

CITY OF PLYMOUTH

Subject: Competency Appraisals: Progress Report
Committee: Corporate Support: Overview & Scrutiny Panel
Date: 2 September 2010
Cabinet Member: Councillor Ian Bowyer
CMT Member: Director for Corporate Support
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Ref:
Part: I (ONE)

Executive Summary:

In October 2009 the Council implemented a new competency framework and appraisal system to improve the management of staff, productivity of the workforce and inform the investment in development opportunities.

Corporate Support OSP received an update in February 2010 on the progress of implementing and monitoring the system, although the data had not yet been analysed to provide much more than an overview – this detail is provided in this report.

Following the trial appraisals in the autumn 2009, we consulted with managers and staff and made a few revisions in preparation for the 'live' appraisals being undertaken in August 2010. The Council and the Trade Unions have signed a collective agreement that links the appraisal outcomes to annual increments – initiating a link between pay and reward and performance.

Case studies of the impact and initial feedback from managers and staff have been included to demonstrate the cultural shift and application of appraisals across a range of services within the Council.

Corporate Plan 2010-2013:

CIP13: Helping staff perform better – Increasing organisational effectiveness through the identification and implementation of interventions in key strategic areas.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The introduction of the Competency Framework and appraisal system has increase the demand for management and supervision time and time resources across the workforce. This is seen as an investment in building capacity, improving performance and developing our own talent.

Development of e-forms for appraisal reporting and the upgrade of SAP (Payroll) forms part of the ICT work plan to improve workforce reporting and e-enablement of internal transactions.

There are no direct financial implications as budget models assume all staff receive their annual increment. It is not considered a financial saving where staff do not receive their increment in relation to their performance.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

None

Recommendations & Reasons for recommended action:

- Note the report and progress made against CIP 13
- Continue to support and take an interest in the development of staff and the results and impact of the appraisal and competency systems
- Agree to receive a report on the current round of appraisals in Late 2010 / early 2011.

Alternative options considered and reasons for recommended action:

None proposed

Background papers:

Overview and information for staff about the new appraisal system:

<http://www.plymouth.gov.uk/homepage/staffroom/employmentinformation/performance/management/competencyframeworkappraisal.htm>

Competency framework

<http://www.information.plymouth.gov.uk/2006-intranet/documentlibrary/documents/Competency%20Framework%20Booklet%202.pdf>

Sign off:

Fin		Leg		HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Mark Grimley, Assistant Director											

1.0 INTRODUCTION

- 1.1 As part of Corporate Improvement Priority 13 – Helping staff to perform better, the Council agreed, in partnership with the trade unions, the introduction of a competency framework that all employees (excluding casual works and short term contracts) will be assessed against.
- 1.2 The competency framework consists of 9 Core Competencies, and 5 management competencies. These are shown in Appendix A. The competencies are behavioural which means that we develop a common set of behaviours across the Council and a consistent approach to managing employees.
- 1.3 There are 9 'job types' that define the level of competencies required. This helps identify the different development needs of groups of workers and allows a comparison by grade of the different type of work undertaken. This will be explained further in paragraph 2.3.
- 1.4 Between June 2009 and October 2009, managers and supervisors were trained in the application and use of the competency framework and involved in the development of the appraisal system in preparation for a Council-wide implementation of the appraisals in the autumn.
- 1.5 The first 'dry-run' of appraisals took place in October and November 2009, the results of which are discussed in section 3. Due to the nature of the appraisals the process took longer than anticipated. The final deadline for all appraisals was extended to January 2010, following which we reviewed why the appraisals were taking longer than anticipated.
- 1.6 The Council is currently (July / August 2010) undertaking the first round of 'live' appraisals. This round will provide a greater depth of reporting and will be the first time results are input through e-forms rather than paper returns (part of the reason for the delay in the 2009 appraisals). The results from this will be reported in October 2010, informing business planning and development plans for the next three year cycle, aligned to the new Corporate Plan.
- 1.7 In July 2010, the Council and trade unions concluded negotiations to link appraisal performance to pay. This was a principle adopted in the Single Status agreement in 2007, however it has taken a number of years to develop the competencies, appraisal mechanism and finally negotiated a link between pay and performance.
- 1.8 However, the link of annual increments to appraisals places great weight on reward for performance and the importance of conducting appraisals in a manner that challenges and supports the development of employees, and recognises them for the work they do.

