeal regarding decisions taken to offer, refuse, vary or withdraw a market supplement.

Authorisation process

The overall procedure and principles of market supplements will be approved jointly by the Association and UNISON through governance arrangements which are principally Committee of Management approval of policy and procedures and negotiation with UNISON through the normal consultation process. There is a three stage approval process for the use of market supplements in-house as set out below.

Application for market supplement

Job title:	
Job title of line manager:	
Department/project:	
Pay grade of post:	
Number of staff affected:	

Is this application designed to resolve problems with (please circle/delete):

Recruitment
Retention

YES/NO
YES/NO

Please note: should this application be successful the appropriate market supplement will be applied in line with our annual negotiations with UNISON.

Reason for application: Please include information such as exit interviews results, staff turnover figures, responses to advertising, national shortages of candidates, external rates of pay* and how the vacancy is currently being covered, including costs.

*Information should first be obtained on comparable posts in the NHS, other organisations that have gone through job evaluation, local authorities, third sector organisations and other public sector bodies. Wherever possible, full job descriptions and person specifications should be included.

Average starting point of comparator posts:

Average top point of comparator posts:

Please summarise any other action that has been taken or was considered to overcome recruitment or retention issues. Examples may include flexible working, career development opportunities and job redesign.

Business case for considering the market supplement: This may cover risk of loss of staff/skills, work that will not be carried out, effect on business operations, etc.



Who else could be affected by this application? For example, are there any other posts/departments/projects that could be affected?

Expected benefits of applying the market supplement (ie, increased applications to advertisements, reduced staff turnover/improved retention, improved effectiveness, etc.)

Name of manager making the application:

Signature of manager making the application:

Job title of manager making the application:

Date application submitted to People Team:

The application will be submitted to the Senior Leadership Team at this stage.

Application for market supplement: Senior Leadership Team stage

Job title:	
Job title of line manager:	
Department/project:	
Pay grade of post:	
Number of staff affected:	

Decision on reasonableness of application (This will include reason for application, market analysis, other actions taken/considered to resolve issues, business case, any others affected and expected benefits.)

Approval given by Senior Leadership Team

YES/NO

Name of Senior Leadership Team member:

Signature of Senior Leadership Team member:

Date application and decision returned to People Team:

The senior staff have delegated authority to approve market supplements. The staff involved in this decision are: Director of Finance and Corporate Services and CEO or Head of Service Delivery and CEO. Decisions made will be reviewed by the Finance, Investment and Audit Sub-Committee to determine whether the policy is working effectively.

Appendix 2: Job Evaluation Process

Openness

The process of evaluation should be clear and accessible and communicated to all concerned.

All employees need to know:

- ▲ Why the scheme has been devised
- ▲ The principles of equal value and fairness on which it is based
- ▲ How the scheme will be applied
- ▲ Arrangements for appeals

Equality

The scheme has been designed to incorporate the principle of equal pay for work of equal value. The factor plan and weightings aim to be free from gender bias and discrimination on the grounds of race, sexuality, religion, age and disability.

Reasons for Job Evaluation

There are only two valid reasons for a job to be evaluated:

- ▲ A new job is developed as a result of a genuine, approved business requirement.
- ▲ An existing job has developed or grown significantly in size and it has been at least 1 year since it was previously evaluated.

Process

- a) The Job Evaluation Template (JET) of new or changed role is to be written by the line manager. Additional guidance can be sought from the People Team.
- b) The Job Evaluation Template must be validated by the postholder(s) (existing roles only).
- c) The Job Evaluation Template has to be agreed initially with the People Team to ensure it has been written using the template and according to guidelines, and then with SLT for budget and establishment approval.
- d) All Job Evaluation Templates, once approved by SLT, will be evaluated by the Job Evaluation Panel within **one calendar month** from receipt.
- e) Job Evaluation Templates will be sent to Job Evaluation Panel members at **least 1 week** prior to the Job Evaluation Panel sitting.
- f) At the time of the **Job Evaluation Panel** meeting, line managers who have submitted a Job Evaluation Template should make themselves available to attend the meeting to answer questions or provide additional information should they be called upon by the Job Evaluation Panel to do so.
- g) Line managers and postholder(s) will be informed of the results of the Job Evaluation Panel **within 5 working days of the meeting**.

Appeals Process

- ▲ An employee who wishes to appeal against the grading of his or her job must first discuss with his/her line manager the grounds for his/her appeal.
- ▲ If the appeal is not settled or withdrawn, the appeal will be heard by the Job Evaluation Panel.
- ▲ The line manager should attend the Job Evaluation Panel meeting to present the grounds for the application.
- ▲ The decision of the Job Evaluation Panel is final.
- ▲ The line manager and the employee will be informed of the results of the Job Evaluation Panel within 10 working days of the meeting.

Job Evaluation Panel

- ▲ The Panel will be chaired and administered by the People Team.
- ▲ It will be made up of representatives from across the business; in addition to the chairman 3 members.
- ▲ All members must be fully trained in the Job Evaluation Scheme and Job Evaluation Template completion.
- ▲ All members must be prepared to sit as a Panel as and when required. (Maximum 12 times per year)
- ▲ There must be at least 2 members plus the chair to make a panel.
- ▲ Completed Job Evaluation Templates will be sent to members prior to the Panel sitting.
- ▲ Panel members will evaluate all Job Evaluation Templates individually prior to the Panel sitting using the analytical job evaluation scheme and come fully prepared to each meeting with a job evaluation score for each Job Evaluation Template.
- ▲ The People Team will keep records of evaluation scores and grading decisions for each job evaluated.
- ▲ Panel members will be replaced on a rota basis and where possible no more than one member should be replaced at a time.