

Draft Performance Related Increments (PRI) Policy

1. Introduction

The introduction of Performance Related Increments (PRI) is being proposed as part of the 'root and branch' review of services and staffing at East Cambridgeshire District Council. Historically, progression through incremental spinal column points has been automatic, with increments awarded annually on a time served basis. The aim of PRI is to provide the opportunity to recognise individual performance.

With the introduction of PRI, it is proposed that the final automatic increase will be paid to staff in April 2015.

This policy will provide the opportunity to recognise and reward high performance by:

- a) Providing an opportunity for staff to achieve an additional 1% of their basic salary where they achieve an overall "Outstanding" rating (regardless of whether they are at the top of their pay scale or not)
- b) Awarding an increment to those who are not at the top of their pay scale and achieve an overall 'Excellent' or 'Outstanding' rating at their annual appraisal;

Employees will still receive any nationally determined cost of living increase each year.

2. Scope

This policy applies to all NJC Local Government employees. It does not apply to employees who are covered by TUPE regulations, unless otherwise agreed by all parties.

3. How the PRI Scheme Operates

From 1st April 2016 all employees within the scope of this policy will be moved to a system of PRI. Employees will be awarded an increment based on the overall rating from their annual appraisal.

All ratings will be subject to a moderation process (see section 9). All increments awarded will be paid in August each year (following the moderation process) and will be backdated to 1st April.

The table below outlines the increments awarded for performance appraisal ratings:

Performance Appraisal – Overall Rating	Increment Status from 1st April 2016	
	Within Salary Scale	On Maximum Point of Salary Scale
No overall rating - too early to assess; or No overall rating - insufficient service due to absence	No increment	-
Needs Development/ Improvement	No increment	-

Good	No increment	-
Excellent	1 increment	-
Outstanding	1 increment + 1% of basic salary	1% of basic salary

4. New Starters

All employees must have more than 6 months service in their current post with East Cambridgeshire District Council, when the annual appraisal takes place to be eligible for the award of an increment, subject to their performance indicators being agreed and monitored for a minimum of six months.

Where employees have 6 months or less service they will be rated as 'No rating - Too early to assess' and will have to wait until the following performance year to be eligible for an increment.

5. Achieving an Increment

Increments will be awarded where an employee, who is not at the top of their salary scale, is rated as 'Excellent', or 'Outstanding'. Where this is not achieved, the manager will need to identify with the employee what support is required in order for the employee to achieve an 'Excellent' in the following year. Any agreed training and support which should be included in an employee's Personal Development Plan and associated objectives/performance indicators.

Employees will not be eligible for an increment if:

- a) They are being managed under the formal performance capability process.
- b) A formal performance improvement plan in place.

6. Managing Absence within the Performance Year

6.1 Long Term Sickness and Career breaks

An employee will need to accrue more than 6 months in their role during the performance year to receive a performance rating for that year. The same principle applies if someone has had a number of absences due to sickness over the year, in which case there must be more than 6 months cumulative at work for an assessment to take place. If an employee is off for more than 6 months cumulative in a performance year then a rating of 'No rating - insufficient service due to absence' will be entered for that performance year, unless the absence is linked to a recorded disability as detailed in 6.2.

6.2 Disability

Where an employee is absent from work for a reason relating to a recorded disability, which is covered within the Equalities Act 2010, and the absence spans the whole performance year or the employee is at work for less than 6 months of the performance

year, then the employee should be awarded a rating based on their performance over the previous performance year.

6.3 Maternity, Paternity & Adoption Leave

If Maternity, Paternity or Adoption leave starts during the performance year, but the employee has completed more than 6 months in their role then their performance rated up to the point of leaving should be used to award the overall year end performance rating. This will be paid in August and backdated to April. If Maternity/Paternity or Adoption leave spans the whole performance year or the employee is at work for less than 6 months of the performance year, then the employee should be awarded a rating based on their performance over the previous performance year.

7. Changing roles mid-year

If an employee changes job internally during the performance year including acting-up and secondments, the current manager should hold an interim review with the employee before the change takes effect to agree and provide a provisional overall rating to the new manager (if appropriate). The new manager must set the new performance indicators within one month of the employee starting and make an assessment of the employee's overall performance at the end of the performance year taking into account the information from the previous manager.