2.0 COMPETENCY DESIGN

- 2.1 The competency framework provides a consistent approach to behavioural standards across the Council. In large organisations, the effectiveness in reducing inconsistency across management of staff and the customer experience is dependent on a common approach and clear expectations of behaviours and standards across the Council. This is achieved by our Core Competencies: every employee is expected to meet the required level of the core competencies, relevant to their job type and role.
- 2.2 For managers there are additional competencies to reflect their additional responsibilities in managing others, promoting value for money and joined-up working, managing resources effectively and making an impact in service delivery across the Council and working with our partners.
- 2.3 Each role profile (job description) within the Council is allocated a job type. These job types categories the type of work being undertaken and sets the appropriate level, for example all those jobs that have a significant customer interface, either face to face or over the 'phone will be required to meet the competencies of a 'Customer Facing Worker'. The job types are set out in table 2.1.

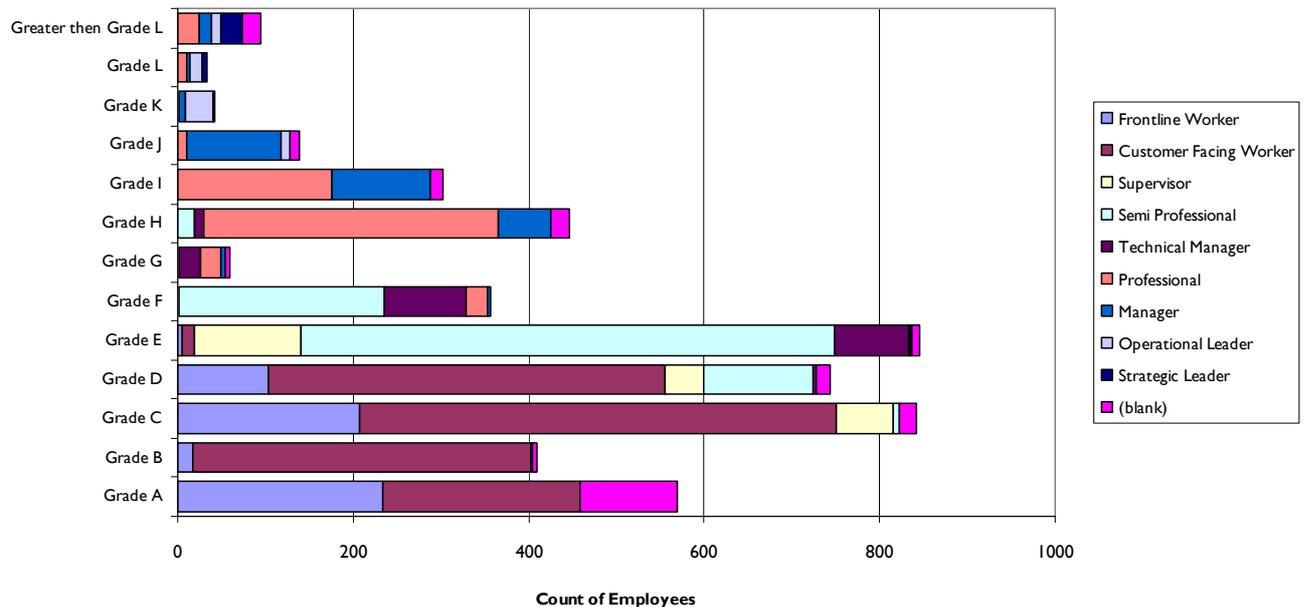
Table 2.1: Job Types and Competency Set Required

