

Report to: Personnel Committee



Date of Meeting 4th July 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Working for East Devon District Council

Report summary:

This report summarises how the Council's pay and terms and conditions are determined, the current workforce priorities and some of the actions taken in recent years to support these.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Committee note the contents.

Reason for recommendation:

To provide new members of the Personnel Committee with background, to support future work.

Officer: Jo Fellows, HR Manager jfellows@eastdevon.gov.uk

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

Climate change Low Impact

Risk: Low Risk;.

Links to background information Initial meeting of the Personnel Committee and agreement of workforce priorities - [Agenda for Personnel Committee on Thursday, 2nd September, 2021, 10.00 am - 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. This report summarises how the Council's pay and terms and conditions are determined, the current workforce priorities and some of the actions taken in recent years to support these.

2. Terms and Conditions in Local Government

2.1. The Council's pay and terms and conditions are determined through three routes:

- **Statutory requirements** - for example the National Minimum Wage/National Living Wage (currently £10.42 per hour for those aged 23 and over), which set minimum requirements for pay rates.
- **National Agreements** – the pay spine (salary points that the Council uses in its grading structure) and annual Pay Awards are determined nationally, through negotiation with the National Employers and UNISON, UNITE and GMB trade unions. There are various Negotiating Bodies, with the National Joint Council (NJC) for Local Government Services being the largest, covering most local government employees. The Council also uses the Joint Negotiating Committee (JNC) for Chief Officers for Director roles and the JNC for Chief Executives. The NJC/JNC agreements also set out minimum requirements in areas such as annual leave, continuous service, working time and family leave.
- **Local arrangements** – Within the context of the above, the Council then determines its own local terms and conditions in consultation with UNISON who it recognises for collective bargaining purposes. This includes a locally determined grading structure (within which the nationally determined pay points sit) and the agreement of HR policy, which reflects statute and the National Agreements. The Council, as part of its Poverty Reduction Strategy, decided to reflect the Real Living Wage (currently £10.90 per hour) in its pay arrangements, subject to affordability, and this was agreed as part of the Reward Review in 2022 (see below).

2.2. National Pay Award arrangements have been particularly problematic in recent years. As shown in Figure 1 overleaf, Pay Awards since 2009 have been between 1 and 2.75%, with three years of no pay offer. This has meant that the local government sector has lagged behind wider pay rates and there has been an ongoing pressure to ensure compliance with the National Minimum/Living Wage, leading to some of the lower pay points in the NJC pay scale being removed. The 2022 Pay Award aimed to partly mitigate against this, with agreement of £1925 on all pay points (equivalent to a 10.50% increase on the lowest point and a 4.04% on the highest) and a similar offer has been made for 2023, but this has yet to be agreed, with all three trade unions currently balloting for industrial action. There continues to be a challenge for the National Employers in agreeing pay rates that reflect market conditions whilst also ensuring affordability.

1 April 2009	1.00%
1 April 2010	no offer
1 April 2011	no offer
1 April 2012	no offer
1 April 2013	1.00%
1 January 2015	2.20%
1 April 2016	1.00%
1 April 2017	1.00%
1 April 2018	2.00%
1 April 2019	2.00%
1 April 2020	2.75%
1 April 2021	1.75%

Figure 1: NJC Pay Awards 2009 – 2021 (South West Councils)

3. Workforce Priorities

3.1. In September 2022, the newly formed Personnel Committee agreed the following as the Council's key workforce priorities:

- Ensuring that workforce capacity meets service demand, within budgetary constraints.
- Overcoming significant recruitment challenges, due to shortages in a range of roles, which exacerbates workforce capacity issues.
- Establishing more robust succession planning arrangements in light of the Council's age profile and recruitment challenges, particularly with regard to senior management and other key roles.
- Learning from the 'Worksmart' introduction following the 2019 office relocation and new ways of working through the pandemic to clarify and embed longer term working arrangements which support service delivery, high performance, recruitment and retention.
- Continuing to support managers and staff to deal with service demands and new ways of working, including effective communication of the Council Plan and links to service, team and individual performance and contribution and ensuring that we continue to support staff health, safety and wellbeing (through the 'Happy Healthy Here' programme) and reduce absence rates.
- Ensuring that we maintain and build upon the generally positive employee and trade union relations environment to support high performance, recruitment and retention, including Investors in People (iP) reaccreditation.

3.2. Recruitment and retention has been a particularly challenging issue. As with the wider economy, the Council has experienced high levels of vacancies and turnover. Certain roles in local government, such as planners and solicitors, had traditionally been challenging to recruit to, but during this period it became increasingly difficult to recruit to all posts, from entry level through to senior management. To support this, the Council utilised its Market Supplement Policy, which allows the payment of a market supplement to reflect market pay rates, in addition to the usual pay determined for a role through job evaluation. By March 2022 the Council had 45 market supplements in place. However, market supplements can have equal pay risks if not kept under regular review and are not as effective at mitigating against recruitment and retention issues as standard pay, because they are a short-term addition.

