

Committee(s): Corporate Services Committee	Dated: 12 July 2023
Subject: Appraisal Data and Next Steps	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	8: We have access to the skills and talent we need.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Alison Littlewood, Interim Chief People Officer	For Information
Report author: Cindy Vallance, Assistant Director, Organisational Development & Talent	

Summary

CSC requested an update on appraisal completion data for 2022/23. Annual appraisals were due to be completed by 31 May 2023 for all employees not on probation or absent due to maternity leave, long term absence, or other legitimate reason. Casuals and temporary workers are not included in this data. The data shows a low rate of completion of only 29% (see Appendix 1 and 2) for continuing employees, and a second call will be issued for completion of all appraisals no later than 15 September 2023 with a target completion rate of over 90%. A plan will be developed to assure current and future adherence to the bi-annual appraisal process.

Recommendation

Members are asked to note the report.

Main Report

Background and current position

1. The current appraisal system was put in place in 2018 with further enhancements to the online forms undertaken in February 2020. The aim was to help the City Corporation achieve its vision and corporate values by linking individual goals with the overall corporate strategy.
2. The performance development approach was intended to help establish a culture of coaching conversations that recognised the value of City Corporation employees. The goal was to encourage the development of the right skills and behaviours for employees as well as to develop the future potential of individuals across the organisation. The approach was also created to maximise the organisation's performance and deliver Corporate Plan objectives.

3. There are two versions of the current appraisal form depending on grade: one for Grades A – G and one for Grades H and above. The form in both cases is separated into sections to enable reporting at the end / start of each year with reflections back on the past year and objective setting for the year ahead (typically in April/May) and provides space for a mid-year check-in (targeted for October).
4. An appraisal completion deadline of 31 May 2023 was set for the 2022/23 year and communicated by Internal Communications to all employees via the Intranet.
5. The appraisal form itself is held in a Microsoft forms system that sits within SharePoint and which was originally designed by IT. An interface runs daily to connect data with City People. Data issues exist due to the significant age and limitations that have existed within the systems themselves, including the need to run two systems in parallel. These include IT challenges which do not enable a change in appraisal access when line management changes and instances where the form is sent by the manager to the appraisee but the appraisee does not receive the form. IT is continuing to work on these issues, but data should be viewed in that context.
6. A range of inaccuracies in the establishment information held by City Corporation have also been identified in recent months. These errors have existed due to City Corporation-wide restructuring that has taken place throughout the period of the TOM and where updates have not yet been recorded in the system. Work is underway to correct data through cleansing in collaboration with all areas across City Corporation that includes a live project to correct the establishment / structure records for each area. The deadline for completion of the establishment project is 30 June 2023 and all updates are due to be made in the system by September 2023.
7. In addition to the technical challenges, feedback has indicated that other elements leading to low appraisal completion has been the high level of activity undertaken by a significant number of new employees and the learning curve required to understand individual roles and the organisation itself, as well as heavy workloads. Unions have reported high levels of work-related stress amongst their members who have in some cases been covering unfilled posts. People Strategy engagement findings have reported low levels of employee morale. All of these factors may be contributing to less-than-optimal engagement with appraisal.
8. The suspension of appraisals being linked to performance payments for the last two years has also been put forward by some as exacerbating low completion. However, the fact that completion is inconsistent is why it should not be used for pay purposes until it is made a more transparent and consistent system.

Mitigating Actions

9. Due to current low completion rates, the Senior Leadership Team has determined that appraisals must still be completed and recorded for as many employees as possible for the current period to increase appraisal completion rates.

10. Eleven appraisal training sessions have already been offered to date for the current cycle as part of the Learning and Development offerings to all employees: both appraisers and appraisees. Feedback by those who have attended the sessions has been positive although many of the questions and discussions have focused on understanding the complex and clunky system rather than on the content. A total of 107 employees had attended the training as of 15 June 2023. An additional six offerings are being scheduled through September with a further rolling offering continuing on an annual basis.
11. Communications will be disseminated across the Corporation with a revised deadline of 15 September 2023 for all appraisal completions and reminders will be sent throughout the coming months. Links to appraisal guidance and forms and appraisal training provision on offer will be included.
12. IT and HR will continue to address data issues on a reactive basis as these are identified. To rectify data issues longer-term, it is expected that the future Enterprise Resource Planning system in the process of being procured will provide longer term systems solutions to data issues and this implementation is expected in the second half of 2024.
13. A full review and refresh of appraisal will be undertaken as part of the Corporate Strategy / People Strategy implementation plan once the engagement work is complete.

Corporate and Strategic Implications

14. Strategic implications – Appraisal completions provide one signal on whether the foundations for a robust culture of challenge and support are in place. Appraisal completions are sometimes used as a measure to gauge employee engagement, climate, and culture. To be truly effective, however, appraisals must also be informed by meaningful continuing dialogue between managers and employees that provides support and development and that helps employees to thrive. These conditions in turn create a system of positive results and impact within the City Corporation and all its communities. Appraisal completion may be a first step for culture change to occur.
15. Financial implications – None.
16. Resource implications – Each line manager and each employee must invest appropriate time to make appraisal meaningful for both parties. Over time, the City Corporation will need to consider what is needed across its system to ensure a healthy environment for all employees.
17. Legal implications – None.
18. Risk implications – Non-completion of appraisals may indicate a lack of wider engagement across the organisation between managers and their direct reports. This may in turn lead to a loss of productivity and increased disengagement and turnover along with the risk of a longer-term downturn of organisational results.

