



EAST CAMBRIDGESHIRE DISTRICT COUNCIL

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Mrs J Cornwell
Chair, Unison
East Cambs Local Government Branch

This matter is being dealt with by:

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My Ref:

Your ref

D R A F T

- Date -

Dear Julie

PROPOSED INTRODUCTION OF A PERFORMANCE RELATED INCREMENTS (PRI) POLICY

Thank you for your letter dated 27th March 2015, written in response to the recent consultation on the proposed introduction of a Performance Related Increments (PRI) Policy that was presented to the Council's Joint Consultative Committee (JCC) on 5th March 2015.

I have set out below the Council's response in relation to each of the issues that Unison has raised.

(1) General Position

The Council acknowledges the general position of Unison regarding the proposed introduction of PRI and concludes that whilst Unison does not accept the PRI elements of the proposals, they do not object to the proposed changes to the Performance Management (Appraisal) Scheme, including the introduction of performance requirements (behavioural measures) in addition to SMART performance indicators, reduction in the number of performance indicators to five, revised documentation and reinstatement of mid term reviews.

The Council is disappointed that Unison has declined to be part of the proposed Moderation Panel at this time, and would like to encourage Unison to reconsider their decision.

(2) Consultation Period

As you are aware, the proposed changes to the Performance Management (Appraisal) Scheme must be implemented in June 2015 (directly after the 2014/15 appraisal round) so that the performance indicators required under the new scheme can be set at the beginning of the 2015/16 appraisal year. It was therefore difficult for the Council to agree to Unison's request to extend the consultation beyond the period specified in the report to the Joint Consultative Committee (JCC). The Council however, does acknowledge that it does not have a facility agreement

in place with Unison and will therefore endeavour to provide longer periods of consultation where possible.

- (3) Impact of Implementing the Scheme
- The Council does not accept that the introduction of the revised Performance Management (Appraisal) Scheme will have a significant impact on the workload of line managers. The actual process of conducting appraisals has not changed. The form has been improved and the number of performance indicators has been reduced so that the discussion during the appraisal meetings can be more focused on the main priorities of the post and how the individual has performed over the last twelve months. The additional element is the introduction of feedback from the line manager's line manager, which will result in additional workload for the more senior line managers, but this new element of the scheme is recognised as good practice and helps to ensure that the appraisal is not solely based on the views of one individual.

The Council is disappointed that Unison believes that elected Members and some members of senior management are unaware of "what is happening at grass roots" and would like Unison to encourage their Members to engage with either the relevant Service Delivery Member Champion or a member of Management Team, if they have any concerns regarding pressure of work, especially if additional hours are regularly being worked in order to meet the demands of the service.

- (4) Schedule for Completing Performance Appraisals
- The Council's Performance Management timetable was recently discussed and agreed by Management Team and is dependent on the approval of corporate priorities by Full Council in May each year (and District Elections every four years). The appraisal year will continue to run from 1st April until 31st March each year. The annual service plans should be developed in consultation with staff during April and May so that staff are aware of the service priorities and how they will contribute towards to their achievement prior to the individual performance indicators being officially set in May/June.

The introduction of SMART (specific, measurable, achievable, realistic and time bound) performance indicators and the reinstatement of mid term reviews to review progress against performance indicators should reduce the concerns of Unison in respect of the timing of appraisals and whether staff have sufficient time to achieve the performance indicators.

- (5) Format of the Performance Management System
- The Council welcomes Unison's support in relation to the proposed changes to the Performance Management (Appraisal) Scheme, including the introduction of "ratings" instead of the current scoring system.

The Council does not accept that an overall rating of

“Good” should merit an incremental rise for those staff not on the top of their salary scales. The Council wishes to recognise individual performance and reward those staff who consistently achieve and often exceed the performance indicators set; whose work is frequently of a high standard and whose behaviour is often exceptional as this supports the Councils ambition to provide excellent services. The Council strongly believes that the rating of “Excellent” or “Outstanding” is achievable by staff and therefore those who are not at the top of their salary scales, who meet the excellent criteria will be awarded with an incremental rise.

(6) Current Performance of Staff

The Council recognises that 2014/15 has been a challenging year for staff due to the transitional period following the departmental and management restructuring. However, now that the new Management Team is in place, it is hoped that the level of staff turnover experienced over the last year will settle as the new structure becomes embedded and the new staff (recruited to replace those who left voluntarily) become integrated into the organisation.

(7) Equality Impacts of the proposals

The Council wishes to thank Unison for the research carried out regarding potential equality issues associated with discretionary pay systems, although wonders whether the research referred to relates to private as well as the public sector. It is difficult for the Council to accept that part time employees earn less than those employed on a full time basis as all posts on the Council's establishment are evaluated using the same job evaluation scheme and there is no differential in grade between a full time and part time position where the duties and responsibilities are the same. The Council does not accept that staff will have to work additional hours to achieve a rating of “Excellent” or “Outstanding” and therefore does not believe that those staff with dependants (who are often less able to work additional hours) will be disadvantaged by the introduction of Performance Related Increments.

