

<b>Subject:</b>	Pay and reward scheme options
<b>Reason for briefing note:</b>	To inform the Principal Member for Human Resources of progress in the development of a new pay reward scheme.
<b>Responsible officer(s):</b>	Terry Baldwin, Head of HR
<b>Senior leader sponsor:</b>	Alison Alexander, Managing Director and Strategic Director, Adults, Children and Health
<b>Date:</b>	Employment Panel – 18 October 2016

## 1 BACKGROUND

- 1.1 In July 2016 Employment Panel asked for the current Pay Reward scheme to be reviewed and simplified. Since then a number of activities have been undertaken:
- Developed Terms of Reference for the project board.
  - Established a Start-Finish project team, representatives from all Directorates and trade unions. Two meetings have been held, with further meetings scheduled to review the options following Employment Panel.
  - Meetings held with Managing Director and Strategic Director Adult, Children and Health Services, the Principal Member for HR and the project team to explore ideas for the structure of a new pay system.
  - Sought legal advice to understand the TUPE implications of staff transferring to other organisations and the consultation period to meet the go-live date of April 2017.

## 2 SCHEME OPTIONS REVIEWED

- 2.1 Following the meetings detailed in 1.1 five areas of commonality have been identified:
- Use of four performance ratings – outstanding; excellent; successful; requires improvement.
  - Inclusion of a ‘Gateway’ at the top of the salary range.
  - Continued use of pay ratios. 1:3:5 as used in 2015/16.
  - No payment for staff with a rating of Requires Improvement.
  - Payment date for reward 25 June, backdated to 1 April.
- 2.2 Alongside the areas of commonality, there are six areas of difference, that require further discussion:
- Annual uplift of salaries by a set percentage (Pay award).
  - Retain increments or move all staff to spot salaries.
  - Payment for performance and the use of other instant rewards (Pay reward).
  - Provide a monetary value to each of the 120 points allocated to objectives, for example £1 for every point.
  - Members’ annually setting the range for each of the ratings above requires improvement.
  - Qualifying criteria for inclusion in pay reward.
- 2.3 The areas raised in points 2.1 and 2.2 will be reviewed alongside the points raised by Members at Employment Panel, as the pay scheme continues to be developed.

### 3 KEY POINTS FOR CONSIDERATION

- 3.1 There are three areas that require further consideration, with legal advisers, as part of the scheme development:
- Employees transferring to other organisations under TUPE.
  - Consultation and notice periods.
  - Delivering differently – impact on scheme.

### 4 NEXT STEPS

- 4.1 Following Employment Panel, further development and adjustments will be made and shared with Corporate Management Team and the Task-Finish group.
- 4.2 The final report, with recommendations, will be presented to Employment Panel on 29 November 2016. Table 1 provides details the timetable to ensure implementation of the new scheme by April 2017.
- 4.3 Members are asked to note the work undertaken so far and provide any comments or guidance on the areas of difference.

**Table 1: Timetable overview**

<b>Timelines</b>	<b>Activity</b>	<b>Date</b>
July	Project and team initiation	
August	Research and development of new scheme options	
September	CMT - verbal update of progress	23.09.16
October	CMT – produce first draft of pay scheme	05.10.16
October	Employment panel – progress update	18.10.16
November	CMT - Final report with options	16.11.16
November	Employment panel - Final report with options	29.11.16
December	Start consultation with staff	01.12.16
December	End consultation with staff	30.12.16
January	Collate feedback, make amendments to scheme if required	02.01.17
January	CMT - Amended report for sign off via email	06.01.17
January	Employment Panel - amended report for sign off	19.01.17
January	Issue notification of revised scheme to staff	23.01.17
January	Ongoing communication to staff	
February	Process, systems and forms developed	
March	Implementation	
1 April 17	Objective setting starts	
April	New scheme terms and conditions become live	14.04.17