



East Cambs
Local Government Branch

Kathy Batey
HR & Facilities Services Manager
East Cambs District Council

27th March 2015.

Dear Kathy,

Proposed Introduction of PRI

I refer to the recent proposals set before the JCC for the introduction of a PRI scheme in place of the existing Performance Management Policy and Procedures at East Cambridgeshire District Council.

The East Cambs Branch of Unison has had an opportunity to meet and receive feedback on the proposals from our Members and is now able to respond on their behalf.

1.0 General Position

Unison agrees that a Performance Management (Appraisal) scheme which clearly outlines what is expected of individuals (tasks and behaviours) with indicators that are SMART, is good practice. It is essential that any performance management scheme ensures that staff are aware of the part they are playing towards the overall goals of their section/department/team and of the organisation as a whole. We also feel that it is important for staff to receive feedback from managers on performance which is honest, fair and constructive.

However, Unison nationally does not support the introduction of Performance Related Increments and this view is shared locally within the Branch. **Increments should be paid to acknowledge the increased knowledge and experience that a long serving member of staff brings to the authority, reflecting the added value of more experienced employees.** Having a robust performance management system that facilitates effective performance is a separate issue and should be treated as such.

Unison fundamentally objects to any proposal that takes away what staff already have and makes it more difficult to obtain. We would urge the Leading Group to leave staff contractual terms alone – changing staff Terms and Conditions is a high risk – we only need to look at Huntingdon District Council where some staff are currently taking the Council to tribunal for changing their Terms and Conditions without agreement and re-engaging them under new terms which are less favourable.

Were the proposals to include an incremental pay rise for staff achieving a 'good' in their appraisal, Unison locally, may have reconsidered that position. At it stands, the proposal sends

a clear message to staff that 'good' is no longer good enough and regretfully, this is not something that we are able to support. The scheme also has potential to affect a minority - but significant proportion - of staff in an adverse way, which is not the stated purpose of the exercise.

Therefore Unison declines to be part of the proposed Moderation Panel at this time, should the proposed scheme be implemented as currently set out, although we would be willing to be involved in developing an improved scheme.

We would also like to point out that **Unison is not opposed to a properly administered merit scheme or honoraria scheme that falls outside of the appraisal scheme** that meant staff could be awarded for performance over and above the normal call of duty – whether this be a lump sum, % increase or additional time off.

2.0 Consultation on the proposals

Given that these proposals will result in a change to the terms and conditions of all employees within the Council, **Unison feels that a consultation period of 45 days should have been applied** as there is more than 100 staff involved.

As you know, this Council does not have a facility agreement in place with the Union. It is very challenging to meet short time scales for consultation which we are frequently presented with at JCCs. This is unfair to your staff – both those taking on a role in the Union and those whom they are representing - particularly on issues that affect the entire workforce. Our request for a longer period of consultation would have gone some way to recognising the pressure we are all under with shrinking resources and additional workload and may in fact have resulted in a more positive outcome.

3.0 The impact of implementing the scheme

Our Members are disappointed that Corporate Management Team and the Leading Group appear so removed from the day to day work of senior officers and staff that they do not appear to understand how the introduction of this new scheme will heap even more stress upon managers who currently struggle to provide services with a greatly reduced and already demotivated workforce.

Senior officers, and staff in general, are already working exceptionally hard and long hours. For managers to be faced with the additional pressures of the commercialisation and transformation agenda at the same time as the launching of an, inevitably unpopular and divisive, PRI scheme would seem to indicate a lack of understanding of the pressures currently facing teams. **Proper contact with staff, by elected Members and some members of senior Management, is sadly lacking.** Perhaps this apparent lack of comprehension regarding what is happening at "grass roots" will be resolved by Management Team's communication strategy - details of which staff await in prolonged anticipation.

4.0 Schedule for completing performance appraisals

Unison Members are unable to comprehend the timescale being imposed for the new performance management (appraisal) process should it be implemented and indeed the timetable for the existing appraisal scheme. **How can meaningful indicators be set for staff three months into a new financial year?**

We would respectfully request that the Leading Group and Management Team revisit the issue of timing as it makes no commercial or logical sense to proceed in such haste on such a complicated and important matter where the consequences of lack of clarity and fairness would be catastrophic.

We would also request that the timing for completing performance appraisals moving forwards *whichever system is used* be changed, so that they are completed earlier.

5.0 The Format of the Performance Management System

Unison agrees that the current Performance Management scheme is not fit for purpose.

The number of performance indicators for some staff are too numerous and many that are set are not SMART. This may have arisen because some line managers need more guidance on the subject but, we feel it is mainly because of the lack of importance placed upon the management of performance by Management Team over the years. We are aware that performance indicators set for staff across the organisation have never been viewed (sampled) to check the content or consistency or indeed to consider whether the overall scores given to staff are appropriate. This has led to the scheme losing all creditability over the years with staff and managers alike.

