

**APPENDIX 2**



**Northampton Borough Council**

**PAY PROGRESSION POLICY**

**August 2010**

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## **1. INTRODUCTION**

This document sets out the details of the Council's progression scheme.

## **2. SCOPE**

The scheme will apply to all NJC employees of Northampton Borough Council with effect from 1 April 2013. The scheme will be phased in as follows:

- Grade 6 and above 1 April 2012
- Grade 5 and below 1 April 2013

Staff in phase 2 of the scheme (grade 5 and below) will continue on annual service increments in 2012. This phased introduction will allow the Progression Scheme to embed in the organisation. Any amendments to the scheme can then be made prior to rolling the scheme out to the majority of employees.

## **3. AIMS OF THE SCHEME**

The scheme has been designed to provide a more structured and focused link with individual and Council performance. The aims of the scheme are to:

- Recognise and reward employee achievement;
- Recognise and reward organisational performance;
- Align organisational and individual performance targets; and
- Improve motivation.

The scheme has been designed on the principles of being fair, equitable and easy to understand and administer. The scheme must be seen to demonstrate value for money and be affordable for the Council.

## **4. THE SCHEME – GENERAL**

The key features of the recognition scheme are:

- Time-served incremental pay progression will be discontinued;
- Pay progression through a grade will be earned by assessment;
- Employees will be placed into one of four ratings following their Appraisal and Performance Review each year;
- Pay Progression increments will be consolidated;
- The "Performance Year" will be 1<sup>st</sup> April through to 31<sup>st</sup> March.

## 5. THE SCHEME - ASSESSMENT

Overall performance will be based on either an assessment of both the organisation and the individual or individual dependent on the grade the individual falls within.

### Individual Employee Assessment

Individual employee assessment will be provided by the Council's Appraisal and Performance Review Scheme. The appraisal and Performance review scheme is based on an annual cycle of April to March and is linked to the corporate plan and service plan process. This measures the employee's overall performance against objectives and behaviour levels. As such it provides a rounded assessment of the individual contribution made by the employee to the Council.

Employees will be placed into one of four 'ratings' as follows:

Rating	Description
Exceeds expectations	<p>The employee has exceeded most/all objective targets and target behaviours required.</p> <p>It is anticipated that relatively few employees will be in this category. This rating should be used for employees who make a consistently high and valued contribution to the organisation.</p>
Meets expectations	<p>Most/all objective targets and target behaviours have been achieved to a satisfactory standard.</p> <p>It is anticipated that the majority of employees will be in this category. This rating should be used for employees who make a consistent and valued contribution to the organisation.</p>
Meets some expectations	<p>A number of objective targets and target behaviours have not been met. Improvement is required in a number of areas in order to reach satisfactory standards.</p> <p>It is anticipated that relatively few employees will be in this category.</p>
Fails to meet expectations	<p>All round poor performance. No objective targets or behaviours have been met. Significant and immediate improvement is required. The employee requires an immediate action plan agreed with their manager and HR.</p> <p>It is anticipated that few employees will be in this category.</p>

Employees' individual performance ratings will be subject to a moderation process to ensure consistency of approach across the Council.

### Moderation Process

Following the collection and analysis of employee ratings by human resources a report will be produced for each service area. A moderation panel will review the results for the service. The role of the moderation panel will be:

- To critically review the distribution of employee ratings;
- To review evidence for poor and exceptional ratings;
- To challenge employee ratings that appear inconsistent with the scheme's objectives;
- To recommend changes to employee ratings if appropriate; and finally
- To propose acceptance of amended ratings.

The moderation panel will be consist of:

- The Chief Executive
- Service Director (not from the service being moderated);
- Head of Human Resources or nominated representative;

The Management Board will have responsibility for approving the overall final set of progression results for the Council.

### Organisational Performance

The council's overall performance will be assessed based on a number of performance indicators. These indicators include:

- Summary of the internal Corporate Action, Improvement and Performance Plan;
- The Audit and Inspection Letter, which includes the Direction of Travel Report;
- Key Lines of Enquiry;
- Peer Review reports (subject to availability).

