

SCHEDULE OF ITEMS RECOMMENDED FROM COMMITTEES AND OTHER MEMBER BODIES

Committee: Council

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[Q4]

Member Body	Report No.
<p>1. REGULATORY AND SUPPORT SERVICES COMMITTEE – 13 APRIL 2015</p> <p><u>Revised Performance Management (Appraisal) Scheme and Performance Related Increments (PRI) Policy</u></p> <p>The Committee considered a report that considered the introduction of a revised Performance Management (Appraisal) Scheme, incorporating a new policy on Performance Related Increments (PRI) as detailed in Appendix 1.</p> <p>The Human Resources & Facilities Services Manager advised the Committee that the first element was the revised appraisal scheme. This aimed to reduce the number of targets and to introduce performance indicators that were Specific Measurable Achievable Realistic and Time based with a focus on service priorities. The appraisals would also involve the appraiser's line manager, a revised form to identify staff strengths to deliver the service plan, a re-instatement of the mid-term reviews and a replacement of the current rating system with a new one. These proposals had been to Unison, which made no objections to them.</p> <p>The second element related to a new policy concerning pay related increments. At the moment there was an automatic progression on increments but the proposal was to introduce a new scheme based on performance, gauged through the appraisal process, if approved by Council. It would present opportunities for staff to be rewarded for outstanding performance. Staff performance would be judged under five different ratings. For the scheme to be</p>	<p>P234 (attached at Appendix A)</p>

fair the manager and their line manager would set a rating, which would then go to a Panel set up to check fairness across the Council. The Human Resources service would confirm the rating and implement any pay changes.

These suggestions had gone out to consultation and the union, Unison, plus four individual responses had been received which did not support the proposals. A draft response to Unison's reply was tabled. Therefore, if Members decided to agree to the proposals there would not be a collective agreement. To gain a collective agreement it would require individual negotiations.

The proposed appraisal scheme had to go to full Council for approval, as it would affect the pay of the Chief Executive.

Councillor James Palmer asked, as this Council could not be the first to use such a scheme, where the information for the template had been derived from. The Human Resources & Facilities Services Manager stated that it had come from a variety of organisations and a number of local authorities had moved to this type of scheme.

Councillor Derrick Beckett wanted clarification about the current scheme where it appeared everyone got a yearly incremental pay increase plus any increase agreed via the national agreement, so did this proposal mean the yearly increment would be scrapped?. He also queried how staff could be judged when comparing performance. Councillor Anna Bailey confirmed the yearly increment would cease and any potential increase would be based on performance. Performance comparisons would be different in each service area. It would start with the Service Delivery Plans, which the staff were involved in drawing up, with background documents giving details on how to achieve the different ratings. The moderation Panel would not look at every appraisal but would assess whether the scheme was being applied fairly and consistently.

Councillor Mike Rouse noted that 70% of the staff were at their incremental barrier and could not go beyond it. What process was there for staff to progress to the next level and could the pay scales change? The Human Resources & Facilities Services Manager stated that this would only occur if there was a change in the job profile which would have to be evaluated, but no change would be made in the pay scales.

**Attached at
Appendix B**

Councillor Hazel Williams thought the new appraisal system would be very good but would be harder to link to the pay increments. It would also slow down the awarding of these increments, which would only be applied if the performance was deemed excellent. This should apply to someone deemed to have a rating of 'good', but this scheme suggested otherwise. Therefore the designation of 'good' should be change to 'satisfactory' if they are not to get an increment.

Councillor Derrick Beckett agreed with Councillor Williams and questioned whether there was a need for five different ratings and whether four be enough. If staff received an 'outstanding' rating would they receive a 1% increment as a one-off? This was confirmed by the Human Resources & Facilities Services Manager as a one-off lump sum.

Councillor Jeremy Friend-Smith, the Human Resources Service Delivery Champion, contended that the appraisal scheme had needed overhauling, so a thorough look at it had been done. The new ratings had been defined and 'good' should remain as 'good', although the definition seemed to indicate something 'fairly good'. When staff reached the top of their pay scale it could be expected that their performance would be excellent, so the aim was to improve further.

Councillor Charles Roberts noted the wide agreement for the scheme but proposed the rating 'good' be changed to read 'satisfactory'. This was duly seconded and, when put to the vote, agreed.

Concerns had been expressed by Unison, as some staff felt insecure and presently morale was not high. The Council had lost more, experienced, staff and were still losing staff, which the Council could not afford to do. There was some risk that the proposals would not achieve what was being aimed for.

Councillor Anna Bailey wanted to respond to Unison's concerns. Firstly, thanks were proffered to Unison and the individuals for their responses. Unison had recognised that the current scheme was not suitable, therefore it was not credible, whilst the new scheme sought consistency.

It was regrettable that Unison would not be involved in the Panel and it was strongly urged that they have a representation on it.

Thanks were given for highlighting the potential equality issues, though the inequality in gender pay was not found at this Council. It was assumed the Panel would monitor any inequalities issues. The idea that staff would have to work extra hours to improve their rating was clearly not the intention of the scheme and would not be expected. It was more about the attitude of staff during working hours. Everyone would have the chance to become 'outstanding'.

The cynical view that there would be breakdowns within department teams was rejected. It was hoped the scheme would raise standards. It was not agreed that this scheme would have a detrimental effect on recruitment, as recently employed staff had not been deterred by the suggested changes. The Council was committed to do a salary review to ensure that salaries remained competitive. The Commercial Services Committee could review the pay gap between the lowest and highest paid staff. Unison showed a lack of understanding of Members pay, as they had lead by example. It was the job of the taxpayers to decide on the performance of Members through the ballot box.

Unison had suggested agreement with the basics of the proposed new scheme, however it had suggested another scheme outside the appraisal scheme but with no idea how this would work. Staff would be rewarded via the new scheme if their performance was excellent. A public survey had been conducted by the Conservative Group which showed that 65% of responders agreed with the new scheme, so there was a mandate to introduce it. Currently there was no means of rewarding staff who were at the top of their pay scales. This new scheme recognised that.

Councillor Mike Rouse, having read the staff comments, noted that they were not all about pay. He thought that staff did not need to be experienced to be excellent, so this should not affect young staff more than any other. Other things were involved with affecting staff morale and there was some responsibility on managers to consider this.

Councillor Hazel Williams thought the response about the 'living wage' was not specific enough and needed amending. The Chairman proposed making minor typographical errors to the Unison response letter and proposed that the words "it is envisaged" be removed from that letter. This was agreed.

**Attached at
Appendix C**

The recommendations, subject to the agreed changes, were put to the Committee and were agreed unanimously.

It was resolved TO RECOMMEND TO FULL COUNCIL:

That the revised Performance Management (Appraisal) Scheme, subject to one Assessment Rating being changed from 'Good' to 'Satisfactory', be adopted with immediate effect and the Performance Related Increments (PRI) Policy be adopted with effect from 1st April 2016.

It was further resolved:

That the draft response to UNISON tabled at the meeting be endorsed subject to minor typographical errors being corrected by the Chairman of this Committee, the words "It is envisaged that" be deleted from the final page, all references to a rating of "Good" be changed to read "Satisfactory" and the decision of Full Council.