

AT A MEETING
- of the -
PERFORMANCE
MANAGEMENT WORKING
GROUP held at the Council
House, Walsall on
24 July 2006 at 6.00pm

PRESENT

Councillor Bird
Councillor Griffiths
Councillor Rochelle
Councillor Turner

OFFICERS IN ATTENDANCE

Paul Smith (Head of Human Resources)
Rob Flinter (Assistant Director, Performance Management)

SCRUTINY SUPPORT

Stuart Bentley (Scrutiny Officer)

1/06. APOLOGIES

Apologies were received on behalf of Councillors Towe and Young

2/06. KEY DISCUSSION ITEM

Councillor Bird welcomed Paul Smith to the meeting and asked if he would take the group through the paper on performance related pay (PRP).

(annexed)

Paul Smith gave the group an overview of the scheme and took the group through the paper.

Councillor Bird asked who made the PRP assessments.

Paul Smith replied that the assessments were performed by line management.

Councillor Bird asked if that could lead to inequalities due to subjectivity and differences in management styles.

Paul Smith replied that the assessment were linked to targets and that, following the appraisal, the forms came to him before going to payroll and, therefore, he was able to refer back any apparent inconsistencies. He then confirmed that a certain percentage of the PRP element was based on team targets.

Councillor Bird asked if team targets led to conflict in the team.

Paul Smith replied that the emphasis was on promoting teamwork.

Councillor Turner asked what the view of the unions on PRP was.

Paul Smith replied that PRP was introduced when post holders were recruited. There was subsequently consultation with staff on how the scheme would operate. The unions, although generally not in favour of PRP, have not raised PRP for these posts as an issue.

Councillor Turner asked if the career bar scheme still applied below the level of PRP.

Paul Smith and Rob Flinter replied that it was and gave examples of where it applied.

Councillor Rochelle stated that he felt that some of the assessment criteria were hard to quantify.

Paul Smith replied that the process did take time, as feedback from the individual performance management (IPM) process had shown, but that the benefits of the scheme far outweighed the drawbacks. The scheme had enabled the council to drive forward performance in a way previously not available to it. This was reflected in the council's improvement as measured under frameworks such as the comprehensive performance assessment (CPA).

Councillor Bird asked how it was possible to assess relationship with others.

Paul Smith referred to the use of 360-degree views regularly undertaken by managers and the use of data around the number of grievances against the manager, level of absenteeism amongst the manager's staff, staff moral, etc...

Council Turner then noted that a section of the IPM form mentioned internal audit recommendations and that audit committee had noted some problems in having some recommendations taken up. He noted with interest that this could affect the PRP of a director.

Councillor Bird asked if there was an appeals process.

Paul Smith replied that there was as the appellant could ask for an independent review, normally by the next level up of management. However, the chief executive's review was undertaken slightly differently in that it was statutory and undertaken by the leader and one other independent person. Appeals by the chief executive were heard in accordance with the joint negotiating committee for chief executives.

Councillor Bird asked if there had been any appeals.

Paul Smith replied that there had been none.

Councillor Bird asked if the targets were linked to performance indicators (PIs). If so, was there a tendency to focus on budget saving PIs in order to boost personal PRP payments resulting in less money for the little things that affected the grassroots of the council.

Paul Smith replied that targets were often linked to PIs but that a balanced approach to assessment was taken. It was about delivering priorities that may result in some services being deprioritised, which may not always be popular.

Councillor Bird asked how often the targets were reviewed.

Paul Smith replied that the targets were set annually with periodic reviews in between.

Rob Flinter confirm that the minimum review period for the IPM framework was 6 months, but that, typically, senior staff undertook reviews on a 6 weekly cycle.

Councillor Bird asked how consistently underperforming staff were handled with the PRP scheme.

Paul Smith replied that such staff were subject to the same conditions as all other members of staff and underperformance was addressed accordingly.

Councillor Griffiths asked how the partnerships and local neighbourhood partnerships (LNP's) were assessed.

Councillor Bird stated that he felt that the LNP's were not performing and asked how they fed into the overall framework.

Rob Flinter replied that user focus was a key issue within the corporate assessment process and the key lines of enquiry measure how well councils understand their local communities and neighbourhoods and provide community leadership. LNP's would be looked at as part of the overall assessment but at this stage it was difficult to provide an exact answer to this question. Things would become clearer following the completion of a gap analysis and the development of an action plan.

Councillor Rochelle stated that he felt the LNP's were working well but should have greater access to funds by having the neighbourhood renewal fund (NRF) monies allocated to them.

Councillor Bird asked if the PRP targets included any soft targets that the recipient could focus on first.

Rob Flinter and Paul Smith replied that there was a much more rounded approach to target setting with no single issues. They also confirmed that the LNP's would be part of someone's IPM.

Councillor Rochelle stated that it seemed that the PRP scheme was working well.

Paul Smith replied that it needed the right people in post to make it work, but that the recent strides forward by the council would suggest that things were working. He also felt that it help galvanise the team.

Councillor Bird asked if scrutiny should be recommending that the scheme be extended.

Paul Smith replied that, personally, he would recommend giving it serious thought. In the light of a very good IPM framework, it would be relatively easy to link in PRP. The council may also wish to look at one off bonuses for exceptional performance, and, as the council has vastly increased buying power as a large organisation, it may be able to offer discounts to staff as part of an incentives scheme.

Councillor Bird suggested that this might be a method for reducing sickness absenteeism. He stated that he was happy that the PRP scheme was working. He then asked how it might be moved forward and if there were any services where PRP might add value.

Paul Smith replied that he was currently drafting a pay and awards strategy for the council, which should be completed by October.

Councillor Bird asked that this document be presented to scrutiny before seeking cabinet approval.

Rob Flinter stated that any use of PRP or incentives schemes would have to be linked to single status and that full implementation of single status would require a further 18 to 24 months.

Councillor Turner agreed that single status would be the obstacle, as the council would need to be fair across the board.

Resolved

That the Performance Management Working Group;

- Receive a copy of the draft pay and rewards strategy, at its next meeting, and discuss options for further use of PRP and incentives schemes across the council.

TERMINATION OF MEETING

There being no further business, the meeting terminated at 7:00 pm.