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**TITLE: REVISED PERFORMANCE MANAGEMENT (APPRAISAL) SCHEME AND  
DRAFT PERFORMANCE RELATED INCREMENTS (PRI) POLICY**

To: Regulatory & Support Services Committee

Date: 13<sup>th</sup> April 2015

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1.0 ISSUE

- 1.1 To propose the introduction of a revised Performance Management (Appraisal) Scheme, incorporating a new policy on Performance Related Increments (PRI) as detailed in Appendix 1.

2.0 RECOMMENDATION

- 2.1 That the Regulatory & Support Services Committee recommends to Full Council the adoption of the revised Performance Management (Appraisal) Scheme with immediate effect and the Performance Related Increments (PRI) Policy with effect from 1<sup>st</sup> April 2016.
- 2.2 That Members endorse the draft response to UNISON, subject to the decision of Full Council, which will be tabled at the meeting.

3.0 BACKGROUND

- 3.1 The introduction of Performance Related Increments was originally proposed as part of the 'root and branch' review of services and staffing at East Cambridgeshire District Council in January 2014, but was not progressed any further at that time. Historically, progression through incremental spinal column points has been automatic, with increments awarded on a time served basis until the maximum spinal column point has been reached. The aim of the proposed policy was to award increments based on the overall rating from the annual appraisal.
- 3.2 In December 2014, it was agreed with the Chairman of the Regulatory and Support Services Committee that the original draft policy should be reviewed in the context of a full review of the Council's existing Performance Management (Appraisal) Scheme.
- 3.3 The review was conducted in consultation with the Chairman of the Regulatory and Support Services Committee, the HR Member Champion and Management Team.
- 3.4 The key findings from the review of the existing appraisal form were as follows:
- That the effectiveness of the appraisal process could be improved through the measurement of behaviours (performance requirements) in addition to SMART performance indicators.

- That the number of SMART performance indicators should be reduced and refocused on corporate and service priorities together with any important work/projects/standards that the postholder will be required to meet during the appraisal year.
- The design of the form should encourage open and honest dialogue in relation to performance; identifying an individual's strengths and areas for improvement, with a direct link to the training and development plan for the postholder.
- The Appraiser's line manager should also be able to review the content of the appraisal form, provide further feedback on performance and behaviour, recognise key achievements and add any additional comments that they may wish.
- That Mid Term Reviews should be reinstated to formally review progress against performance indicators and requirements and review the training and development plan. This meeting will also provide an opportunity to agree new or amend existing performance indicators if an element of the target may have changed due to unforeseen circumstances (e.g. legislation implemented later than expected).

3.5 The key findings from the review of the original PRI Policy were as follows:

- That 70% of existing staff would be at the top of their pay scale by 1<sup>st</sup> April 2016 and consideration should be given to rewarding high performance of these staff.
- Only provisional ratings should be awarded during the appraisal process by the Appraiser and Appraiser's line manager.
- That a moderation panel would be required to review provisional ratings to ensure that there has been a consistent and fair approach to the awarding of ratings across the Council. The panel would also be responsible for the monitoring of decisions made for equality purposes.
- That the rating matrix should be reviewed to take into account the introduction of performance requirements (assessment of behaviours).

3.6 The attached draft Guide to the Council's Performance Management (Appraisal) Scheme has been developed taking into account all of the key findings from the review. The guide provides a clear explanation of the Council's appraisal process and provides additional guidance to help managers set SMART performance indicators and assess the new performance requirements (both general and management).

3.7 The revised Performance Management (Appraisal) and proposed introduction of the Performance Related Increments Policy has been consulted upon through the Joint Consultative Committee (JCC). Unison has requested that their response to the proposal is attached to the report for Members information (Appendix 3). In summary, Unison accepts that the current Performance Management (Appraisal) Scheme is no longer fit for purpose and support the proposed changes to the appraisal form and process, but does not support the proposed introduction of performance related increments. Unison's view is that increments should continue to be paid automatically each year to acknowledge the increased knowledge and experience that a long term serving member of staff brings to the authority, reflecting the added value of more experienced employees. The introduction of performance related increments would also constitute a change in terms and conditions of employment for existing staff and

whilst Unison is fundamentally against such proposals, the local branch may reconsider its position if the award of an increment was granted for performance rated as 'Good', as well as 'Excellent' and 'Outstanding'. The Council does not support this proposal and wishes to implement the scheme, subject to the agreement of Full Council, as originally proposed. The Council's draft response to Unison's letter will be tabled at the meeting.

- 3.8 As the Council has not been able to reach a collective agreement with Unison on the proposed introduction of performance related increments, the Council will need to seek agreement with individual members of staff, in particular, those that are not at the top of their existing salary scales. If agreement can not be reached with individual staff then the Council will need to serve notice to terminate the existing contracts and offer re-engagement on the new terms and conditions of employment.

#### 4.0 ARGUMENTS/CONCLUSIONS

- 4.1 The review of the existing appraisal scheme identified a number of improvements that would increase the effectiveness of the process and add value for both the appraiser and appraisee.
- 4.2 The review of the original PRI Policy has identified a number of improvements to ensure that the scheme is implemented fairly and consistently across the organisation.
- 4.3 The proposed appraisal scheme is in keeping with schemes operated by other local authorities.
- 4.4 Training will be provided for all Council employees on the new Scheme and PRI Policy.
- 4.5 The revised scheme and PRI Policy will be reviewed by the Regulatory and Support Services Committee (quarterly during the first year) to ensure that the scheme is consistently applied, working effectively and complies with any relevant legislation and/or guidance.

#### 5.0 FINANCIAL IMPLICATIONS

- 5.1 There will be no restriction applied (ie. quota) on the number of people that can achieve either an 'Excellent' or 'Outstanding' rating. 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. The actual cost will be based on individual performance as assessed through the performance appraisal process and subject to the final decisions made by the Moderation Panel.