Job Type	Core Competencies	Management Competencies
Front Line Worker	✓	✗
Customer Facing Worker	✓	✗
Supervisor	✓	✗
Semi-Professional	✓	✗
Technical Manager	✓	✓
Professional	✓	✓
Manager	✓	✓
Operational Leader	✓	✓
Strategic Leader	✓	✓

- 2.4 The full set of competencies and levels, against job type, are set out in Appendix A.
- 2.5 The competencies are behavioural – setting out the actions and attitude towards the work undertaken. In a large and complex organisation like Plymouth City Council a behavioural framework is preferable to a technical (i.e. job specific) competency framework as this allows for the organisation to identify common trends and performance across job types and develops a consistency of expected behaviours. Additionally this strengthens the sense of belonging to a single organisation as opposed to individual departments, helping to reduce the silo-working that has been identified through the previous staff survey. It will also help the Council to identify the strengths

2.6 The distribution of competency types by grade is set out below in Chart 2.2

Chart 2.2: Distribution of Job Types by Grade

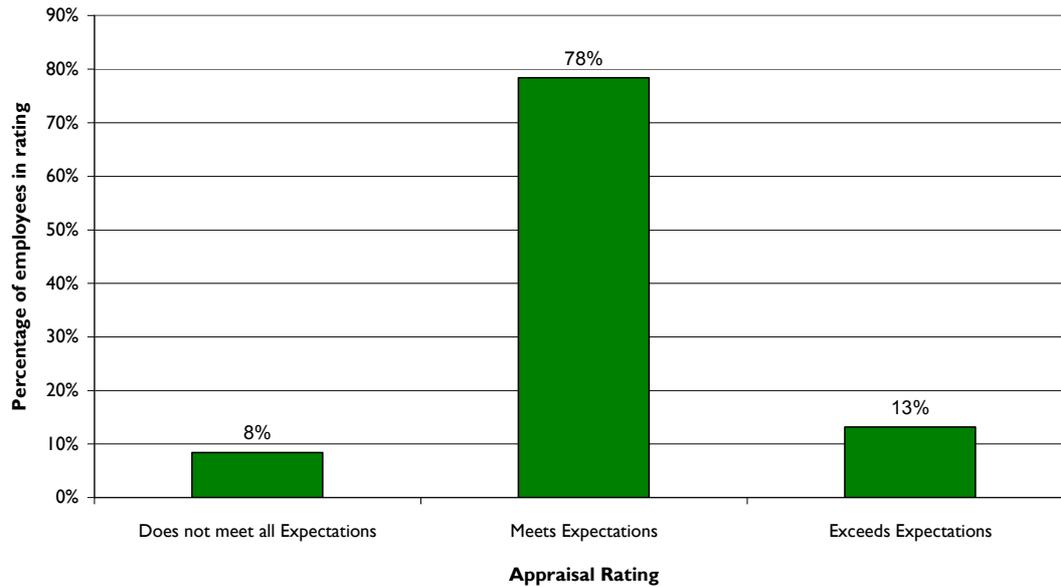


3.0 APPRAISAL RESULTS

- 3.1 Results for the current round of appraisals (period ending August 2010) are not due for submission until 30 September 2010. This report focuses primarily on the results and analysis for the first trial round of appraisals.
- 3.2 By the end of January nearly 90% of employees had had a competency-based appraisal. The remaining 10% formed a small number of employees who did not have an appraisal, those unavailable for appraisal (maternity, long term absent) and a significant number of casual workers such as tutors where it is evident it is impractical to appraise an individual who works on an ad hoc basis.
- 3.3 The overall outturn for the first round of appraisals in January 2010 followed a 'normal distribution' with the majority of staff meeting or exceeding expectations. However, a significant minority (8%) also failed to meet expectations. This is shown in Chart 3.1, below. This represents around 300 individuals.