Unison's concerns that female staff on maternity leave may miss the opportunity of an incremental rise simply because they have been away from the organisation for up to a year, have already been addressed within the details of the proposed scheme. To ensure that these staff are not discriminated against (due to them being absent due to maternity leave), they will either be awarded a rating for the year (if they have completed six months of the appraisal year before the maternity leave starts) or be awarded a rating based on their performance over the previous performance year. For the first year (2015/16 only), due to the transition from the existing to the new scheme, all staff on maternity or adoption leave will be awarded an increment if they are absent from work for six months or more during that period 1st April 2015 – 31st March 2016.

Whilst the Council notes your concerns about young workers, it does not accept that they would not be able to achieve a rating of “Excellent” or “Outstanding” under the proposed scheme. The ability to confidently participate in the appraisal process is not restricted to the young and could apply to any member of staff regardless of age. All line managers will be provided with training on the new policy and it will be their responsibility to ensure that the performance indicators are SMART for the individual concerned. They will also ensure that the appropriate level of support/guidance is provided during the appraisal year and that the appraisal documentation represents a fair assessment of an individual’s performance over the twelve month period, not just based on the discussion at the appraisal meeting.

The Council is committed to ensuring there are no equality issues as a result of the introduction of the Performance Related Increments Policy. It will be the responsibility of the Moderation Panel to oversee the ratings awarded per department and across the whole organisation and an Equality Impact Assessment will be completed each year and publicised on the Council’s website. The Council would welcome Unison’s involvement with the work of this panel.

(8) Impact on Team Working

The Council does not accept that the introduction of the Performance Related Increments Policy will have a detrimental impact on team working. All employees have the same opportunity to achieve either an increment or lump sum payment under the scheme. In fact, the Council believes that the proposed scheme is less likely to have a detrimental impact on team working, than the current appraisal scheme, where scores are awarded without any moderation process. The Council agrees with Unison that the existing appraisal scheme is no longer fit for purpose. The Council believes that the combination of the revised appraisal scheme and introduction of performance related pay will ensure that the management of individual performance will be significantly improved across the Council.

(9) Line Managers – Lack of Capacity of Staff

All line managers will be provided with training on the new appraisal process and PRI policy and will be advised to regularly meet (in addition to the mid term review) with staff to provide them with feedback on their performance against the performance indicators and performance requirements. It is important that staff have a clear understanding throughout the year of their progress and whether they are likely or not to achieve “Excellent” or above at the end of the appraisal year.

The Council would like Unison to encourage line managers who are concerned about capacity within their service area, to raise their concerns with their line

manager and Service Delivery Member Champion.

- (10) Impact on new staff, recruitment and retention
- The Council does not believe that the introduction of Performance Related Increments is likely to have a detrimental impact on the recruitment and retention of staff. All staff recruited during the consultation period have been advised of the proposed scheme and this has not affected their decision to join the Council. However, the situation will continue to be monitored by the Regulatory and Support Services Committee as they receive regular reports from the Council's HR Section on the recruitment and retention of staff.

Whether the Council is offering competitive salaries is a separate issue to Performance Related Increments and the Chairman of the Regulatory & Support Services Committee has made a commitment to conduct a salary review (as the authority has done previously) in 2015/16.

- (11) Role of Elected Members in the Proposed Scheme
- It is proposed that the Moderation Panel comprises of two Elected Members, two Officers and one Unison representative. The panel will not be determining whether an individual receives an increment unless there is a difference in rating between the line manager and their line manager, which has not been resolved between the two parties concerned. The role of the panel is to ensure that the appraisal scheme and performance related increments policy has been applied consistently across the Council and that there are no equality issues as a direct result of the ratings awarded during the appraisal year. The Council would like to request again, that Unison reconsiders their involvement with the Moderation Panel.

The Chairman of the Regulatory & Support Services Committee has also made a commitment to look at the pay gap between the lowest and highest paid employees of the Council and compare the findings with other neighbouring authorities.

The Council wishes to reassure Unison that all jobs will be considered equally and that, as stated above, Members will not be involved in determining ratings for individual members of staff unless the provisional ratings awarded are disputed between the manager and their line manager. Therefore, the fact that elected Members have more interaction with certain staff will not have any influence over the ratings awarded to individual staff.

- (12) The Alternative Approach
- The Council notes the alternative approach suggested by Unison and confirms that action has already been or will be taken by the Council in many of the areas listed. For example, the Council has introduced Member Service Delivery Champions, who are expected to take an active role in the working of their selected service by

engaging with staff and developing a better understanding of the work staff undertake on behalf of the Council. The Council is also seeking to improve internal communication and the Regulatory & Support Services Committee at their meeting on 30th March approved the draft Internal Communication Action Plan which was presented to the JCC on 5th March 2015. In addition, all staff will be required to attend training on the new appraisal scheme and PRI policy and as previously stated, the Chairman of the Regulatory & Support Services Committee has made a commitment to review the pay gap between the lowest and highest paid employees of the Council and compare the findings with other neighbouring authorities. It is envisaged that this review will also consider whether or not the Council should implement the Living Wage as other local authorities have done in the County.

I hope that this written response has satisfactorily covered the issues that you have raised, and I am sorry that this is not the outcome that you were seeking. As the Council has not been able to reach a collective agreement with Unison on the introduction of performance related increments, the Council will now, following approval by Full Council, seek agreement with individual members of staff, in particular, those that are not at the top of their existing salary scales.

If you have any further questions, then please contact either Kathy Batey, HR & Facilities Services Manager or myself.

Yours sincerely

Richard Quayle
Director (Support Services)