#### 6.0 APPENDICES

- Appendix 1 – A Guide to the Council's Performance Management (Appraisal) Scheme and draft Performance Related Increments (PRI) Policy
- Appendix 2 - Equality Impact Assessment – Initial Screening

Appendix 3 - Letter from Unison dated 27<sup>th</sup> March 2015

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<b><u>Background Documents</u></b>	<b><u>Location</u></b>	<b><u>Contact Officer</u></b>
Examples of Performance Appraisal Schemes operated by other local authorities.	Room 127 The Grange, Ely	Kathy Batey HR & Facilities Services Manager (01353) 616320 E-mail: <a href="mailto:kathy.batey@eastcambs.gov.uk">kathy.batey@eastcambs.gov.uk</a>

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

**FEBRUARY 2015**



**EAST CAMBRIDGESHIRE  
DISTRICT COUNCIL**

## **A GUIDE TO THE COUNCIL'S PERFORMANCE MANAGEMENT (APPRAISAL) SCHEME**

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## **1.0 INTRODUCTION**

The Council recognises that employees perform most effectively when they clearly understand the expectations of their job role and purpose, their own targets or objectives and the wider aims of the service and the organisation.

The Council will ensure that all employees attend an annual performance appraisal meeting with their line manager, at which performance and learning over the last twelve months will be reviewed and performance indicators for the future will be set. However, managing employees' performance is a continuous process and therefore managers are expected to meet regularly with their staff to discuss progress towards performance indicators set at the appraisal meeting, ongoing work programmes and to raise any other work-related issues.

The Council will ensure that all managers and employees receive appropriate training and development to enable them to carry out their roles effectively with respect to managing the performance of their staff.

The aims of the Performance Management (Appraisal) scheme are :-

- to create a framework for linking corporate and service objectives and priorities to individuals' jobs;
- to provide clarity of job responsibilities to postholders;
- to offer the opportunity for regular feedback to individuals on how they are performing in their job for their encouragement, improvement and personal recognition;
- to recognise the strengths and weaknesses of postholders to enable them and their line manager to identify training and career development needs;
- to enable development needs to be identified and remedied where possible, and where not possible, to facilitate appropriate action;
- to provide the means for keeping job accountabilities under regular review, recognising that roles and priorities change over time;
- to enhance the professional relationship between postholder and manager;
- to improve the ability of line managers and the whole organisation to monitor quality of work;
- to recognise and reward high performance by awarding an increment and/or a lump sum payment in accordance with the Council's Performance Related Increments (PRI) Policy.

Under-performance of employees will be addressed, as appropriate, through the Council's Employee Capability Policy & Procedure.

This performance appraisal process forms an important part of the Council's overall Performance Management Programme.

## **2.0 STEP 1 - SETTING PERFORMANCE INDICATORS**

Performance indicators are ways of measuring the achievement of accountabilities as set out in the job profile for the post. Essentially, they answer the question 'how will I know if I am performing well?'

Performance indicators should be SMART, i.e. specific, measurable, achievable, realistic and time-based. As a guide, consider the following statements:

Specific	Indicators should clearly state what the employee is expected to achieve.
Measurable	Indicators should include a quality and/or quantity reference so that managers can measure whether or not employees have achieved them.
Achievable	Indicators should be agreed between the employee and their line manager, be relevant to their job and be driven by corporate objectives/priorities and departmental service plans.
Realistic	Indicators should be challenging but achievable i.e. they should not be unrealistic.
Time-based	Indicators should include a time reference, such as a specific deadline.

Performance indicators should focus on **outcomes** rather than **activities** and allow the employee to measure their own success.

SMART performance indicators enable the employee and their manager to focus the appraisal discussion on measurable performance outcomes and facilitate the discussion of the employee's development and career plans as part of the meeting.

Additional guidance on setting SMART performance indicators is attached as Appendix 1.

When setting SMART performance indicators, managers should consider the 'golden thread' and decide whether:

- a) any corporate priorities are relevant to the post and if so, ensure that SMART performance indicators are set that reflect the contribution expected from the postholder to enable the corporate priorities to be met.
- b) any service priorities contained in the Service Delivery Plan are relevant to the post and if so, ensure that these too are also covered by SMART performance indicators.
- c) there are any other important work/projects/standards that the postholder will be required to complete during the appraisal year.

The number of SMART performance indicators set per year should ideally be limited to five, although additional ones can be added if deemed essential for that particular year.

### **New Staff**

New employees should be set performance indicators as part of their induction and within one month of them joining the Council. The performance management document can be used for this purpose (Section A). During the first six months of employment, performance will be monitored under the Council's Performance Review Form, although this does not negate the need to hold the annual appraisal meeting if this falls within the six month period.

All employees must have more than 6 months service in their current role with the 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 prior to the appraisal meeting.

Employees who have transferred internally to a new post in the Council should also be set performance indicators as part of their induction into the new role. This information, together with the job profile should be used for the first appraisal which should take place in accordance with the appraisal timetable. Where 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 and provide a provisional overall rating to the new manager (if appropriate). The new manager must set the new performance indicators and requirements 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.

The individual training and development plan (Section D of the appraisal form) should also be completed within one month of an employee joining or transferring between posts within the Council.

A copy of the Performance Management Record should be sent to the Council's HR Section.

### **3.0 STEP TWO – MID TERM REVIEW (NOVEMBER/DECEMBER)**

A meeting should normally be held to formally review progress against performance indicators and the individual training and development plan six months prior to the annual appraisal meeting.

The six month review is an opportunity to agree new or amend existing performance indicators if an element of the target may have changed (e.g. % or date change due to unforeseen issues, such as legislation being introduced later than expected). Any agreed changes should be recorded on the original appraisal form and a revised copy issued to the employee and HR.

### **4.0 STEP THREE – THE APPRAISAL MEETING (MAY/JUNE)**

Performance appraisals provide a formal, recorded review of an individual's performance, and a plan for future development. Each member of staff will meet his/her manager once a year for an appraisal meeting.

An appraisal aims to ensure that employees:

- know what is expected of them;
- know how they should do their jobs;
- receive positive recognition for their achievements;
- receive constructive feedback on their work;
- understand areas where improvement is needed;
- identify with their line manager their learning and development needs; and
- plan their career development.

It is a two-way process by which the appraiser can also gain feedback on how he/she has managed the postholder and identify any barriers to improved performance.

Formal disciplinary and grievance issues are not to be an objective of any performance appraisal procedure and should be dealt with separately. It is important that any issue concerning unsatisfactory performance is recorded in the meeting document in order that any formal monitoring of performance is not undermined by contradictory messages being given to the employee.