Chart 3.1: January 2010, appraisal results

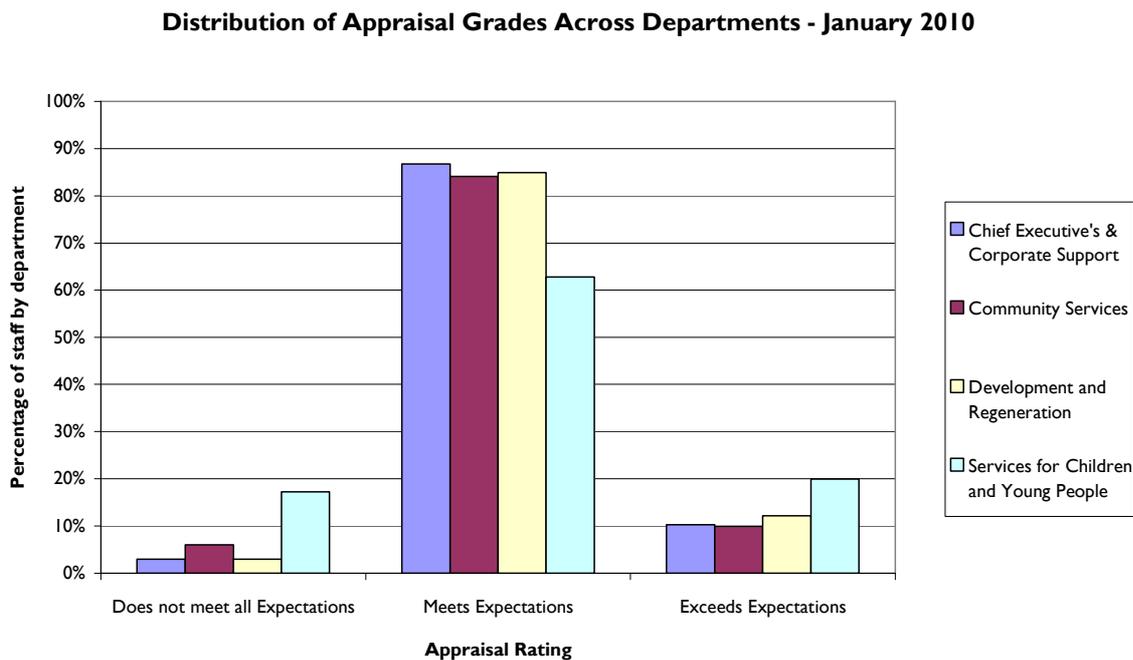
Appraisal Rating Distribution - Council Wide - January 2010



- 3.4 It is encouraging that over 90% are working to an expected standard and recognised that the Council has a committed and dedicated workforce, working hard towards corporate objectives and better outcomes for the city.

- 3.5 By Directorate, there are variances between the levels awards (Chart 3.2, below). In part, it can be seen that those departments with strong inspection regimes and those that have been a high priority for the Council have performed well (Children's Services) in exceeding expectations. Furthermore, the explanation for a 'high' level of 'does not meet expectations' in Children's Services is explained by a single service area where staff had not prepared for the appraisals and the managers took a strong line to reinforce the importance that the Council is placing on the appraisal system. This has been reversed in the August 2010 appraisals where the service area is showing that it is now in line with the Council norm.

