



SOUTH
KESTEVEN
DISTRICT
COUNCIL

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Employment Committee

21 September 2022

Report of Councillor Annie
Mason, Cabinet Member for
People & Safer Communities

Pay Review Update

Report Author

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Purpose of Report

The purpose of this report is to provide the Employment Committee with an update on the progress of the Pay Review.

Recommendations

That the Employment Committee:

- 1. Notes the update of the Pay Review based on the agreed scope of the review.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	High performing Council
Which wards are impacted?	All wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The pay review could have significant financial implications for the Council and so the review will need to be undertaken in the context of the financial framework. It is important that any changes to the salary bandings are carefully considered prior to any implementation.

Legal and Governance

- 1.2 There are no legal implications arising from this report.

Diversity and Inclusion

- 1.3 An Equality Impact Assessment on the Pay Review has been completed. This analysis has not identified any potential for discrimination or for negative impact and all opportunities to promote equality have been taken.

Mental Health and Emotional Wellbeing

- 1.4 The current cost of living crisis is likely to have a significant impact on people's mental health and wellbeing. Consideration should be given to how the Council can best support staff from a financial wellbeing perspective. The review of the lower grades as detailed in this report should provide some clarity for staff. Signposting of existing support and benefits available should also be regularly communicated.

2. Background to the Report

- 2.1 A Pay Review Update report was presented to and noted by the Employment Committee on 9th March 2022. This report included proposed actions and timescales.
- 2.2 A number of actions noted under Next Steps in the Employment Committee report on 9th March have been completed. These include:
- An Equality Impact Assessment has been completed on the scope of the Pay Review.
 - Setting up of a Pay Review Working Group to develop proposals. Separate sub- groups will also be set up to look at each of the four areas of the Pay Review Scope.
 - Details of the pay review and its proposed scope have been communicated to the Trade Unions through the Joint Consultative and Negotiating Committee meetings which are led by Chief Executive.
 - An action plan has been developed to deliver the scope of the Pay Review (see Appendix A).
- 2.3 The following information provides an update on each of the separate areas of the Pay Review Scope.

The use of career grades to attract talent to the organisation and provide development opportunities and progression to develop and retain rising stars.

- 2.4 The Council's recruitment strategies are aimed at maintaining a high calibre workforce with the skills, competencies, knowledge and experience to deliver a diverse range of excellent services and to meet its many objectives. Career Grades are one of a range of initiatives that can be used to resolve recruitment and / or retention difficulties and supporting succession planning.
- 2.5 Career Grades enable the employment of people who may not have the required level of qualification / competency but who could be trained to achieve the necessary levels over a reasonable period of time.
- 2.6 Career Grades may be used for hard to fill jobs and for the transition from apprenticeship to employment.
- 2.7 One of the actions of the People Strategy 2022-25 is to increase the use of apprenticeships and career development roles to 'grow our own' for hard-to-recruit to roles.
- 2.8 The Council offers a wide range and levels of apprenticeship opportunities and may, in some cases, be able to offer a job at the end of the apprenticeship and in some circumstances, it might be appropriate to support the former apprentice by

appointing them to a career grade to give them more time to achieve the essential job requirements.

- 2.9 A career grade pay review group has been set up to identify opportunities for career grades. There is a specific focus on hard to fill roles and promotion of career grades in current recruitment advertising.
- 2.10 The promotion of career grades has been launched within the Environmental Health team who are currently advertising for an Environmental Health Officer/Senior Environmental Health Officer providing an opportunity for a graduate to be appointed with a career development plan.
- 2.11 To ensure equity and consistency across the Council work is underway with the pay review sub-group to develop a career grade procedure with guidance for managers.

A review of the lower range of pay grades to ensure that there is clear differentiation between the grades, based on the 2022 Real Living Wage rate.

- 2.12 The new Real Living Wage will be announced on 22 September 2022. Upon confirmation of this rate, plans will be put in place to adjust the lower pay scales to ensure they are on or above the Real Living Wage as per our commitments.
- 2.13 The Real Living Wage is voluntarily paid (i.e. giving our people higher salaries than the legal minimum wage) in recognition for the increasing costs of living.
- 2.14 The National Employers have made a one year (1 April 2022 to 31 March 2023) offer to unions representing local government NJC workforce. This offer is that with effect from 1 April 2022, an increase of £1925 for all NJC pay points 1 and above. Whilst South Kesteven District Council are not in the collective pay negotiations, we do usually align our pay deals. This has therefore been modelled against our pay scales pending the outcome of the national offer.
- 2.15 In readiness for this year's pay deal, South Kesteven District Council have modelled removing the lowest scale points in order to create more differentiation between grades in the bottom scales.

