

# Chichester District Council

THE CABINET

11 July 2017

## Pay Policy

### 1. Contacts

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### 2. Recommendation

- 2.1.      That the Cabinet approves the proposed Pay Policy Statement as outlined in appendix 1.
- 2.2.      That the Cabinet authorises a comprehensive review of posts based on the Pay Policy Statement to ensure a consistent and fair pay structure.
- 2.3.      That the Cabinet authorises the release of £25,000 from reserves to fund temporary staffing within the Human Resources service to support the implementation of this project.

### 3. Background

- 3.1.      At their meeting on 6 September 2016 Cabinet considered a report setting out options available to the Council in response to an analysis of the Council's pay grading structure, benchmarking of salaries and recruitment and retention trends in recent years.
- 3.2      Cabinet approved the option of undertaking a job re-design approach to be applied on a service by service basis. This option will provide an opportunity to update job roles and the grading structure, reviewing the number of grades and job types. It would however be a longer-term option, taking time to implement and would need to be aligned with other corporate initiatives, such as other service reviews and the senior management restructure due to take effect in April 2018.

### 4. Outcomes to be Achieved

- 4.1.      A comprehensive review will provide the opportunity to review the existing pay structure and to ensure a fair and consistent approach is taken in evaluating job

roles and their appropriate pay grade going forward to enable the Council to retain existing professional staff and to continue to be an attractive employer.

## **5. Proposal**

- 5.1. The proposed job re-design is aimed at updating the existing pay grading structure and ensuring a fair and consistent approach. It is not intended as a savings exercise.
- 5.2. The Council has used the Hay job evaluation system since 1990 and it is proposed to continue to use this system. Officers have worked closely with the Hay Group on a consultancy basis in considering implementation of the proposed re-design.
- 5.3. To provide clarity and consistency, it is proposed that a Pay Policy be adopted by Cabinet. This policy sets out the Council's commitment to staff, legal and statutory obligations relating to pay and an overview of the job evaluation process and is attached as Appendix A for approval.
- 5.4. The re-design would consist of two phases. The first phase will be to undertake a job evaluation process for each separate job role. This will require significant support from the Human Resources (HR) Service and involvement from service managers. Each job role will need to be evaluated by a Panel of staff who have been trained in applying the evaluation criteria process. The Council currently has 12 staff trained who will be supported by HR and the Corporate Improvement Team. In addition to this it is recommended that advice, facilitation and some validation is sought from Hay Group to provide external quality assurance on a consultancy basis.
- 5.5. On completion of the job evaluation, the second phase will be undertaken by the Hay Group who will analyse the evaluations and work with Officers to provide a revised grading model with individual and overall cost implications within the limitations of existing budgets. This phase is designed to obtain a clear picture of relativities, provide equity between similar job roles and address any particular issues. It is therefore expected that the salary grading for a significant number of job roles will be broadly similar to their current level.

## **6. Alternatives Considered**

- 6.1. At their meeting on 6 September 2016 the Cabinet considered a number of alternative options:-
  - (a) Do the minimum. To make no structural changes other than to respond to legislative changes. This option was not supported as it did not address the findings of the pay analysis undertaken.
  - (b) Continue to apply market supplements to posts as recruitment issues arise. This option was not supported as a method of addressing the pay analysis in isolation. However, it is accepted that there does need to be provision to apply temporary market supplements to posts where necessary and this is incorporated within the revised Pay Policy.

- (c) Apply a tier of market supplement performance related pay on an individual basis. This option is a variation on option (b) with the supplement being annually reviewed to reflect an individual's performance and market forces. This option was not supported as the enhancement would be a temporary uplift and would not therefore address recruitment issues as it would not form part of the substantive salary.
- (d) To review the mid pay grades demonstrating a salary shortfall when benchmarked against the south-east local government sector. This option was unaffordable when costed.
- (e) To apply the median public sector salary to all posts. Again, this option was unaffordable
- (f) To undertake a comprehensive review of all posts. This is the preferred option proposed.
- (g) Review the benefits package. This option was also approved by the Cabinet. All staff are now offered the opportunity to take part in the Council's car loan scheme and a discounted scheme is offered to staff purchasing a car parking season ticket.

## **7. Resource and Legal Implications**

- 7.1. At their meeting on 6 September 2016 the Cabinet allocated £25,000 to fund advice and consultancy. To date £10,000 has been spent on Hay training and consultancy. The remaining £15,000 will fund the support required from the Hay Group during the first job evaluation phase of the re-design and the delivery of the revised grading model.
- 7.2. As mentioned in paragraph 5.4, a significant amount of additional work will be required from the HR service during the evaluation and implementation stages. This will require additional resources within the service area for a temporary period. Cabinet is requested to release additional funding to provide this support at a cost of £25,000.
- 7.3. Any changes associated with this project will be carried out in accordance with employment legislation and existing approved Council policies.

## **8. Consultation**

The Joint Employee Consultative Panel (JECF) received a report at their meeting on 22 August 2016, setting out the benchmarking data and options appraisal. The Panel has received regular updates at each of their meetings since this time and considered the proposed Pay Policy and proposals at their meeting on 26 June 2017. Minor changes were incorporated into the Pay Policy Statement as a result of this consultation. The Staff Side requested at this Panel meeting that there should be no reductions in staff salaries as a result of the Pay Review and that the Council's longer term aspiration should be to achieve the median public sector pay level for all

posts. These points were put forward by the Staff Side and they were not agreed by the councillors on JECP.

## 9. Community Impact and Corporate Risks

- 9.1. This project will not have a community impact. The Council does have a corporate risk (CRR8) concerning staff skills, capacity and capability. A number of initiatives have been introduced to develop the workforce and ensure staff are appropriately trained. This project has been identified as one initiative that will further reduce this risk in ensuring the Council are a fair and attractive employer and are therefore able to recruit and retain the calibre of staff required to provide a good quality service to our customers. Cabinet will, however, be aware of the uncertainty this review may have upon staff and this will need to be carefully managed during implementation with clear and regular staff communications.

## 10. Other Implications

Are there any implications for the following?		
	Yes	No
<b>Crime and Disorder</b>		X
<b>Climate Change</b>		X
<b>Human Rights and Equality Impact</b> The implementation of this project and any associated changes will be undertaken in accordance with Human Rights, Equality and employment law legislation.	X	
<b>Safeguarding and Early Help</b>		X
<b>Other</b> (please specify) eg biodiversity		X

## 11. Appendices

- 11.1. Appendix 1 Pay Policy Statement  
11.2. Appendix 2 Job Profile

## 12. Background Papers

- 12.1. None