



People, Performance and Development Committee  
26 September 2016

**APPRAISAL UPDATE 2015/16**

**Purpose of the report:** Performance Management

To provide an update on the appraisal completion rates and moderated scores distribution for Surrey County Council for the performance year 1 April 2015 to 31 March 2016 requested by the People, Performance and Development Committee (PPDC) at its meeting in June 2016. The report also provides an update on the actions requested by PPDC at its meeting in June 2016.

**Recommendation:**

The People, Performance and Development Committee is asked to note that:

- i. by 23 August 2016 **100 per cent** of staff included in performance related pay have completed appraisals.
- ii. of the 845 staff not included in performance related pay:
  - a. 503 were due to complete by 30 June, 90 per cent achieved this; and
  - b. 342 are due to complete by 31 October.
- iii. The overall performance levels fall broadly in line with the Council's guided distribution of 5 per cent 'improvement needed', 90 per cent 'successful' and 5 per cent 'exceptional'; and
- iv. the Management Review on performance level distribution detailing the rationale of services whose combined total of the performance levels 'exceeds expectations' and 'outstanding' was 10 per cent or greater will be submitted for information in October along with a further update on appraisal completion.

**Introduction:**

3. The performance appraisal process provides the central mechanism for formal staff management and is evidence of active management within the organisation.

4. As part of the Pay and Reward Review, managers were asked to complete their appraisals for 2015/16 by 31 May 2016; complete a moderation process across their team or service and record the date and performance rating on the HR database.
5. Following the People, Performance and Development Committee (PPDC) meeting on 30 June 2016 Members requested:
  - a. a progress update on the appraisal completion of services with extended completion dates;
  - b. the agreed completion date for ACL Tutors and Music Teachers; and
  - c. a Management Review on performance level distribution detailing the rationale of services whose combined total of the performance levels 'exceeds expectations' and 'outstanding' was 10 per cent or greater.
6. As set out in the recommendations, this report provides information on the following:
  - a. current appraisal completion rates, appraisal completion by those services with extended completion dates, and agreed completion dates for ACL tutors and Music Teachers;
  - b. the distribution of performance levels by directorate; and
  - c. an update on the Management Review on performance level distribution.

<b>Current appraisal completion rates</b>
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7. By 23 August 2016 **100 per cent** of staff included in performance related pay have completed appraisals.
8. This completion rate includes appraisals recorded on the portal as 'not discussed' where the individual was unable to attend their appraisal. These records are updated as the individuals return to work. This represents 0.5 per cent of the total number of staff included in performance related pay.
9. Of the 845 staff not included in performance related pay:
  - a. 503 staff from Children, Schools and Families as well as from Surrey Fire and Rescue Service (SFRS) were due to have completed appraisals by 30 June. 90 per cent achieved completed records on the HR database by this date (See Table 1, rows 1-3);and
  - b. 342 staff from Children, Schools and Families, and Cultural Services are due to complete by 31 October and are on track with 58 per cent completed by 23 August. (See Table 1, row 5 and 6)
10. ACL Tutors and Music Teachers have an agreed completion date of the 31 October 2016.

11. The following table details the services with an agreed extension of the 30 June or the 31 October to complete their appraisals on the HR database:

**Table 1**

	Service	Directorate	Number of staff	Deadline	Outstanding 23/08/2016
1	Educational Psychologist	Children, Schools and Families	42	30 June 2016	9
2	Youth Service	Children, Schools and Families	182	30 June 2016	33
3	Fire and Rescue Service	Environment and Infrastructure	279	30 June 2016	7
4	<b>SUB TOTAL FOR JUNE DEADLINE</b>		<b>503</b>		<b>49</b>
5	Specialist Teaching	Children, Schools and Families	125	31 October 2016	110
6	ACL Tutors and Music Teachers	Legal, Democratic and Cultural Services	217	31 October 2016	34
7	<b>SUB TOTAL FOR OCTOBER DEADLINE</b>		<b>342</b>		<b>144</b>
8	<b>TOTAL</b>		<b>845</b>		<b>193</b>

12. Directors have been informed of the outstanding appraisals.

**Distribution of performance levels:**

13. A summary of distribution levels by directorate is included in the table below and a detailed breakdown by service is included at Annex A.

Directorate	Unsatisfactory	Developing	Fully effective	Exceeds expectations	Outstanding
Adult Social Care		4.7%	91.4%		3.9%
Business Services		3.8%	86.0%		10.1%
Children, Schools and Families		6.1%	86.3%		7.5%
Customers and Communities		3.3%	89.3%		7.3%
Environment and Infrastructure		2.0%	94.9%		3.1%
Legal, Demo & Cultural Service		2.8%	94.8%		2.4%
<b>Surrey County Council</b>		4.6%	89.6%		5.8%

17. On the 31 May 2016 the distribution of performance levels was 5.0 per cent 'Unsatisfactory/Developing', 89.2 per cent 'Fully effective' and 5.8 per cent 'Exceeds expectations/Outstanding'. The small change represents individuals with a 'not discussed' level being given a 'Fully effective' level.
18. There is ongoing data analysis and development of guidance to support the standard setting and moderation processes for 2017.

## Management Review: Performance Level Distribution

19. The report on appraisal completion rates submitted for consideration by PPDC at its meeting on 30 June identified the number of staff awarded an 'exceeds expectations' and 'outstanding' performance level. For those services with a combined total of 10 per cent or greater, directors have requested that their heads of service provide their distribution criteria and rationale for the award.
20. The data was gathered early September and is due for discussion at the Chief Executive's Direct Reports (CEDR) meeting on 19 September. The Management Review will be submitted for consideration in October.

## Conclusions:

21. The organisation has brought all appraisals for those eligible for Performance Related Pay in line with the financial year and continues to improve the timeliness for all appraisal completion.

## Financial and value for money implications

22. An embedded culture of performance management is an essential part of ensuring proper control of the pay bill.

## Equalities and Diversity Implications

23. Annual appraisals are an essential way in which the Council ensures its values and behaviours are embedded across the organisation. This is a way of ensuring a culture which is supportive of all cultures and difference.

## Risk Management Implications

24. Appraisals are an essential element of a health and safety management culture.

## Next steps

25. HR will continue to embed a culture of quality performance conversations as part of the implementation of the Pay and Reward Strategy
26. Embedding moderation and enhancing the process through the learning achieved from the 2016 process.

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## Sources/background papers:

Annex A – Breakdown of final performance rating distribution