

URGENT BUSINESS AND SUPPLEMENTARY INFORMATION

Personnel Committee

6 February 2013

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
6.	(Pages 1 - 8)	Incremental Pay Progression and Appraisal Policies	Projects & Policy Manager	As a result of the finalisation of consultation with staff, senior managers and trade unions, the Draft Incremental Progression Pay Policy has now been updated. The original draft sent to both Committees was prior to the consultation taking place and the following amendments have been made:

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Incremental Pay Progression Policy

Addendum Personnel Committee 6 February 2013

As a result of the finalisation of consultation with staff, senior managers and trade unions, the Draft Incremental Progression Pay Policy has now been updated. The original draft sent to both Committees was prior to the consultation taking place and the following amendments have been made:

Amendment Requested Through Consultation	Amendment Made	Updated Policy Section No
Comments around consistency of appraisal and target setting.	The Incremental Progression Policy is a separate policy to the Appraisal Policy to which these comments refer. However training for all staff and managers on appraisals will be undertaken during February and March which will help deal with these comments.	Not applicable
A handful of comments were made about what happened to staff at the top of the incremental grade.	Staff at the top of the grade will not get an increment. Appraisals are still required.	3.3
Information about what happens to those on career grades required.	Approved career graded posts are excluded from the use of the Incremental Progression Pay Policy as they have their own progression arrangements. Appraisals should still take place.	3.3
How will staff on maternity and sickness be dealt with.	Appraisals will still be completed for a whole year and will be backdated if an appraisal is not completed at the same time as other staff.	3.5
Will more than one increment be awarded.	The general consensus has been that only one increment should be awarded. However consideration could be given to more than one increment being given in exceptional circumstances if appropriate	3.6

Amendment Requested Through Consultation	Amendment Made	Updated Policy Section No
	criteria could be agreed, and finances allowed. The Committees may wish for this to be considered.	
What will happen to staff who change posts during an appraisal year.	Two separate appraisals for each post. Scores to be averaged to determine incremental progression. But should weightings be considered for the length of time in each job?	3.8
Scoring queries for targets/objectives and competency sections, and the average score for gaining and increment. Were they correct in the original draft.	<p>The scoring for objectives/targets has been changed to:</p> <p>Fully Achieved (all aspects of objective achieved) 3 points</p> <p>Partially achieved (majority of elements of objective achieved) 2 points</p> <p>Some achievement (clear plan in place or at least one element of objective achieved) 1 points</p> <p>Not achieved 0 point</p>	4.1.2
	<p>The scoring for competencies has been changed to:</p> <p>Performs Exceptionally 4 points</p> <p>Performs Well 3 points</p> <p>Performs Satisfactorily 2 points</p> <p>Performs Unsatisfactorily 1 point</p> <p>Performs Poorly 0 point</p>	4.1.3
	Original average score threshold for increment of 2.5 unchanged.	4.2
Moderation panel clarification required.	This part of the policy has been updated and expanded to give greater detail around the panel makeup, what their role will be and the timings of moderation.	5

Amendment Requested Through Consultation	Amendment Made	Updated Policy Section No
Will the policy and pay be backdated to 1 October 2012.	This has already been agreed and communicated through staff communications but the policy also reflects this.	5.4
Appeals panel information required.	A section on appeals has now been added.	6
When and how will equal pay audits be completed.	Annually and maybe by an external consultant if no in house expertise.	7.1

There are two further considerations to be made by the Committee which include:

(1) The general consensus has been that only one increment should be awarded. However consideration could be given to more than one increment being given in exceptional circumstances if appropriate criteria could be agreed, and finances allowed.

(2) Should weightings be considered for the length of time in each job, where an employee changes jobs in the course of an appraisal year.

An updated Draft Incremental Progression Pay Policy is attached below.

Incremental Pay Progression Policy

1. Purpose

- 1.1 The purpose of this policy is to outline the Council's approach to incremental pay progression based on the agreed grading structure and appraisal process.

2. Introduction

- 2.1 The Council introduced an eleven grade pay structure from 1 April 2010, as a result of job evaluation, with a new set of terms and conditions that formed part of a collective agreement with the trade unions at that time. The grade structure has five increments per grade (with the exception of Grade 1 which has four increments), although incremental progression was frozen between 1 April 2010 and the 30 September 2012 for all employees on this pay structure with the exception of staff who have been in approved career grades. Therefore from the 1 October 2012 there is an expectation that an Incremental Progression Policy will be agreed and implemented. This policy is therefore the policy that outlines the process to be applied for incremental progression and the mechanism that would enable staff to be put forward for further increments on an annual basis. The mechanism for progression requires the use of the appraisal process and in particular the scoring used for targets/objectives and competencies.

3. Appraisal and Awarding Incremental Progression

- 3.1 The employee appraisal process is set out in the Performance Appraisal Policy. The overall purpose of the appraisal process is to:
- Set clear objectives
 - Consider development needs
 - Monitor and review performance
 - Review achievement against objectives
 - Recognise achievements
- 3.2 Appraisals will take place, for all employees, twice a year, including those on probation. This includes an appraisal that will set targets for the future year and assess targets for the past year (February/March) as well as a mid year review (October) that will ensure targets are still appropriate. Competencies will be assessed at the end of the appraisal year but these competencies are predetermined, and cannot be amended for each appraisal year. As stated in this policy, the outcome of the appraisal process is also used to determine if

an employee will receive incremental progression, based on average scores for targets/objectives and competencies. The detailed scoring is discussed later on in the policy.

