



# Policy:

## FIN014 - Hardship Salary Advances

<b>Executive Director Lead</b>	Executive Director of Finance
<b>Policy Owner</b>	Deputy Director of Finance
<b>Policy Author</b>	Head of Financial Accounts

<b>Document Type</b>	Policy
<b>Document Version Number</b>	Version 3.0
<b>Date of Approval By PGG</b>	November 2023
<b>Date of Ratification</b>	November 2023
<b>Ratified By</b>	FPC
<b>Date of Issue</b>	November 2023
<b>Date for Review</b>	11/2025

### Summary of policy

There may 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.

<b>Target audience</b>	Trust staff, the Board of Directors and Council of Governors.
------------------------	---

<b>Keywords</b>	Salary Advances, Hardship.
-----------------	----------------------------

### Storage & Version Control

Version 3 of this policy is stored and available through the SHSC intranet only. This version of the policy supersedes the previous version v2 November 2021. Any copies of the previous policy held separately should be destroyed and replaced with this version.

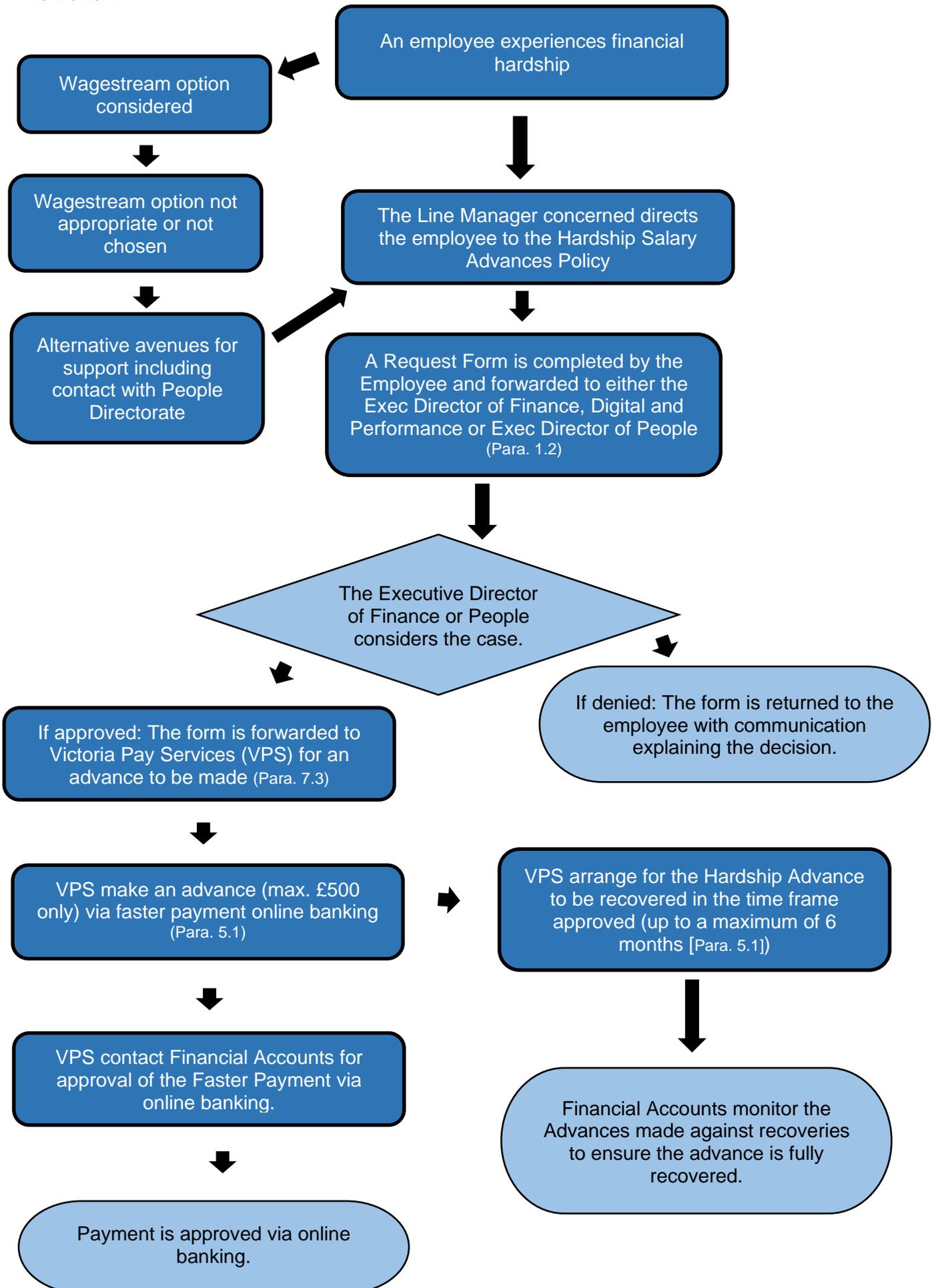
## Version Control and Amendment Log (Example)