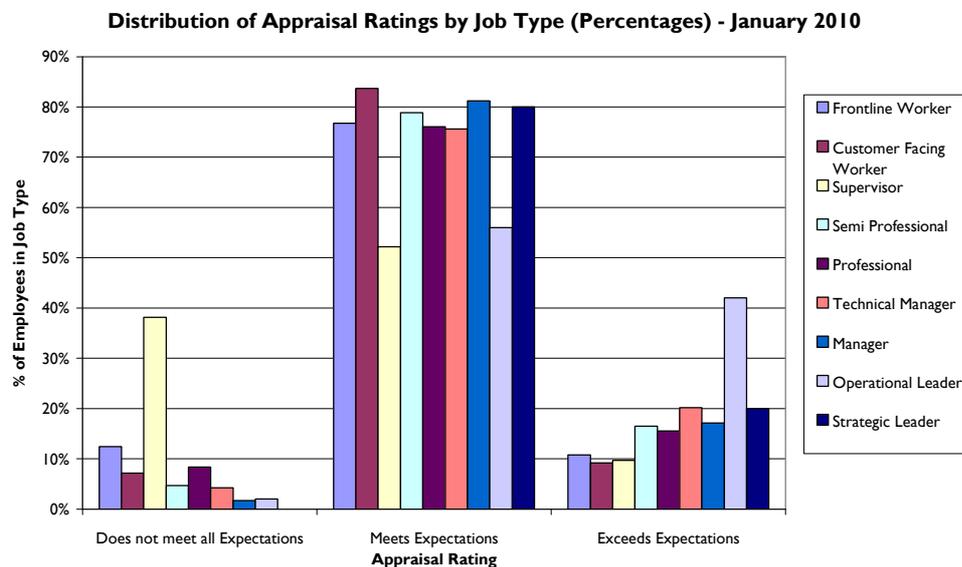
Chart 3.2: Directorate performance of appraisal outcomes



3.6 The information relating to job type performance is set out in Chart 3.3, below. On the whole there is a broad distribution of performance by job type, suggesting the Council's approach by job type, directorate and grade is consistent and that the system is bedding down well. Again, the notable exception for those that do not meet expectations is the single service area in Children's Services.

3.7 Of interest is the level of performance at 'exceeds expectations' with performance increasing the 'operational leader' job type – suggesting we have a significant amount of talent and a number of high performers who the Council can make better use of during these difficult times. This can also reflect the recent investment in management development and the recent recruitment rounds to attract new managers to the Council. This should be noted as important for the Council's succession plans.

Chart 3.3: Distribution of appraisal ratings by job type.



4.0 USING THE INFORMATION

- 4.1 Corporate Support OSP were particularly interested in how the appraisal system is being used to develop the workforce and support it through changing times.
- 4.2 As mentioned previously, the appraisal system and competencies are now linking performance and pay for the first time. This has been a big step for Plymouth and part of the cultural shift that will focus more on rewarding performance and creating an environment where standards are clear. At the same time, it should be recognised that those who are not performing are recognised as requiring support to improve performance – the appraisal should not at any time be used as a means for punitive action. Where there is poor performance this should be tackled at the time. The appraisal should help in identifying development needs and setting clear, measurable targets to assess progress and performance –whilst making it clear to the employee of the expected standards.
- 4.3 At each appraisal the employee and manager have the opportunity to examine development needs, potential obstacles to performance (or enhancing performance and delivery) and development objectives.
- 4.4 The personal development plan is submitted to Human Resources & Organisational Development for analysis. The first round of appraisals identified a need to collect this information in a more systemic way (see section 5, below). None-the-less the development plans inform the corporate learning & development programme. To this end we have focussed the programme on a narrower range of skills and immediate courses. In the longer term, we will be developing a wider 'talent management strategy' that supports the development of staff in their technical roles, behavioural competencies and future career aspirations.
- 4.5 A key change since the January 2010 appraisals has been recognising the success of the EMDP – the Council's management development programme – and a move of resources into focussing more on developing leadership over management skills. The success of operational and team managers in the appraisals system suggests an element of stretch is required, as well as a movement in investment in leadership throughout the organisation – at all levels to support the transformation programme over the next few years.
- 4.6 Additionally, we are looking now at mapping through all training and development opportunities provided in house and purchased externally to analyse how the council directs its resources and supporting workforce development. Examples of good practise in workforce investment exist in children's services, school leadership, adult social care and in professional areas such as legal services (where they now provide in house training), customer services (ISO accreditation) and accountancy where we are now an accredited CIPFA training centre. We are seeking a greater consistency across the Council for opportunities in workforce development linked to information received from the appraisal system.
- 4.7 A full workforce review is being prepared to link the Council's staff survey, appraisal and development information and future workforce needs is underway bringing together the workforce development teams across the Council (children's, schools, adult social care, work based learning services and corporate workforce development) to improve this and align programmes to the next 3-year Corporate Plan.

