

HDC PAY AND REWARD

1. Background

HDC currently use an appraisal process for setting individual objectives. Subject to meeting agreed performance outcomes and affordability a decision is made on whether increments are paid with effect from 1st April each year (this applies to staff that are not at the top of the grade).

For 2018/19 a 1% Cost of Living Allowance was agreed to be paid to staff in December 2018, alongside a £200 non-consolidated bonus for 2017/18 performance for staff with an exceptional rating in their appraisal.

2. Objectives

- Outline options for rewarding staff for their performance for 2018/19
- Review how performance is measured in 2019/20
- Agree how Staff are Rewarded

3. Rewarding Performance 2018/19

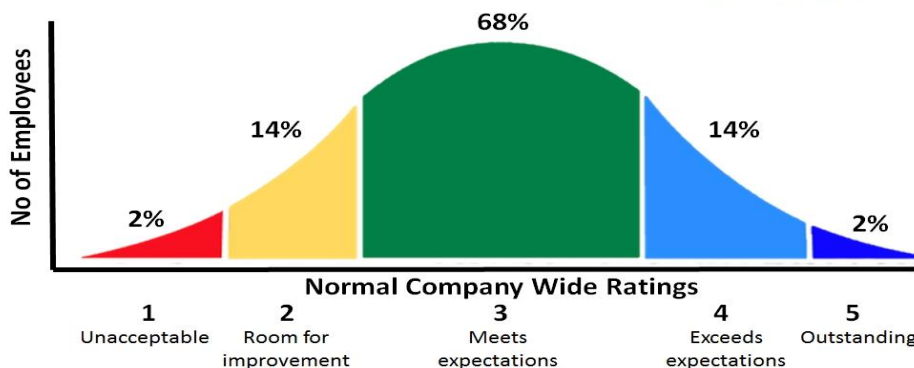
3.1 There were a number of options presented to Corporate Leadership Team (CLT) in relation to whether or how performance could be rewarded for 2018/19 and these included details on the benefits, risks and costs.

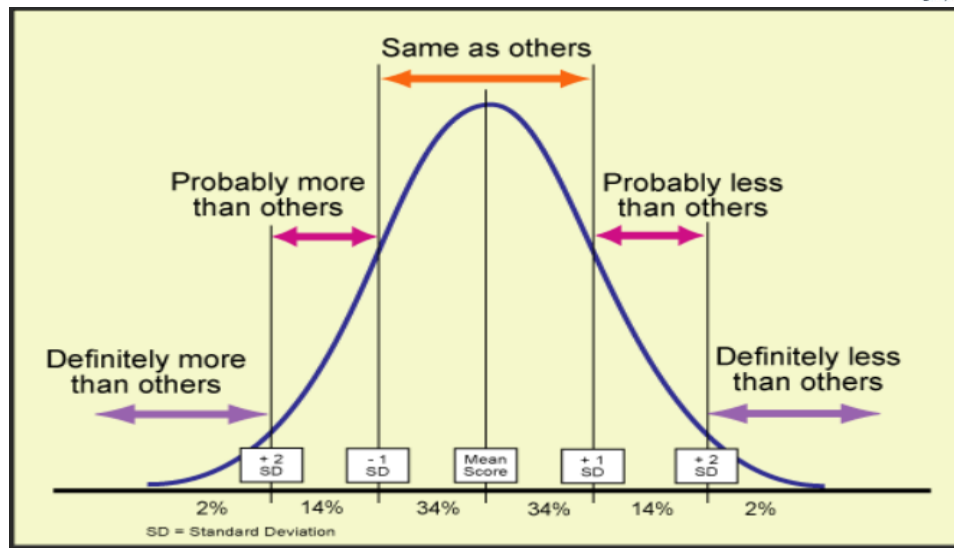
3.2 The following were also taken in to account:

- Affordability
- Pay scales that allow for Incremental Progression
- Support the culture for rewarding top performers
- Research on Bell Curves as outlined in the diagrams below (this refers to a normal distribution of performance among the workforce and provides a benchmark for the percentage of staff likely to fall in to each performance category).

Performance Review 1 to 5 Ratings Bell Distribution Curve

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3.3 **Recommendation** – To award increments and a non-consolidated bonus of £200, (for those at the top of the grade), for up to a maximum of 16% of outstanding staff.

4. Measuring Performance 2019/20

4.1 The People Group, (staff representatives across the Council) and other groups of staff were consulted about reviewing the appraisal process for last year. Although the form has been beneficial in creating the link between values and objectives there has been some feedback that there were some elements of the process that were not working as outlined below:

- Form not easy to complete
- Number of one to ones that don't always fit in with day to day objectives, which can make the process rigid
- 360 feedback not always constructive
- PDR's not signed off by managers manager
- Perception that there was more focus on the process rather than quality of discussion
- Time consuming - the current appraisal scheme requires a high volume of 'time' taking focus from productivity.

