

BRECKLAND COUNCIL

At a Meeting of the

LOCAL JOINT CONSULTATIVE COMMITTEE

**Held on Thursday, 4 December 2008 at 10.00 am in
Norfolk Room, The Conference Suite, Elizabeth House, Dereham**

PRESENT

Employers' Side

Mrs S.M. Matthews (Chairman)
Mr R.G. Kybird
Mr K. Martin
Mrs T. Hewett

Staff Side

Dr Z. Waterford (Vice-Chairman)
Mr M. Broughton
Mr J. Elliott
Mrs L. Heywood

In Attendance

Julie Britton	- Senior Member Services Officer
Ian Vargeson	- Member Services Manager
Trevor Holden	- Chief Executive
Maxine O'Mahony	- Human Resources Manager
Natalie King	- Principal Human Resources Adviser

26/08 MINUTES (AGENDA ITEM 1)

1) Christmas Office Closure (Minute No. 23/08)

In response to a concern about the local collective agreement covering the office closure over the Christmas period not being adopted due to the cancellation of the General Purposes Committee meeting on 26 November, the Chief Executive assured Members that although this agreement had not been officially adopted, the Minutes had been published on the Council's website and the period of closure had been advertised. The Minutes of the Local Joint Consultative Committee meeting held on 16th October 2008 would be adopted by the General Purposes Committee on 7 January 2009.

2) Any Other Business – Review of Constitution (Minute No. 25/08)

The Chairman was pleased to welcome Lesley Heywood to the meeting as one of the non-union staff side members.

3) Adoption

The Minutes of the meeting held on 16th October 2008 were confirmed as a correct record and signed by the Chairman.

27/08 APOLOGIES (AGENDA ITEM 2)

There were no apologies for absence.

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28/08 BRECKLAND PERFORMANCE MANAGEMENT AND PAY SCHEME (AGENDA ITEM 4)

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The Chief Executive presented the report which outlined the key reasons for the proposed amendments to the existing performance management and pay scheme.

The existing Breckland Remuneration and Reward Scheme (BRRS) had been implemented in 2007 and had replaced the former incremental-based Breckland Pay Scheme. The BRRS had the specific objective of linking pay increases to the level of performance achieved at work, rather than the length of time in post, in order to motivate staff and ensure fair and equal treatment of staff.

Following the implementation of the scheme in November 2007, workshops had been conducted by Human Resources with staff to obtain feedback and to provide further training where necessary. Since then, a survey had also been conducted by Unison and as a result a number of key themes had been identified (see appendix 1 attached to the report). Overall, the feedback results from Unison had identified that staff and managers were of the opinion that the current scheme was complicated for individuals to understand and too complex for managers to administer.

Against this background, the Human Resources team had used modelling software, and had consulted further with Unison and staff, with the aim of ensuring that the proposed performance management and pay scheme was simpler to operate and administer. This amended scheme would incorporate a clear and fair scoring mechanism, a fairer spread of awards across three specific categories, a consolidated award that would be affordable and that would encourage staff motivation and less frequent appraisal discussions. The specific categories had been divided into the following three occupational bands:

- Exceptional – 15% of staff – Basic Performance Increase (BPI) 2.5% + up to 4.5% Performance Rated Pay (PRP) award – total award 7%.
- Over achieving – 35% of staff - (BPI) 2.5% + up to 2.5% (PRP) award – total award 5%
- Performing – 50% of staff – (BPI) 2.5% - total award 2.5%

Staff at the top of the grade (TOG) would receive any award that took them over the top of scale as a non consolidated payment.

The options available to Members were:

1. To keep the existing BRRS performance related pay scheme.
2. To approve the aforementioned amendments to the existing scheme, incorporating the proposed split of ratings percentages (performing – 50%, over achieving –

35% and exceptional – 15%).

3. To approve the aforementioned amendments but base the split of ratings on ratings data once collected in April 2008.

The report requested that the amended scheme, as recommended, be approved.

A Member of the Staff Side circulated the results of a further survey that had recently been undertaken when 108 responses had been received. The Head of Human Resources reported that the total number of staff on the Breckland payroll was 350 so 108 only equated to one third of the staff. A Member of the Staff Side challenged the total number of employees given that last year 21 people equated to 10% of those eligible for bonus thus meaning a total employment complement of 210.

The Staff Side raised the following issues on the progression, moderation and transparency of the amended Scheme:

- Progression – not easily understood and defined
- Moderation – this was seen as a subjective process and was questionable. Many people had felt that it was unclear how it was going to be fair and how it was going to be applied.
- Transparency of the Scheme.

Against the results from the survey, a number of concerns had been raised and amendments suggested.

The survey had found that staff were uncertain as to what had to do be done to achieve high performing targets. The process needed to be fair, equitable and transparent. It was suggested that numerical based values could be built in to this part of the Scheme. In response, the Chief Executive advised that any appraisal system was, by its very nature, subjective regardless of whether that subjectivity related to a grade or a narrative value. The Scheme should be based on what that member of staff had been asked to achieve in his or her appraisal. Equally, however, one man's "Good" score might not be classed as another man's "Good". The scores that had been applied last year did effectively validate that the right people were in the right area. A score could be applied but that was why the alignment process had been incorporated so that the right people were in the right boxes of achievement. It was really important; however, that Unison challenged the credibility of the scheme and tested the results.