Analysis of similar roles across the organisation to identify any inconsistencies between pay grades. Consideration to be given to the setting of salary bands for different levels e.g. senior officer, 1st line manager, team leader, service manager.

- 2.16 Salaries for roles which are considered similar are often queried by staff and can result in perceptions of unfairness. Analysis has been carried out on roles with line management responsibility below the level of Service Manager and the following table summarises the position:

Job Title	Grade
1st Line Supervisor	SK10/11
1st Line Supervisor with specialist knowledge	SK12/14
2nd Line Supervisor	SK12
1st Line Supervisor with Professional qualification	SK16/19
Team Leader/Manager	SK16/19

- 2.17 This analysis has not identified any internal pay inconsistencies.
- 2.18 In the broader bands for 1st Line Supervisor with Professional Knowledge and Team Leader/Manager shown in the table above there will be different levels of knowledge, numbers of staff and level of budget responsibility which account for the wider banding.
- 2.19 The salary information shown above could provide a structured framework for line manager roles and associated salaries. These roles fall into natural salary bands based on the level of responsibility.
- 2.20 The salary for all roles across the Council below Service Manager level are determined through the job evaluation system. As part of the job evaluation process moderation of the outcome is carried out which includes comparison with similar roles.
- 2.21 The Job Evaluation Procedure is currently being updated and it is proposed that job evaluation panels will form part of the process. In addition to the line manager and HR the panel will include an independent person who has been trained in the job evaluation process.
- 2.22 In addition to internal benchmarking, we are currently working with other councils benchmarking pay scales, market supplements and honorariums. This work will identify any external pay differentials between similar roles.
- 2.23 There is no intention to change salary bandings for line management roles and therefore no budgetary implications.
- 2.24 Salary bands are already in place for Head of Service roles and above.

Develop a consistent process for the benchmarking of roles, particularly those which are hard to recruit to. Consideration could be given to using job evaluation in conjunction with salary benchmarking, and the use of external benchmarking tools. To provide meaningful evidence to support pay decisions.

- 2.25 Research of external salary benchmarking tools has shown them to be expensive and unlikely to provide value for money for the relatively small number of roles that they would be relevant to within SKDC.
- 2.26 East Midlands Councils have a pay and rewards network in place to facilitate an exchange on broader pay and reward issues as well as identifying some posts for pay benchmarking.
- 2.27 Recruitment in hard to fill roles is particularly challenging in the current climate and on occasion there is a need to apply market supplements to roles in order to offer a competitive salary that is attractive to applicants. Examples of this are roles within Environmental Health where there is a lot of competition amongst neighbouring councils.
- 2.28 Salary benchmarking provides useful evidence to determine whether our job evaluated salary for a role is competitive against the market. It is also a useful tool for managers in developing a business case to apply a market supplement to a role.
- 2.29 The Council's Pay Policy Statement makes reference to market supplements but does not include detailed guidance.
- 2.30 It is proposed to develop a market supplement procedure which will include guidance on the benchmarking required to support a request for the application of a market supplement. This guidance will need to be kept under review to incorporate any key factors from the joint working with other councils on market supplements.
- 2.31 The implementation of a market supplement procedure includes the requirement for documented evidence and a business case to support the request for a market supplement to be applied to a role. This should ensure consistency and fairness in the application of market supplements.
- 2.32 Preliminary work has begun on developing a market supplement procedure and it is also proposed to share this with the pay review sub-group looking at this area to obtain their feedback.

3. Key Considerations

- 3.1 This report is for noting and therefore there are no key areas for Members to consider.

4. Consultation

- 4.1 Consultation has taken place through the setting up of the Pay Review Working Group and sub-groups.

- 4.2 Consultation will take place at the appropriate stage with the Cabinet Member for Finance and Waste and the Section 151 Officer in respect of budget implications.
- 4.2 Regular consultation takes place with the Trade Unions about the Pay Review through the Joint Consultative and Negotiating Committee (JCNC).

5. Appendices

- 5.1 Appendix A - Pay Review Action Plan