



Policy:

FIN 014 - Hardship Salary Advances

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Policy owner	Deputy Director of Finance
Policy author	Head of Financial Accounts

Document Type	Policy
Document Status	Version 1.3 (V.1.3)
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Summary of policy

There could be circumstances where an employee experiences financial hardship. This document provides guidance regarding the application process, eligibility and approval of hardship salary advances and the repayment plan.

Target audience	Trust staff, the Board of Directors and Council of Governors.
Keywords	Salary Advances, Hardship

Storage

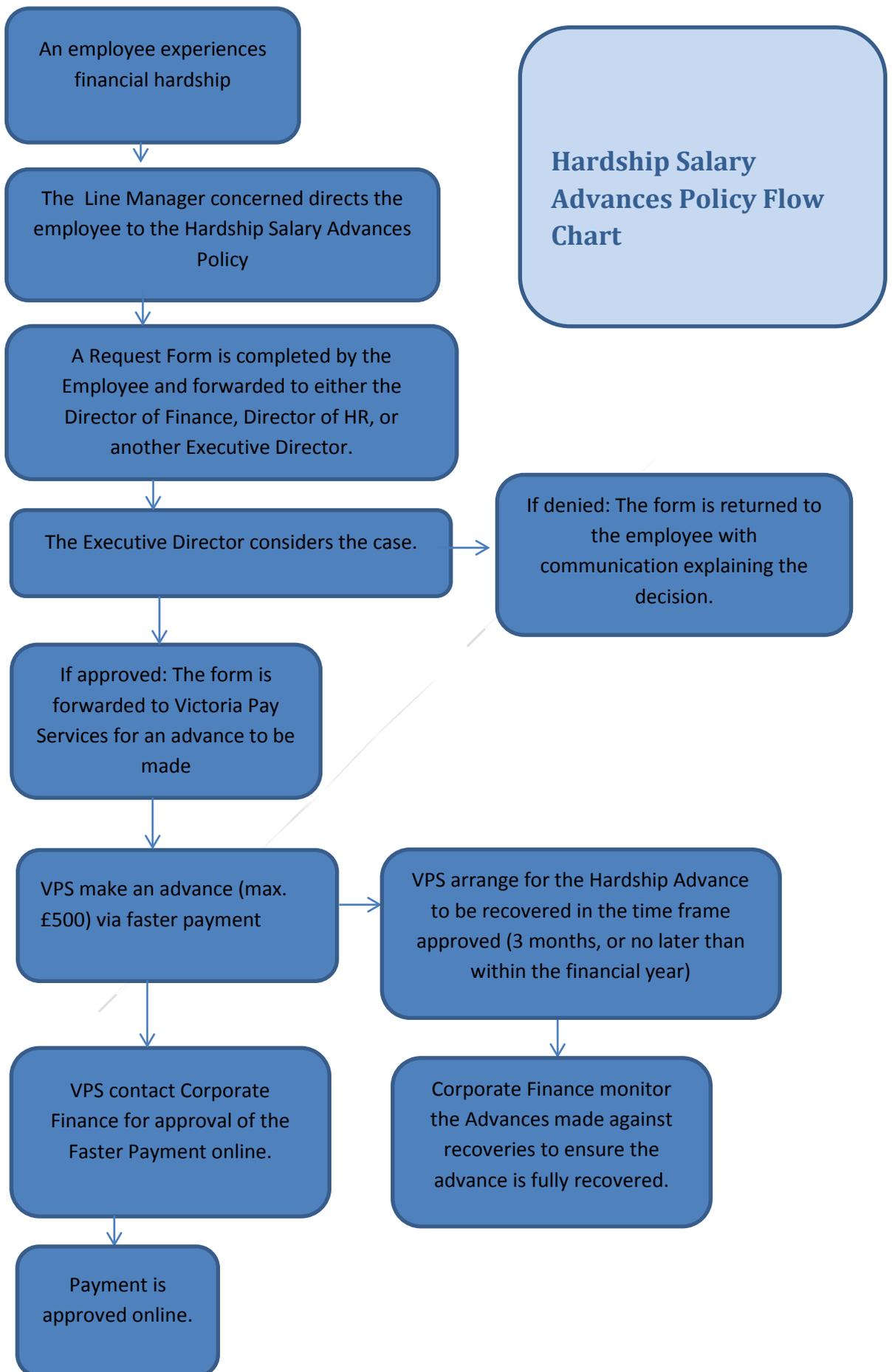
Version 1.3 of this policy is stored and available through the SHSC intranet/internet. This version of the policy supersedes the previous version 1.2 dated August 2016. Any copies of the previous policy held separately should be destroyed and replaced with this version.

