



Link Performance Management, Pay and Reward Policy

**Approval date: Oct 2019
Review date: April 2022**

This policy applies to

- Link Group
- Link Housing
- Link Living
- Link Property
- Horizon
- Larkfield
- West Highland
- Lintel Trust

Policy Scope & Summary

Our Link Performance Management, Pay and Reward Policy [PMPRP] is non contractual and extends to employees in Link Group, Link Housing, PSL and Link Property (excluding Senior Management Group).

Link is also piloting a continuous approach to performance management within some teams across Link Group, Link Property and Link Housing using an online performance management system. For teams within the pilot the Clear Review system is used instead of the Performance & Development Review (PDR) Form.

Equalities

The operation of this policy will always be in accordance with Link Group’s Policy on Equality and Diversity.

Privacy

This policy complies with Link’s Data Protection Policy and Data Protection Regulations.

Policy Owner
 Director of Human Resources

Review Manager
 Head of Human Resources

Approved By
 Senior Management Group

Revision History		
Date	Version Number	Comments
3 Sep 2019	V2	Minor updates to Feb 2015

1. INTRODUCTION

Link is committed to ensuring that its performance management system encourages and supports improving organisational performance and believes this can be achieved through the effective management and development of its people. Link's performance management and pay and reward systems rely on the interaction of a number of related areas:

- Strategy and business planning
- Job evaluation
- Competency Framework
- Link values
- Clear pay structures
- Performance management
- Rewarding performance

Performance management is an important part of our work and regular reviews between jobholder and line manager a Performance Management System (PMS) will allow us to reflect on how we are doing and to plan for our development. One of the tangible outputs of the operation of the PMS is a clear link to pay and reward. The operation of Link's PMS will not only develop and improve individual performance but also align effort with organisational goals and strategic objectives.

2. PRINCIPLES

Link's PMPRP aims to;

- Be clear and understood by all participants
- Be fair, equitable and consistent
- Reflect individual achievement, performance and competence against job requirements and organisational objectives
- Encourage and facilitate personal development
- Reflect the markets within which we operate
- Remain confidential amongst relevant parties
- Provide for an annual inflation-related pay award
- Comply with regulatory guidance and Link's corporate governance
- Manage remuneration within available budgets and affordability
- Manage any conflicts of interest openly and appropriately

3. OBJECTIVES

- Embed regular and relevant feedback to both jobholder and line manager
- Align individual objectives and targets with strategic objectives and business plans
- Improve both individual and organisational performance
- Identify training and development needs
- Identify individual skill, knowledge, expertise and competence
- Motivate employees by recognising and rewarding excellent performance

4. APPROACH AND METHOD

4.1 The Performance Year

The performance and development cycle will be annual from 1 April to 31 March.

4.2 Review Meetings

All employees will participate in three minimum formal performance and development review meetings with their line manager: performance and development objective setting (Apr/May) supported by a mid-year review (6 months) and an end of year review (12 months). The jobholder's line manager will facilitate review meetings and both line manager and jobholder will prepare fully beforehand.

All review meetings will be recorded, agreed and signed-off by the relevant parties within four weeks of the review date including the end of year review which will be signed off by 31 May annually.

4.3 Additional Support Meetings

Managers and employees continue to meet as regularly as needed to ensure effective support, performance and development needs are met based on individual needs.

4.4 Performance Objectives

Employee performance objectives will be agreed and recorded by 31 May each year. The performance and development review meetings will include a review of the jobholder's performance objectives, with amendments being recorded where appropriate so that these are accurate and reflect both the needs of the business and the individual's objectives for the year.

4.5 Performance Development Objectives

Personal development objectives are specific areas in which the employee needs to develop personally in order to achieve their performance objectives, to improve an aspect of their performance or behaviour or achieve their career goals.

4.6 Recommendations for Performance-Related Pay [PRP] Awards

Supporting evidence will be collated and recorded on the Performance & Development Review (PDR) forms should a recommendation for a pay award be considered appropriate. Any recommendations for PRP awards must be made having been carefully assessed against the following:

Fully effective/competent in job specification including:

- Performance against performance objectives and performance development objectives and targets
- Level of competence (core and job specific)
- Qualification/training
- Level of supervision required
- Level of responsibility (line management, budget, decision making)
- Extent of experience and skill
- Additional duties and/or responsibilities
- Added value, for example where the employee's initiative is bringing benefits to the organisation

- Personal leadership and active demonstration of Link’s values and Leadership Charter

5. SALARY STRUCTURE

5.1 Each Link company, in consultation with Staff Representatives, will establish and maintain its own salary structures which also reflect the Job Family Structure through job evaluation. A Salary Band will be attached to each job family and include three separate ranges to reflect an individual’s level of knowledge, skill, qualification and competence required for the job. Current salary structures can be found on the Linkipedia Employee Hub.