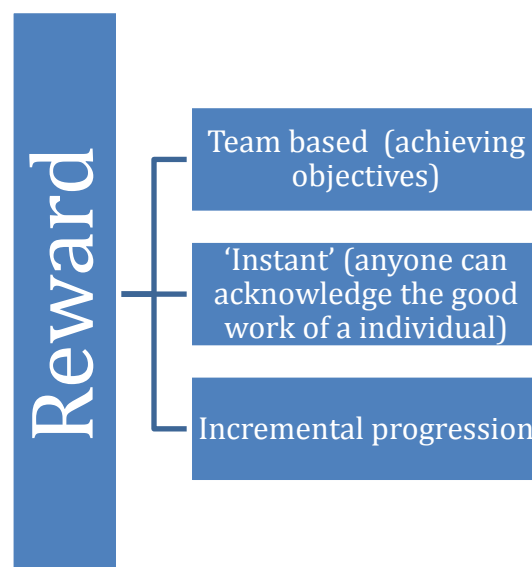
4.2 A number of discussions have been undertaken with staff groups, research from East of England Local Government Association and analysis of approaches adopted by other (non- local government) organisations. Due to nature of the forward thinking and innovative culture that is being encouraged at Huntingdonshire a number of private sector companies such as Google and Compare the Market were considered. These companies are using Objectives and Key Results (OKR's), which are based on measuring team performance on a quarterly basis. Furthermore companies, such as GE and Gap are also building objectives that are more fluid and changeable than annual goals with frequent feedback discussions rather than annual or semi-annual discussions. They focus on forward-looking coaching for development rather than backward-focused rating and ranking and a greater emphasis on teams than on individuals.

4.3 **Something different** – the proposal for 2019/20 is to stop carrying out appraisals and to move to using **Service Plans** as a way of setting Team based objectives. The reason for this is:

- Research indicates that teams that work together are far more effective and successful than individuals. One of HDC’s values is Collaboration and having a greater emphasis on team based objectives helps support and embed the value. Complex work often requires collaboration and this approach helps to shift the culture to working more in teams and across teams rather than silos.
- We want to encourage continuous discussion in relation to performance and stronger links with Service Plans and the Corporate Objectives;
- HDC have committed to promoting and encouraging smarter ways of working (LEAN and Mosaic programme) and the current appraisal system does not seem to demonstrate this;
- Focus on the quality of the discussion rather than completing paper work;
- Service Plans have already been drafted by every Team and they have been asked to involve their team – objectives are ready for 1 April rather than July (subject to some refining and feedback).

5 Rewarding Teams and individuals:

5.1 HDC wants to reward their staff and enhance motivation and morale, a scheme is currently being developed which will allow teams and individuals to be rewarded. This will be linked to the achievement of objectives and how staff use the values to carry out their role. The reward structure is likely to include 3 strands:



5.2 The People Group have been involved in developing options to have **team based rewards**. It has been proposed that a pot of money could be identified and set aside with a proportion for each Head of Service for rewarding Team based performance so that they celebrate achievements together. A scheme to buy annual leave will also be set up to contribute towards rewarding staff. Please note this is in early development but rewards could be based on examples such as:

- Bowling vouchers at One Leisure
- Vending machine for drinks for staff at Eastfield House to be free for a period of time.
- Cinema vouchers
- Breakfast for the team
- Afternoon tea for the team
- Fill the fridge with treats for the team
- Burger van
- Vouchers for team meal
- Rounder's game at One Leisure and use of BBQ

5.3 An '**Instant**' scheme is also being developed to reward individuals (colleague to colleague). Ideas for this include having a scheme where each employee can give one another a star per quarter and the more that they are given equate to rewards that can be redeemed. Types of rewards for individuals could include:

- Thank you post cards to acknowledge performance
- Cup of tea/Coffee
- Day off pass or 2 hours flexi or double the time for breaks, e.g. if they usually have 60 minutes give a credit of 30 minutes.
- Giving an hour for Pilates, walking group (health activity)
- Vouchers for restaurants, shopping, events and cinema, etc.
- Leisure membership
- Burgess Hall shows
- Heat experience at One Leisure
- Free swim or family swim at One Leisure
- Car parking space for a short period of time
- Dinner or theme park tickets for family for extra time and effort

5.4 A scheme for **Incremental Progression** is also being worked on and current proposals are through using a one page nomination form at the end of the year through which any staff member can nominate another for incremental progression based on values and performance.

May 2019