



Senior Manager Behavioural Indicators:

Cross-functional collaboration; Resident/Customer Focus; Innovation; Leadership; Action orientation and delivery of the Administration's programme

SENIOR MANAGER PERFORMANCE SCHEME (SMG3)

1. Introduction

The Senior Manager Appraisal Performance Scheme was revised in April 2016 and provides managers with clear objectives, regular feedback and opportunities for development. The revised performance related pay scheme arrangements will continue to have two elements, although the way in which these are assessed will change, with achievement of targets affecting **both**.

The two elements are:

- Non-Consolidated Annual Performance Bonus – based on assessment of your overall achievement against all targets for your role.
- Consolidated Base Salary Pay Progression – based on an assessment of the consistent demonstration of the desired senior manager behavioural indicators, using evidence based examples:

The scheme has been designed to ensure that we have arrangements that:

- Underpin and support business needs;
- Encourage high performance and service delivery; and
- Deliver value for money

The scheme will also:

- Ensure that everyone knows what they are required to do and how this helps us to achieve the organisation's objectives and deliver the community strategy, as well as how their performance will be assessed.
- Ensure that a fair and objective assessment is made of performance, especially where it affects salary progression.
- Provide a means by which individual development of relevant competencies and the consequent training and personal development needs can be discussed, assessed and met.
- Provide a mechanism for managers to discuss job performance, providing constructive feedback from which individuals can benefit.

2. The H&F Individual Performance Management cycle

The Individual Performance Management cycle comprises a 4 Step process.

Step 1	Objective setting and development planning	<ul style="list-style-type: none"> • Set clear objectives to work on throughout the year • Create a Personal Development Plan (PDP) to ensure that you have all the knowledge, skills and support you need to succeed.
Step 2	Staying on track	<ul style="list-style-type: none"> • You need to have regular 1:1s with your manager in order to consider your progress and help you stay on track.

		<ul style="list-style-type: none"> • These meetings should take place at least once a month for most roles.
Step 3	Mid year review	<ul style="list-style-type: none"> • Consider your overall progress in preparation for your appraisal (Step 4) and to gain actionable feedback to help you succeed. • Consider how you are doing against your job competencies. • The mid year review meeting normally takes place in October.
Step 4	Appraisal	<ul style="list-style-type: none"> • This is an end-of-year review which helps you take stock of what you've achieved and determine how well you've done. • It is an opportunity to learn from your successes as well as those things that haven't gone so well – and to incorporate that learning into your work going forward. • Steps 2 and 3 help ensure that there are no surprises at this stage. • Appraisal to be conducted by 31 March for senior managers.

3. Performance Assessment

Performance is assessed in two ways:

3.1 Overall Achievement against all Targets

There is no cap on the number of targets that can be set. A rating is given based on an overall assessment of achievement against all targets which links to the payment of a non-consolidated Annual Performance Bonus payment. There is the potential to earn up to 10% of base pay and there is also discretion for a higher award for sustained exceptional performance.

The bonus awards payable are calculated as a percentage of existing salary as follows:

Performance Rating	Percentage Award
5 (exceptional performance against all targets)	8-10%
4 (targets met and some exceeded)	5-7%
3 (most targets met)	3-4%
2 (mixed performance, only some targets met)	0%
1 (limited effectiveness in meeting targets)	0%

3.2 Consistent Demonstration of Senior Manager Behavioural Indicators (see Appendix 1 for detail)

H & F Senior Managers are required to exhibit the the desired senior manager behaviours in everything they do, including the requirement to demonstrate that they are managing their service well and providing leadership to their staff.

- ✓ Cross-Functional Collaboration
- ✓ Resident/Customer Focus
- ✓ Innovation
- ✓ Action Orientation and Delivery of the Administration's Programme
- ✓ Leadership

4. Pay Progression (Consolidated Increase in Base Salary)

- You will only qualify for a consolidated pay award if you score at least a 'three' on achievement of targets.
- For those that qualify, you will then be scored again against your consistent demonstration of the desired behaviours.

Rating based on behaviour	Incremental progression, including cost of living (COL)
5	2 x increment
4	1.5 x increment
3	1 x increment
2	0 x increment
1	0 x increment

The purpose of the pay progression table is to enable H&F to recognise and reward senior managers on the basis of their contribution to the achievement of the organisations objectives. This means that:

- Exceptional and highly effective performers receive a higher award
- Consistently effective performers receive a standard award
- Those who are generally effective with some inconsistencies or those with limited effectiveness and below receive no progression.