Version Control and Amendment Log

Version No.	Type of Change	Date	Description of change (s)
V. 1.1	Policy originally developed by the HR Directorate in December 2013	12/2013	Draft
V. 1.2	Updated to Policy on Policies format.	08/2016	Updated to Policy on Policies format.
V. 1.3	Updated to Policy on Policies format.	08/2019	Updated to Policy on Policies format.

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1 Introduction

- 1.1 There should be few circumstances where an advance of salary is warranted to an employee in case of financial hardship, as most employees effectively manage their own personal finances.
- 1.2 However, if in exceptional circumstances the Director of Finance or Director of Human Resources considers an advance would be of benefit to the efficient operation of the Trust, then an advance of salary may be made. Alternatively, another Executive Director may authorise the payment.
- 1.3 This policy provides guidelines in these circumstances.

2 Scope

- 2.1 This policy covers the following:-
 - The Hardship Advance Application process
 - Criteria for assessment of applications

3 Definitions

Hardship: In the context of this policy, hardship is defined as 'unforeseen hardship' for an unexpected reason.

Salary Advance: A payment of salary in advance of the usual pay date. Usually recovered (if issued for Hardship) over the next three months via payslip recovery.

Partner: References to partners include same-sex partners.

4 Purpose

- 4.1 This scheme covers the circumstances where salary advances are made to employees owing to financial hardship.

5 Duties

- 5.1 Management Accounts, on behalf of delegated budget holders and budget managers, are responsible for advising and supporting budget managers via reference to this policy.
- 5.2 Authorised officers with authority to approve faster payments on-line are responsible for ensuring this policy has been complied with before a payment is approved via on-line banking.

- 5.3 The Financial Accounts team are responsible for monitoring salary advances and their recovery, and accounting for them in line with accounting policies.
- 5.4 Staff are responsible for effectively managing their own finances, and if need arises to apply this policy, are responsible for ensuring they follow the appropriate application process outlined within.
- 5.5 Human Resources (HR) are responsible for supporting employees and directing them to this policy where relevant.
- 5.6 SHSCFT is committed to:
- the achievement of the principles, values, rights, pledges and responsibilities detailed in the NHS Constitution, and
 - Ensuring they are taken account of in the production of its Policies, Procedures and Guidelines. This procedure supports the NHS Constitution by committing to use NHS resources responsibly and fairly and providing best value for taxpayer's money.

6 Hardship Salary Advance Process

6.1 Context

- 6.1.1 Hardship advances should be to a maximum value of £500, with repayment usually being made by deduction from salary within a maximum of 3 months or before the end of the financial year, whichever is sooner.
- 6.1.2 The Trust is aware that such advances affect the Trust's cash flow position and would, if necessary, place a moratorium on the advances.

6.2 Application Process

- 6.2.1 Individuals must complete and sign the attached Salary Advances to Employees - Hardship Form (**Appendix G**).
- 6.2.2 The employee's signature is required in order to comply with the Employment Rights Act 1996.
- 6.2.3 The Director of Finance or Director of Human Resources (or other nominated Executive Director) must countersign the request and forward it directly to the Trust's Payroll Department at Victoria Pay Services, Coleridge House, Northern General Hospital. The form must be forwarded to Payroll Services by the authorising Director and not via the individual employee.
- 6.2.4 The request should be made on the form. The form should, where possible, be forwarded to the Payroll Department at least 4 working days before the advance is required.

6.3 Criteria for Application

6.3.1 INTRODUCTION

6.3.1.1 This policy document puts into context the outline criteria to be used for the assessment of applications to Sheffield Health and Social Care for financial assistance.

6.3.1.2 Having criteria ensures:

- The purposes for which assistance can be given are properly defined
- The Trust's funds are being effectively and efficiently deployed in ways that achieve the benefits intended
- There is consistency of treatment, thinking and service continuity
- Legal compliance

6.3.1.3 Applying strict criteria means that all decisions can be justified and audited.

6.3.1.4 It is acknowledged that the decision of the Director of Finance, Director of Human Resources or other Executive Director is final.