8. Fixed Term Contracts

Where a fixed term contract ends and an employee is immediately employed on a further fixed term contract, within the same or another department, providing the employee has more than 6 months service, a rating will be awarded. The process will follow as detailed above in 'Changing roles mid year'. If the fixed term contract ends before the end of the performance year the process ceases with the contract.

9. The PRI Process

9.1 Setting Performance Indicators

The annual performance management cycle starts with the setting of performance indicators and requirements. This should be completed within one month of an employee starting in post or at the end of the previous years appraisal process, which is 30th June each year, with any changes being clearly set out in Section D of the appraisal form. All performance indicators must be SMART (i.e. specific, measurable, achievable, realistic and time-based).

9.2 Mid Year Review – November/December

Mid year reviews will be undertaken for all employees. The purpose of the mid year review is to assess how the employee is performing against the performance indicators and requirements; to identify whether any short falls are occurring and what support and guidance is required to assist the delivery and achievement of performance indicators and requirements. The mid year review should also be used to ensure that the performance indicators set at the beginning of the cycle are still up-to-date and are amended (where appropriate) if

any aspects of the performance indicator has changed due to no fault of the employee (e.g. legislation being introduced later than expected).

9.3 End of Year Appraisal – May/June

At the end of the annual cycle, managers will conduct the appraisal and provide feedback to the appraisee on their performance against the agreed indicators and requirements. The discussion will seek to identify the individuals strengths and achievements, any lesson's learnt/new skills developed and any areas for improvement. The appraisee will be able to self assess their own rating for the performance year prior to the appraisal meeting. The manager will confirm the provisional rating during the meeting. Once the appraisal document has been finalised a copy will be sent to the Appraisers Manager for them to add their general assessment/feedback for the appraisee, together with their provisional rating based on the content of the whole appraisal document.

9.4 Moderation Process (PRI Panel) - July

It will be the responsibility of the PRI panel to review all provisional ratings by the end of July each year, to ensure that there has been a consistent and fair approach to the awarding of ratings. Any concerns of the panel will be raised with the appraising manager prior to final scores being announced at the end of July each year. This may result in a review of the performance appraisal score in consultation with the appraising manager and their line manager (where appropriate). The panel will also be responsible for monitoring decisions made for equality purposes.

The panel will comprise of the Chairman or Vice Chairman of the Regulatory and Support Services Committee, the HR Service Delivery Champion, and a representative from Management Team, HR and UNISON.

9.5 Linking Overall Ratings to Pay

From April 2016 increments will be awarded as follows:

9.5.1 “Outstanding” rating (employee not at the top of the grade for the post)

If an employee receives an ‘Outstanding’ rating and are not at the top of their grade, they will move one increment to the next spinal column point (scp) and receive a one off lump sum payment of 1% of their basic pay.

9.5.2 “Outstanding” rating (employee at top of the grade for the post)

Employees at the top of their grade, where an increase of a spinal column point is not possible, will receive a one off lump sum of 1% of basic pay.

9.5.3 “Excellent” rating

If an employee receives an ‘Excellent’ rating and they are not at the top of their grade, they will move one increment to the next spinal column point.

9.5.4 Lump Sum Payment

The one off non consolidated lump sum payment will be paid in August and will be pensionable and subject to tax and national insurance deductions. It is not a permanent increase to salary.

The lump sum payment will be based on pay as at 1st April each year. For employees on reduced pay (e.g. Sickness, Maternity etc) as at that date, the basic salary which applied immediately before the absence shall be used for the basis of the calculation.

9.5.5 Pay Protection

Where an employee is on pay protection, any payment made for an “Outstanding” rating will be based on actual pay in the role for which the “Outstanding” rating was achieved, not on their protected pay. The payment will be made in August as a one off payment, paid in addition to the protected pay.

Any changes to PRI as a result of any delay in a nationally negotiated pay award will automatically be backdated. This includes the non consolidated payment for an “Outstanding” rating.

10. **Raising Concerns Regarding the PRI Process**

Employees may invoke the Council’s Grievance Procedure in the event of a serious concern over the accuracy or the fairness of the appraisal record or meeting. However, employees are encouraged to discuss their concerns with the manager who conducted the appraisal, their line manager or HR in the first instance.