



Our Values:

Responsive; Innovative; Collaborative; Enterprising; Serving our Public

SENIOR MANAGER PERFORMANCE SCHEME (SMG3)

The Senior Manager Appraisal Performance Scheme provides SMG3 managers with clear objectives, regular feedback and opportunities for development. It also allows us to create a working environment that encourages and supports our people.

The scheme has been designed around four principles:

- Clear communication and feed back between you and your manager
- Supporting you within appropriate development opportunities
- Simplicity
- Effective rewards

The scheme will:

- 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.

Performance is assessed in two ways:

- **Part 1** - there is the potential to earn a non-consolidated Performance Related Pay (PRP) of up to 5% of base pay which rewards **achievement**

against specific objectives, usually five main target areas. There is also the potential for a further discretionary 5% PRP subject to recommendation by your Director.

- **Part 2** – H & F Managers are required to exhibit the **tri-borough values and behaviours** in everything they do, and especially to demonstrate that they are managing their service well and providing leadership to their staff. Incremental progression through the grade will be determined according to performance assessed against these values and behaviours.

To summarise:

Pay Based on Performance	How Pay is determined
Pay progression	Rating determined by performance against values and behaviours; no automatic increments for time in grade
Bonus payment (non-consolidated)	1% of base pay for each target fully achieved up to five targets/5%. The Joint Chief Executive and H&F Business Board have some discretion for rewarding work over and above targets and for mitigating factors outside individual control at the recommendation of the director

Your competencies will be assessed on a four point rating scale as follows:

Competency Rating Scale	
1	Limited effectiveness and below standard Makes limited contribution, requires significant development needs and greater achievement is required.
2	Generally effective but some inconsistencies Generally meets expectations but leaves room for improvement, some gaps and inconsistencies.
3	Consistently effective Fully acceptable level of performance: doing a thorough, competent and effective job.
4	Highly Effective Demonstrates high levels of commitment and performance, demonstrates strong achievement.
5	Exceptional Exhibits exceptional talent and application: exceptional performance across all values and behaviours.

The final score for the assessment of the tri-borough values and behaviours will be the average of the sum of the individual scores for each of the five key elements:

- Responsive
- Innovative
- Collaborative
- Enterprising
- Serving our Public

as well as the additional two elements for managers:

- People and Service management
- Leadership and Engagement

Overall scoring will be based on an average of manager's full year ratings, over the seven elements. This will be rounded up if above **.5** and down if **.5 or below**. As stated, the final rating will be subject to moderation. This will then lead to pay progression as shown in the matrix below:

SMG3 salary progression table

Rating based on competency	Incremental progression, including cost of living (COL)	PRP (depending on achievement of targets)
1	0 x increment (COL only)	Not payable
2	0.5 x increment	Up to 10%
3	1 x increment	Up to 10%
4	1.5 x increment	Up to 10%
5	2 x increment	Up to 10%

The intention of these progression matrices is as follows:

- poor performers receive no progression
- basic/inconsistent performers will receive minimum uplift
- good and excellent performers will be rewarded.

As a reminder, the Tri-borough Values and Behaviours are included below:



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 2012, they would not receive any pay progression until April 2014 [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 will not receive any PRP payment.

Managers who are unwell during the reporting period

An assessment of overall contribution and performance against annual targets 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 overall contribution and 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 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 performance scoring as this affects both base and bonus pay.

- For SMG3 this is done by Department Management Teams (DMT) and at FSB (Financial Services Board/Directors of Finance & Resources).

The H&F Individual Performance Management cycle

The Individual Performance Management cycle comprises a 4 Step process.

Step 1 – Objective setting and development planning

To consider what you need to achieve. During this step you will set **5** clear objectives to work on throughout the year. You will also 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

A reminder that you need to have regular 1:1s with your manager in order to consider your progress and help you stay on track. These meetings should take place at least once a month for most roles.

Step 3 – Mid year review

The purpose of the interim review is to help you consider your overall progress in preparation for your appraisal (Step 4) and to gain actionable feedback to help you succeed. It is also an ideal opportunity to consider how you are doing against your job competencies. The interim review meeting normally takes place in November.

Step 4 – The appraisal

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.