Version No.	Type of Change	Date	Description of change(s)
1.1	Policy originally developed by the HR Directorate in December 2013	12/2013	New policy commissioned by EDG on approval of a Case for Need.
1.2	Updated to Policy on Policies format.	08/2016	Updated to Policy on Policies format.
1.3	Updated to Policy on Policies format.	08/2019	Updated to Policy on Policies format.
2.0	Review on expiry of policy	08/2021	<p>Updated to latest template of Policy 2021 format.</p> <p>Key changes:</p> <p>5.1 Repayment term fixed up to a maximum of 6 months. The reference to repayment “before the year-end, which ever sooner” it is now removed.</p> <p>In general, changes are in relation to adaptation to the new template, and use of better grammar where required for clarity of the policy like in paragraphs:</p> <p>1.2 Wording</p> <p>2.2 Added the word “could” to the “affect the position” sentence</p> <p>5.8 Removed “generally speaking”</p> <p>6.1 Replaced “via reference” for “in the application”.</p> <p>7.2 Removed the words “in order”</p> <p>7.3 Replaced the word “other” by “another”</p> <p>Renamed Appendix G to Appendix C</p>
3.0	Review on expiry of policy	11/2023	<p>Reference to considering the use of Wagestream in the flowchart and Section 1 – Introduction</p> <p>Amended approval from all Directors to Executive Director of Finance, Digital and Performance and Executive Director of People</p> <p>Confirmed that only 1 advance per rolling 12 month period is permitted</p>

## Contents

<b>Section</b>		<b>Page</b>
	Version Control and Amendment Log	
	Flow Chart	
1	Introduction	1
2	Scope	1 - 2
3	Purpose	2
4	Definitions	2
5	Criteria	2 - 3
6	Duties	3
7	Procedure	3 - 4
8	Development, Consultation and Approval	4
9	Audit, Monitoring and Review	5
10	Implementation Plan	5
11	Dissemination, Storage and Archiving (Control)	6
12	Training and Other Resource Implications	7
13	Links to Other Policies, Standards, References, Legislation and National Guidance	7
14	Contact details	7
	<b>APPENDICES</b>	
	Appendix A – Equality Impact Assessment Process and Record for Written Policies	8 - 9
	Appendix B – New/Reviewed Policy Checklist	10
	Appendix C – Request Form for Hardship Salary Advance	11

## Flowchart



## 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 it is expected that most employees will effectively manage their own personal finances. There is also an option to use Wagestream where shifts worked are paid before the scheduled monthly payday.

1.2 However, if in exceptional circumstances the Executive Director of Finance, Digital and Performance or the Executive Director of People considers an advance would be of benefit to the efficient operation of the Trust, then an advance of salary may be made.

1.3 This policy provides guidelines in these circumstances.

## 2 Scope

2.1 This is a Trust-wide policy which covers the following:

- The Hardship Advance Application process
- Criteria for assessment of applications

2.2 Reasons for the application which will be in scope are for:

- 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.
- Funeral expenses where the applicant is responsible for the debt and where no statutory help is available or there is a shortfall.
- 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
- Utility costs are applicable only where abnormally high fuel costs have been identified associated with health and other special needs and where there is insufficient income to meet this additional expenditure a grant may be considered.

