

Report to: Personnel Committee



Date of Meeting 28<sup>th</sup> November 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

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## Reward Review Update

### Report summary:

To provide an update on progress of the changes to the Council's grades and pay rates, known as the 'Reward Review'.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

Note the revised pay and grading structure and next steps, including the methods to be used to evaluate impact.

### Reason for recommendation:

To retain awareness of the Council's pay and grading arrangements.

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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 High Impact

It is essential that this work is in line with equal pay legislation. A full impact assessment was undertaken prior to the start of the formal collective consultation process and this was shared with Unison as part of that process.

### Climate change Low Impact

**Risk:** Low Risk; The changes to the pay and grading structure will help to mitigate against current recruitment and retention challenges.

**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 \(eastdevon.gov.uk\)](#)). Committee agreed to phase 2 of the Review on 18<sup>th</sup> February 2022 ([Agenda for Personnel Committee on Friday, 18th February, 2022, 9.00 am - East Devon](#)). The high level grading proposals were agreed by Committee on 19<sup>th</sup> May 2022 ([Agenda for Personnel Committee on Thursday, 19th May, 2022, 2.00 pm - East Devon](#)).

### 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. In May 2022 Personnel Committee approved the high level pay and grading design proposals, following the work undertaken by Price Waterhouse Cooper (PwC), and agreed that the Head of Paid Service would progress the detailed design, impact assessment, consultation and implementation work. This report outlines the actions taken since then and next steps, including how the Council proposes to monitor the impact of the changes.

### 2. Background and work undertaken to date

- 2.1. The Reward Review was commissioned to review the Council's grading structure and pay rates in light of recruitment and retention concerns. The Review also needed to align with the agreed budget for this work, continue to utilise the National Joint Council (NJC) Pay Spine and assess whether revised pay and grading arrangements could support the Council's aspirations to be a Real Living Wage Employer.
- 2.2. PwC were commissioned to do this work. They undertook two phases, firstly a benchmarking exercise which highlighted that there were good governance arrangements in place but the Council's pay rates were not in line with the market in some areas. The second phase then developed a grading structure and revised pay rates. This high level structure was agreed in principle by Personnel Committee on 19<sup>th</sup> May 2022, subject to the completion of an impact assessment and the need to undertake collective consultation.
- 2.3. The detailed impact assessment work was undertaken internally between May and August, which included assessing the impacts on individual employees, checking the cost modelling and completing an equality impact assessment. The assessment highlighted that a very small number of staff would be adversely affected by the proposals (for example, a potential decrease in pay) and proposals were developed to mitigate against these issues.
- 2.4. Formal collective consultation with Unison commenced on 7<sup>th</sup> September 2022. The impact assessment findings were shared with Unison and the proposed mitigations formed part of the overall Reward Review proposal for consideration. Alongside trade union consultation a number of mechanisms were used to engage staff directly and all staff, regardless of whether or not they were Unison members, were encouraged to provide feedback on the proposals. As the proposals related to pay it was also necessary for the Unison national and regional offices to be involved and for Unison to ballot their members within the Council. The original planned date for the end of the consultation period was 13<sup>th</sup> October but this was extended, at Unison's request, to complete the ballot.

- 2.5. Around 6% of staff provided feedback, which was carefully considered but no major changes were made to the proposals, as to do so would have been outside the agreed budget or would have had an equal pay or age discrimination risk. On 8<sup>th</sup> November Unison advised that 81% of members were in support of the proposals.
- 2.6. At Joint Staff Forum on 14<sup>th</sup> November 2022 (the Council's internal trade union consultative meeting), the proposals were agreed.