6.3.1.5 The Director of Finance and Director of Human Resources will review the criteria biennially (or sooner if necessary) to ensure that the policy continues to be fit for purpose whilst ensuring that any advance granted is of benefit to the efficient operation of the Trust.

6.3.2 WHO CAN APPLY

6.3.2.1 The following persons are eligible to apply for Sheffield Health and Social Care Salary Advance Scheme:

- All Members of staff

6.3.3 DEFINING FINANCIAL HARDSHIP AND WHO QUALIFIES

6.3.3.1 Generally speaking, applications will be assessed having regard for 'unforeseen hardship' e.g.

- A sudden loss of income
- Abnormal increase in expenditure
- Death of a partner/dependant/relative
- Circumstances which have put an unreasonable financial burden on a household
- The need for an essential item which the applicant cannot afford or reasonably be expected to budget for.

6.3.4 ADMINISTRATION AND DECISION MAKING

6.3.4.1 APPLICATIONS

6.3.4.1.1 Applications for financial assistance will be assessed by the Director of Finance or Director of Human Resources.

6.3.4.2 SCOPE OF ASSISTANCE AND CRITERIA

6.3.4.2.1 Generally speaking Sheffield Health and Social Care will **not** grant assistance where the reason for the application:

- is for school fees, fees for educational courses or house purchase.
- is for fees for private treatment, although help with dental treatment costs may be considered.
- is to help purchase a car although help may be considered with car repairs for members living in rural areas who rely on a car to get to work and/or where there are risk or health issues for example in cases of domestic violence.
- is for legal fees.
- is to repay a student loan or fund educational courses.
- is to make up lost pay as a result of industrial action. Staff members may still seek help in the normal way where there is evidence of financial difficulty before the onset of industrial action or, if an unrelated financial crisis were to occur during such time.
- pre-dates a staff members start date with the Trust.
- is as a result of an act or omission by the staff member (e.g. failure to follow appropriate guidelines for the submission of timesheets)

6.3.4.2.2 Decisions regarding financial help are made according to certain criteria, and at the sole discretion of the Director of Finance, Director of Human Resources or other Executive Director.

6.3.4.2.3 Practical help and assistance can also be obtained from your Union via your representative.

6.3.4.3 SPECIAL PAYMENTS TO RELIEVE DISTRESS

6.3.4.3.1 Funeral expenses where the applicant is responsible for the debt and where no statutory help is available or there is a shortfall.

6.3.4.3.2 Once only deposits on rented accommodation may be considered in the following circumstances:

- The applicant is escaping an abusive relationship.
- Where the applicant has been evicted, there are children involved and/or there are serious health issues.

6.3.4.4 UTILITY COSTS

6.3.4.4.1 Applicable only where abnormally high fuel costs have been identified associated with health or other special needs and where there is insufficient income to meet this additional expenditure a grant may be considered.

6.4 Disputes

6.4.1 All employees will operate under a contract of employment with the Trust. Agency staff will operate under a contract with the Agency. Self-employed contractors will sign a contract draw up by Procurement.

6.4.2 All disputes should refer to the contract in place in the first instance. Actions will depend on the type of contact. Employment contract disputes will be covered by employment law; whilst procurement contracts are covered by commercial laws.

7 Dissemination, Storage and Archiving

7.1 This Policy will be maintained by Corporate Finance in consultation with Procurement and HR. Changes will be recorded on the Policy cover sheet.

7.2 Implementation will be per the following Implementation Plan:

Objective	Task	Executive / Associate Director Responsibility	Timescale
Dissemination, storage and archiving	Post Version 2 on Trust intranet and remove prior versions	Executive Director of Finance	September 2019
	All SHSC staff email alert	Executive Director of Finance	October 2019
	Team Managers to ensure all staff have access to latest version of this policy	Executive Director of Finance	October 2019
	Financial Accounts Staff to archive former version of policy	Executive Director of Finance	October 2019

8 Training and other resource implications

8.1 Staff involved in managing staff by virtue of their role as a Supervisor should refer to this policy in relevant cases. Guidance can be obtained from the Finance Directorate.