Each band will have five steps:

Developing	Developing	Competent	Competent	Skilful
Step 1	Step 2	Step 3	Step 4	Step 5

Some service departments/employees may not be able to adopt exactly the recommended Salary Structure where an existing contract clause prohibits this [eg; TUPE transfers].

5.2 Salary Benchmarking

Link will undertake regular salary benchmarking exercises to compare Link salary levels with the current, relevant markets. Link further commits to undertake a comprehensive salary comparison at least once in every three years.

5.3 Progression through the Salary Bands

In general terms, it is expected that appointments will be made to reflect that the individual will require time to become fully effective, and as such will be appointed in the Developing Range of the relevant Salary Band.

5.3.1 Progressing from Developing to Competent

It is accepted that Link has a responsibility to ensure that all employees are competent, and as such, investment in time, training and support will be provided to assist an employee within the Developing Range to progress to the Competent Range within a maximum of two years of employment. Human Resources will keep this under review with Line Managers, as a failure to progress may indicate that further training is required, or that a Performance Improvement Plan may be appropriate.

5.3.2 Progressing from Competent to Skilful

This level of performance is likely to be warranted by sustained performance where the employee is highly competent in core and job specific competencies, requires less supervision and is recognised as being skilful in their area of work

5.4 Pay Awards

Link is committed to paying at least the Scottish Living Wage¹ which is reviewed annually and normally applied on 1 April. The different pay awards are:

¹ Except to employees who are working in a trainee role, eg; Apprentices, interns and CJS posts.

5.4.1 Annual Inflation-Related Pay Award [IRPA]

Link will negotiate annually with representatives of the recognised trade union to agree the IRPA. This is normally effective from the 1st April and it is applied to all relevant salaries following the approval of the Link Group Board.

5.4.2 Performance Related Pay Awards

5.4.2a Consolidated Pay Award

A consolidated award will result in progression through the steps within the employee's salary band. When contemplating this type of recommendation, the line manager should consider whether the improvement is sustained and relevant to the areas listed in section 5.6 above. Where an employee is at the top of the salary band, a performance related bonus is appropriate to reflect the level of achievement. In the majority of circumstances, progression through the salary band will be sequential, i.e. a one step award for each approved recommendation. In exceptional circumstances, a two-step award may be justified.

5.4.2b Individual Performance Related Bonus

A non-consolidated award may be appropriate where recognition of effort and impact is considered appropriate, but the opportunities for sustained impact in these areas are less certain. Examples may include short-term cover for a colleague; contribution towards completion of a project; or where an employee is at the top of their scale. The level of bonus payment will normally be up to 3% of salary and will be in accordance with Standing Orders.

5.4.2c Team bonus

A non-consolidated team bonus may be appropriate where it is difficult to separate out individual contribution from other colleagues within a team. Examples may include achievement of team targets or the implementation of a new system. The amount awarded may be a fixed cash amount for each employee, or may be a percentage of their salary, up to a maximum of 3% of salary. For those employees who have worked and contributed towards the team's achievements for only part of the performance year, an assessment of their personal contribution including taking account of any periods of absence will be completed by the line manager and an appropriate bonus payment will be recommended.

5.4.2d Relevant Salary Figures

Where a non-consolidated award is based on a percentage of salary, the award will be calculated on the individual's annual salary as at 31st March.

5.4.2e Affordability

All of the above will be subject to the availability of budgets and affordability.

5.5 Approval Process for Pay Award Recommendations

5.5.1 Any budgetary restraints or guidance to be followed will be issued annually, in good time, to allow this to be shared with the recognised union and managers.

5.5.2. Discussions will take place within Management Teams regarding any proposed awards to allow for consistency checking and a common approach from managers.

Directors will consider recommendations within their areas of responsibility ahead of review by the SMG.

5.5.3 Line Managers will ensure that they produce, in good time, sufficient information to support their recommendations.

5.5.4 HR Business Partners will collate relevant information for their areas of responsibility and prepare this for consideration by the relevant Director and SMG.

5.5.5 The Chief Executive will approve all consolidated and non consolidated up to 3% of salary awards (excluding any proposed for SMG Directors).

5.5.6 The Link Group Board will be asked to approve non-consolidated exceeding 3% of salary awards.

5.6 Eligibility Criteria for Performance Related Pay Awards

To be eligible to receive a performance pay award, employees must:

- have been employed by Link for at least six months at 31 March, and
- have completed an End of Year Review, and
- have a clean disciplinary record,
- nor be subject to a Performance Improvement Plan

all on the date awards are recommended.

