

Item No:

By: Roger Gough – Cabinet Member for Corporate Support and Performance Management
Amanda Beer – Director of Personnel & Development

To: Personnel Committee **Date:** 9 September 2010

Subject: Update on Changes to Kent Scheme & Revised Performance Appraisal Process & Categories

Classification: Unrestricted

SUMMARY From 1 April 2010 all Kent Scheme Staff were transferred to new Pay ranges and a revised performance appraisal scheme was introduced. This report gives an update on the project including staff communication, trade union consultation, manager training and associated system changes

1. Introduction

1.1 In January this Committee endorsed changes to the Kent Scheme Pay structure and the staff performance appraisal process which affects staff in 12,400 posts. This paper provides Members with an update on progress of these changes.

2. Outline of Main Changes

- Deletion of the old minimum grade (Previously Kent Scheme 1)
- Replacement of Kent Scheme incremental grades KS2-15 with new Pay Ranges KR 2-15
- Four new assessment levels designed to more effectively differentiate and reward staff based on levels of individual of contribution
- Progression through the new pay ranges will be determined by the outcome of the Total Contribution Pay (TCP) assessment, based on the percentage increase for each assessment rating for that year
- Staff at the top of their pay grade will have the opportunity to receive a one-off payment that is consistent with the increases paid to staff not yet at the top of the grade
- The first assessments under the new Scheme will take place between December 2010 and January 2011 with staff pay being adjusted in line with their assessment rating in April 2011.

2.1 All the changes have been supported by robust project management processes and overseen by an Executive Group of Senior P&D and Finance staff. The timeline of activity is shown at Appendix A.

3. Changes to Contracts and the Terms & Conditions Document (Blue Book)

- 3.1 The change to the new pay structure was confirmed to staff in individuals' April 2010 TCP outcome letters. The confirmation followed consultation about the new structure and its purpose during the preceding four months. All those entering KCC employment during the consultation period were notified of the potential change in offer letters and contracts and will have moved with existing staff to the new structure with effect from 1 April.
- 3.2 The Blue Book, Kent Scheme terms and conditions of employment document, was adjusted to reflect the change to the pay structure in all the relevant areas and has been published on KNet. An alternative version of the Blue Book is still running currently for staff directly employed by schools and therefore not included in the pay structure change. The decision to maintain a sister document was generated by the anticipated transfer of schools staff to a national body.

4. Staff Communication

- 4.1 A two-year rolling communications programme is being delivered, spanning the consultation and implementation phase of the project. Given the complex nature of the subject, this uses face to face communication as a basis, supported by written documentation and the ability for two-way communication.
- 4.2 To date, phase 1 has been completed with phase 2 due to commence in November 2010, in the run-up to the next round of appraisals.
- 4.3 Phase 1 activities have included:
- Face to face presentation for all office-based staff and discussion supported by leaflet for staff working in the community;
 - Email box for staff;
 - Frequently Asked Questions facility on KNet;
 - Members' briefing;
 - Team brief; and
 - First Magazine articles.
- 4.4 As the first Authority to embark upon such a reward system, the project has also generated some press coverage.
- 4.5 The main activities planned for phase 2 are:
- Revision and distribution of TCP guidance;
 - Email reminder from Group Managing Director;
 - Line manager briefings to teams; and

- Supporting articles in online KCC magazines/ on KNet.
- 4.6 So far, manager support for the project has been extremely positive and staff understanding of the rationale behind the changes is sound. Wave 2 communications will be focussed on clarifying the total contribution ratings allocation process.
- 5. Trade Union Consultation**
- 5.1 Consultation about the pay structure changes with trade unions commenced in December 09 and will continue throughout 2010/11. Unions have seen and commented on all relevant documents, including the customer impact assessment and have had access to additional information as requested. The majority of the contribution from trade unions has been from UNISON, which remains fundamentally opposed to the changes. The position of GMB and Unite the Union is less clear. UNISON has sought and received initial legal advice both on the equalities implications of the changes to the pay structure and assessment process, and the approach taken to communicate the change to the pay structure to staff which it regards as inadequate. The on-going dialogue with unions indicates their view is unchanged although representatives remain co-operative in terms of the consultation process.
- 6. System Changes**
- 6.1 To support the new grade structure on the Oracle HR/Payroll system it was necessary to make major changes to the set-up and amend all the formula calculation on all Kent Scheme payroll elements. This was fully tested to make sure staff would be paid correctly. Contracts of employment, which are automatically produced by the system, were also updated.
- 6.2 Following updates to Kent Scheme salaries in April 2010 under the old Total Contribution pay arrangements (for the financial year 2009/10) a program written to transfer the staff across to the new pay structure. The process worked very successfully with only a few manual adjustments having to be made.
- 6.3 The final phase of system changes, relates to updating the Self Service module used by managers to record the assessment of staff within their teams. Associated with this module is detailed reporting for moderation and costing purposes and a program which applies the appropriate up-rating of staff salaries based on the assessment level. The requirement has been fully specified and the functionality is being developed by the Oracle Technical Team in ISG.
- 7. Manager Training**
- 7.1 In order to ensure that managers fully understand the change in the Kent Scheme pay structure and appraisal process, a series of manager briefings

have been organised around the County. These sessions are fronted by senior managers from all Directorates and representatives from the P&D Reward and Business Support Teams. Content includes an overview of all the changes and an exercise in the differentiation of staff performance against the new assessment categories. The Chief Officer Group decided that attendance for managers was mandatory. To date 18 sessions have been held at 9 locations across the County. 556 managers have so far been trained and feedback has been very positive.

7.2 A further 20 sessions have been arranged and a broadcast and dvd of the briefing is planned.

8. Recommendations

8.1 The Committee is asked to note the progress made on the implementation of the revised Kent Scheme reward structure and the communication, training and support given to managers and staff to support this change.

Amanda Beer
Director of Personnel & Development
Ext 4136