### **3. The Proposals and Next Steps**

- 3.1. The revised pay and grading structure is at Appendix 1. The Real Living Wage is reflected in the design (including some future proofing), with the minimum salary point now being £11.59 per hour. The revised rates also take account of the 2022/23 NJC Pay Award. The new pay rates will be implemented in the December pay run, backdated to 1<sup>st</sup> April 2022 and the various revisions to policy, aligned to the new pay rates, will be implemented with effect from 1<sup>st</sup> January 2023. These policy changes include:
  - Removing the link between grades and annual leave entitlement, meaning that lower graded staff will see an increase in annual leave and consolidating the NJC agreed additional day's leave (part of the 2022/23 Pay Award) into the Council's leave arrangements.
  - Renaming Strategic Leads as Directors and Service Leads as Assistant Directors, following recent recruitment feedback.
- 3.2. Work has been ongoing during the consultation period to support the small number of staff who were identified as being adversely affected by the proposals and we are progressing actions to resolve these issues through job evaluation review, new market supplements (where market data evidence shows a need) or pay protection.
- 3.3. The Council had 39 market supplements in place as at 31<sup>st</sup> October 2022. If the Reward Review is implemented these will reduce to between 4 and 15, with most of the existing market supplements consolidated into normal pay through the revised pay rates. The final figure will be confirmed in due course, as we complete the actions to resolve issues for the small number of staff adversely affected by the proposals, and will be included in future people data reports to Committee. The Council will continue to have a Market Supplement Policy should the need arise, but it is envisaged that these will be minimal and they will be subject to annual review.
- 3.4. The Council's Pay Policy Statement will need to be revised to take account of the new pay and grading structure and this will be brought to the next Committee meeting for consideration. The revised arrangements are likely to have a positive impact on the pay multiplier which forms part of this report. The arrangements also have a positive impact on the Gender Pay Gap, with the impact assessment highlighting a reduction from 8.49% to 5.12%, reflecting the salary changes in grades that are predominantly held by females.
- 3.5. The impact of the Reward Review will be measured through the regular people data reporting to Personnel Committee and Senior Management Team. In particular there will be a focus on turnover and vacancy rates and we will also seek staff feedback, through exit interviews and staff surveys (including the planned staff survey to support Investor in People reaccreditation in early 2023). Work will also be taking place during 2023 to improve recruitment and attraction data collation (for example the number of applications received) which will then be incorporated into the people data reporting. PwC have advised that it could take c6-12 months to embed the revised pay and grading arrangements sufficiently to see recruitment and retention improvements.
- 3.6. HR are also exploring an improved cost neutral staff benefits offer, building on the range of benefits (such as staff discounts) that the Council already provides. A new recruitment video

is also being launched to promote the Council's employer brand and the benefits available to staff including Worksmart and Happy Healthy Here.

4. The Reward Review has been a significant piece of work which has taken some time to conclude, due to the complexities of aligning with the NJC Pay Spine, budget and Real Living Wage and ensuring that robust impact assessment and meaningful collective consultation was undertaken. We are pleased that we are now in a position to implement the proposals and are hopeful that it will have a positive impact on recruitment and retention.

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### **Financial implications:**

Council has approved a budgeted of £450k for the implementation year one cost of this scheme in the General Fund (and £96k has been included in the HRA), with implications for future years to be built in the core budget. Scheme design and modelling has kept within that sum.

### **Legal implications:**

The legal issues – including the carrying out of an equalities impact assessment and mitigation measures arising - are addressed in the report and do not require any further comment.

## Appendix 1 – EDDC Revised Pay and Grading Structure

	<b>2022/2023</b>		
<b>Grade</b>	<b>Spinal Column Point</b>	<b>Value</b>	
<b>1</b>	7	£22,369.00	£11.59
	8	£22,777.00	£11.81
	9	£23,194.00	£12.02
	10	£23,620.00	£12.24
	11	£24,054.00	£12.47
	12	£24,496.00	£12.70
	13	£24,948.00	£12.93
<b>2</b>	14	£25,409.00	£13.17
	15	£25,878.00	£13.41
	16	£26,357.00	£13.66
	17	£26,845.00	£13.91
	18	£27,344.00	£14.17
	19	£27,852.00	£14.44
<b>3</b>	20	£28,371.00	£14.71
	21	£28,900.00	£14.98
	22	£29,439.00	£15.26
	23	£30,151.00	£15.63
	24	£31,099.00	£16.12
<b>4</b>	25	£32,020.00	£16.60
	26	£32,909.00	£17.06
	27	£33,820.00	£17.53
	28	£34,723.00	£18.00
	29	£35,411.00	£18.35
	30	£36,298.00	£18.81
	31	£37,261.00	£19.31
	32	£38,296.00	£19.85
<b>5</b>	33	£39,493.00	£20.47
	34	£40,478.00	£20.98
	35	£41,496.00	£21.51
	36	£42,503.00	£22.03
	37	£43,516.00	£22.56
	38	£44,539.00	£23.09
	39	£45,495.00	£23.58
	40	£46,549.00	£24.13
<b>6</b>	41	£47,573.00	£24.66
	42	£48,587.00	£25.18

	43	£49,590.00	£25.70
	44	£50,642.00	£26.25
	45	£51,690.00	£26.79
	46	£52,972.00	£27.46
	47	£54,252.00	£28.12
<b>7</b>	48	£56,925.00	£29.51
	49	£59,758.00	£30.97
	50	£62,594.00	£32.44
	51	£65,428.00	£33.91
<b>8</b>	52	£68,264.00	£35.38
	53	£71,099.00	£36.85
	54	£73,933.00	£38.32
	55	£76,769.00	£39.79
<b>9</b>	56	£82,360.00	£42.69
	57	£87,951.00	£45.59
	58	£93,541.00	£48.48
	59	£99,132.00	£51.38
<b>10</b>	60	£129,089.00	£66.91