

# Pay, Benefits and Performance Management Scheme

**October 2018**



# Pay, Benefits and Performance Management Scheme

This document outlines the Council's pay, benefits and performance management scheme. Our intention is to have a scheme which is competitive and fair and which will:

- Attract, retain and motivate its people.
- Reward good performance.
- Encourage and reward the expected behaviours.
- Ensure equality and transparency.
- Pay at least equivalent to the Living Wage.

## Scope

The scheme applies to all employees of the Council. Payments will be reduced pro-rata for part-time colleagues unless otherwise stated.

## Underlying principles

The Council is committed to delivering outcomes for citizens through rewarded, motivated and high performing employees. Managers will play a key role in applying this scheme and its effectiveness and credibility will be directly impacted by their actions. Each manager will be required to attend the training provided and they will be expected to apply the scheme appropriately and consistently, and justify their decisions as required. Managers will be required to agree key objectives and priorities with employees and discuss desirable and undesirable behaviours. Senior managers will have a responsibility in ensuring the application of the scheme is fair in discussion with Human Resources and UNISON.

## Pay

### Grade Framework

The grade framework comprises of 12 grades with 3 pay zones. There are no over-lapping grades.

Each employee is paid a 'fixed' rate salary.

Linked grades will apply to some roles only where there is a defined structure to determine the steps in the link and that these are clear, transparent and measurable. This allows for maximum flexibility within the framework. Movement to the next zone within the higher grade is dependent upon a recommendation from the line manager supported by a senior manager/CMG.

Outside the main framework, there are five trainee grades which will mirror the pay levels of the National Minimum Wage and apprenticeship pay and therefore indexation will not apply. A flexible benefit will be available set at the equivalent of grade W1 for trainee grades. These grades are used for junior roles and are part of the Council's ambition to create employment opportunities for those new to employment.

### Pay range

The pay range describes the distance from the bottom to the top of a grade. This is often smaller for lower salaried roles than it is for higher salaried roles as there should be more latitude in these roles to account for complexity, responsibility and decision making.

### Pay zones

The pay range within each grade is divided into three pay zones creating three mini pay ranges within each grade. The zones allow for the pay progression tool to be applied to all grades based on an assessment of behaviour, skill and performance. Within each grade movement to the next zone is not restricted.

It is anticipated that most new appointments will be made within zone 1 of the grade but this will be dependent on qualifications and experience and assessment of internal comparators where appropriate.

## Performance and Development Review

Each year employees with their managers will be required to participate in a Performance and Development Review (PDR).

This review is designed to cover:

- The contribution and performance of an individual.
- Individual behaviours.
- Learning and skill requirements.
- Health and wellbeing.

The PDR process is used as a tool to assess performance by linking it to behaviours. Employees are assessed on the basis of both **how** they go about their work and **what** they achieve. The **'how'** is defined through the 'behaviours' and the Council's values/priorities and the **'what'** is expressed through the achievement of objectives and priorities.

Completion of a vocational qualification supported by the Council will be included as part of an assessment of performance.

### Performance rating

At the end of the PDR process employees are given a rating in relation to objectives and behaviours. Four performance ratings are available A, B, C and D. A 'no rating applied' rating can be selected where employees have not yet completed their probationary period or the PDR assessment follows a long period of absence.

## Performance ratings and descriptors

Rating	A	B	C	D
Objectives	All achieved and some exceeded.	All achieved	Most achieved	Few, if any achieved
Behaviours	Demonstrates all the behaviours at the required level on a consistent basis and, if available, some at the next level	Demonstrates all of the behaviours at the required level on a consistent basis	Demonstrates most of the behaviours at the required level on a consistent basis	Rarely demonstrates any of the behaviours at the required level and can display negative behaviours
Overall Descriptor	<b>Exceptional</b>	<b>High performing</b>	<b>Satisfactory</b>	<b>Underachieving</b>

The combined assessment for both elements (objectives and behaviour) will determine the overall performance rating awarded, illustrated below. This overall rating will then be used within an award matrix to determine points to be awarded to each employee.

## Overall performance rating

		BEHAVIOURS			
		A	B	C	D
OBJECTIVES	A	A	B	B	D
	B	B	B	C	D
	C	B	C	C	D
	D	D	D	D	D

### Award matrix

The award matrix sets out the points that are awarded to individuals based on the overall performance rating and relevant pay zones for their grade. It forms a pay progression framework devised to control and determine how an individual will move through their salary range based on an assessment of behaviour, skills and performance.

The points in the award matrix do not represent a fixed pay value or percentage increase awarded to employees. Instead, these points represent the relative value of the performance rating awarded to each individual to be converted to a cash amount variable each year dependent on the budget available.

Overall Performance rating	Zone 1	Zone 2	Zone 3	Indexation
A	120 points	110 points	100 points	Yes
B	90 points	80 points	70 points	Yes
C	60 points	50 points	40 points	Yes
D	0 points	0 points	0 points	No

Employees achieving an overall performance rating of A, B or C in pay zone 1 will receive higher increases than those in pay zone 2, who in turn will receive higher increases than those in pay zone 3, although receiving the same overall performance rating. This enables staff performing well to progress steadily through the first zone of the grade.

