

## Management Board

### **Band A-E Performance Award Scheme (PAS) Review of First Nomination Period and Lessons Learned**

*Paper from the Director General, Department of Resources*

#### Purpose

1. This paper updates the Management Board (MB) on the outcome of the first nomination round of the performance award scheme for band A-E staff and on the “lessons learned”. The paper proposes some minor changes to the process for the next period which includes greater engagement of Departmental Management Boards (DMBs) in the process and better briefing for countersigning managers.

#### Issues for the Board

2. The Board is asked to note:
  - the lessons learned and the PAS nomination summary statistics by department shown in Annex A;
  - the desire for greater ownership of the moderation process by DMBs and countersigning managers;
  - the proposed changes to the PAS process in light of the “lessons learned” on which the trade union side will be consulted.

#### Background

3. The management board endorsed a performance system based on relative rather than absolute assessment in December 2007 i.e. a limit on the number of awards available by department and pay band. The Performance Award Scheme (PAS) was negotiated as part of the Band A-E pay agreement for 2008-10. The overall structure of the system formed part of management’s pay offer to the unions in July 2008 and the subsequent ACAS arbitration award in management’s favour.
4. Prior to the launch of the system in April 2009, detailed PAS guidance was prepared for staff and PAS Panel members in consultation with senior managers and the Trade Union Side (TUS). The first performance period ran from 1<sup>st</sup> April 2009 and 30<sup>th</sup> June 2009. Requests for nominations were made in early July 2009 and PAS panels considered these in late July and early August 2009. Nominees were informed of the outcome by letter in August 2009.

#### Lessons Learned

5. “Lessons learned” meetings have been held with senior HR managers involved in the nomination process and with members of the PAS panels. PAS panel members and HR managers have also fed back comments following discussions within their departments. The key findings were:

- The electronic nomination form and the process generally worked well. The administrative task of preparing the panel packs undertaken by departmental HR teams was onerous. There may be benefits in considering automation of some processes in future rounds;
- The number of nominations varied considerably between departments, and in some cases between directorates (a summary of the statistical breakdown is provided in Annex A);
- The quality of nominations varied considerably. Some were well drafted, linking the work undertaken with specific achievements and/or behaviours and included appropriate examples. Others were too brief and lacking in relevant examples;
- In almost all cases nominations had been endorsed by the countersigning manager, but few had provided any additional comment to guide the panel. This made distinguishing between nominations difficult, particularly for those panels that received many more nominations than the number of awards available;
- The panel guidance criteria for ranking nominations in priority order proved to be problematic i.e. the criteria Major impact (positive and significant long term contribution to departmental and/or corporate business); Highly significant (positive departmental and broader impact); and Significant (one off departmental impact) has the potential to favour project based over more 'business as usual' activity, outcomes over behaviours and customer facing activity over support roles;
- The timing of the first nomination period meant that nominees were informed of the outcome in August during summer recess. This prevented managers from personally handing letters to successful nominees. The period allowed for re-consideration (appeals) has also been extended to allow for the recess period. It was recognised that this would be a difficulty for the first period, which was modified at business request, and that the timing of future nomination periods is such that this situation will not be repeated;
- The process for synchronising feedback to nominees, managers and departmental management boards did not work as well as anticipated, partly due to the timing during recess. This needs to be improved for the next period;
- It was intended that the names of successful nominees would be published, with the nominees' consent. However some departments said they did not want to publish names as publication of a complete list depended on all recipients providing consent. There was also concern that it may have a

de-motivating effect on teams. A Management Board decision will be required on publication of names.

- Some panel members felt that from April 2010 consideration should be given to moving to separate departmental panels (with senior HR representation for another department) with nominal budget allowance by directorate.

#### Proposed Changes

6. The essential mechanics of the system have been agreed with the unions as part of the pay agreement. The agreement includes a commitment to meeting with TUS to review the overall operation of the PAS after the first year and to a more formal review after 2010/11.
7. In light of the lessons learned from the first period, the following minor changes are proposed for the next period:
  - Changes to the application handling process to make it more efficient;
  - Amendments to the nomination form to include tick boxes for each criterion with space for providing examples and evidence. This will assist nominees in preparing better quality submissions and the panels in the review process;
  - Departmental management boards to take note of PAS monitoring statistics and to identify any management action necessary where, for example, levels of nominations have been particularly high, or low;
  - Senior management must take a view where, for instance, nominations are particularly high, whether there is justification in the circumstances;
  - The PAS Panel Guidance will be amended to allow panels greater freedom on the prioritisation process to avoid the potential for corporate project based work to be automatically assigned a higher priority over business critical departmental “business as usual” activity. Categories of “Exceptional or sustained effort”, Significant or sustained effort”, and “Effort over and above that usually required” to be used instead;

#### Next Steps

8. Requests for re-consideration (appeals) panels will have been completed by 12<sup>th</sup> October. The deadline for completion of this process has been extended at business request.

9. The Management Board is invited to:

- comment on the proposed changes;
- decide on the corporate approach to the publication of names.