Objective	Task	Executive / Associate Director Responsibility	Timescale
Training and Development	Finance and HR Directorates to provide training as required.	Executive Director of Finance	As required

9 Audit, Monitoring and Review

- 9.1 The Financial Accounts team reconcile Salary Advances paid and recovered each month.
- 9.2 This policy will be reviewed on an 3-yearly basis from the date of implementation.
- 9.3 Minor amendments (such as changes in title) may be made prior to the formal review, details of which will be monitored/approved in consultation with HR where relevant. Such amendments will be recorded in the Register and a new version of the Policy issued.

Monitoring Compliance Template						
Minimum Requirement	Process for Monitoring	Responsible Individual/ group/committee	Frequency of Monitoring	Review of Results process (e.g. who does this?)	Responsible Individual/group/ committee for action plan development	Responsible Individual/group/ committee for action plan monitoring and implementation
A) Review of policy to ensure fit for purpose in current NHS financial climate	Review	Head of Financial Accounts	Three-yearly	FIC	Corporate Finance/HR jointly	Corporate Finance

10 Implementation Plan

10.1 This policy will be made available on the SHSC Staff intranet and the SHSC internet.

10.2 Changes to the policy will be communicated via email to all staff per the Dissemination plan outlined in Section 7.

11 Links to other Policies

11.1 This policy further expands on the requirement in the Trust Standing Financial Instructions Paragraph 8.4 Processing Payroll; particularly paragraph 8.4 (2)(j) which states “The Director of Finance in conjunction with the Director of HR will issue instructions regarding pay advances and their recovery.”

12 Contact Details

12.1 Contact the Head of Financial Accounts within the Finance Directorate with any queries.

<i>Title</i>	<i>Name</i>	<i>Phone</i>	<i>Email</i>
Head of Financial Accounts	Gabriel Recalde	0114 2264470	Gabriel.Recalde@shsc.nhs.uk

13 References

- “SHSC Standing Orders, Reservation & Delegation of Powers & Standing Financial Instructions”

Appendix A
Version Control & Amendment Log

Version No.	Type of Change	Date	Description of change(s)
1.1	Policy creation	December 2013	HR Develop policy
1.2	Review on expiry of Policy	August 2016	Updated to reflect Policy on Policies layout
1.3	Updated to Policy on Policies format.	August 2019	Updated to Policy on Policies format.

**Appendix B
Dissemination Record**

Version	Date on website (intranet and internet)	Date of “all SHSC staff” email	Any other promotion/ dissemination (include dates)
1.1	December 2013	December 2013	
1.2	September 2016	September 2016	
1.3	September 2019	September 2019	

Stage 1 – Complete draft policy

Stage 2 – Relevance - Is the policy potentially relevant to equality i.e. will this policy potentially impact on staff, patients or the public? If **NO** – No further action required – please sign and date the following statement. If **YES** – proceed to stage 3

This policy does not impact on staff, patients or the public (insert name and date)

Stage 3 – Policy Screening - Public authorities are legally required to have 'due regard' to eliminating discrimination , advancing equal opportunity and fostering good relations , in relation to people who share certain 'protected characteristics' and those that do not. The following table should be used to consider this and inform changes to the policy (indicate yes/no/ don't know and note reasons). Please see the SHSC Guidance on equality impact assessment for examples and detailed advice this can be found at <http://www.shsc.nhs.uk/about-us/equality--human-rights>

	Does any aspect of this policy actually or potentially discriminate against this group?	Can equality of opportunity for this group be improved through this policy or changes to this policy?	Can this policy be amended so that it works to enhance relations between people in this group and people not in this group?
AGE	NO	NO	NO
DISABILITY	NO	NO	NO
GENDER REASSIGNMENT	NO	NO	NO
PREGNANCY AND MATERNITY	NO	NO	NO
RACE	NO	NO	NO
RELIGION OR BELIEF	NO	NO	NO
SEX	NO	NO	NO
SEXUAL ORIENTATION	NO	NO	NO

Stage 4 – Policy Revision - Make amendments to the policy or identify any remedial action required (action should be noted in the policy implementation plan section)

Please delete as appropriate: Policy Amended / Action Identified / no changes made.
Impact Assessment Completed by (insert name and date)

Gabriel Recalde, Head of Financial Accounts, Aug 16

You need to be confident that no aspect of this policy breaches a person’s Human Rights. You can assume that if a policy is directly based on a law or national policy it will not therefore breach Human Rights.