**Appraisal supports, but does not replace, normal regular dialogue between managers and their employees, regular supervision, or good day-to-day management practice.**

#### 4.1 **Preparing for the Appraisal Meeting**

The Appraisal process starts from 1<sup>st</sup> May each year.

Both parties should prepare for the meeting beforehand if a successful outcome is to be achieved.

The **line manager** (as the Appraiser) should:

- a) Arrange a suitable date, time and location for the appraisal, giving the employee approximately one month's notice of the meeting. The venue for the meeting must be private and free from interruptions.
- b) At that time, issue the employee with a Performance Management Record with the relevant performance indicators inserted at Section A.
- c) Prepare for the appraisal meeting by:
  - assessing levels of performance against the performance indicators and requirements over the appraisal period;
  - consult other individuals/sections/Members as necessary on performance;
  - consider any factors that might have affected performance especially those outside the employee's control;
  - anticipate any difficult messages and ensure you have the facts correct;
  - identify future demands (from corporate or service priorities);
  - consider possible development needs for the individual;
  - write clear notes as reminders for the meeting.

The **employee** (as the Appraisee) should:

- a) Upon receipt of the Performance Management Record from their line manager, Complete Section A identifying whether each performance indicator has been fully achieved, partially achieved or not achieved, together with their assessment of key achievements/personal strengths and any areas for improvement or lessons learnt whilst working towards the agreed performance indicators. Identify evidence wherever possible to support the comments made.
- b) Complete Section B of the Performance Management Record to assess performance against the general (and management if appropriate) performance requirements listed, identifying and evidencing (where possible) their personal strengths and any areas for improvement.
- c) Record any other significant achievements during the year (not mentioned in Section A) in table 3, particularly those that help to evidence any of the general or management performance requirements.
- d) Assess their performance against the rating matrix and enter the relevant code against the "overall rating by Appraisee" box.
- e) Complete Section C to suggest any changes that they think should be made to the performance indicators in the forthcoming year.
- f) Make a note of any training and development needs and have any relevant information to hand prior to the appraisal meeting. Development needs can be met in a number of ways, not just through training courses. If mentoring and coaching in a particular area of work would be useful then this should be discussed at the appraisal meeting and included on the training and development plan if agreed.
- g) Return the completed form to their manager at least one week ahead of the appraisal meeting.

h) Prepare for the appraisal meeting by:

- gathering evidence of any achievements since the last appraisal;
- considering why any performance indicators were not achieved;
- identifying what was enjoyable and how the role needs to develop;
- consider any areas for improvement and development needs;
- consider future aspirations
- gather full details of any professional qualifications for consideration at the appraisal meeting.

#### 4.2 **How to Conduct the Appraisal Meeting**

The five key elements of the performance appraisal are:

1. **Measurement** – assessing the employee's performance against agreed performance indicators and general/management performance requirements as appropriate.
2. **Feedback** – providing information to the employee on their performance and progress.
3. **Positive reinforcement** – emphasising what the employee has been done well and making only constructive criticism about what might be improved.
4. **Exchange of views** – having a frank exchange of views about what has happened, how the employee can improve their performance, and the support they need from their manager to achieve this.
5. **Agreement** – jointly coming to an understanding by all parties about what needs to be done to improve performance generally and overcome any issues raised in the course of the discussion.

#### 4.3 **Constructive Feedback**

A central part of the appraisal is giving and receiving feedback. Feedback given should be clear, honest, helpful and constructive. It should be based on:

- behaviour rather than personality;
- observation rather than inferences;
- description and not judgement;
- specifics rather than generalisations;
- facts and not unsupported opinions; and
- suggestions for improvement which are capable of achievement.

#### 4.4 **Assessing Performance**

The Council has a four-point rating matrix to be used to assess an employee's performance. Full use should be made of the whole scale. The ratings to be used are as follows:-

Rating	Evidenced By
Outstanding (O)	Performance: Significantly and consistently exceeds performance indicators and output is consistently of a very high standard.  Performance Requirements: Consistently demonstrates exceptional behaviours; serves as a role model and mentor

Excellent (E)	<p>Performance: Consistently achieves and often exceeds performance indicators and output is frequently of a high standard.</p> <p>Performance Requirements: Consistently demonstrates effective behaviours and often demonstrates exceptional behaviours.</p>
Good (G)	<p>Performance: Achieves or partially achieves performance indicators and output generally meets expectations with problems or errors being corrected quickly.</p> <p>Performance Requirements: Consistently demonstrates effective behaviours</p>
Needs Development/Improvement (NDI)	<p>Performance: Achieves some but not all performance indicators and output is not without error and/or requiring considerable support from others; needs improvement.</p> <p>Performance Requirements: Demonstrates some effective behaviours but not others, or behaviour is inconsistent; may be appropriate for employees in new or more challenging positions or for those that need development.</p>
No overall Rating	<p>Too early to assess or insufficient service due to absence. (see section 6 of the PRI Policy attached as Appendix 4)</p>

#### 4.5 **Personal Training & Development Plans**

One of the most important features of the appraisal meeting is the identification of training and development needs. Every member of staff should have a personal training and development plan which provides a link between service and corporate priorities and career development. In this section, the Appraisee and the Appraiser will agree the employee's training needs for the next 12 months. Any professional/vocational training requests that arise and are supported by the line manager should be included. If the Appraiser's manager supports the professional/vocational request then full details (including costs) will be presented to Management Team for final consideration. The decision reached by Management Team will be confirmed in writing by HR.

#### 4.6 **Signing off the Appraisal Document**

The appraising manager should complete the Performance Management Record and provide a copy to their line manager, normally no later than 10 working days after the appraisal meeting and by 25<sup>th</sup> June at the latest.

The Appraiser's line manager will then complete Section F of the form. This provides an opportunity for the Appraiser's line manager to review the content of the appraisal, provide further feedback on performance and behaviours, recognise the key achievements and add any additional comments that they may wish. The Appraiser's line manager will also give the Appraisee an overall performance rating in accordance with the rating matrix above.

This rating is only provisional and is subject to review by the Council's moderation panel in accordance with the Performance Related Increments Policy.

