



# National Offender Management Service

## NOMS PERFORMANCE RELATED PAY POLICY

<b>This instruction applies to:-</b>		<b>Reference:-</b>
NOMS HQ Prisons		<b>AI 15/2015</b> <b>PSI 25/2015</b>
<b>Issue Date</b>	<b>Effective Date</b>	<b>Expiry Date</b>
13 July 2015	13 July 2015	31 March 2016
<b>Issued on the authority of</b>	NOMS Agency Board	
<b>For action by</b>	<p>All staff responsible for the development and publication of policy and instructions</p> <p><input checked="" type="checkbox"/> NOMS HQ</p> <p><input checked="" type="checkbox"/> Public Sector Prisons</p> <p><input type="checkbox"/> Contracted Prisons*</p> <p><input checked="" type="checkbox"/> NOMS Immigration Removal Centres (IRCs)</p> <p><input checked="" type="checkbox"/> Governors</p> <p><input checked="" type="checkbox"/> Heads of Groups</p> <p><i>* If this box is marked, then in this document the term Governor also applies to Directors of Contracted Prisons</i></p>	
<b>Instruction type</b>	HR function	
<b>For information</b>	All staff	
<b>Provide a summary of the policy aim and the reason for its development / revision</b>	Introduction of a revised Performance Related Pay policy reflecting the new Performance Management Policy (PSI 02/2014 – AI 08/2014) introduced from 1 April 2014. There are differences in how performance related pay is applied to those on F&S terms and those on pre F&S terms, and staff should make themselves aware of how it will apply to them.	
<b>Contact</b>	Advice and Guidance on the application of this instruction is available from <b>Shared Services on 0845 010 3504</b> . (VPN 7190 3504)	
<b>Associated documents</b>	PSI 02/2014– AI 08/2014 NOMS Policy on Managing Performance PSI 12/2013 - AI 02/2013 NOMS Poor Performance Policy PSI 11/2014 - AI 09/2014 NOMS Policy on Employee Induction and Probationary Periods PSI 28/2012 – AI 07/2012 Pay Policy Manual	
<b>Replaces the following documents which are hereby cancelled:</b> None		
<b>Audit and Monitoring:</b> Mandatory elements of instructions must be subject to management checks, as judged to be appropriate by the managers with responsibility for delivery. In addition, NOMS will have a corporate audit programme that will audit against mandatory requirements to an extent and at a frequency determined from time to time through the appropriate governance.		
<b>Introduces amendments to the following documents:</b> None		
<b>Notes:</b> <i>All Mandatory Actions throughout this instruction are in italics and must be strictly adhered to.</i>		

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## 1. Executive Summary

- 1.1 Our people work every day to meet our organisational goals, protecting the public by reducing reoffending. The work that we do is far from easy, and we are often asked to work in challenging circumstances. That is why it is important that we not only work together, but understand how our individual contributions fit in with one another and the organisation as a whole. Our work is hugely varied, but whether you are in an office or on a wing, we all have a part to play.
- 1.2 All our people are working to be the best they can be, and when our staff achieve, it is important that we recognise this.

### Purpose and Context

- 1.3 NOMS recognises and values the contribution made by our people in continuing to meet, and in some cases exceed, the set targets and goals. One of the ways we recognise this achievement is through performance related pay progression and performance awards, based on the annual performance appraisal (SPDR) marking received at the end of the reporting period.
- 1.4 Provide guidance and support to managers and staff on how annual pay progression and consideration for a performance award is applied based on the appraisal marking received at the end of the reporting period, public sector pay policy, affordability and recommendations from the Pay Review Body (PSPRB), for those within their remit.

### Desired Outcomes

- 1.5 The effective management of staff is a key means by which we deliver the work of the Service. Rewarding performance through progression (movement to the next highest point in the pay range, or consolidated percentage increase towards maxima for those in the open pay range) up to the maxima of the range, and the consideration of a lump sum award is a way of recognising this. This Instruction is intended to provide a simple and clear explanation of the progression and performance award process through performance related pay.
- 1.6 Performance related pay is applied differently to those on Fair & Sustainable (F&S) and pre F&S terms, and all staff should make themselves aware of how it affects them.