3.3. Alongside this, the Council was experiencing high sickness absence levels, including high incidences of Covid-19, with peaks in Covid-19 absence reflecting the national picture. Mental health issues also became more prevalent as people were impacted personally as a result of the pandemic and capacity and demand pressures impacted on the levels of work-related stress. Staff were also seeking clarity on the Council's post pandemic working arrangements, following a period where many staff had worked from home in light of the Government's messaging during the pandemic, whilst others worked in front line roles within Covid-safe measures.

4. Actions taken to date

4.1. In response to the workforce priorities, several actions have been implemented, including:

- **Reward Review** – in late 2021 the Council sought external expertise to support a pay benchmarking exercise which highlighted that pay rates were lower in many cases than the market, which was contributing to recruitment and retention issues. A revised pay and grading structure was designed and consulted upon, with the new arrangements implemented in December 2022, backdated to 1st April 2022. Anecdotally, this has had a positive impact, with an increased number of applicants for roles. The latest people data reports are also showing a reduction in vacancies. However, the external consultants have advised that it may take 12 months to see the full impact of the changes. Meanwhile, pay rates within the wider economy continue to grow, with the Office for National Statistics (ONS) stating that growth in regular pay (excluding bonuses) was 6.7% in January to March 2023 and for the public sector 5.6%, compared to 7.0% in the private sector. It is therefore necessary to continue to monitor wider market pay rates through regular pay benchmarking and the Council continues to use its Market Supplement Policy where necessary.
- **Worksmart** – a Working Group has been established to determine and implement the Council's post pandemic working arrangements. Worksmart+ was introduced in May 2022, with the new policy enabling flexible working within the parameters of Worksmart Principles which focus primarily on service needs, but also consider the needs of the environment and employees. Each team within the Council has agreed their Worksmart arrangements in line with the Principles and these are kept under regular review. The Working Group are also considering the health and safety, ICT, accommodation and business travel implications and the approach continues to evolve as we learn more about what works. The recent liP survey highlighted the positive impact of Worksmart on staff morale and anecdotally we are seeing a similar impact on recruitment, with it being a key part of the employer brand. This is also reflected in the wider economy with a recent Chartered Institute of Personnel and Development (CIPD) survey highlighting that employees state that flexible working and remote working are key when considering a new job, only overtaken in importance by pay and benefits. A growing number of organisations (66% versus 56% in a similar CIPD survey in 2022) believe that it is important to provide flexible working as an option when advertising jobs, with it being a key way of attracting staff and addressing skill or labour shortages.
- **Employer brand and recruitment process review** – the Council has implemented new branding to support the attraction of candidates. This includes a [recruitment video](#) and new imagery used in advertisements and on social media. However, employer brand is also impacted by the wider Council's external reputation and the views of employees and we need to therefore continually keep the branding under review. Alongside this we have started to explore new sources of talent, for example advertising our roles with the armed forces, and we are reviewing our recruitment process to determine whether the candidate journey supports our brand and enables easy, yet robust, recruitment.
- **Grow our Own** – a longer term action to support recruitment and retention, as well as succession planning, is 'growing our own'. We are implementing various actions as set out in the accompanying report.

- **Happy Healthy Here, Learning and Development and Staff Benefits** – we have a strong and embedded staff wellbeing (known as Happy Healthy Here) and learning and development offer. This is kept under regular review, for example additional support was provided to staff during the pandemic and more recently we have included interventions to support with the cost of living and mental health. The Council has a successful Mental Health First Aider programme and is a Mindful Employer. During 2022 we further improved staff benefits with the introduction of a new online portal and we have plans for further developments later this year, all of which add to our employer brand.
- **Workforce Planning** – in 2022 we implemented a more detailed workforce planning approach, as part of service planning, to help service areas to ensure that they have the right people in the right place at the right time to support current and future service needs. Workforce planning also helps with succession planning and the identification of key skills. This was the first iteration which we will build on in 2023. The service Workforce Plans also provide useful intelligence to inform corporate workforce actions.
- **People Data** – to measure impact and provide improved oversight of workforce matters, new and improved people data reports were implemented, with these now being a standing item on Personnel Committee.
- **liP** – the Council has recently undergone the reaccreditation process, with a move from the Platinum to Gold standard. A detailed action plan, considering the reaccreditation report findings, is being developed and will inform our workforce priorities and employer brand.

5. The summary above provides context to the work that we will progress within the Council, in liaison with Personnel Committee, in the coming years.

Financial implications:

The recommendation is to note the report, there is no financial implication identified.

Legal implications:

As this is a summary report only, there are no legal issues directly arising.