19. Equalities implications – To be reported in the next appraisal update, scheduled for November 2023.

20. Climate implications – None.

21. Security implications – None.

Conclusion

22. Appraisal completion for the 2022/23 year, looking ahead to 2023/24, has been poor, although this should be caveated with the acknowledgement that data is not fully reliable. A renewed push across City Corporation will take place to require increased completions by 15 September 2023 up to 90.5%. A full review and refresh of appraisal will be undertaken as part of the Corporate Strategy / People Strategy implementation plan once the engagement work is complete.

Appendices

Appendix 1: Appraisal Completion Data Overall as of 31 May 2023

Appendix 2: Appraisal Completion Breakdown by Area and Length of Service

Background Papers

None

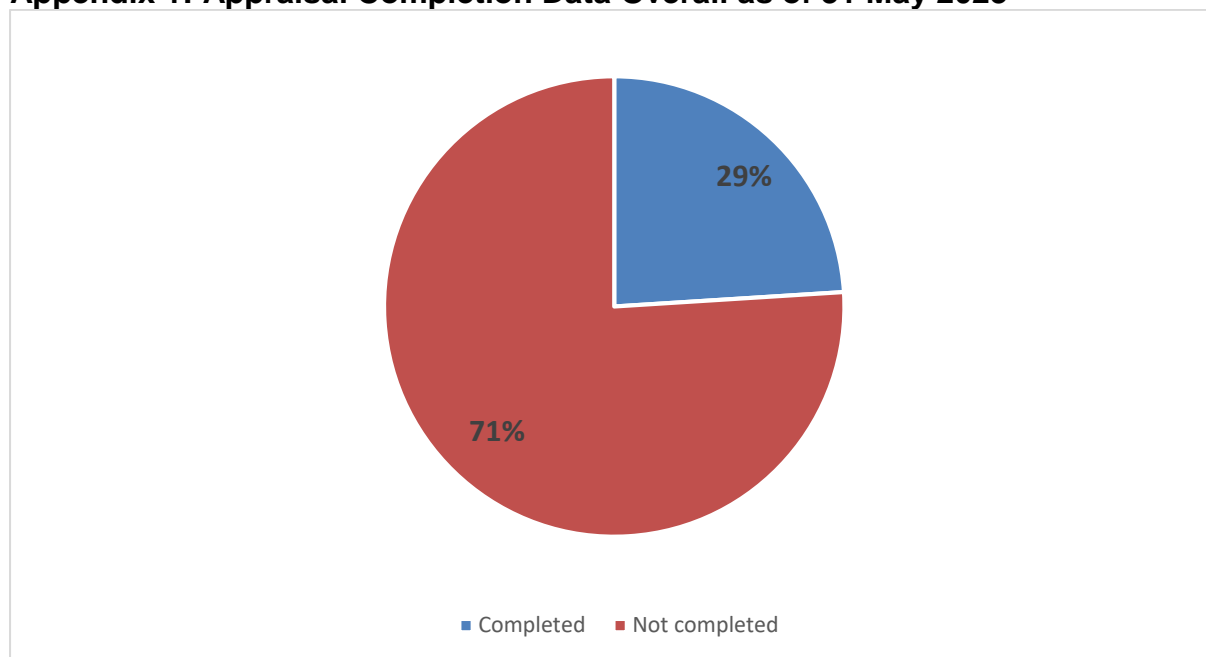
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Appendix 1: Appraisal Completion Data Overall as of 31 May 2023



*New Starters in probationary period removed due to eligibility status as of 31 May 2023

**Long term absence: eg. Maternity and long-term sick employees removed

***Total employee count by department may have inaccuracies due to structure in CityPeople.

All updates to establishment will be completed by September 23 following HR Business Partnering data gathering exercise with departments / institutions April - June 23.

Appendix 2: Appraisal Completion Breakdown by Area and Length of Service

Structure	Total Staff	No of Completion	No of Non-Completion	Completion Rate
CITY OF LONDON CORPORATION	3,544	1019	2,913	29%
Grand Total	3,544	1019	2,913	29%

Department	Staff Count	No of Completion	No of Non-Completion	Completion Rate
BARBICAN CENTRE [205]	312	96	248	31%
BRIDGE HOUSE ESTATE [275]	118	44	93	37%
CITY OF LONDON JOINT SCHOOLS [262]	4	0	4	0%
CITY OF LONDON POLICE (CIVILIANS) [255]	356	28	356	8%
CITY OF LONDON SCHOOL [261]	185	18	182	10%
CITY OF LONDON SCHOOL FOR GIRLS [263]	156	14	156	9%

COMMUNITY & CHILDREN'S SERVICES DEPARTMENT [325]	297	94	241	32%
DEPUTY CHIEF EXEC & TOWN CLERK [177A]	183	106	94	58%
ENVIRONMENT [343]	633	231	470	36%
FINANCIAL SERVICES [111B] (CHAMBERLAIN'S)	174	47	153	27%
FREEMEN'S SCHOOL [265]	185	49	174	26%
GUILDHALL SCHOOL OF MUSIC & DRAMA [219]	257	86	204	33%
INNOVATION & GROWTH [377]	97	18	88	19%
LEGAL SERVICES [115C]	48	18	34	38%
OPERATIONS [171D]	219	70	177	32%
REMEMBRANCER [159E]	31	16	15	52%
STRATEGY PLANNING INTELLIGENCE & PERFORMANCE [177AM]	10	5	7	50%
SURVEYORS & PROPERTY SERVICES [173F]	279	79	217	28%
Grand Total	3,544	1,019	2,913	29%

Length of Service Group	Staff Count	No of Completion	No of Non-Completion	Completion Rate
6 Months - 1 Year	333	94	275	28%
1 Year	278	81	231	29%
2 Years	222	72	189	32%
3 Years	187	62	162	33%
4 Years	238	92	186	39%
5 Years or More	2,286	618	1,870	27%
Grand Total	3,544	1,019	2,913	29%