- 4.8 However, it is recognised that these are still early days and more work needs to be done to provide a full analysis of the data. Key outputs that can be reported to Corporate Services OSP will include the Talent Management Programme looking at the investment and development of skills from attracting the right candidates through to career progression schemes and programmes such as the recent apprenticeship model that Plymouth City Council has adopted – something being watched very closely by the National Apprenticeship Service as a new national model for apprenticeships.
- 4.9 At a local level, managers are also reporting that the appraisal system is helping them identify better ways of managing the workforce, identifying talent and developing the workforce and individuals. A selection of comments from across a range of services in response to the appraisal system is set out in Appendix B.

5.0 FUTURE DEVELOPMENT

- 5.1 Already mentioned above, the appraisal system and competency-based behaviours has provided a common platform for bringing together the different workforce development teams and work on a single talent management approach – seeking to retain and develop our best performers, support those who need to improve and identify the ‘solid’ team members who work hard to deliver for our customers.
- 5.2 We are also able to identify good practise – where individual service areas are improving and sharing that learning across the organisation.
- 5.3 Improving our ability to analyse the data to target decreasing resources for workforce development is vital to maximising our investment in people. To this end, all appraisals are now being returned through an online methodology – including development plans. Previously the Council could only record whether or not an individual met, exceed or did not meet expectations. In future we will be able to review each competency and level and seek to target our resources at areas where we can support and grow the organisation’s capacity and capability.
- 5.4 Following feedback from managers, some front line staff appraisals took a disproportionate amount of time to complete. We are reviewing the depth and breath of appraisal required of some front line staff that work a small number of hours. For example, tutors are assessed annually as part of their professional development through classroom observations. These observations will form the larger part of appraisal.
- 5.5 The final results for this round of appraisal are expected to be completed by the end of October 2010 with the staff survey completed by November 2010. Together both sets of information will provide a very powerful evidence base to set out the next three-year workforce development plan aligned to the Corporate Plan and seek appropriate resources to development interventions that continue to support and grow the development of Plymouth City Council into a consistently excellent council – and one that is recognised by our residents as such.

- 5.6 Finally, it should be recognised that Councils that introduce a competency framework and appraisal system linked to pay often find it difficult to achieve. Ply mouth City Council managers have exceeded expectations and have taken seriously the importance of appraisals and have placed great importance on quality conversations with employees.
- 5.7 This has been a significant achievement for the Council as a whole, led by a commitment from Councillors, the chief executive and directors.

APPENDIX A

Table A1: General Competencies and levels by job type

	Strategic Leader	Operational Leader	Manager	Professional	Technical Manager	Semi Professional	Supervisor	Customer Facing Worker	Frontline Worker
Achieves Results (AR)	5	4	3	3	3	2	2	1	1
Adapts to Change (AC)	5	4	3	3	3	2	2	1	1
Communicates (CO)	5	4	3	3	3	3	2	2	1
Develops Self (DS)	4	4	3	3	2	2	1	1	1
Embraces Equality (EE)	4	3	2	2	2	2	1	1	1
Focuses on Customers (FC)	5	4	3	3	3	2	2	2	1
Plans and Orders (PO)	5	4	3	3	3	2	2	1	1
Supports the Organisation (SO)	4	4	3	2	2	2	2	1	1
Works with Others (WO)	5	4	3	3	2	2	2	1	1

Table A2: Management Competencies by job type

	Strategic Leader	Operational Leader	Manager	Professional	Technical Manager	Semi Professional	Supervisor	Customer Facing Worker	Frontline Worker
Develops Others (DO)	3	3	2	-	1	-	1	-	-
Impacts and Influences (II)	4	3	2	2	1	-	1	-	-
Leads People (LP)	4	4	3	-	2	-	1	-	-
Manages Resources (MR)	4	3	2	-	1	-	1	-	-
Manages Risk (RK)	4	3	2	2	1	-	1	-	-

APPENDIX B: FEEDBACK FROM MANAGERS AND TRADE UNIONS

Below is a selection from across the Council of direct feedback on how the competency appraisal system is working. This has not been edited and shows a positive approach towards the appraisal system with areas for further development:

Community Services : Adult Social Care

Teresa thinks that the new appraisal system has made a dramatic difference in Dom Care. When the appraisals were first introduced Teresa developed some consistent examples of performance at the levels required in each competency. These have been applied consistently in both rounds of appraisals and Teresa has seen an improvement in standards across the board, i.e. more people met requirements this time than last time.

