

CORPORATE AND COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE



Report subject	Pay and Reward
Meeting date	12 June 2023
Status	Public Report
Executive summary	This report provides an update on the progress to date with the Pay and Reward project.
Recommendations	N/A – for information only
Reason for recommendations	N/A – for information only
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Corporate Director	Ian O'Donnell, Corporate Director for Resources
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Wards	Council-wide
Classification	For Information

Background

1. The Pay and Reward project was introduced to review and replace the seven different pay and grading structures and 4 very different sets of terms and conditions, inherited from the preceding legacy councils, with a new single pay and grading structure and one set of terms and conditions for BCP Council.
2. This will bring equality between current roles and rates of pay, ensuring that colleagues doing the same job or same level of work receive equal pay. Equal Pay legislation means we must ensure equal pay for equal work. The TUPE arrangements in place provides all colleagues on legacy terms protection on those terms until such time as the organisation needs to reorganise.

3. There are three principal areas of activity set out within the following two workstreams:

Workstream 1: Implementing a new pay and grading structure and re-evaluating all roles.

Workstream 2: Implementing a single set of terms and conditions and an enhanced colleague benefits package.

Workstream 1

Our external partners, Korn Ferry supported the pay and reward options with the development of some 580+ new role profiles replacing over 2700 job descriptions. These role profiles have been evaluated using the Hay methodology job evaluation scheme. This evaluation method is the most widely used in the world across the public, private and not-for-profit sectors.

Several different pay models have been considered, the latest being approved by Corporate Management Board in November 2022, which results in a higher percentage of colleagues whose pay will be either positively impacted or with no impact, than those negatively impacted. This approved model also has lower implementation costs for BCP Council.

Workstream 2

A new set of employment terms and conditions and benefits package will be introduced. These proposals have been formed in consultation and negotiation with trade unions and feedback from a staff survey undertaken.

4. In 2022 a suite of new HR policies was introduced for all, except for the three policies that will be introduced by Pay and Reward. These are Pay and Grading, Travel and Subsistence and Annual leave and Time off. Therefore, with regard to those three policies, staff will remain on their legacy terms and conditions until such time as Pay and Reward is implemented, and the new policies come into effect.
5. Through the implementation of the Pay and Reward strategy, the Council underpins its ambition to be an 'employer of choice,' and aligns with the values set out in the People Strategy. It enhances our position as an employer by being more competitive in the job market and improving our ability to attract and retain skills.
6. Furthermore, the HR policies within the proposed offer support the values and priorities set out in the Corporate Plan.

Progress to Date

7. In February the project reached a key milestone, by presenting our full offer of the new pay and grading structure, new terms and conditions and enhanced benefits package, to the Trade Unions.
8. Following a period of review, the Trade Unions raised several queries. The project team have formulated and sent a response that is hoped will enable them to proceed to ballot.
9. This will impact on the original proposed implementation date of 1 February 2024 by causing some delay, the length of which has not yet been determined. All possible

options will be considered with the view to progress this project to implement at the earliest date practicable.

Options Appraisal

10. This section is not applicable to this report.

Summary of financial implications

The figures below are included in the Council's 2023-2027 MTFP and are based on an implementation date of January 2024.

BCP MTFP Provision 2023-2027	£'000				
	2023/24	2024/25	2025/26	2026/27	Total
Pay and Reward Project					
End of pay protection		(1,310)	(3,930)		(5,240)
Increase in pay	744	2,232			2,976
Market supplements		250	750		1,000
Terms and Conditions	62	186			248
Incremental Drift - Assumption is not until 1 April			2,177	1,870	4,047
Pay and Reward Project Total	806	1,358	(1,003)	1,870	3,031

As at the 31 March 2023 total spend on the Pay and Reward project was £2.3m.

There is an additional provision of £185k to fund the implementation team for 2023/24.

