

Report to: Personnel Committee



Date of Meeting 18<sup>th</sup> February 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release n/a

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## Reward Review Next Steps

### Report summary:

To seek Committee agreement to commission further consultancy work on the Reward Review, in light of revised information regarding costs.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

That the Personnel Committee agree to further external consultancy work being undertaken on the Reward Review in line with the revised costs.

### Reason for recommendation:

Following further liaison with the external consultants regarding the work involved to implement the next stage of the Reward Review, the costs of the work are in excess of the indicative figure provided to Committee on 27<sup>th</sup> January 2022.

Officer: Jo Fellows, HR Manager.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

### Equalities impact Low Impact

An equality impact assessment will be undertaken once the implications of this work are further understood.

### Climate change Low Impact

**Risk:** Medium Risk; Failure to address pay issues may impact on recruitment and retention and therefore service delivery. Detailed risk analysis of the potential options to address this will form part of the next steps for this work.

**Links to background information** The Reward Review was agreed by Committee on 2<sup>nd</sup> September 2021 ([210902 Personnel Ctte report Independent Review Workforce Priorities.pdf \(eastdevon.gov.uk\)](#)) and updates on progress were provided on 30<sup>th</sup> November 2021 ([211130 Recruitment Retention Update for Personnel Ctte FINAL.pdf \(eastdevon.gov.uk\)](#)) and 27<sup>th</sup> January 2022 ([220127 Reward Review report to Personnel Ctte FINAL.pdf \(eastdevon.gov.uk\)](#)).

### **Link to [Council Plan](#)**

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

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### **Report in full**

1. External consultants have undertaken initial work to review the Council's pay and grading structure and pay rates. Their findings, which were shared with Committee on 27<sup>th</sup> January 2022, highlighted that we have good governance and controls in place to ensure pay fairness and transparency, but we have a high number of market supplements and some of our roles are not in line with current market rates. The findings indicated that there was not necessarily a simple resolution and the issues needed further exploration.
  2. It was therefore agreed with Committee that further work would be undertaken by the external consultants to identify potential options for change and their related costs. It was agreed that this additional work would be funded from a small proportion of the £300-£500k which has already been built into the 2022/23 budget for pay purposes. The Committee report advised an indicative cost of no more than £20k for this work.
  3. However, following further discussion with the external consultants it is evident that the cost of the work is between £37k and £44.5k. The work includes:
    - 3.1. Further analysis of existing job roles and pay and grading structure.
    - 3.2. Design of potential options and cost modelling (including the implications of becoming a Real Living Wage employer).
    - 3.3. Provision of relevant information to support internal consultation.
    - 3.4. Finalising of preferred option, detailed costings and advice on implementation.
  4. Consideration has been given to whether some or all of the above activities could be undertaken in-house. However, there is not internal capacity to progress this work in a timely manner to take account of current recruitment and retention risks. External support also provides the Council with specialist and independent reward knowledge, including access to commercial pay benchmarking and cost modelling tools and advice on measures to mitigate against equal pay and other risks associated with a review of pay and grading arrangements.
  5. If agreed, the work would be commissioned via the existing procurement framework, with the aim of commencing as soon as possible. The consultants have advised that the work will take approximately ten weeks.
  6. This is a complex area of work which needs to balance organisational needs (including future proofing), alongside the wider context. Further external support would enable the Council to continue to make good progress in reviewing reward arrangements to mitigate against recruitment and retention challenges.
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**Financial implications:**

A budget of £25k was agreed for this work by Council. As outlined in the report and previous updates to the Committee the initial work has identified further analysis and recommended solutions are required. This additional work is going to require increasing the budget by £45k. The 2022/23 budget (subject to final adoption) includes a sum of £450k for possible costs associated with the General Fund to implement the final scheme. It is proposed that part of this budget is used to meet the additional consultant costs.

**Legal implications:**

There are no specific legal implications requiring comment.