A copy of the form should then be returned to the employee, the appraising manager and the Council's HR Section. The deadline for return of completed Performance Management Records is 30<sup>th</sup> June each year.

Performance Management Records are treated as confidential documents and will generally only be available to the employee concerned, the line manager, the line manager's manager and members of the Moderation Panel, unless required in response to any employment relations issues. It is beneficial for an electronic copy of the completed form to be held confidentially by HR, the employee and the line manager for future reference and review.

Employees may invoke the Grievance Procedure in the event of serious concerns over the accuracy or the fairness of the appraisal record or meeting, in which case the senior manager hearing the grievance will have to have sight of the Performance Management Record.

## **5.0 Performance Related Increments**

Increments are awarded based on the overall rating from the annual appraisal as confirmed by the Council's PRI Panel.

A copy of the Council's Performance Related Increments (PRI) Policy is attached as Appendix 4.

## **6.0 Monitoring & Review**

Appraisal supports, but does not replace, normal regular dialogue between managers and their employees, regular supervision, or good day-to-day management practice.

Once an employee's accountabilities and training needs for the forthcoming year have been agreed, it is very important to ensure that they are regularly revisited through one-to-one meetings in addition to the six month review to ensure that they remain appropriate for the postholder's role.

## **7.0 Further Information**

Further advice on performance management and appraisals is available from the Council's HR team. Please contact either:

Kathy Batey, HR & Facilities Services Manager	616230
Nicole Pema, Senior HR Officer	616325
Christina Ward, HR Support Officer	616220

## **Appendix 1**

### **GUIDANCE FOR LINE MANAGERS ON SETTING SMART PERFORMANCE INDICATORS**

Setting performance indicators is an integral part of the appraisal process. SMART is an acronym in common use which describes the key characteristics of effective performance indicators. If they are Specific, Measurable, Achievable, Relevant and Time-bound, they will provide a focus on the aims of the team, service and the Council as a whole and ensure that efforts are directed towards the achievement of these aims in a timely way.

A common problem when setting performance indicators is focussing on activities, rather than on the outcome or impact of these activities. SMART indicators focus on what it will look like when it is achieved. Sometimes the performance indicator has to be achieved in a particular way and therefore should include the actions that will have to be taken in order to achieve it. However, remember that the performance indicators should focus on the outcome.

#### **Useful Hints and Tips**

Getting started:

- identify what it is that you want to achieve
- write down what you want to achieve using a positive statement
- make it specific
- identify how you will measure achievement
- plan the steps you need to achieve it
- identify a realistic deadline
- consider how you will measure progress

Use action verbs:

It is helpful to be as specific as possible when selecting a verb. Use general terms such as 'manage' only when more precise action verbs will not do.

Policy Making/Objective-Setting	Approve; Authorise; Co-ordinate; Define; Determine; Develop; Direct; Establish; Plan; Prepare
Specialist and Support Tasks	Analyse; Appraise; Assist; Enable; Forecast; Interpret; Justify; Liaise; Propose; Recommend; Reconcile; Support
Execution of Management Tasks	Achieve; Administer; Assess; Attain; Control; Co-ordinate; Ensure; Evaluate; Gain acceptance for; Identify; Implement; Improve; Increase; Install; Judge; Liaise; Limit; Maintain; Manage; Monitor; Review; Set; Specify; Standardise; Supervise
Specific/Junior Tasks	Assist; Check; Collate; Distribute; Gather; Issue; Liaise; Make available; Obtain; Operate; Perform; Present; Produce; Progress; Provide; Submit; Supply

Avoid woolly phrases and jargon, for example:

- 'Liaise with xxxxxx' – why are they liaising with xxxxx? What is it that the liaison will achieve?
- 'Contribute to xxxxx' – why is it important to contribute to xxxx? What are you hoping to achieve?
- 'Learn about xxxxx' – why are you learning about it? What will you be able to do when you have learnt about it?
- 'Continue with xxxx' – why do you need to continue with it? What will this achieve?

Don't just restate the 'day job'. Performance indicators should be longer term (up to 1 year) and focus on what is new, or needs to be improved or done differently.

Don't set too many objectives. Focus on priorities, starting with the corporate and service priorities in the Service Delivery Plan to ensure that energy and effort is being directed in the right direction. Having too many performance indicators dilutes their impact and makes it hard for employees to prioritise their time. It also makes them less achievable.

The performance indicators of supervisors and other staff must be properly related to each other. A single performance indicator of a manager may give rise to several distinct ones among staff.

#### EXAMPLES:

##### Example 1

✗ Performance Indicator: "work with colleagues in Education Services to achieve service improvements."

This is really an action, not a performance indicator. It may be relevant, but it is not specific, measureable or time-bound. It is impossible to say if it is achievable because we do not know what is to be achieved.

To turn it into a performance indicator, you could consider a particular service priority that will be achieved by closer working. Or, if the closer working relationship is the performance indicator, what that will look like when achieved. The following are examples of how a SMART performance indicator might be written:

✓ "By the end of March, reduce the average time to arrange a child protection conference to xx weeks or less by streamlining administrative and communication processes with Education colleagues".

✓ "Set up quarterly action-planning group with relevant Education colleagues to identify and tackle joint service improvements; hold inaugural meeting by end December".

#### Example 2

**X** Performance Indicator: “Represent the service on the Council’s Equal Opportunities Working Group”.

Again, this is an activity not a performance indicator. Consider why you are to represent the service and what outcomes you expect to see as a result. This could be written as a SMART objective like this:

**✓** “Ensure that the service complies with the Council’s Single Equality Policy and practice by representing the service on the Equal Opportunities Working Group, carrying out actions arising and updating your Service Lead on a quarterly basis”

#### Example 3

**X** Performance Indicator: “Improve absence levels in the administrative team”.

This is specific but not measurable. You need to quantify the expectation, ensuring that it is realistic (achievable). It could be rewritten like this:

**✓** “Reduce short term sickness absence in the administrative team by 5% by the end of March, by coaching and supporting supervisors in rigorous implementation of the Council’s absence management procedure, including use of Occupational Health advice”.