2.3 SHSC will not grant assistance where the reason for the application is out of the scope of this policy, 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 member 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)

2.4 Only 1 advance in a rolling 12 month period is permitted

### **3 Purpose**

This policy covers the circumstances where the need for salary advances arises owing to financial hardship, and how the approval of payments is made to employees.

### **4 Definitions**

**Hardship:** In the context of this policy, hardship is defined as ‘unforeseen difficulty’ 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.

### **5 Criteria**

5.1 Hardship advances should be to a maximum value of £500 only with repayment usually being made by deduction from salary within a maximum period of 6 months.

5.2 The Trust is aware that such advances could affect the Trust’s cash flow position and would, if necessary, place a moratorium on the advances.

5.3 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. 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.

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

5.5 It is acknowledged that the decision of the Executive Director of Finance, Digital and Performance or Executive Director of People is final.

5.6 The Executive Director of Finance, Digital and Performance and Executive Director of People 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.

5.7 All staff members are eligible to apply for SHSC’s Salary Advance Scheme.

5.8 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 Duties**

6.1 Directorate Finance, on behalf of delegated Budget Holders and budget managers, are responsible for advising and supporting Budget Managers in the application of this policy.

6.2 The 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.

6.3 The Financial Accounts team are responsible for monitoring salary advances and their recovery, and accounting for them in line with accounting policies.

6.4 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.

6.5 Human Resources (HR) are responsible for supporting employees and directing them to this policy where relevant.

6.6 SHSC 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.

## **7 Procedure**

7.1 Individuals must complete and sign the attached Salary Advances to Employees - Hardship Form (Appendix C).

7.2 The employee's signature is required to comply with the Employment Rights Act 1996.

7.3 The Executive Director of Finance, Digital and Performance or Executive Director of People 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.

7.4 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.

#### 7.5 Disputes:

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

### **8 Development, Consultation and Approval**

The review of this policy on its expiry date has been made by gathering feedback from key stakeholders like HR, Victoria Pay Services and Senior Finance staff. The main changes are shown on the amendment log on page 2.

## 9 Audit, Monitoring and Review

<b>Monitoring Compliance Template</b>						
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
Review of policy to ensure fit for purpose in current NHS financial climate	No payments are made without written authorisation as indicated by the policy. Transactions might be part of internal and external audit control.	Head of Financial Accounts	Every two years.	Head of Financial Accounts / Policy Governance Group / Finance and Performance Committee.	Head of Financial Accounts  Human Resources	Head of Financial Accounts  Human Resources  Directorate Leads  Payroll

## 10 Implementation Plan

10.1 This policy will be made available on the SHSC staff intranet only.

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

<b>Action / Task</b>	<b>Responsible Person</b>	<b>Deadline</b>	<b>Progress update</b>
Upload new policy onto intranet and remove old version	Communications Team	November 2023	
Communicate new policy	Communications Team	November 2023	

## 11 Dissemination, Storage and Archiving (Control)

*This section should describe how the new policy will be disseminated. It says where the policy will be made available and to whom. This will normally be that the policy is available on the Trust's intranet and available to all staff.*

*It makes it plain that any previous versions must be deleted and describes the archiving and storage arrangements for the current and previous versions of the policy.*

*It says who is responsible for archiving and version control, and what they should do.*

<b>Version</b>	<b>Date added to intranet</b>	<b>Date added to internet</b>	<b>Date of inclusion in Connect</b>	<b>Any other promotion/ dissemination (include dates)</b>
1.1	December 2013	December 2013		
1.2	September 2016	September 2016		
1.3	September 2019	September 2019		
2.0	September 2021	n/a	December 2021	n/a
3.1	November 2023	n/a		n/a

## 12 Training and Other Resource Implications

12.1 The Financial Accounts team will assist in the application of the policy.

12.2 It is expected that SHSC staff to be aware of existing Trust policies.

## 13 Links to Other Policies, Standards (Associated Documents)

13.1 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.”