5. Eligibility

- **Managers appointed during the reporting year** - New appointments will normally be at a low spinal column point within the SMG3 payscale. Permanent staff become eligible for the appraisal scheme immediately they commence employment in a senior management post. An appraisal meeting should normally take place within four weeks of commencement of employment to align with the first probationary meeting. The key objectives and competency development set should be established as normal, however the assessment and eligibility to receive base salary increase and PRP payment will not take place until the full appraisal period has taken place. (i.e. if an individual starts in October 2016, they would not receive any pay progression until April 2018 (18 month period). There is however, an opportunity to receive up to 10% PRP of salary earned in the period (non-consolidated cash bonus) in exceptional circumstances subject to performance in the initial stage. Individuals must be in post at the end of the review year and when pay is awarded in order to be eligible to receive an overall salary progression and PRP.
- **Managers who leave H&F** - Managers who leave before the end of a review year (i.e. 31st March) will not receive any PRP payment i.e. no pay progression or bonus payment.
- **Managers who are unwell during the reporting period** - An assessment of overall achievement against annual targets for your role and against consistent demonstration of the five senior manager behavioural indicators will be conducted as normal. However, awards will be based on actual pay received during the assessment period. Therefore, if an officer's pay has reduced in line with the H&F sick pay scheme, any awards will be proportionate.
- **Managers who are absent on maternity leave during the reporting year** - When it is known that a manager will be absent on maternity leave, their performance targets should be reviewed and amended. Assessments for base pay increases and PRP payments should be based on the available information from the current reporting year, in conjunction with the previous year's assessment. If the officer is new to H&F and an assessment cannot be based on achievements in the present review year, base salary increase should be based on level 2 and a PRP rating be discretionary.

- **Calculation of PRP Pay** - The actual amount of the PRP or bonus payment is calculated as a percentage of total base salary plus any pay additions actually paid to the employee during the year. Hence for those who work part-time, the PRP amount is calculated against actual pay not a notional full-time salary. For those who changed grade during the year, HR will advise how the payment is made.
- **Moderation of PRP Pay** - For SMG grades there is a moderation process to ensure consistency and fairness in the rating of performance as this affects both base and bonus pay. For SMG 3 this is normally done through the H&F Senior Leadership Team (SLT).

APPENDIX 1 – Behavioural Indicators for Senior Management Roles

Cross-Functional Collaboration	<p>Works collaboratively and effectively in partnership, across functions both internally with LBHF (e.g. matrix working) and externally with a range of partner organisations and sectors where appropriate e.g. NHS, Voluntary Third Sectors, Contractors, other boroughs</p> <p>Provides evidence and/or examples of where:</p> <ul style="list-style-type: none"> • they have worked in partnership and collaboratively across departments and with external stakeholders/customers. • partnership/collaborative working has led to measurably improved service delivery. • cross-functional collaboration has delivered financial savings for the authority. • increased joined-up service delivery has been achieved across teams and other organisations. • they have influenced another borough to deliver for us
Resident/Customer Focus	<p>Puts residents and customers at the heart of everything they do, lead by example and take pride in serving our public well</p> <p>Provides evidence and/or examples of where they:</p> <ul style="list-style-type: none"> • engage meaningfully with residents and customers on service design and implementation. • positively learn from complaints leading to service improvements, with this culture embedded in their own service area • demonstrate increase in number of service compliments received and other positive feedback from residents • have achieved increased levels of customer satisfaction • put in place an expected set of minimum guaranteed standards for service delivery in their teams and have developed an improvement plan to raise standards and deliver continuous improvement • drive improvements and efficiencies, providing for better service delivery and customer experience, reducing failure demand • ensure that social inclusion is at the heart of service delivery
Innovation	<p>Embrace change and constantly seeks ways to improve the way we work</p> <p>Provides evidence and/or examples of where:</p> <ul style="list-style-type: none"> • they exhibit a positive approach to change and new ways of working • they encourage staff to be innovative and think creatively about how services can be delivered more effectively and efficiently. • they show innovative practice and where this has made a demonstrable difference in the way that services have or will be provided in the future. • staff ideas have been put into practice, where there is an absence of staff complaints that their ideas and suggestions are not listened to or taken seriously.

Action Orientation and Delivery of the Administration's Programme	<p>Demonstrably seen to be auctioning/delivering on the Administration's key objectives and priorities, utilising a variety of skills, knowledge and experience to improve the delivery of the Authority's services both internally and externally, in a cost effective manner</p> <ul style="list-style-type: none"> • provides evidence and/or examples to support how service delivery is meeting the Council's key priorities e.g. putting social inclusion at the heart of everything that we do. • provides evidence to support that they have put arrangements in place to achieve all of the actions within Service Improvement Plans as appropriate. • demonstrably able to evidence the use of Commercial/Business Acumen in the provision of their services. • evidence of delivering service transformation to meet the Administration's and key stakeholder needs. • positive informal member feedback.
Leadership	<p>Leads high performing teams by engaging employees</p> <ul style="list-style-type: none"> • Provides evidence and/or examples of where they: • know how to motivate their staff e.g. positive feedback from staff feeling motivated • develop and communicate a clear vision and direction for their service delivery • provide staff with the context for change and actively encourage them to embrace it • coach and build capability, capacity and resilience within their team • invest time in meeting and communicating with staff through 1:1s, team meetings and performance appraisals; identify and make time to understand staff's strengths and what motivates them. • are demonstrably seen to be acting upon the outcomes of things such as the 'Your Voice' survey. • consistently exhibit behaviours consistent with corporate vision to be the best • enjoy absence of negative feedback from staff survey regarding engagement and leadership • make an effective contribution to the collective executive team's leadership driving cultural change and continuous improvement across the council.