## Annex A

1. The tables below provide a statistical summary of the number of nominations by department by pay band and the outcome. Departmental Management Boards will be provided with a comprehensive breakdown for their own department.
2. DCCS and DIS nominated 43% and 45% of staff overall compared with an award allocation of 30%. This compares with DR (including Speaker's and OCE) which nominated 34% of staff overall and DF which nominated only 9% of staff.
3. The pay bands where the numbers of nominations were significantly in excess of the numbers of awards available were:
  - DCCS - bands B1, B2, C and D1 - approximately 45% of all staff in the pay band were nominated;
  - DIS - bands A1 and A2 - 60% of all staff in the pay band were nominated; band B1 and B2 over 50% of all staff in the pay band were nominated;
  - DR - band B2 over 50% of all staff in the pay band were nominated (this data includes DR, Speaker's and Office of the Chief Executive).
4. The pay bands where the numbers of nominations were less than the numbers of awards available were:
  - DR - bands A2 and D1 - only 27% and 22% respectively of all staff in these pay band were nominated;
  - DF - band A1 - no nominations; bands B1, D1 and E - only 4%, 4% and 5% respectively of all staff were nominated.
5. The data indicates evidence of internal benchmarking within DR which has moderated the number of nominations overall. The low level of nominations in directorates other than the Operations Directorate shows recognition of the heavy work load in this area generated from by the investigation into Members Expenses.
6. The data also indicates and very low nomination rates in DF. Work needs to be undertaken now to encourage higher levels of nominations in the next period.

## Annex A

## HOUSE OF COMMONS PERFORMANCE AWARDS BY DEPARTMENT

Departments	Nominations	% of Staff Nominated	Awards Available	Awards Allocated	Declined High Volume	Did Not meet Criteria	Awards carried over
Chamber & Committees	202	43	142	134	8	60	8
Information Services	150	45	99	95	31	24	4
Resources *	67	34	60	53	14	0	7
Facilities	32	9	111	32	0	0	79
House of Commons Total	451	33	412	314	53	84	98
PICT Total	86	37	69	64	4	18	5

\* Resources Includes Speakers and Office of the Chief Executive

## CHAMBER AND COMMITTEES PERFORMANCE AWARDS BY PAY BANDS

Pay Band	Nominations	% of Staff Nominated	Awards Available	Awards Allocated	Declined High Volume	Did Not meet Criteria	Awards carried over
Band A1	4	30	4	2	0	2	2
Band A2	26	39	20	20	1	5	0
Band A3	5	38	4	4	1	0	0
Band B1	34	44	23	23	2	9	0
Band B2	29	46	19	19	1	9	0
Band C	66	44	45	43	0	23	2
Band D1	29	46	19	19	3	7	0
Band D2	3	30	3	3	0	0	0
Band E	5	38	4	0	0	5	4
Apprentice/Sandwich Students	1		1	1	0	0	0
House of Commons Total	202	43	142	134	8	60	8

## INFORMATION SERVICES PERFORMANCE AWARDS BY PAY BANDS

Pay Band	Nominations	% of Staff Nominated	Awards Available	Awards Allocated	Declined High Volume	Did Not meet Criteria	Awards carried over
Band A1	8	60	4	4	2	2	0
Band A2	32	51	19	19	8	5	0
Band A3	4	60	2	2	1	1	0
Band B1	15	56	8	8	6	1	0
Band B2	28	53	16	16	8	4	0
Band C	30	41	22	22	3	5	0
Band D1	30	43	21	21	3	6	0
Band D2	2	15	4	2	0	0	2
Band E	0	0	2	0	0	0	2
Apprentice/Sandwich Students	1		1	1	0	0	0
House of Commons Total	150	45	99	95	31	24	4



**RESOURCES, SPEAKERS & OCE PERFORMANCE AWARDS BY PAY BANDS**

Pay Band	Nominations	% of Staff Nominated	Awards Available	Awards Allocated	Declined High Volume	Did Not meet Criteria	Awards carried over
Band A1	2	30	2	2	0	0	0
Band A2	8	27	9	8	0	0	1
Band A3	0	0	0	0	0	0	0
Band B1	14	42	10	10	4	0	0
Band B2	18	54	10	10	8	0	0
Band C	17	34	15	15	2	0	0
Band D1	8	22	11	8	0	0	3
Band D2	0	0	1	0	0	0	1
Band E	0	0	1	0	0	0	1
Apprentice/Sandwich Students	0	0	1	0	0	0	1
House of Commons Total	67	34	60	53	14	0	7

## FACILITIES PERFORMANCE AWARDS BY PAY BANDS

Pay Band	Nominations	% of Staff Nominated	Awards Available	Awards Allocated	Declined High Volume	Did Not meet Criteria	Awards carried over
Band A1	0	0	4	0	0	0	4
Band A2	3	18	5	3	0	0	2
Band A3	0	0	0	0	0	0	0
Band B1	1	4	8	1	0	0	7
Band B2	8	18	13	8	0	0	5
Band C	10	16	19	10	0	0	9
Band D1	3	4	22	3	0	0	19
Band D2	4	6	20	4	0	0	16
Band E	3	5	19	3	0	0	16
Apprentice/Sandwich Students	0	0	1	0	0	0	1
House of Commons Total	32	9	111	32	0	0	79