#### Example 4

**X** Performance Indicator: “Complete review of xxxx project and make recommendations for efficiency savings”.

This is specific but not measurable. It could be rewritten like this:

**✓** “Complete review of xxxxx project and present report to CMT by end September with recommendations for actions to achieve efficiency savings, together with estimated financial savings, risk assessments and equality impact analysis”.



## **Appendix 2**

### **GUIDANCE FOR LINE MANAGERS ON ASSESSING PERFORMANCE REQUIREMENTS (GENERAL & MANAGEMENT)**

This guide has been developed to help Appraisers assess the performance of their staff under the general and management performance requirements as set out in the Performance Management Record.

#### **GENERAL REQUIREMENTS**

- Quality of Work: Work quality refers to the efforts that consistently achieve desired outcomes with a minimum of avoidable errors and problems. Does the employee's work meet the requirements, expectations or desired outcomes? How accurate and complete is the work? Is it completed in a timely manner? Is the work done in an efficient and effective way?
- Quantity of Work: Work quantity refers to how the employee uses available time, plans and prioritises work, sets and accomplishes goals, uses available resources and completes work on schedule. Are the expected results achieved in a timely and a safe manner? Is there a need to have work redone due to inaccurate or unacceptable work? Does the employee seek out additional tasks and problems to complete or help others to complete their work when time permits? Does the employee report for work as expected? Consider arrival times, observance of time limits for breaks/lunches/core hours. Consider patterns of sick leave, seeking prior approval for taking leave and giving required notice to supervisor of absence due to illness or other acceptable reasons.
- Job Knowledge: Does the employee exhibit job-related knowledge and skill needed to perform the duties and requirements of the post? Does the employee exhibit knowledge of the methods, practices and equipment needed to do the job? Consider knowledge gained through experience, education and specialised training. Does the employee seek to maintain current knowledge of changes in policies and procedures? Does the employee keep abreast of new developments and major issues in their field (where appropriate)? Is the employee consulted at times by others for guidance?
- Communication: Does the employee exhibit a good level of interpersonal skills and have a good working relationship with most of his/her peers, subordinates, supervisors, customers and the general public? Does the employee listen to other's views and opinions and take time to evaluate before dismissing? Does the employee raise concerns that they have about operational issues with appropriate officers? Does the employee communicate effectively in writing and/or verbally? Is written work communicated in a concise, organised and appropriate manner for the relevant audience (where appropriate)?
- Individual Effectiveness: Consider the level of respect and courtesy the employee shows to others, how the employee's behaviour affects the work area and the willingness of the employee to accept supervision, change and ownership of their work.

Does the employee exhibit willingness to comply with all reasonable requests? Is the employee open to new ideas and ways of working and exhibit a “can do” attitude when something new or a change in process is required? Does the employee have good interpersonal skills and the ability to work well within a team? Do they exhibit tact and sincerity with others?

Service Focused: Does the employee exhibit appropriate supportive behaviour towards the Council and its customers? Does the employee show respect and courtesy to Members, customers, colleagues, partners, and members of the public? Does the employee keep others informed of progress and seek to provide a prompt, efficient, high quality service that supports the Council’s “open for business” priority? Is due consideration given to the needs of service users? Does the employee understand what good customer care looks like for their service? Is the employee aware of and focused on the Service Delivery Plan for their service area?

Initiative: Does the employee see things to be done and take appropriate action without being directed? Consider ability to contribute, develop and/or carry out instruction? Consider the degree of supervision required and the willingness to take on responsibilities and be accountable for them. Consider ability of the employee to be a self-starter, to offer suggestions, to anticipate needs and to seek additional tasks as time permits. Does the employee consider value for money and efficiencies when carrying out their day to day tasks? Does the employee actively seek opportunities to expand knowledge and skills through learning from others, research and/or training activities?

#### MANAGEMENT REQUIREMENTS (line managers only)

Leadership & Inspiring Others: Is the manager able to get employees to carry out required tasks willingly and to their best ability? Consider the ability to get work done while being sensitive to the morale and satisfaction of those doing the work; the ability to function consistently and effectively in an objective and rational manner regardless of pressures. Is the manager able to effectively communicate the corporate objectives and priorities to their staff in an inspiring way that gains ownership of the priorities and ensures achievement of the agreed goals (where appropriate)? Does the manager involve his/her team in the development of the service (including the development of Service Delivery Plan where appropriate), encouraging others to share their ideas and thoughts in a supportive environment and providing explanation of any decisions reached? Does the manager demonstrate ability to select, train and provide opportunities for development of employees by recognising and improving their abilities? Does the manager evaluate situations and make decisions and use reasoning to identify, solve and prevent problems? Does the manager demonstrate knowledge of Council policies and procedures and demonstrate adherence at all times? Does the manager ensure that adequate support, praise and recognition is shown to others at the appropriate times?

Managing &

Developing Others: Has the manager carried out effective appraisals of their staff? Has the performance of their staff been objectively appraised and areas for improvement identified (where appropriate) with details of support to be provided being recorded to assist the employee in meeting expectations? Does the manager have regular dialogue with their staff to feedback on performance and corporate issues that may affect the delivery of the service? Are general staffing issues confronted and resolved constructively? Are conduct, capability and grievance issues dealt with promptly and in accordance with Council policies and procedures? Does the manager regularly review the learning and development needs of their staff/team and ensure that these are effectively met within available resources? Does the manager exhibit fairness and impartiality with employees when assigning tasks and assessing performance? Does the manager give due consideration to the Health & Safety of their staff, ensuring that staff work in a safe manner that prevents accidents and injuries? Are H&S risk assessments reviewed each year and communicated with their staff?

Adaptability/  
Management of  
Change:

How does the manager adapt to change? Does the manager initiate or recommend beneficial changes in work procedures? Does the manager readily accept new assignments or temporary assignments outside their regular responsibilities and present them positively to members of their team? Consider willingness to learn quickly, to accept and adapt to change in working practices, methods, staff or surroundings. Does the manager effectively evaluate situations and make sound decisions based on facts and advice from others where required and use reasoning to identify, solve and prevent problems? Are decisions made clearly communicated with others at the appropriate times?

