

South Northamptonshire Council and Cherwell District Council

Joint Commissioning Committee

14 January 2016

<p>Incremental Progression and Appraisal Policies Interim arrangements for 2016/2017</p>
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Report of Head of Transformation

This report is public

Purpose of report

To recommend an interim approach to manage the performance appraisals and incremental progression of all mainstream staff (excluding JMT) in the performance year 2016 – 2017 only and in doing so support the roll out of the new corporate competency framework as approved by both Councils in 2015.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Approve the updated interim Performance Appraisal Policy (Appendix 1).
- 1.2 Approve the new interim Incremental Progression Policy (Appendix 2) for implementation, in support of the corporate competency framework during 2016/17.

2.0 Introduction

- 2.1 Following the adoption of a Business Case for Joint Working by CDC and SNC in February 2015, Organisational Development was included as a transformation programme workstream. The objectives of this workstream are focused around ensuring the Councils have a workforce that is able to deliver the Councils' strategic objectives and meet the challenges facing the sector in the long term.
- 2.2 The first major piece of work to be undertaken within this workstream has been the development of a new corporate competency framework. This framework sets out a series of behavioural competencies for the workforce which reflect the future working requirements of both councils.
- 2.3 The new corporate competency framework was approved by JCEEC and JCC in July 2015, and as a result work has now commenced on reviewing HR policies to complement the new framework and ensure both Councils gain maximum benefit

from it over the next 3 years, as we begin to implement the new confederation operating model.

2.4 The performance year 2016/17 will be a transitional year where staff can start to understand and use the new corporate competency framework. Staff already use the old competency framework as part of appraisals however it is proposed that the new competency framework will not be directly replaced in the appraisal process i.e. old for new but that staff will be required to self-assess against role profiles developed for each role which will allow them to use the framework. This will become an objective for all staff during the 2016/17 appraisal year.

2.5 **Role Competency Profiles**

2.6 Each job (including all JMT roles) across the two councils is currently being profiled against the new corporate competency framework.

2.7 The role profiling will provide a description of the different levels each role is required to perform at within the new corporate competency framework, whilst also helping employees and their managers to recognise the skills gaps that currently exist and to put development plans in place to address those gaps in a positive way. An example of what a role competency profile will look like is attached at Appendix 3.

2.8 Staff will receive role competency profiles in June 2016 for the posts they occupy and will be invited to self-assess against the profile ahead of mid-year appraisals (July – end September 2016).

2.9 The intention is to carry out self-assessment (i.e. each staff member will be able to undertake an online self-assessment against the framework), where feasible, in order to identify areas for personal development and to aid workforce planning.

2.10 **Incremental progression through salary grades**

2.11 The current appraisal process includes assessment against the achievement of performance objectives and the old suite of competencies.

2.12 Currently, for CDC employees, an average score of 2.5 or above results in an incremental step through the salary grade.

2.13 For SNC employees, whilst the scoring of performance objectives is also carried out, the results are not averaged to determine incremental progression through the pay grade. Instead, SNC employees who are paid below the maximum of the salary grade receive an automatic increment yearly, unless it has been withheld for reasons such as a disciplinary sanction.

2.14 In order to ensure fairness and consistency across both Councils and especially within shared teams it is recommended that incremental pay progression should now apply in the same way to all mainstream staff, and that the current CDC model be adopted at SNC. This excludes Members of JMT whose pay increments are determined following appraisal with agreement of the Chief Executive in consultation with the Leaders of both Councils.

3.0 Report Details

- 3.1 The existing performance assessment methodology is not appropriate for deployment in the 2016/17 appraisal year given the new corporate competency framework has been now been adopted, and the old competencies remain in the current appraisal policy. There are also two additional issues that need to be considered when proposing changes to the current policies.
- 3.2 Firstly it would be unfair to use the new corporate competency framework at the 2017 year end to determine pay progression within current salary grades as the role competencies profiling project work will not be completed and shared with staff until June 2016. For some this would amount to four months following the setting of their annual performance objectives and agreement of personal training plans (i.e. not a full performance year).
- 3.3 Secondly, because we want to encourage employees to positively engage with the new corporate competency framework and associated role profiling and assess their development against it in an honest and open way, and ultimately help build their confidence in the framework and the wider strategic transformation programme.
- 3.4 The new corporate competency framework is deliberately stretching. Consequently we expect to identify gaps in terms of the competencies we need in the longer term and the competencies we have in our workforce now. Identification of these gaps is essential to effective organisational development, training and workforce planning. For this reason the focus of the corporate competency framework must be upon employee development at the outset and not assessment or the regulatory aspects of performance management, and particularly not pay (at this stage). In the longer term we will need a rewards and recognition strategy that does not disincentivise staff who identify gaps in their performance and who are prepared to address them.
- 3.5 In order to achieve this it has been considered important to review both the Performance Appraisal Policy and the Incremental Progression Policy, with a view to providing interim arrangements for the 2016/17 year only so that a full review of reward and recognition can take place at the same time.

