

## **ANNEX Management Board**

### **Performance & Development Management**

*Paper by the Senior HR Adviser, Department of Resources*

#### **Purpose**

1. This paper is intended to update the Board on the progress of the development of the Performance & Development Management (PDM) system to replace the current Annual Staff Report (ASR) system for staff in pay bands A-D.

#### **Action for the Board**

2. The Board is invited to approve the draft system prior to further consultation with stakeholders across the House.
3. The Board is invited to confirm that all House pay bands below SCS level should adopt the PDM system.

#### **Consultation**

4. The PDM system has been designed by a joint working group of managers comprising HR and TUS staff. The steering group is James Robertson, Heather Bryson and Harun Musho'd.
5. There is currently ongoing consultation with the TUS, the HR community and Resource Management Group members. The PDM system has also been considered by a cross-House focus group as part of the remodelling programme. Feedback so far has generally been positive.

#### **Background**

6. The 2007 Reward Strategy workstream on performance management recommended that an appraisal system should attempt to satisfy only one of three broad categories: reward; potential or performance reviews. The workstream research identified that greatest organisational advantages would be gained through use of performance reviews, including appraisal of past performance focusing on meeting objectives, discussion on improving performance and identification of training needs.
7. The Reward Strategy workstream also recommended reviewing the link between appraisal and performance-related pay. Following Management Board approval, as part of the pay negotiations for 2008/2009, this link has been broken, and a separate triannual performance related pay system is expected to begin on 1 April 2009.

8. The Management Board agreed in December 2007, following the recommendations from the Reward Strategy, to the creation of a joint HR/TUS working group to “review the current performance management system and make recommendations for improvements with a view that these should be implemented in time for any forward looking elements to be in use by April 2009 and any review elements in April 2010.”

### Changes

9. The working group has drawn upon the following principles to guide the design of the PDM process:
  - Emphasis on planning and objective setting rather than reporting
  - Ongoing process of objective setting and review
  - The process should be less onerous for managers
  - Simplicity and consistency
  - Break the link to pay to encourage honest two-way dialogue
  - Bringing staff groups together under one system
10. PDM is intended to be more regular, rather than annual, and is designed to help manage performance and development actively rather than retrospectively reporting on performance.
11. Please find attached at **Annex A** a sample PDM form and at **Annex B** note on the use of the form sections.

### The way forward

12. It is envisaged that the PDM system will encompass all pay bands in the House of Commons below SCS, as previously band E and Catering Group staff had separate systems. **The Board is invited to agree that all House pay bands below SCS level including Band E and Catering Group staff should adopt the PDM system.**
13. It is intended that the current ASR system will be used to assess performance in 2008/9 but then be closed. The new PDM system introduced to plan individual objectives for 2009/10.
14. **The Board is invited to approve the draft system prior to further consultation with stakeholders across the House.**
15. Once consultation has been completed and amendments to the system made, it is anticipated that detailed guidance for staff and managers will be drawn up and further focus groups created to trial the process. Training will be carried out in conjunction with the other elements of management training currently being taken forward

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