Planning &  
Organisation

How effective is the manager in setting effective goals, planning ahead and establishing priorities for themselves and the rest of the team? Is the team working "as one team"? Does the team clearly understand what is expected of them on a day to day basis? Consider their ability to make the most effective use of time, facilities, materials, equipment, employees' skills and other resources to provide the service. Does the manager effectively monitor the workload of their staff and avoid placing unnecessary stress on their staff through effective planning and delegation? Consider the ability of the manager (where appropriate) to prepare and administer budgets effectively.



EAST CAMBRIDGESHIRE DISTRICT COUNCIL

**PERFORMANCE MANAGEMENT RECORD**

**Section A: Review of Performance over the Year (all staff to complete)**

**Appraisee's Name:** \_\_\_\_\_

**Appraiser's Name:** \_\_\_\_\_

**Accountability Year:** \_\_\_\_\_

1. To what extent have you achieved the agreed performance indicators/measures?

<b>Key Performance Indicator/Measure</b> <i>(recurring and non-recurring relating to corporate and service priorities and the individuals post )</i>	<b>Performance Against Indicator/Measure</b> <i>(please tick)</i>	<b>Key Achievements/Personal Strengths</b>	<b>Areas for Improvement/ Lesson's Learnt</b>
	Fully Achieved <input type="checkbox"/> Partially Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/>  <u>Additional Comments/ Evidence Available?</u>	<u>Appraisee's Comments:</u>  <u>Appraiser's Comments:</u>	<u>Appraisee's Comments:</u>  <u>Appraiser's Comments:</u>
	Fully Achieved <input type="checkbox"/> Partially Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/>  <u>Additional Comments/ Evidence Available?</u>	<u>Appraisee's Comments:</u>  <u>Appraiser's Comments:</u>	<u>Appraisee's Comments:</u>  <u>Appraiser's Comments:</u>
	Fully Achieved <input type="checkbox"/> Partially Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/>  <u>Additional Comments/ Evidence Available?</u>	<u>Appraisee's Comments:</u>  <u>Appraiser's Comments:</u>	<u>Appraisee's Comments:</u>  <u>Appraiser's Comments:</u>

	Fully Achieved <input type="checkbox"/> Partially Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/>  <u>Additional Comments/ Evidence Available?</u>	<u>Appraisee's Comments:</u>   <u>Appraiser's Comments:</u>	<u>Appraisee's Comments:</u>   <u>Appraiser's Comments:</u>
	Fully Achieved <input type="checkbox"/> Partially Achieved <input type="checkbox"/> Not Achieved <input type="checkbox"/>  <u>Additional Comments/ Evidence Available?</u>	<u>Appraisee's Comments:</u>   <u>Appraiser's Comments:</u>	<u>Appraisee's Comments:</u>   <u>Appraiser's Comments:</u>

**Please use an additional form if more than 5 accountabilities.**

**Section B: General Performance Requirements – All Staff**

2. Comment on your performance against the requirements listed, identifying and evidencing (where possible) personal strengths and any areas for improvement.

<b>Performance Requirements</b> <i>(All Staff)</i>	<b>Appraisee's Comments</b>	<b><u>Appraiser's Comments</u></b>
<b>Quality of Work</b> (Work is complete, accurate and to the required standard)	<u>Personal Strengths:</u>  <u>Area for Improvement:</u>	<u>Agreed Strengths:</u>  <u>Area for Improvement:</u>
<b>Quantity of Work</b> (Completes assigned work effectively and in an organized manner within an established timeframe, works to complete objectives and sees a task through to the end while taking into account responsibilities and workload)	<u>Personal Strengths:</u>  <u>Area for Improvement:</u>	<u>Agreed Strengths:</u>  <u>Area for Improvement:</u>
<b>Job Knowledge</b> (Demonstrates comprehension of techniques, skills, processes, equipment, procedures and materials necessary to perform the job).	<u>Personal Strengths:</u>  <u>Area for Improvement:</u>	<u>Agreed Strengths:</u>  <u>Area for Improvement:</u>

<p><b>Communication</b>          (Expresses ideas, opinions and information in an appropriate format and in a manner that is complete, concise, organized and appropriate to the audience. Conveys information to supervisors, colleagues, Members (including Service Delivery Champions) and customers in a timely, clear and concise manner and raises operational issues and concerns with the appropriate officer. Listens to others and is open minded to and evaluates suggestions from others).</p>	<p><u>Personal Strengths:</u></p>           <p><u>Area for Improvement:</u></p>	<p><u>Agreed Strengths:</u></p>           <p><u>Area for Improvement:</u></p>
<p><b>Individual Effectiveness</b>          (Displays a co-operative, respectful and positive attitude in the workplace, accepts ownership of assigned tasks and works effectively with other teams (as one team) and exhibits a can do approach in their work and interactions with others. Exhibits tact and sincerity with others to achieve outcomes).</p>	<p><u>Personal Strengths:</u></p>           <p><u>Area for Improvement:</u></p>	<p><u>Agreed Strengths:</u></p>           <p><u>Area for Improvement:</u></p>
<p><b>Service Focus</b>          (Takes a personal interest in delivering good customer care to both internal and external customers, creates a pleasant atmosphere for interaction, treats customers courteously and fairly and takes appropriate action and/or works effectively as a team to meet customer needs).</p>	<p><u>Personal Strengths:</u></p>           <p><u>Area for Improvement:</u></p>	<p><u>Agreed Strengths:</u></p>           <p><u>Area for Improvement:</u></p>

<p><b>Initiative</b></p> <p>(Completes work with the expected level of supervision, searches out new tasks or ways of working for the benefit of the service/customers whilst mindful of value for money and open for business considerations and seeks opportunities to expanding knowledge and skills).</p>	<p><u>Personal Strengths:</u></p>   <p><u>Area for Improvement:</u></p>	<p><u>Agreed Strengths:</u></p>   <p><u>Area for Improvement:</u></p>
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**General Performance Requirements – Managers Only (please delete from form if not appropriate for post)**

[illegible]



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**Section C: Performance Indicators**

**Performance indicators** are ways of measuring the achievement of accountabilities. They can be recurring (i.e. the same every year) or non-recurring (i.e. a job or task that only needs to be completed in that particular year). Performance indicators must be SMART, e.g. Specific, Measurable, Attainable, Relevant, Time bound.

4. Will there be any changes to your performance indicators for the new accountability year? YES ☐ NO ☐

5. If YES, what do you and your line manager agree are:

a) Your out-of-date performance indicators to be REMOVED, or UPDATED for the next 12 months?