The Performance Appraisal Policy is already a shared policy and the draft policy has been updated as detailed below:

- To assess against achievement of performance objectives only in the performance year 2016/17 and reference to the old competency framework is removed.
- To embed the principle of personal development plans and responsibility for personal development being a core competency.
- It is also proposed that three additional “core” performance objectives will apply to every employee (including JMT). These include:
 - To have carried out a self-assessment against the new corporate Competency Framework to *identify* development areas (fully achieved).

- To have agreed a personal development plan (PDP) including any developmental areas identified as part of the self-assessment, as well as professional or technical training/development requirements (fully achieved). This does not mean that development will have taken place.
- Mandatory training and corporate requirements (e.g. Data protection e-learning certificate, employee code of conduct form submitted and up to date, proof of business use car insurance where relevant) have been met within the required timescale.

3.6 Incremental Progression in 2016/17

In the performance year 2016/17 all mainstream employees (CDC and SNC), except members of the Joint Management Team, will progress through their salary grade by one increment in April 2017 if they have achieved an average performance score of 2.5 or above, have also completed the three standard objectives as stated in 3.5 above. Incremental progression is also subject to two additional key principles, notably; i) that there is enough “headroom” within a salary grade to actually progress. If the employee has already reached the maximum point of the salary grade no further pay progression takes place within that role, or ii) that the employee does not occupy a career graded post

- 3.7 At present all staff are assessed against the old competency framework. Reference to the old competency framework will be removed from the policy and process for appraisals, and it will not be used for incremental progression within the proposed interim shared Incremental Progression Policy for 2016/17 performance year. However it is deemed important to ensure both policies are equally applied across both Councils, and the draft policies are now fully shared.

3.8 Training

To ensure effective implementation of the new corporate competency framework, along with changes to both appraisals and incremental progression policies, if approved during the democratic process, training will be provided for all line managers in January / February 2016. Further specific training will also take place for all staff during April / May 2016, prior to the role profiles being sent out to them and prior to the implementation of any electronic system being used for self-assessment.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Each Council currently uses a competency framework for limited reasons, mainly linked to performance through appraisals; however this is based on the old competency framework. Consequently the appraisal process needs to be reviewed and updated to enable the new corporate competency framework to be rolled out and offer a more balanced approach to performance and employee development, which, when combined together, can offer significant organisational benefits and growth..
- 4.2 In order to give enough training, support and encouragement to staff to be honest in their self-assessment against the new role profiles, it is perceived to be necessary to remove the old competencies for the 2016/17 appraisal year. This will enable

staff to use and become familiar with the new corporate competencies prior to being assessed against them at some future point in time.

- 4.3 With changing the Performance Appraisal Policy it also important to review the Incremental Progression Policy to support both the corporate competency framework roll out and the need to continue to harmonise HR policies across both Councils.
- 4.4 Building and implementing a competency framework that is based on the future skills, attitudes and behaviours of all staff will also support a change in organisational culture as we move towards the new confederation operating model, whilst also ensuring that better outcomes are achieved for both Districts. Without this such changes will be more difficult to achieve.

5.0 Consultation

The following stakeholders have been consulted during the development of these interim arrangements:

Unison – SNC	Positive feedback given with a few changes that have all been included.
Unison - CDC	Positive feedback given with very few changes.
Staff Consultation Group – CDC	Positive feedback given with a few changes and requests for training and effective communication during the roll out.
JMT	Positive feedback given with a handful of changes mainly linked to word meanings and clarity around the link to the competency framework for incremental progression.
Managers at CDC and SNC	Very limited feedback given.
JCEEC (14 January 2016)	Verbal update will be given as the committee is on the same day as JCC.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Retain the current policies which would not support the future changes required by both Councils.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report. Incremental progression is already funded as part of budget setting process and there is unlikely to be any increase in costs as a result of these policies. If agreed resources will be required to ensure that the new/updated policies are rolled out effectively for both Councils. This can be met from within existing budgets.

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Legal Implications

7.2 There are no legal implications arising from this report.

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Document Information

Appendix No	Title
1.	Draft Performance Appraisal Policy (interim arrangements for 2016/17)
2.	Draft Incremental Progression Policy (interim arrangements for 2016/17)
3.	Example Role Competency Profile
Background Papers	
None	
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