Teresa and the Dom Care Team Leaders have discussed and developed key targets linking to the corporate plan and team plan. They have found the appraisals a really useful tool to help bring these down to an individual level, for example adding more focus to discussions with staff on performance, allowing staff feedback, and tracking goals etc.

Teresa has also set up a noticeboard with information linking to the above demonstrating connections for staff so that they can understand how their efforts as individuals are making a difference to the team, unit costs and the bigger picture.

Overall, Teresa has found that staff have been a lot more engaged with the appraisal process under the new system, e.g. staff have been preparing and bringing evidence with them to the appraisal to discuss where they have met the competencies etc.

Corporate Support: Customer Services

"Its really much better than anything we've ever had before. I'm quite impressed with it. I think the adapted version, which was changed from last year, is 10 times better. It shows that the issues I raised were listened to and used to make improvements. On the whole the trade unions have also been helpful in helping explaining things to staff where there have been questions or concerns.

I think the competency link to pay is a useful tool. I wonder if in the future we could look at it being possible to develop a mechanism of reducing pay for poor performers as we did at the Royal Mail."

Current guidance about how to decide on the overall rating could be firmed up / clarified. One potential issue arose when an employee achieved exceptional scores on 5 out of 9 competencies, but was felt by their team lead to meet expectations rather than exceed. (had factored in wider work performance not just the competencies) The employee was not happy with this and at one stage it looked like it was going to be escalated into a full on dispute when GMB intervened. Fortunately a UNISON rep also got involved and helped to bring sense to things with the employee. The employee has now accepted their rating.

Children's Services: Education Catering

Education Catering management team (Brad Pearce & Grace Hughes) have further interpreted the corporate behaviours into specific, job focussed behaviours and measurements (eg. "Adapts to Change" corporate behaviour in this context includes "willingness to adapt to new recipes and menus") and distributed this additional guidance to staff and managers.

Improvement in appraisal ratings from 09 to 10 – see over- demonstrated improved understanding of the appraisal process in Catering Assistants and Kitchen Managers as well as the meanings of the competencies.

Improved level of supervision and performance management now evident – Kitchen Managers now understand that to improve performance in staff they need to refer to specific real-life examples of good and poor behaviour and compare this to the corporate and departmental standards.

Children's Services: Passenger Transport

Disparate area, Passenger Assistants escorting most vulnerable children to school. No "work base" and only 1 manager managing 210 passenger assistants.

Previously no appraisals undertaken and minimal / no supervision of staff.

Drive to undertake appraisals meant all staff were assessed for the first time in 2009. See email below for quotes on success, including:

"The new appraisal process and the expectation of some supervisory assistance following the consultation process earlier this year has encouraged most PA's to feel that for the first time, they will receive regular support, advice and acknowledgement for their role which includes daily contact with children, parents, school staff and colleagues."

Comments from the Trade Unions

Unite – the Union

The Competency Framework and Appraisal system is an important tool for our members to engage with their managers and gain their support to assist our members in attaining responsibility for and control of their personal development.

However, we mustn't be complacent, staffside and management have a responsibility that the principles of the Competency Framework and Appraisal system are followed and applied consistently across the Authority. Also, we have a particular responsibility to support and encourage those areas across the Local Authority who have historically been unfamiliar with this process.

UNISON

I've become aware of a team in Housing which has had half the team fail their appraisals, I'm meeting with the local rep next week so there may be something coming out of there. Other than that, it's been surprisingly quiet regarding appraisals. I was expecting a lot of calls.