Accountability No.	Performance Indicators to be REMOVED/UPDATED

b) Your NEW performance indicators for the next 12 months?

Accountability No.	NEW Performance Indicators

These revised performance indicators will be used to update Part A of your Performance Management Record and will form the basis of discussion for your next year's appraisal.

**Section D: Personal Training and Development Plan**

6. What do you and your line manager agree are your training needs for the next 12 months?

Please note that any requests for professional/vocational training that result in some form of certificate/award (e.g. Diplomas, NVQs, Degrees, Masters, will be subject to Management Team approval. Please ensure that you send all of the relevant supporting documentation to HR for consideration.

<b>Related Service/ Corporate Objective</b>	<b>Training/Development Required</b>	<b>Delivery Method</b> <i>e.g. in-house/external course, e learning etc</i>	<b>Duration</b>	<b>Course Provider and Location</b>	<b>Approximate Cost</b>	<b>Date Required By</b>

**Section E: Final Approval**

Please confirm the contents of this record are an accurate reflection of the views and matters discussed at the interview (although you may not agree with all the comments made).

**Appraisee**

Name [please print]: \_\_\_\_\_ Position: \_\_\_\_\_ Date: \_\_\_\_\_

**Appraiser**

Name [please print]: \_\_\_\_\_ Position: \_\_\_\_\_ Date: \_\_\_\_\_

**Section F: Overall Assessment/General Feedback from the Appraisers Manager**

Comments:

Provisional Rating Awarded:  
(subject to confirmation by the PRI Panel)

Name [please print]: \_\_\_\_\_ Position: \_\_\_\_\_ Date: \_\_\_\_\_

**PLEASE RETURN COMPLETED APPRAISAL FORMS TO THE HR SECTION BY 30<sup>th</sup> JUNE EACH YEAR.**

**Performance Related Pay – Incremental Progression**

If you are awarded an ‘Outstanding’ or ‘Excellent’ rating then you may be eligible for an increment and/or a lump sum payment in accordance with the Council’s Performance Related Pay Incremental Progression Scheme as follows:

<b>Rating</b>	<b>Within Salary Scale</b>	<b>On Maximum Point of Salary Scale</b>
<b>Outstanding</b>	<b>1 Increment plus lump sum of 1% of basic salary</b>	<b>Lump sum of 1% of basic salary</b>
<b>Excellent</b>	<b>1 increment</b>	<b>-</b>

The final decision regarding incremental progression and/or a lump sum payment will be determined by the moderation panel and confirmed by the HR Section in writing to all relevant staff by 31<sup>st</sup> July each year. All increments awarded will be paid in August and backdated to 1<sup>st</sup> April.

A copy of the Council’s Performance Related Increments (PRI) Policy is available from the HR Section or the Council’s intranet.

## **Appendix 4**

### **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 each year 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). This will be paid as a one-off lump sum payment, each and every time an award of "Outstanding" is achieved.
- 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 Council 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 1<sup>st</sup> 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 1<sup>st</sup> April.

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

<b>Performance Appraisal – Overall Rating</b>	<b>Increment Status from 1<sup>st</sup> April 2016</b>	
	<b>Within Salary Scale</b>	<b>On Maximum Point of Salary Scale</b>
No overall rating - too early to assess; or No overall rating - insufficient	No increment	-

service due to absence		
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 prior to the appraisal meeting.

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 and/or Lump Sum Payment**

Increments and/or lump sum payments will be awarded each year in accordance with the rating matrix above.

Where an employee is awarded a rating below 'Excellent', 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 years. Any agreed training and support 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 is 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 year's appraisal process, which is 30<sup>th</sup> 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). The award of an increment and/or lump sum payment will not be confirmed by the PRI Panel if the performance indicators set are not SMART.

### **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 individual's strengths and achievements, any lessons 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 Appraiser's 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 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 is 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 1<sup>st</sup> 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. The grievance will be considered by a senior manager who has not been involved in the appraisal process. However, employees are encouraged to discuss their concerns with the manager who conducted the appraisal, their line manager or HR in the first instance.

## **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.

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- 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.

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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:

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

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

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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 1<sup>st</sup> 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.

**EQUALITY IMPACT ASSESSMENT – INITIAL SCREENING TEMPLATE (IST)**

Initial screening needs to take place for all new/revised Council policies. The word ‘policy’, in this context, includes the different things that the Council does. It includes any policy, procedure or practice - both in employment and service delivery. It also includes proposals for restructuring, redundancies and changes to service provision. This stage must be completed at the earliest opportunity to determine whether it is necessary to undertake an EIA for this activity.

<b>Name of Policy:</b>	Performance Related Increments (PRI) Policy
<b>Lead Officer (responsible for assessment):</b>	Kathy Batey, HR & Facilities Services Manager
<b>Department:</b>	HR & Facilities
<b>Others Involved in the Assessment (i.e. peer review, external challenge):</b>	Richard Quayle, Director (Support Services)
<b>Date Initial Screening Completed:</b>	28.02.15

- (a) **What is the policy trying to achieve?** i.e. What is the aim/purpose of the policy? Is it affected by external drivers for change? What outcomes do we want to achieve from the policy? How will the policy be put into practice?

The new Performance Related Increments (PRI) Policy is designed to recognise and reward individual high performance by providing an opportunity for staff to receive an extra 1% of basic salary (as a one-off lump sum payment) for ‘Outstanding’ Performance and for those not at the top of their salary scale, an increment for ‘Excellent’ or ‘Outstanding’ Performance. Historically, progression through incremental spinal column points has been automatic, with increments awarded on a time served basis until the maximum spinal column point has been reached. It is proposed that the final automatic increase will be paid to staff in April 2015, when the new appraisal scheme will be implemented and all employees within the scope of this policy will move to a scheme of PRI from 1<sup>st</sup> April 2016.

Employees will be awarded an increment and/or lump sum payment based on the overall rating from their annual appraisal, subject to moderation by the PRI Panel.

The PRI 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. The PRI panel will be responsible for the monitoring of decisions made for equality purposes.

- (b) **Who are its main beneficiaries?** i.e. who will be affected by the policy?