5.7 Payment of Performance Related Awards

Pay awards will normally be approved and paid by August and backdated to 1st April. Any change to the payment timescale will be communicated as soon as is practicable.

5.8 Pay Awards – Summary Information

A summary of Link’s performance related pay awards will be available to employees as soon as possible following the approval and implementation of individual payments.

5.9 Pay Award Appeals

See section 7. Appeals and Complaints noted below.

5.10 “Acting-Up” Allowances

Where employees are undertaking additional duties and/or responsibilities on a temporary basis the payment of an “acting-up” allowance may be appropriate. Any such allowance will be paid monthly and reviewed annually. The period of “acting-up” may be extended following a review and the approval of the relevant Director. An “acting-up” allowance will not normally be paid when covering for a colleague’s short-term absence from work or during a period of annual leave.

The level of allowance will be fixed for the “acting-up” period and based on 3% or 6% of the employee’s current salary dependant on the level of additional duties required. Payment of the allowance will stop when the employee ceases to undertake the additional duties.

Should the “acting-up” duties become a permanent addition to the job role then the revised job will be submitted to the Job Evaluation Panel for assessment. Employees should note that job evaluation of the amended role may not result in a permanent change of job family or salary.

5.11 Secondments

Depending upon the timing of a secondment and annual review considerations, it is appropriate to consider the employee’s performance in the substantive and seconded posts to ensure that performance in both roles is fairly reflected in any proposed salary award.

5.12 Job Evaluation Scheme

Each Link company will maintain its own Job Evaluation Scheme which will rate jobs and place them within the relevant job family for the role. See Salary Structures at 5.1 above.

5:12 Employees and line managers should contact their Human Resources for advice and/or guidance regarding performance management, pay and reward matters.

6. MONITORING, PERFORMANCE MEASUREMENT AND REPORTING

Link Human Resources will;

- Carry out regular checks, within their areas of responsibility, to ensure that all members of Link are complying with the principles, objectives and the minimum standards of this Policy.
- Present an analysis of the placement of employees within the relevant salary bands to assist line managers in assessing performance, and providing a focus of attention on individuals who ought to be/have moved to the competent range.

Any matter which demonstrates a serious failure of internal controls should also be reported immediately to the Chief Executive of Link.

7. APPEALS AND COMPLAINTS

An employee who disagrees with the content and/or assessment of their Performance Review Record will, in the first instance, discuss this with their line manager. Should the employee remain unsatisfied, they may raise an appeal with their counter-signing manager.

8. POLICY REVIEW

It is the responsibility of the Head of Human Resources, in consultation with Link, to review at least every three years this policy document and to seek feedback on its effectiveness whilst reflecting statutory requirements and best practice.

Privacy Impact Assessment Screening Questions

Carrying out a Privacy Impact Assessment [PIA] will be useful to any project – large or small – that:

- Involves personal or sensitive data about individuals
- May affect our customers' reasonable expectations relating to privacy
- Involves information that may be used to identify or target individuals

Please tick the applicable statement(s) below. Will your project involve:

1. A substantial change to an existing policy, process or system that involves personal information Yes No
2. A new collection of personal information Yes No
3. A new way of collecting personal information (for example collecting it online) Yes No
4. A change in the way personal information is stored or secured Yes No
5. A change to how sensitive information is managed Yes No
6. Transferring personal information outside the EEA or using a third-party contractor Yes No
7. A decision to keep personal information for longer than you have previously Yes No
8. A new use or disclosure of personal information you already hold Yes No
9. A change of policy that results in people having less access to information you hold about them Yes No
10. Surveillance, tracking or monitoring of movements, behaviour or communications Yes No
11. Changes to your premises involving private spaces where clients or customers may disclose their personal information (reception areas, for example) Yes No

If you have answered 'Yes' to any of these points, please complete a full Privacy Impact Assessment. If you have answered 'No', you need take no further action in completing a Privacy Impact Assessment.

Equality Impact Assessment Screening Questions

Will the implementation of this policy have an impact on any of the following protected characteristics?

- | | | |
|-----------------------------------|------------------------------|----------------------------------------|
| 1. Age | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. Disability | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3. Gender reassignment | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 4. Marriage and Civil Partnership | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 5. Pregnancy and Maternity | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 6. Race | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 7. Religion or belief | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 8. Sex | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 9. Sexual orientation | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

If you have answered 'Yes' to any of these points, please complete a full Equality Impact Assessment. If you have answered 'No', you need take no further action in completing an Equality Impact Assessment.