If the policy or any procedures in the policy, are based on a local decision which impact on individuals, then you will need to make sure their human rights are not breached. To do this, you will need to refer to the more detailed guidance that is available on the SHSC web site

<http://www.justice.gov.uk/downloads/human-rights/act-studyguide.pdf>

(relevant sections numbers are referenced in grey boxes on diagram) and work through the flow chart on the next page.

1. Is your policy based on and in line with the current law (including case law) or policy?

- Yes. No further action needed.**
- No. Work through the flow diagram over the page and then answer questions 2 and 3 below.**

2. On completion of flow diagram – is further action needed?

- No, no further action needed.**
- Yes, go to question 3**

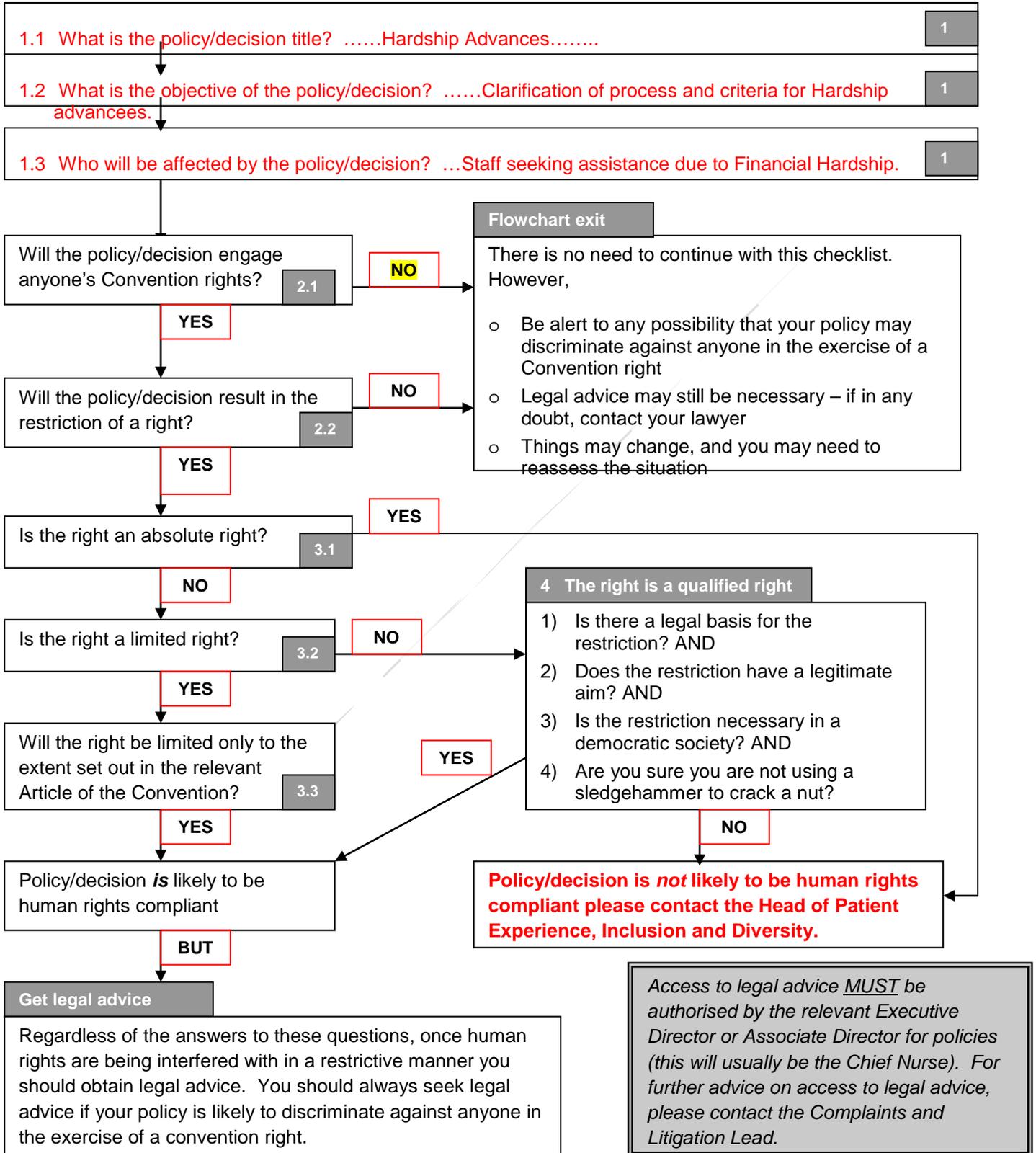
3. Complete the table below to provide details of the actions required

