



## EMPLOYMENT MATTERS COMMITTEE

14 JUNE 2017

### REPORT ON THE RESULTS OF THE MEDPAY PAY PROGRESSION AWARD SCHEME 2016/2017

Report from: Carrie McKenzie, Chief People Officer

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#### Summary

To update the Committee on the results of the Council's MedPay Pay Progression Award Scheme for the 2016/2017 reporting year.

#### 1. Budget and Policy Framework

1.1 The staffing implications of MedPay are a matter for this Committee.

#### 2. Background

2.1 On 17 April 2014, Full Council agreed to the implementation of the MedPay Policy.

2.2 The MedPay Policy set out how staffs were to be remunerated using a form of pay progression directly linked to the achievement of personal targets and reaching a specific level of competence. The annual Performance Development Review (PDR) process was introduced as the vehicle to be used by managers to discuss an individual's performance and also agree any areas of development.

2.3 When the scheme was launched there were three levels of PDR assessment outcomes, these being:

Level 1	Excellence – targets achieved consistently and some exceeded, competencies fully met or exceeded. In addition, evidence of delivering exceptional wider contribution that has impacted on service delivery.
Level 2	Performance to required standard – targets have been achieved and working at competency levels expected for the role.

Level 3	Performance improvement required – targets have not been met and/or competencies are below the required standard.
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- 2.4 At the meeting of the Employment Matters Committee on 9 September 2015, members agreed to a proposal to introduce a Level 1A and Level 1B, retaining Level 2 and Level 3. (The new L1A and L1B are shown below):

Level 1A	Exceeded the required standard with significant additional evidence of delivering exceptional wider contribution that has impacted on service delivery.
Level 1B	Exceeded the required standard

- 2.5 Individual performance outcomes are then linked to any pay award agreed by the Council. For the pay award 2017/2018, at their meeting on 23 February 2017, Full Council agreed to the following:

- 0.60% paid as a general cost of living increase (COLA);
- 0.40% paid in accordance with the performance arrangements as detailed under MedPay and in accordance with MedPay, staff who are at the top of their current pay range would only receive the COLA increase;
- Additional payment to those assessed as a 1a and a one off additional day's leave for those awarded as a 1b at appraisal and those staff awarded a level 2, but who are at the top of their current pay range.

### 3. MedPay results 2016/2017

- 3.1 The following assessments were recorded from MedPay 2016/2017

PDR Assessment Level	Number of staff	As a % of staff totals
1A	17	0.6
1B	172	7
2	1944	75
3	9	0.4
Other	461	17

“Other” includes not yet meeting the qualifying service criteria and some late entries on to the Self Serve 4 You system. Once staff have completed the qualifying service criteria (6 months) they will be assessed via their MedPay PDR and if eligible they will receive salary increases in line with paragraph 2.5.

- 3.2 As a comparator, the assessments recorded from MedPay 2015/2016 were:

PDR Assessment Level	Number of staff	As a % of staff totals (rounded)
1	23	1
2	2283	93
3	39	2
Other	90	4

#### 4. Advice and analysis

- 4.1 Directorate Management Teams (DMTs) and the Corporate Management Team have completed robust moderation of the recommendations at Level 1A & B and Level 3. The Chief People Officer attended all moderation meetings to ensure consistency of approach.
- 4.2 Staff who achieved a L1A performance outcome have received a personalised letter from the Chief Executive and their Director in addition to any salary increase and lump sum payment as detailed at paragraph 2.5.
- 4.3 The results of the Staff Survey 2016 showed that of those who completed the survey, 90% had completed their PDR, 89% had their key targets and objectives identified and 95% understood the competencies that they needed to demonstrate in their role. The Council will benchmark this data against the results of the Staff Survey 2017 (due later in the year) and will address any issues that are identified.
- 4.4 From the time that Full Council agreed to the pay award in February to those pay increases being applied for colleagues in time for the April salary payment, a number of teams within HR services dedicated a significant amount of time and effort in ensuring that colleagues across the Council receive the correct pay element relevant to their individual entitlement. The application of this year's award was even more challenging to apply due to extra leave entitlement for colleagues at the top of their pay range but due to the hard work of HR services personnel this year's processing was error free.

#### 5. Risk management

<b>Risk</b>	<b>Description</b>	<b>Action to avoid or mitigate risk</b>	<b>Risk rating</b>
Unequal MedPay assessments	Failing to undertake MedPay assessments in a fair and consistent manner across the organisation could lead to complaints of inequality from individuals. This would lose the integrity of the scheme.	Training is provided to all managers undertaking MedPay assessments.  HR Services to undertake a 'sense-check' analysis of levels awarded and rationale for pay progression decisions across the organisation.	E4

#### 6. Financial implications

- 6.1 This report is for update only and has no financial implications.

## **7. Legal implications**

7.1 This report is for update only and has no legal implications.

## **8. Recommendation**

8.1 The Committee is asked to note the report.

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### **Background Papers**

None

### **Appendices**

None