Summary of legal implications

11. Implementing a new pay and grading structure and single set of terms and conditions will provide consistency across the organisation and minimise the risk of equal pay claims.
12. Since the project commenced in 2019, we have engaged in a collective bargaining process with our recognised unions, GMB and UNISON.
13. Following the submission of our final offer, the Unions have raised queries, that currently prevent them from proceeding to ballot.
14. We are continuing to consult and negotiate with the Trade Unions to resolve their queries, in the hope that they can proceed to ballot and BCP Council can implement a unilateral change to employment contracts and terms and conditions.
15. Whilst every effort is being made to secure agreement, the Council would need to consider all alternative options to progress the project if a ballot is not held or indeed if a ballot resulted in a vote against the offer.
16. If we are unable to reach agreement with the trade unions, a Dismissal and Re-engagement process would legally permit a change to the terms and conditions. This option would be given consideration if no other options remain but would be considered only as a last resort.

Summary of human resources implications

17. We have and will continue to engage with colleagues through regular internal communications channels to update on the progress of ongoing negotiations with the Trade Unions and the revised timescale for implementation.
18. Prior to implementation a series of colleague briefings will be held to update on the proposed offer and new set of enhanced benefits.
19. Managers will be asked to support colleagues through the changes. Training and information packs will be provided to assist them in this process.
20. Percentage of workforce will see a decrease in pay but there will be a period of pay protection. Percentage will receive an increase which will be effective upon implementation.
21. The proposed new terms and conditions offer differences in the ways of working, giving colleagues more flexibility and choice.
22. EIA has been completed for the three policies introduced through implementation of Pay and Reward and on the full set of terms and conditions.
23. In line with the project communication plan, regular updates are provided to senior management teams via the Directors Strategy Group and Senior Leadership Network Group. Schools and the organisation workforce are kept informed, updates are cascaded through SLN, via the intranet and with 'A Conversation with Graham' Teams events.

Summary of sustainability impact

24. To support the Council's corporate ambition to be carbon neutral by 2030, detailed in the Climate and Emergency Action Plan, we have made an offer for sustainable business travel arrangements for colleagues in the proposed new terms and conditions. In addition, the proposed new benefits package also includes offers and discounts supporting sustainable travel and flexible working arrangements. The full details will be communicated when final proposals have been agreed with the Trade Unions.

Summary of public health implications

25. There are no public health implications arising from this report.

Summary of equality implications

26. An EIA panel reviewed the three main policies separately. A full EIA and Action Plan was submitted for further review to the Trade Unions along with the offer. The EIAs are considered working documents, with a view to consider and include comments/suggestions from colleagues following the colleague briefings as well as the Staff Network Groups. We have drafted a shared action plan and will consider support that can be put in place for those colleagues adversely affected by Pay and Reward.

UNISON have undertaken an analysis of the offer and considered how it impacts equalities. They have provided their response, with additional queries.

We have undertaken a pay audit in accordance with the guidance from the Equalities and Human Rights Commission (EHRC) and have satisfied ourselves that the new proposals do not have any gender imbalance as described for this type of audit.

Inevitably, with the introduction of a major change programme of this kind, there will be some colleagues that are negatively impacted due to the complexities in the existing pay structures, which currently allows the inequality in pay to exist. Pay and Reward will resolve these inequalities. For those adversely affected, there will be a period of pay protection.

Summary of risk assessment

27. There is a risk that if agreement cannot be reached with the Trade Unions and the collective bargaining process reaches an impasse, or as a result of unions balloting their members a 'no vote' is an outcome, at this point alternative options may be considered to enable the project to move forward and therefore remove the current inequality in pay, terms and conditions. An option may be dismissal and re-engagement of the whole workforce. This is a lengthy and resource intensive process, that will result in an extension to the implementation date.

Delays to the implementation of this project could also result in:

- Increased exposure to equal pay risks, having assessed roles and not addressed the pay inequality
- Increased recruitment and retention challenges and the knock-on impacts to service delivery
- Increased levels of dissatisfaction and impact on morale due to continuing inequity of pay
- Additional costs and project resources.
- People Strategy objectives not being met.

Background papers

None.

Appendices

There are no appendices to this report.