Action required	By what date	Responsible Person

Human Rights Assessment Flow Chart

Complete text answers in boxes 1.1 – 1.3 and highlight your path through the flowchart by filling the YES/NO boxes red (do this by clicking on the YES/NO text boxes and then from the Format menu on the toolbar, choose 'Format Text Box' and choose red from the Fill colour option).

Once the flowchart is completed, return to the previous page to complete the Human Rights Act Assessment Form.



This policy was originally developed by the HR Directorate in consultation with the Finance Directorate. It is written in line with general NHS principles and accounting guidance, and with due regard to government and legislative requirements.

Consultation:

The first version of the policy was issued in December 2013 following work by the HR directorate.
v 1.1

The previous version (version 1.2) in August 2016 changes the format of the policy, not the substantive content, to meet the Policy on Policies.

The current update (version 1.3) in August 2019 changes the format of the policy, not the substantive content, to meet the Policy on Policies.

Please use this as a checklist for policy completion. The style and format of policies should follow the Policy template which can be downloaded on the intranet (also shown at Appendix G within the Policy).

1. Cover sheet

All policies must have a cover sheet which includes:

- The Trust name and logo
- The title of the policy (in large font size as detailed in the template)
- Executive or Associate Director lead for the policy
- The policy author and lead
- The implementation lead (to receive feedback on the implementation)
- Date of initial draft policy
- Date of consultation
- Date of verification
- Date of ratification
- Date of issue
- Ratifying body
- Date for review
- Target audience
- Document type
- Document status
- Keywords
- Policy version and advice on availability and storage

2. Contents page

3. Flowchart

4. Introduction

5. Scope

6. Definitions

7. Purpose

8. Duties

9. Process

10. Dissemination, storage and archiving (control)

11. Training and other resource implications

12. Audit, monitoring and review

This section should describe how the implementation and impact of the policy will be monitored and audited and when it will be reviewed. It should include timescales and frequency of audits. It must include the monitoring template as shown in the policy template (example below).

Monitoring Compliance Template						
Minimum Requirement	Process for Monitoring	Responsible Individual/group/committee	Frequency of Monitoring	Review of Results process (e.g. who does this?)	Responsible Individual/group/committee for action plan development	Responsible Individual/group/committee for action plan monitoring and implementation
A) Describe which aspect this is monitoring?	e.g. Review, audit	e.g. Education & Training Steering Group	e.g. Annual	e.g. Quality Assurance Committee	e.g. Education & Training Steering Group	e.g. Quality Assurance Committee

13. Implementation plan

14. Links to other policies (associated documents)

15. Contact details

16. References

17. Version control and amendment log (Appendix A)

18. Dissemination Record (Appendix B)

19. Equality Impact Assessment Form (Appendix C)

20. Human Rights Act Assessment Checklist (Appendix D)

21. Policy development and consultation process (Appendix E)

22. Policy Checklist (Appendix F)



REQUEST FORM FOR HARDSHIP SALARY ADVANCE

Name of Individual Requesting Advance: _____

Payroll Number of Individual Requesting Advance: _____

Work Location of Individual Requesting Advance: _____

Value of Salary Advance Requested: _____ (maximum £500)

Date Advance Required: _____

Repayment Arrangements:

Amount Per Month: _____

Start Month for Repayment: _____ Last Repayment: _____

(Maximum repayment period is 3 months, or financial year-end, whichever is sooner).

Reason for Request: _____

I agree that payments will be deducted from my salary in accordance with the above.

Should I leave the organisation; any outstanding money owed will be deducted from my final salary.

Signed (Employee): _____ Date: _____

Print name: _____

Authorised by:

Director of Finance, Director of Human Resources or other Executive Director

Signed (Director): _____ Date: _____

Please forward this form to: Victoria Pay Services, Coleridge House, NGH.