Using the above measures organisational performance will be placed into one of 3 categories, as follows:

Category	Description
Under Performing	The Council is failing to deliver most/all of its services to a satisfactory level. Significant improvement is required immediately to reach adequate levels of council performance.  Link to CAA
Performing	The Council is delivering services to a satisfactory level in most/all areas. Performance improvement is required in most/all areas in order to achieve Highly Performing.  Link to CAA
Highly Performing	The Council is delivering most/all services to a consistently high standard. Most/all BVPI's will be in the upper quartile.  Link to CAA

## 6. THE SCHEME – REWARD MATRIX

For those staff who are linked to organisational and individual performance rating the progression structure to be paid to employees will be based on the following matrix:

Organisational Assessment	Individual Performance Rating				
		Fails to meet expectations	Meets some expectations	Meets expectations	Exceeds expectations
	Under Performing	0	0	1	1
	Performing	0	1	1	2
Highly Performing	0	1	2	2	

For those staff who are linked to individual performance rating the progression structure to be paid to employees will be based on the following matrix

Individual Performance Rating			
Fails to meet expectations	Meets some expectations	Meets expectations	Exceeds expectations
0	1	1	2

## 7. ELIGIBILITY

To be eligible for the scheme employees must have at least six months qualifying service in post.

### 7.1 Disability Discrimination

All employees who are covered by the DDA will as part of their annual appraisal have reasonable adjustments considered when objectives are set with regard to potential absence due to DDA and adjustments to objectives if appropriate.

## 8. ABSENCE

In general employees who are absent will continue to be eligible for inclusion in the progression scheme.

### 8.1 Maternity Leave

Employees absent for part of the performance year will have their performance assessment based on the time they were present. If employees are absent for an entire year the previous year's rating will be used. If this is

not available a rating of “meets expectations” will be used. The employee will have a right of appeal upon return to work. Consideration will need to be given if an employee is not present over 2 consecutive progression years.

### **8.2 Long Term Sick Leave**

Employees on long term sick leave will continue to be eligible for the scheme (up to a limit of six months absence, after which they will no longer be eligible). Individual performance will be rated for the part of the performance year they worked. If the employee is not present for their appraisal and performance review then the previous year’s rating will be used. If this is unavailable then a rating of “Meets some expectations” will be used.

### **8.3 Unpaid Leave**

Employees who take more than six months unpaid leave in the performance year will not be eligible for the scheme.

## **9. LEAVERS**

Employees must be employed in April of that year and have completed a Appraisal and Performance Review prior to their contract ending.

## **10. APPEALS**

Employees will have a right of appeal against their individual performance assessment. Appeals must be made in writing to the relevant Director. Appeals must be made within 10 working days of the date of the review being signed off by the senior manager. This will need to be prior to the moderation process.

## **11. SCHEME MONITORING & REVIEW**

This scheme has been developed to achieve the stated criteria above. The Council reserves the right to monitor, investigate or change the scheme and to review its operation following implementation. The Council will periodically review the scheme to ensure that it continues to meet its objectives. This review will be carried out in conjunction with the recognised trade unions through the consultative process adopted by the Council (currently MTUCM).

## **12. TERMINATION OF THE SCHEME**

The scheme will be terminated if it is deemed to have fallen into disrepute and/or is clearly not contributing to achieving the desired outcomes.

The scheme will be terminated by providing three months written notice to employees affected. In this event alternative arrangements will be agreed through a consultative process with the recognised trade unions.

### 13. ANNUAL PROCESS

The following table describes the annual process to be followed each year.

Action	Action by	When By
Appraisal and Performance Review meeting between individual and their line manager.	Individual and their line manager	TBD
Personal Appraisal and Performance Review signing off process.	Head of Service is responsible for ensuring all PPR are signed off	TBD
All Appraisal and Performance Review documentation and employee ratings collected and analysed by Human Resources.	Head of Human Resources	
All Appraisal and Performance Review ratings are moderated by Human Resources, Directors and Heads of Service.	Head of Human Resources in conjunction with relevant Heads of Service and Directors	
Performance ratings are equality analysed by Human Resources and report produced for Management Board.	Head of Human Resources	
Progression results approved by Management Board.	Head of Human Resources and Management Board	
Results actioned by Payroll <ul style="list-style-type: none"> <li>▪ Increments backdated to 1<sup>st</sup> April.</li> </ul>	Payroll	