Unison accepts that 5 SMART (specific, measurable, achievable, realistic and time driven) indicators for each employee would be a move in the right direction. It is also accepts that moving away from a “score” to an overall rating is an improvement. **However, as stated at 1.0 above, we do not agree that an overall rating of “GOOD” does not merit an incremental rise for those staff not on the top of their salary scale.**

It is felt that, by using some of the elements of the proposed scheme, such as 5 SMART indicators for all staff; disposing of the current scoring system and replacing it with a robust rating system; introducing proper checks on the quality of the indicators and providing additional training for line managers on how to set relevant, achievable and measurable indicators, the current appraisal scheme could be re-invigorated, become more meaningful and therefore meet the Leading Group’s requirements.

6.0 Current Performance of Staff

Staff are increasingly less in control of what they do on a day to day basis, due to the impact of budget (particularly staffing) cuts. Members feel that by implementing the proposed scheme, the Leading Group and Management Team will be penalising staff who may be working as efficiently and effectively as they can with the resources, support and direction they receive. As a consequence of the restructure and the subsequent loss of staff (47 since April 14 and more about to leave, an issue which in itself should be ringing alarm bells with Elected Members), staff may be working to a good standard and yet cannot hope, in the future, to receive any

financial recognition of their loyalty and application simply because “fire-fighting” means they cannot meet targets.

By way of necessity, staff are already performing, on a daily basis, to an exceptional standard in order to meet expected targets and customer expectations.

7.0 Equality Impacts of the proposals

The Equalities and Human Rights Commission identify discretionary pay systems such as performance related pay, as ‘high risk pay systems’. It is therefore unsurprising that the proposed performance related pay system raises some serious concerns in relation to equality. There has been considerable research in to the issue of pay gaps across the equality strands, but of particular concern in relation to this proposal are the impacts in terms of gender.

The gender pay gap is well documented with the Office of National Statistics provisional results for the Annual Survey of Hours and Earnings released on 19th November 2014 indicated that on average women are earning 9.4% less than men. This gender pay gap can be compounded by a ‘part time pay gap’ where those in part-time work often earn less employed in full time positions.

The part time aspect of the pay gap is an important one in relation to performance related pay, particularly when the bar is set as high as it is in the proposed scheme. **It will be more difficult for those working part time to go above-and beyond in the manner expected to receive an increment.** Importantly, it will also arguably be more difficult for those with caring responsibilities to put in the additional hours that will be inevitably required to meet the artificially high standard required by the Council.

There is a documented ‘parent pay gap for women’ with Harkness 2005 showing: In 2001–02, women aged 25–44 with one child earned 4 per cent less than those without a child, those with two children 14 per cent less and those with three or more children 20 per cent less. The penalty for those working full-time was smaller (zero, 10 per cent and 15 per cent, respectively)¹.

We consider that the proposed pay system will exacerbate and entrench gender pay inequalities within the Council. Firstly, in relation to gender, qualitative research (*Babcock, L. and Laschever, S. (2003) Women Don’t Ask: negotiation and the Gender Divide. Princeton: Princeton University Press*) suggests that women are less assertive than men and perhaps value their own work less, being less likely to seek pay increases. A performance related pay system, with subjective assessment of performance and merit also introduces the risk of bias or

¹ (Harkness, S. (2005) ‘Pay inequality and gender’, in Delorenzi, S., Reed, J. and Robinson, P (eds.), *Maintaining Momentum: Extending social mobility and life chances from early years to adulthood. London: Institute for Public Policy Research.*)

indirect discrimination creeping in. **Women have been found to receive less in discretionary payments** and to receive smaller wage increases on promotion (*Booth, A. L., Francesconi, M. and Frank, J. (2003) 'A Sticky Floors Model of Promotion, Pay and Gender', European Economic Review, 47, 2: 99-126.*).

Unison is also concerned that a female worker on maternity leave may miss the opportunity of an incremental rise (employees may take up to 12 months of maternity leave) simply because she has been away from the organisation.

It is also considered that **the system would have a disproportionately adverse impact on the young**. The existing structure acknowledges that people may enter a job with little experience, but that this will build over time. It is unlikely that a younger, less experienced member of staff will be able to achieve the level required to receive an increment. However, this does not necessarily reflect the amount or quality of work they have put in. Nor does it take account of the increase in knowledge and experience and remunerate appropriately. There are a number of technical and professional roles in the Council that require a huge base of knowledge and experience – failing to recognise the efforts of those just embarking on their careers would be unfair on those officers and would have a significant adverse impact on staff retention, resulting in an increase in cost to the Council from high staff turnover with the associated recruitment costs.

Younger staff may also be ill-equipped to confidently participate in the appraisal process and therefore be less likely to explain how they meet the criteria for an increase in pay.

8.0 The impact of the proposal on team working

Data collected at successive staff surveys clearly indicates that, if nothing else, internal teams are performing and relate to each other well and that there is a loyalty to team members and line managers.

We are concerned that the introduction of the proposed PRI will undoubtedly see the breakdown of good working relationships between team members should one member be awarded an exceptional rating and others (who may believe they have contributed equally to the success of the team/section) do not. Co-operation between team members to provide cover during periods of holiday or sickness will, inevitably, be affected and team working may break down as a result. This is not, we suspect, how elected Members envisage the legacy of the new scheme and it will certainly not help with the corporate requirement to build “resilience” within teams.