All employees will be directly affected by the introduction of the new appraisal scheme and PRI policy.



- (c) **Is this assessment informed by any information or background data?** i.e. consultations, complaints, applications received, allocations/take-up, satisfaction rates, performance indicators, access audits, census data, benchmarking, workforce profile etc.

**Workforce Profile:**

At the end of September 2014, the Council had 186 members of staff, 123 (66.3%) of whom were female and 63 (33.7%) were male. Of those 186 staff, 81 worked on a part time basis, accounting for 43.5% of our total workforce. 67 (82.7%) of those part time staff were female and 14 (17.3%) were male.

The age distribution of the workforce at that time is shown below:

Age Range	No of Employees	%
18-24	6	3.24%
25-34	29	15.68%
35-44	38	20.54%
45-54	66	35.68%
55-64	37	20.0%
65-74	8	4.32%
Over 75	1	0.54%

8% of the workforce were recorded as being from an ethnic minority group, as shown below:

White Irish	4
Any other white background	6
White and Black Caribbean	1
White and Black African	2
White and Asian	1
Any other mixed background	1

Nine employees, representing 4.8% of the workforce, were recorded as having a disability.

- (d) Does this policy have the potential to cause a positive or negative impact on different groups in the community, on the grounds of any of the protected characteristics (please tick all that apply):

**Ethnicity**  
**Gender**  
**Disability**  
**Gender Reassignment**  
**Pregnancy & Maternity**

X
X
X
X

**Age**  
**Religion or Belief**  
**Sexual Orientation**  
**Marriage & Civil Partnership**  
**Caring Responsibilities**

X
X

**Please explain any impact identified:** i.e. What do you already know about equality impact or need? Is there any evidence that there is a higher or lower take-up by particular groups? Have there been any demographic changes or trends locally? Are there any barriers to accessing the policy or service?

The potential impact on any of the above protected characteristics has been considered throughout the development of the proposed policy and has resulted in the following:

1. The number of performance indicators (measure of outputs) have been limited to five, although additional ones can be added if deemed essential for that particular year. This will

- ensure that energy and effort is being directed in the right direction and towards the achievement of important priorities for the Council. The requirement to set a performance requirement against every accountability in the job profile for the post has been removed.
2. The introduction of performance requirements (general and management) enables Appraisers to assess performance against actions and behaviours (in addition to outputs), that are relevant to all jobs on the Council's establishment.
  3. Recognition that staff may be absent from work due to maternity/paternity and adoption leave, long term sickness, career breaks and absence due to a recorded disability and sets out how the rating scheme will be applied in these circumstances.
  4. There will be no restriction applied (ie. quota) on the number of people that can achieve either an "Excellent" or "Outstanding" rating. The budget for incremental progression will continue to be based on the number of staff eligible for an increment in that particular year plus an enhancement to cover the lump sum payments of 1% of basic salary. Actual cost will be based on individual performance as assessed through the performance appraisal process and subject to final decisions made by the Moderation Panel.
  5. Discussions at the appraisal meeting will be based on evidence not on personalities or subjective views.
  6. In recognition that the majority of staff have been employed by the Council for many years and are at the top of their pay scale, the scheme includes the payment of 1% of basic salary (as a one-off lump sum payment) to those staff who achieve an 'outstanding' rating. Those not at the top of their pay scale will also receive an increment plus a one-off lump sum payment of 1% of basic salary for "Outstanding" performance. Staff will be eligible to receive the lump sum payment each and every time an award of "Outstanding" is achieved.
  7. A moderation panel will be established comprising of the Chairman or Vice Chairman of the Regulatory & Support Services Committee, HR Member Champion and a representative from Management Team, HR and Unison who will, acting in partnership, review provisional ratings to ensure that the scheme is applied fairly across the Council. The decisions made will be reviewed by the panel to ensure that there is no discrimination or bias in relation to ethnicity, gender, disability, sexual orientation, religion or belief, age, trade union membership or pattern of employment (ie. part time or flexible working).
  8. Regular 1:1 with line managers and a formal Mid Term Review will ensure that staff receive regular feedback on their progress against the performance indicators and requirements and ensure that agreed training and development needs are met.
  9. The Council's training and development activities and plans will be developed from the completed individual training and development plans each year and reviewed throughout the year.
  10. All staff will receive training on the new Performance Management (Appraisal) Scheme and PRI Policy.
  11. Any employee concerns regarding the accuracy or fairness of their appraisal can be raised in accordance with the Council's Grievance Procedure. In these circumstances the grievance will be considered by a senior manager who has not been involved in the appraisal process.

The scheme ensures that all employees have an equal opportunity to achieve performance indicators and demonstrate the required standards to progress through the pay scale and/or receive a one-off lump sum payment in recognition of their "Excellent" or "Outstanding" performance.

- (e) Does the policy affect service users or the wider community?
- (f) Does the policy have a significant effect on how services are delivered?
- (g) Will it have a significant effect on how other organisations operate?
- (h) Does it involve a significant commitment of resources?
- (i) Does it relate to an area where there are known inequalities, e.g. disabled people's access to public transport etc?

NO
NO
NO
NO
NO

If you have answered **YES** to any of the questions above, then it is necessary to proceed with a full equality impact assessment (EIA). If the answer is **NO**, then this judgement and your response to the above questions will need to be countersigned by your Director and then referred to the Council's Equal Opportunities Working Group (EOWG) for scrutiny and verification. Please forward completed and signed forms to the Senior HR Officer.

***Signatures:***

***Completing Officer:*** \_\_\_\_\_ ***Date:*** \_\_\_\_\_

***Director:*** \_\_\_\_\_ ***Date:*** \_\_\_\_\_



East Cambs  
Local Government Branch

### APPENDIX 3

27<sup>th</sup> March 2015.

Kathy Batey  
HR & Facilities Services Manager  
East Cambs District Council

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 19<sup>th</sup> 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)<sup>1</sup>.

**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

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<sup>1</sup> (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, reading "J. Cornwell". The signature is written in a cursive, flowing style.

**(Mrs) Julie Cornwell**

**Chair**

Unison - East Cambs Local Government Branch

*cc. John Hill, Chief Executive*

*Cllr Anna Bailey*

*Cllr Charles Roberts*