## 14 Contact Details

14.1 Contact the Head of Financial Accounts within the Finance Department with any queries.

<b><i>Title</i></b>	<b><i>Name</i></b>	<b><i>Phone</i></b>	<b><i>Email</i></b>
Head of Financial Accounts	Mr Carl Twibey	0114 271 8008	carl.twibey@shsc.nhs.uk
Financial Accountant	Mrs Amber Green		Amber.green@shsc.nhs.uk
Capital and Technical Accountant	Mr Dave Spooner	0114 660 4470	Dave.Spooner@shsc.nhs.uk

## Appendix A

### Equality Impact Assessment Process and Record for Written Policies

**Stage 1 – Relevance** - Is the policy potentially relevant to equality i.e. will this policy potentially impact on staff, patients or the public? This should be considered as part of the Case of Need for new policies.

**NO** – No further action is required – please sign and date the following statement.  
**I confirm that this policy does not impact on staff, patients or the public. The Hardship Salary Advance is only available to staff so has no impact on patients or the public. The policy allows salary advances to all staff who meet the criteria. The criteria is linked to personal financial situations and does not discriminate against any groups.**

***I confirm that this policy does not impact on staff, patients or the public.***  
 Name/Date: Carl Twibey / November 2023

**YES, Go to Stage 2**

**Stage 2 Policy Screening and Drafting Policy** - 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 and Flow Chart.

**Stage 3 – Policy Revision** - Make amendments to the policy or identify any remedial action required and record any action planned in the policy implementation plan section

SCREENING RECORD	Does any aspect of this policy 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	n/a	n/a	n/a
Disability	n/a	n/a	n/a
Gender Reassignment	n/a	n/a	n/a
Pregnancy and Maternity	n/a	n/a	n/a

<b>Race</b>	n/a	n/a	n/a
<b>Religion or Belief</b>	n/a	n/a	n/a
<b>Sex</b>	n/a	n/a	n/a
<b>Sexual Orientation</b>	n/a	n/a	n/a
<b>Marriage or Civil Partnership</b>	n/a		

Please delete as appropriate: no changes made.

Impact Assessment Completed by: Head of Financial Accounts  
 Name /Date: Carl Twibey / November 2023

## Appendix B

### Review/New Policy Checklist

This checklist to be used as part of the development or review of a policy and presented to the Policy Governance Group (PGG) with the revised policy.

		Tick to confirm
<b>Engagement</b>		
1.	Is the Executive Lead sighted on the development/review of the policy?	Yes
2.	Is the local Policy Champion member sighted on the development/review of the policy?	Yes
<b>Development and Consultation</b>		
3.	If the policy is a new policy, has the development of the policy been approved through the Case for Need approval process?	N/A
4.	Is there evidence of consultation with all relevant services, partners and other relevant bodies?	Yes
5.	Has the policy been discussed and agreed by the local governance groups?	Yes (previous versions)
6.	Have any relevant recommendations from Internal Audit or other relevant bodies been taken into account in preparing the policy?	Yes
<b>Template Compliance</b>		
7.	Has the version control/storage section been updated?	Yes
8.	Is the policy title clear and unambiguous?	Yes
9.	Is the policy in Arial font 12?	Yes
10.	Have page numbers been inserted?	Yes
11.	Has the policy been quality checked for spelling errors, links, accuracy?	Yes
<b>Policy Content</b>		
12.	Is the purpose of the policy clear?	Yes
13.	Does the policy comply with requirements of the CQC or other relevant bodies? (where appropriate)	N/A
14.	Does the policy reflect changes as a result of lessons identified from incidents, complaints, near misses, etc.?	N/A
15.	Where appropriate, does the policy contain a list of definitions of terms used?	Yes
16.	Does the policy include any references to other associated policies and key documents?	Yes
17.	Has the EIA Form been completed (Appendix 1)?	Yes
<b>Dissemination, Implementation, Review and Audit Compliance</b>		
18.	Does the dissemination plan identify how the policy will be implemented?	Yes
19.	Does the dissemination plan include the necessary training/support to ensure compliance?	Yes
20.	Is there a plan to <ul style="list-style-type: none"> <li>i. review</li> <li>ii. audit compliance with the document?</li> </ul>	Yes
21.	Is the review date identified, and is it appropriate and justifiable?	Yes

**Appendix C**  
Request for Hardship Salary Advance



**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 6 months).

**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 or Director of Human Resources

Signed (Director): \_\_\_\_\_ Date: \_\_\_\_\_

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