- 3.3 The final appraisal that takes place in March each year will determine whether an employee should get an increment. If an employee is at the maximum of their grade they will not be eligible to receive an increment or any additional payment as this is deemed to be the highest pay for the post in line with job evaluation. Career graded posts will also be excluded for incremental purposes although appraisals should still take place in line with the Appraisal Policy.
- 3.4 If the outcome of the appraisal results in the employee being awarded an increment, then this will be applied from the 1 April that year, and the increase paid on the agreed pay date.
- 3.5 In exceptional circumstances, such as due to maternity and sickness absence, and in agreement with Human Resources, awarded increments can be backdated to April if an appraisal is undertaken after the original February/March date.
- 3.6 Irrespective of the overall score attained by an individual only one increment can be awarded in each year.
- 3.7 An employee must have been employed by the Council for one year to be eligible to be considered for an increment.
- 3.8 Where an employee changes job internally during an appraisal year, an appraisal cycle will need to be completed for each post that covers the incremental assessment period from the 1 April to the 31 March. This would therefore mean that a Setting Targets and Assessing Targets will be completed for each post. Each post will be scored individually but both scores will be used to gain an average to determine whether the score required to gain an increment is achieved.

4. Appraisal Assessment

4.1 Scoring Targets/Objectives

- 4.1.1 The first part of the appraisal form (Appendix 3 in the Appraisal Policy) is concerned with assessing individual performance against their personal targets/objectives. Points are awarded as follows:

4.1.2 Looking Back Objectives/Targets

Assessment Description from Appraisal	Score
Fully Achieved (all aspects of objective achieved)	3 points
Partially achieved (majority of elements of objective achieved)	2 points
Some achievement (clear plan in place or at least one element of objective achieved)	1 points
Not achieved	0 point

If an objective/target on the appraisal form is no longer relevant and it is agreed it should be removed where it can no longer be achieved through no fault of the employee's, this will not be taken into account for the scoring. However the reasons for removal/deletion must be clearly stated in the completed appraisal assessment form.

4.1.3 Competencies

The following are the competencies as listed on the appraisal form that are applied to all staff:

Communicating with Others
Customer Focus
Team Working
Innovation and Problem Solving
Technical Expertise

The following three competencies only apply to line managers and supervisors:

Supervisory Skills
Managing Change
Leadership and Management

The table below shows the scoring that will be used for competencies:

Assessment Description from Appraisal	Score
Performs Exceptionally	4 points
Performs Well	3 points
Performs Satisfactorily	2 points
Performs Unsatisfactorily	1 point
Performs Poorly	0 points

The assessment and score given will be for each competency area. Whole scores should be given for each competency and target/objective rather than

somewhere between two scores as these will be returned for review by the manager.

4.2 Incremental Progression Score

The total scores from the appraisal will be averaged out as below to determine whether an average score are **2.50** or above is achieved. This is the score required for incremental progression where an employee is not already at the top of the grade or is excluded from the use of this policy for other reasons.

The average score for objectives/targets and competencies is calculated by dividing the total score by the number of agreed objectives/targets or competencies being used for appraisal purposes. For example:

Objectives/Targets

Total score = 12

Total number of objectives = 6

Average score = 2

Competencies

Total score = 15

Number of performance indicators = 5

Average score = 3

Overall Assessment

The overall assessment used to determine incremental progression is as follows:

Objectives/Targets Average Score + Competencies Average Score ÷ 2

In this example the outcome is therefore $2 + 3 / 2 = \underline{\underline{2.5}}$

5. Moderation Panel

- 5.1 The Moderation Panel will be made up of a group of five, including two representatives from Human Resources, two from the Unison Executive and one from the Staff Consultation Group. The makeup being flexible to ensure there is independence and that the panel does not review service areas they work within. All members of the panel will have been trained in the appraisal scheme and this policy.
- 5.2 The overall outcomes from the appraisal process (scoring) will be subject to moderation by a panel to ensure that the appraisal scheme has been applied fairly and consistently across the organisation. Trends of high or low scoring will be moderated and may result in appraisals being reviewed by the manager and employee at the request of the moderation panel. Scores and possibly appraisal documentation will be moderated where an average threshold of between 2 and 2.4 is given. All staff receiving 2.5 or above will have their scores moderated and a sample of appraisals may also be

reviewed to ensure any trends can be supported. The moderation panel will also review scores and appraisal documentation for all staff who have changed posts during the previous appraisal year.

Please note: the purpose of the moderation is to review outcomes for incremental progression not to review the appraisal process and outcomes as this is a separate policy, but as supporting evidence for incremental progression, appraisal documentation may be requested by the panel .

- 5.3 Moderation will take place once all appraisals have been completed (excluding those that are governed by exceptional circumstances and have not yet been finalised). This should take place in April of each year.
- 5.4 Following moderation, a report with incremental progression outcomes will be sent to JMT for approval. HR will confirm the award of increments to the individual staff members by letter/e-mail and payments will be notified to payroll and payments made in the next available salary. Increments will be paid from the 1 April.
(Note: For Year 1 the start date will be 1 October 2012 where the first increment will be for 18 months).

6. Appeals

An Appeals Panel, made up of a Chairperson and a HR representative will be utilised to hear any appeals in relation to the process and outcomes of the incremental progression policy. The Chairperson will be a member of JMT and will be independent to the previous process and will be from a different service area to the appellant. Should a member of HR make an appeal then the panel will be made up of two members of JMT. All panel members will be trained.

Appeals will be heard within a month of the appellant's application for appeal and should the outcome of an appeal request a review of scoring then this may result in the score going up or down. If the score is reduced to below 2.5 whereas previously the score was 2.5 or higher then an increment will not be awarded in line with the policy.

There will be no further right of appeal.

7. Review and Equal Pay Audits

- 7.1 The impact of this policy will be reviewed annually, and where practical an annual Equal Pay Audit will also be completed, either in house or by an external consultant. As a result the policy may be reviewed and amended to reflect any negative or positive findings.