### Application

- 1.7 This instruction is applicable to all NOMS staff, apart from those in NPS and in F&S Band 1.
- 1.8 *All staff must be familiar with the Performance Management Policy set out in AI 08/2014 – PSI 02/2014, the Managing poor Performance Policy set out in AI 02/2013 - PSI 12/2013, and the Induction and Probationary Period Policy set out in AI 09/2014 and PSI 11/2014.*
- 1.9 All managers are bound by a public sector equality duty to eliminate discrimination. Historically, people with some protected characteristics (e.g. age, disability, gender, race, religion/belief, sexual orientation and gender reassignment) have experienced disproportionately negative outcomes in staff performance management processes. *Particular care must therefore be taken at all stages of the reporting cycle, whether the engagement, objective-setting or assessment stage, to ensure fairness and objectivity for all.*

Mandatory actions

- 1.10 *All staff must follow the mandatory requirements in this Instruction. Deputy Directors of Custody, Governing Governors, Directors, Heads of Groups and other more senior managers are responsible for the delivery of these requirements in their areas.*
- 1.11 *Staff must make themselves aware of the eligibility to performance pay laid out in paragraphs 2.3 to 2.7 and how the SPDR marking they receive affects their pay (paragraphs 2.15 to 2.16).*

Resource Impact

- 1.12 There is no resource impact.

(Approved for publication)

**Carol Carpenter**

**Director of Human Resources, NOMS**

## 2 PERFORMANCE RELATED PAY POLICY

### Policy Principles

- 2.1 Performance related pay refers to pay linked to progression and non-consolidated performance awards based on an individual's Performance Development Record (SPDR) markings.
- 2.2 Progression up the Band pay ranges or pre Fair & Sustainable (F&S) pay scales to the maxima is also subject to factors such as public sector pay policy, affordability and recommendations from the Pay Review Body (PSPRB). As such, there is no guarantee of progression each year.

### Eligibility

- 2.3 *To be considered for performance related pay as part of a 1 April annual pay award, staff must be:*
- *on the Band pay range / grade pay scale on 31 March and 1 April and below maxima to receive performance related pay progression;*
  - *in post on 1 April to receive a performance award; and*
  - *have an appropriate SPDR appraisal for the preceding 12 month reporting period.*
- 2.4 Those who leave NOMS on or before 31 March will not be eligible for performance related pay.
- 2.5 Those who transfer into NOMS from Other Government Departments (OGD) will be eligible for pay progression on the effective date of the next pay award (1 April).
- 2.6 OGD staff who transfer to NOMS from 1 January to 31 March will be eligible for performance related pay progression based on a notional 'Good' SPDR marking.
- 2.7 New entrants from outside the Civil Service who join NOMS between 1 January and 31 March will not be eligible to receive performance pay progression until the following year's award (those who join before 31 December may be eligible for progression, based on the normal criteria).

### Criteria for Performance Related Pay Progression

- 2.8 Under the SPDR process implemented from April 2014 there are three appraisal markings:
- Outstanding
  - Good
  - Must Improve
- 2.9 Progression will be subject to the annual appraisal marking received for the previous reporting period (previous 12 months prior to 1 April).
- 2.10 *To receive performance related pay progression, staff must not be subject to the "Poor Performance" procedures.*
- 2.11 Those with more than one valid appraisal marking in the same reporting year due to moving roles on level transfer, and each reporting period covers more than three months, progression will be calculated on the higher of the appraisal markings given.