Employees at or above the maximum of their pay range will receive a non-consolidated payment to the value of the relevant increase awarded, so paid as a lump sum, which is not added to salary (unless the maximum of the pay range is increased in line with indexation).

The points are weighted when converted to cash to ensure equal percentage increases across the grade ranges.

The Council also recognises the need to consider the cost of living each year to address rising prices. An indexation will be applied to grade framework and/or flexible benefit table when budget assessments conclude this is affordable.

## Performance Development Review assessment period

The PDR assessment period will normally run from November to January each year. The period to be assessed will from the 1 January to 31 December each year, with progression payment applying from 1 April and included in the April salary.

## The Behaviour and Skills Framework

To ensure the Behaviour and Skills Framework is fully embedded in the performance management culture of our organisation links have been created within the PDR process.

There are 7 behaviours within the Framework:

- Shaping our Future
- Leading our People
- Delivering for our Customers
- Making Change Happen
- Team and Partnership Working
- Communicating Openly
- Performance Management

## New employees

If an employee successfully completes their probation by the end of the assessment period then a PDR and assessment will be undertaken and a rating will be applied. If an employee completes their probation after the assessment period a PDR will be completed and 'no rating' should be applied by the manager. Managers with new starters should obtain further advice from Human Resources before any assessment is undertaken.

If a 'no rating' is applied for a new starter, the Line Manager may consider a pay review outside of the PDR process linking it to the completion of the employee's probation period. This pay review will be based on the employee demonstrating the correct behaviours and aptitude.

## Flexible Benefit

In addition to pay, the Council offers a flexible benefit scheme for all employees. The flexible benefit is based on a scale according to grade as illustrated in the [grade framework that is available on ewokplus](#).

The scheme allows employees to make choices as to how they wish to utilise the flexible benefit available to them.

The car leasing scheme is open to all employees who will be able to offset the annual cost of a leased vehicle against all or part of their flexible benefit. Any further cost can be met directly from salary deductions. Any vehicle will need to meet the Council's prevailing environmental and safety criteria the details of which are available on ewokplus or from HR.

The public sector season ticket (PSST) can be purchased using the flexible benefit allowance. Employees can opt in and out of this scheme as required.

Any remaining unused flexible benefit can be taken as cash at 80%, payable with monthly salary, subject to the normal deductions or at 100% if an employee confirms that they normally travel to and from work by means other than a privately owned vehicle.

Roles on a linked grade will receive an increase to their flexible benefit following progression to the next linked grade.

## Vehicle allowance

The Council recognises that some roles require essential items in order for them to be carried out effectively and efficiently. These items may include a vehicle where no other methods of transport are available or practical. Therefore the Council provides an additional job related vehicle allowance to roles where it has been agreed by the Corporate Management Group (CMG) that a vehicle is required and the flexible benefit is not adequate to secure the vehicle.

Employees can elect to take a cash alternative and provide a suitable vehicle for work purposes. All vehicles used on Council business must comply with the prevailing environmental and safety standards and be insured for business use for a payment to be made.

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## Online benefits

All employees have access to an online employee benefits tool delivered to us by our partner Sodexo. Via a 24/7, 365 on-line portal employees will be able to manage their benefits and take advantage of the offers available including access to 'preferential' discounts and unlimited savings from a long list of high street brands.

## Moderation

HR undertakes a moderation process to ensure the scheme is fairly and consistently applied internally and during the recruitment process. A review meeting is held to discuss and analyse the moderation findings. UNISON is encouraged at any time to raise concerns with HR or members of CMG about the process. Human Resources will also monitor the application of the scheme with reference to employee engagement data e.g. employee survey results and exit interviews.

The final decision to release payments to employees is with the Chief Executive together with CMG colleagues.

## Equalities

The Equality Act 2010 makes it unlawful for employers to discriminate between men and women in terms of their pay and conditions where they are doing the same or similar work; work rated as equivalent or work of equal value. The Council will ensure its employees continue to be paid fairly and equitably for the work that do, in comparison with other employees undertaking work of equal value.

## Appeals

If you have a grievance or complaint you should, wherever possible, start by talking it over with your manager. HR and Unison can also be involved in this discussion and you may be able to agree a solution informally between you. If the issue cannot be resolved informally then the Council's grievance procedure will apply in all cases.

## Summary

This scheme enables the Council to manage pay progression in a controlled as well as flexible, fair, transparent and adaptable way. The 'pay pot' for distribution to employees in support of pay related to performance is based on affordability and market pressures. It enables greater financial planning and control.

The scheme represents an important step in the further progression towards achieving a high performance culture where individuals are rewarded according to what they achieve in their role and how they achieve it. Its future success is dependent upon support from Members, CMG, UNISON, all managers and regular training.