



EMPLOYMENT MATTERS COMMITTEE

12 JUNE 2019

REPORT ON THE RESULTS OF THE MEDPAY PAY PROGRESSION AWARD SCHEME 2018/2019

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Summary

To update the Committee on the results of the Council's MedPay Pay Progression Award Scheme for the 2018/2019 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.

- 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 2018/2019, at their meeting on 21 February 2019, Full Council agreed to the following:

- 1.60% paid as a general cost of living increase (COLA);
- 0.40% paid in accordance with the performance arrangements as detailed under MedPay. In accordance with the MedPay policy, colleagues who are at the top of their current pay range would only receive the COLA increase;
- An additional payment to colleagues assessed as a Level 1A (£1000 lump sum) and a one off additional day's leave for those awarded a Level 1B.

3. MedPay results 2018/2019

- 3.1 The following assessments were recorded from MedPay 2018/2019; the data from the three previous years have been added for comparison.

PDR Assessment Level	Number of staff awarded 2018/2019	Comparison 2017/2018	Comparison 2016/2017	Comparison 2015/2016
1A	22	21	17	23
1B	250	181	172	N/A
2	1625	1678	1944	2283
3	10	17	9	39
Other	92	86	461	90

"Other" includes staff who have not yet met the qualifying service criteria (6 months). Once this cohort of staff have completed their qualifying service they will be assessed via their MedPay PDR and if eligible they will receive salary increases in line with Paragraph 2.5.

- 3.2 The table below sets out the pay (and other) award(s) aligned to the PDR Assessment Levels:

PDR Assessment Level	Award
1A	£1000 + 1.6% Cost of Living + 0.4% Performance
1B	One additional day of annual leave for the 2019/2020 leave year +1.6% Cost of Living + 0.4% Performance
2	1.6% Cost of Living + 0.4% Performance
3	1.6% Cost of Living

Note: Colleagues who are at the top of their respective MedPay Pay Range do not receive the 0.4% Performance element of the pay award.

- 3.3 The data anomaly in 2016/2017 of 461 “Others” can be explained by the incorrect inclusion of a large number of casual employees who do not form part of the annual PDR cycle. As can be seen from the data in the other MedPay comparators, the actual position of “Others” is consistent.
- 3.4 Staff who have been assessed at Level 3 “Performance Improvement Required” have received the COLA element of this years pay award. All of this cohort are either on a Performance Improvement Plan or other formal arrangements to address their respective performance issues.
- 3.5 The tables below show a breakdown of the 2018/2019 results by gender, age, disability and ethnicity. This is the first year that the levels of self-reporting by colleagues of disability and ethnicity are at a level to make reporting meaningful, but there are no previous years comparative data; Gender and Age are in line with previous years.

3.5.1 MedPay results 2018/2019 by gender

	LVL 1A	LVL 1B	LVL 2	LVL 3
Female	14	185	1192	3
Male	8	65	433	7

3.5.2 MedPay results 2018/2019 by age

	LVL 1A	LVL 1B	LVL 2	LVL 3
16 to 19	0	1	35	0
20 to 24	1	10	89	0
25 to 29	2	20	116	0
30 to 34	1	30	154	2
35 to 39	3	32	171	0
40 to 44	3	31	167	0
45 to 49	3	42	188	1
50 to 54	5	34	221	3
55 to 59	4	34	221	2
60 to 64	0	14	187	2
65 and over	0	2	76	0

3.5.3 MedPay results 2018/19 by disability

	LVL 1A	LVL 1B	LVL 2	LVL 3
Yes	1	7	49	0
No	20	115	1525	9
Not declared	1	128	51	1

3.5.4 MedPay results 2018/19 by ethnicity

	LVL 1A	LVL 1B	LVL 2	LVL 3
White	21	231	1410	7
Multi Ethnic	0	1	17	0
Asian or Asian British	0	2	60	0
Black or Black British	0	4	71	2
Other	0	1	7	0
Not declared	1	11	60	1

4. Advice and analysis

- 4.1 Directorate Management Teams (DMTs) and the Corporate Management Team have completed robust moderation of the recommendations at Levels 1A, 1B and 3. The Acting Head of HR 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 respective 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 2017 showed that of those who completed the survey, 90% had completed their PDR (90% in the Staff Survey 2016), 88% had their key targets and objectives identified (89% in the Staff Survey 2016) and 96% (95% in the Staff Survey 2016) understood the competencies that they needed to demonstrate in their role.
- 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 and May salary payment, a number of teams within the HR and Payroll Teams dedicated a significant amount of time and effort in ensuring that colleagues across the Council received the correct pay element relevant to their individual entitlement.

5. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Unequal MedPay assessments	Failing to undertake MedPay 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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Appendices

None

Background Papers

None