- 2.12 For those undertaking work in a higher Band on a temporary basis, progression will be calculated on the pay in their substantive Band. Any increase in their substantive pay due to progression would increase the rate of cover pay they receive while undertaking the work in the higher Band.
- 2.13 If no appraisal marking is recorded on the “Phoenix Manager Self Service” by the line manager, or if an individual has transferred into NOMS from an OGD without an appraisal marking for that year, an automatic notional marking of “Good” will be applied.
- 2.14 Where a notional “Good” marking has been applied but it is subsequently recorded that the individual is subject to “Poor Performance” for that reporting period, the progression applied from April will be reversed. NOMS will not seek to recover any resulting overpayment made up to 30 June, but will look to recover any incorrect additional payment made from 1 July up until the pay is corrected.
- 2.15 Subject to public sector pay policy, affordability and recommendations from the Pay Review Body (PSPRB), the arrangements for annual pay progression will be confirmed in the pay notices each year. For the current reporting period (2014/15) the PRB has recommended that:
- **F&S Bands 2 to 5**
    - i) “Must improve” or better appraisal marking - move to the next point on the pay range, up to the maximum of the Band pay range.
    - ii) Those subject to “Poor Performance” – no progression.
  - **F&S Bands 6 to 11**
    - i) “Good” or better appraisal marking – percentage increase within the open range, up to the maximum of the Band pay range. The percentage increase for progression will be confirmed in the annual pay notice. If you receive an “Outstanding” marking you should also see paragraphs 2.18 to 2.19.
    - ii) “Must Improve appraisal marking” – no progression.
  - **Pre F&S Structures**
    - i) “Must Improve” or better appraisal marking. If you receive an “Outstanding” marking you should also see paragraphs 2.18 to 2.19 –
    - ii) Pay Point Scales  
Staff will move to the next higher point on the pay scale, subject to maxima. Staff on maxima on 31 March will receive a lump sum payment based on 2% of the basic rate of pay (no allowances taken into account) which is pensionable.
    - iii) Spine Point Pay Scales  
Staff will move up six spine points, subject to maxima. Where progression in year is to the maxima and the uplift in base pay is below 3%, the balance may be made as a non-consolidated pensionable lump sum. Staff on maxima on 31 March will receive a lump sum payment based on 2% of the basic rate of pay (no allowances taken into account) which is pensionable.

- iv) Open Pay Ranges (Trainee Psychologists and Psychological Assistant)  
Staff will receive an increase of 3% in base pay, subject to maxima. Staff on maxima on 31 March will receive a lump sum payment based on 2% of the basic rate of pay (no allowances taken into account) which is pensionable.
- v) Uniform Grades  
Those in uniform grades will continue to progress up to the maxima under the current process (there is no entitlement to the 2% lump sum payment for being at max).
- vi) Instructional Officers – Opt Outs  
Staff who have opted out of the arrangements introduced as part of the 2002 pay award and are currently on the maximum of their pay range. They will continue to receive equity shares of £110 as a non-consolidated payment on the following basis:
  - “Good” or better appraisal marking - 6 shares
  - “Must Improve” appraisal marking - 4.5 shares
- vii) Subject to “Poor Performance” appraisal marking – no progression.

2.16 All part-time staff entitled to receive progression under the performance related pay process, will receive any increase in pay on a pro-rata basis.

#### Payment of Progression

2.17 Payment of progression and any performance award due will be effective from 1 April each year. NOMS will normally action any award from this date, but it may not be possible to implement the full award until later in the year, following the conclusion of the appraisal process. Any arrears of pay due for the back-dated period from 1 April will be made in the same month as progression is implemented.

#### Performance Award

2.18 NOMS staff (apart from those in pre F&S uniform grades and F&S Bands 1 to 5) who receive an “Outstanding” appraisal marking will also be considered for an additional performance award payable in the July payroll.

2.19 The performance award is a pensionable lump sum calculated at 1% of base pay (no allowances taken into account) as laid out below:

- i) F&S Bands 6 to 11 – calculated against an individual’s rate of base pay applicable on 31 March.
- ii) Pre F&S structures – calculated against an individual’s rate of base pay on 1 April.