9.0 Line Managers

Concerns have been raised around the pressure line managers will feel to award a rating of ‘excellent’ or ‘outstanding’ under the new scheme, given that staff have had around a 20% pay cut in real terms over the past few years and therefore how much some staff are struggling to make ends meet. On a low income every penny counts and when someone has done a good

job, for that now not to be good enough and have that directly affect the quality of life for staff and their families is something that will create unwelcome pressure on line managers.

Unison members with line management responsibilities have expressed their anxiety about whether there will be any repercussions on them if staff do not receive an 'excellent' or 'outstanding' in their appraisal – particularly if they have set up training and/or mentoring but the member of staff is still not able to achieve at least an 'Excellent'. As previously stated, the biggest issue impacting on performance currently is lack of capacity to do the job to the standard that employees (and elected Members) feel is acceptable, but this is not acknowledged within the Authority as it would suggest that the restructure is not offering the resilience that is needed or the outcome required to drive the authority forward.

10.0 Impact on new staff, recruitment and retention

Unison is against the removal of the award to new staff of an incremental rise following 6 months of service (currently staff who are appointed between 1st October and 31st March may receive an incremental rise if their performance has been judged to be at an acceptable level).

Unison is also very concerned that, by implementing the proposed PRI scheme, attracting, recruiting and retaining appropriately qualified staff will become impossible. ECDC is already competing against our larger, neighbouring authorities, who are currently offering higher salaries and better career pathways across the entire spectrum of Local Government posts. **Any reduction in the opportunity for natural progression through the pay scale will have a detrimental effect on the, already difficult, recruitment of experienced and qualified staff.** Some may be wary of joining an organisation where the prospect of political influence could come into play should the number of awards made in any one year impact on the Council's finances.

11.0 The role of elected members in the proposed scheme

Unison Members are concerned that Elected Members will be deciding on whether individuals receive an incremental rise. **We do not consider that pay is the remit of Elected Members and should be a matter for the Chief Executive as Head of Paid Service.**

The Branch is hopeful that the Leading Group is genuine in their desire to recognise and reward staff and would welcome any action which would lead to a lessening of the gap between the lowest and highest paid employees of the Council. A financial reward for staff achieving outstanding performance would naturally be welcomed. However, we are very concerned that all jobs should be considered equal when determining who will gain from this initiative (should it be introduced) and it will not just be those staff who are more visible or interact most with Elected Members who will benefit. If this were perceived to be the outcome this would, understandably, lead to a very disenchanted and de-motivated workforce.

12.0 The alternative to the 'stick' approach for motivating staff to achieve

Our Members feel that the route to staff and managers achieving the aspirations of the Leading Group is not by the use of the “stick”, which appears to our Members to be the reason behind the “threat” of withdrawing annual incremental pay rises. The solution is actually much simpler:-

- for Management Team to lead by example (not “do what I say”; but “do what I do”);
- for Elected Members to play their part by taking an active role in the working of the Council and meet with staff in order to fully understand the work they actually do;
- the building of mutual respect and understanding between Elected Members, Senior Officers and Staff.
- for Management Team to communicate more effectively with all staff; to understand fully the pressures Senior Officers and staff are under, and to comprehend the whole picture before agreeing deadlines and raising the expectations of Elected Members (without consideration of the staff who actually have to deliver the work or project),
- more training for new and existing line managers (including senior staff) on how to motivate staff and carry out meaningful appraisals and, if necessary, take appropriate steps to deal with staff who are under-performing.
- For our elected members to implement the Living Wage – something that is nationally supported by the coalition and which Unison is at a total loss as to why this has not been taken forward locally, as it has already in Cambridge City, South Cambs and Peterborough City Council for example.
- For elected Members to lead by example and trial applying a performance related pay scheme for their generous basic and special responsibilities allowance.

Unison Members sincerely hope that Management Team/Leading Group consider carefully our comments. ECDC staff are not lazy; they are working hard and trying to do as much as possible with the resources we have available. If there are performance issues, these of course need to be addressed and the Council already has a Capability Policy to deal with this.

In conclusion we would ask that this new scheme is not introduced at this time, but that the existing scheme is reinvigorated. At the very least we hope that if Councillors are minded to implement the proposed scheme, that it is amended to address our concerns and carried out as a pilot for one year only, with the criteria for measuring the success (or otherwise) of the scheme agreed prior to implementation, and a clear exit route out of the scheme if it becomes apparent that it is discriminatory or unfair in any way. This would show staff you are listening; you do understand and that you wish to work with them to deliver what we can with what we have.

Please could this response be added to the Committee and Full Council reports as a public item and be circulated accordingly.

Yours sincerely,

A handwritten signature in black ink that reads "J. Cornwell". The signature is written in a cursive style with a large, looped initial "J" and a clear, legible surname.

(Mrs) Julie Cornwell

Chair

Unison - East Cambs Local Government Branch

cc. John Hill, Chief Executive

Cllr Anna Bailey

Cllr Charles Roberts