
TITLE: PERFORMANCE RELATED INCREMENTS (PRI) SCHEME – ANNUAL UPDATE

Committee: Regulatory & Support Services Committee

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[R80]

1.0 ISSUE

- 1.1 To present the final ratings that were awarded in accordance with the Council's new policy on Performance Related Increments (PRI) that was introduced last year.

2.0 RECOMMENDATION(S)

- 2.1 It is recommended that the Committee notes the content of the information report.

3.0 BACKGROUND

- 3.1 Historically, progression through incremental spinal column points was automatic, with increments awarded on a time served basis until the maximum spinal column point has been reached. However, Members supported the introduction of a Performance Related Increments Policy in April 2015, with the aim of recognising and rewarding high performance by:
- (a) Awarding an increment to those who are not at the top of their pay scale and achieve an overall rating of "Excellent" or "Outstanding".
 - (b) Providing an opportunity for staff to achieve an additional 1% of their basic salary where they achieve an overall rating of "Outstanding", paid as a one-off lump sum payment (regardless of whether they are at the top of their pay scale or not).
- 3.2 Under the new scheme, the Appraiser's line manager also has a responsibility to review the content of the appraisal form and to provide further feedback on performance and behaviour, adding any additional comments that they wished to make. As it was the first year of the new scheme, not all of the appraisals were completed and returned by the 30th June deadline, but an extended deadline of 31st July was given.
- 3.3 By the 31st July 2016, 90% of appraisals had been completed and returned (increasing to 95% by the end of August).
- 3.4 The Performance Related Increment (PRI) Moderation Panel, comprising of the Chairman of the Regulatory and Support Services Committee, the Director (Resources) and the HR Manager, met on the 2nd August to consider the provisional ratings awarded, and determine final ratings where the provisional ratings differed, in consultation with the managers concerned.

4.0 ARGUMENTS/CONCLUSIONS

4.1 For consistency, the Moderation Panel reviewed a selection of completed appraisal forms from each service area. The key findings of the Moderation Panel were as follows:

- The quality of completed appraisal forms varied in some cases across different service areas and the Moderation Panel found it difficult to support ratings of “excellent” or “outstanding” where the individual’s strengths and achievements had not been sufficiently evidenced.
- 8 members of staff were recommended for ratings of “outstanding” of which the panel referred back 5 for further information and evidence. After the further evidence was obtained, the panel supported 7 of the “outstanding” ratings.
- The final ratings awarded are set out below:

Rating	Number	%
Outstanding	7	3.9
Excellent	77	42.5
Satisfactory	67	37
Needs Development/Improvement	3	1.7
No Overall Rating (too early to assess; or insufficient service due to absence)	18	9.9

- 172 appraisals were completed and returned, 9 (5%) remain outstanding as at 31st August 2016.
- 5 members of staff on the Council’s establishment were not included in the appraisal process – 2 are working with the National Practitioner Support Service that the Council is currently hosting, and 3 members of staff who have been seconded to the East Cambs Trading Company.
- Of the 84 people that were awarded a rating of “excellent” or “outstanding”, 47 were eligible to receive an increment (backdated to 1st April 2016). The other 37 were already on the top of their pay scales. In addition, the 7 members of staff who were rated as ‘outstanding’ were paid the lump sum payment of 1% of their basic salary with their August pay.
- The Panel reviewed appraisal forms across different service areas to ensure that there had been a consistent and fair approach to the awarding of ratings, and the introduction of the line manager review appeared to help support this consistency.
- The Panel felt that the quality of the SMART performance indicators varied considerably, and that the appraisal process had been more effective where there was evidence of SMART performance indicators being set at the outset.

- The Panel felt that the process had highlighted a number of problems with the design of the appraisal form that warrants further review. The Moderation Panel has tasked the HR Manager with reviewing the form and feeding back to this committee by the end of October.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 The budget for incremental progression will continue to be based on the number of staff eligible for an increment in that particular year, together with an enhancement to cover the lump sum payments of 1% of basic salary for 'Outstanding' performance. For the 2015/16 appraisal year, 37 members of staff have received increments and 7 have received the lump sum payment of 1% of their basic pay.
- 5.2 In the previous scheme, if all staff had received an increment, the cost would have been £53,548. This compares to the cost of the new Performance Related Increments Scheme which has a cost of £41,099.
- 5.3 An Equality Impact Assessment (EIA) was done when the policy was first introduced.

Background Documents

A Guide to the Council's
Performance Management
(Appraisal) Scheme

Performance Related
Increments (PRI) Policy

Appraisal forms for 2015/16

Location

Room 118,
The Grange,
Ely

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