A Member of the Staff Side who managed a small team himself said that he could set a target to allow his staff to achieve exceptional performance but because of the costing element within the Scheme there would still be a risk that most of them would not get that particular bonus at the end of the year as it was dependent on what others in the authority had also achieved. The Chief Executive agreed that there was a possibility that a person could be *bumped out* of being "Exceptional" as the costs to this Scheme had to be ring fenced. In terms of the alignment process,

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this had been based on what someone had done against their objectives; everyone would be different. The Chief Executive felt that this amended Scheme was more open and transparent than the previous one.

The Principal Human Resources Adviser said that she had looked at what had happened last year with regards to the BRRS Scheme; tests against the interim ratings had emerged at what HR had anticipated.

Referring to the three proposed occupational bands, a Member of the Staff Side asked how met objectives would translate into these bands and how these would be ranked if there was a whole group that had been categorised as "Exceptional". It was also asked how, would someone who had been "bumped out" be selected. Another question related to the moderation figures and whether the results of this process would be made known to ensure that Unison Members' comments had been taken into account. There was also the matter of openness and trust issues that should be taken into consideration. Further to the above concerns it was noted that many of the questions listed on Appendix 3 of the report had not been addressed. The Chief Executive advised that in order to address the aforementioned concerns, Unison should have access to data from the start of the process then subsequently any comments could be fed through the Moderation Panel. Unison would then be allowed to see the results from the Panel four days prior to publication. Supported by appropriate training, this should hopefully address any concerns on trust and openness.

The observation was made that the recommendation had been poorly worded and that the progression table at paragraph 3.1.13 of the report should be more clearly presented.

The Chief Executive explained the elements of the table and highlighted the fact that the performing category was the only group that might not achieve any more money in comparison to the old scheme. A Member of the Staff Side asked how, until the Council had a measurable outcome, would it be known if the scheme was working or not. In response, Members were informed that there was a direct link from the person to the Council's objectives; as an organisation the Council was performing well.

Referring to paragraph 4.1.1 of the report, where it stated that the primary risk was the impact on morale and motivation of staff, a Member of the Staff Side expressed the view that the perception from staff was that their concerns had not been adequately resolved and that if this Pay Scheme was brought in he felt that employees would be more likely to move on. He considered that there was an undercurrent that staff were increasingly moving to a position of supporting a unitary outcome from the Local Government Review in view of the further erosion of terms and conditions in comparison with other Norfolk local authorities. There was no local authority that he knew of that operated a Pay Scheme such as this. The Chief Executive contested the above

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comments and felt that they were completely subjective. He highlighted the fact that Breckland Council had a good reputation as an employer – recruitment, misbehaviour, sickness or performance had never been a problem.

Referring to the aforementioned paragraph (4.1.1), the Principal Human Resources Adviser pointed out that this risk had been identified as a direct feedback from staff and Unison in 2007 following the implementation of the current BRRS scheme.

As far as transparency was concerned a Member of the Joint Committee asked whether this could be assisted by a grievance procedure. The Chief Executive advised that the approach this year, if someone had a grievance as to how they had been treated through the process; it would not be through the line manager's assessment.

Members of the Staff Side were quite happy that the amount of formal appraisals was being reduced but were concerned that this had been largely negated by the corporate encouragement of monthly one to one meetings.

Following a short break, the Staff Side representation indicated that the suggested improvements around moderation were cautiously welcomed but requested that the management issued a statement on this matter for clarification. On the issue of trust, it was agreed that the Staff Side would inform staff of the agreed moderation process and a further survey would be conducted incorporating the aforementioned improvements. It was further agreed that Management would urge staff to attend a Pay Scheme briefing.

After further discussion, the Staff Side was assured that all the arguments both for and against would be included in the General Purposes Committee report.

It was agreed that the HR Team would prepare a report for consideration at the General Purposes Committee on 7 January 2009 highlighting the issues raised above.

Subject to the outcome of a further survey of all staff, to be undertaken by Unison, it was jointly agreed to:

RECOMMEND to the General Purposes Committee that the amendments to the existing Performance related Pay Scheme, incorporating the split of ratings percentages (performing – 50%, over-achieving – 35%, exceptional – 15%) and taking account of the comments above, be approved as follows:

- 1) a Basic Performance Increase (BPI) be awarded as part of the annual pay award to individuals rated 'performing' and above;
- 2) the frequency of regular appraisal review meetings within the scheme be reduced from quarterly to half yearly;

- 3) the numerical scoring mechanism be replaced with performance ratings incorporating categories: 'capability', 'performing', 'over-achieving' and 'exceptional', with ratings dictating pay awards;
- 4) the consistency and fairness of moderation be improved through a more robust two staged moderation approach;
- 5) the non-consolidated bonus element of the scheme be incorporated into the consolidated salary budget, increasing the amount available for consolidated awards. Staff at or near the top of grade will have any increase that takes them over the top of their grade paid to them as a non-consolidated award;
- 6) the terms and conditions of the Performance Management and Pay Scheme be reviewed every three years. The percentage awards including the BPI will be renegotiated each year depending on the available budget.

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29/08 NEXT MEETING (AGENDA ITEM 5)

The next meeting of the Joint Committee would take place on Thursday, 5th March 2009 at **10.00am** in the Norfolk Room.

30/08 ANY OTHER BUSINESS (AGENDA ITEM 6)

In response to a concern about what had happened to the Health & Safety Consultative Group, Members were informed that the Group had been approved through General Purposes but needed to be followed up.

The meeting closed at 11.50 am

CHAIRMAN

VICE-CHAIRMAN