

EMPLOYMENT MATTERS COMMITTEE

30 JANUARY 2019

REVIEW OF MEDPAY

Report from: Carrie McKenzie, Assistant Director - Transformation

Author: Tim Silver, Acting Head of HR Services

Summary

Following a decision made at the December meeting of the Employment Matters Committee to review the Council's current performance pay arrangements (known as MedPay), this paper asks Members to agree on the scope and method of the review.

1. Budget and Policy Framework

- 1.1 The decision on agreeing the scope and methodology for the review of MedPay is for this Committee to agree, and where the costs of delivering the review cannot be met from existing budgets then funding will require Cabinet approval.

2. Background

- 2.1 The Council's current performance related pay arrangements (known as MedPay) were introduced in April 2014. At the Employment Matters Committee meeting held on 5 December 2018, Members agreed to a review of the MedPay scheme.

3. Consultation with Trade Unions on the scope of the review

- 3.1 The Unison and GMB Trade Unions were invited to submit details of areas of the MedPay scheme that they wanted to form the scope of review. Their combined responses are listed below:

- Is the overall distribution of MedPay monitored to ensure that it is sufficiently equality proofed?
- Is it a fair and consistent scheme in both theory and application?
- How does it further the objectives of the organisation?
- Does MedPay provide a real incentive for all staff and improve individual performance?
- Does it encourage a culture of high performance?
- How is MedPay currently monitored?
- How does Medway compare to NJC pay awards since its inception?
- What pay schemes are in operation in other Kent councils?

- Have any other Kent councils chosen not to adopt a MedPay type arrangement?

3.2 It is recognised that colleagues who are engaged on MedPay terms and conditions of employment may be members of other Trade Unions. However, for expediency and to reflect that pay negotiations are only undertaken with Unison and GMB, other trade unions were not invited to make submissions.

4. Advice and analysis

4.1 Recognising the areas identified at 3.1 and to mitigate any challenge on the findings, the review would need to be carried out by an independent third party.

4.2 Based on initial research, a review of this nature may take between three to four weeks to complete, excluding the work required to fully scope the terms of the review and to commission a provider.

4.3 Consultant fees vary but initial research indicates that it would be reasonable to base an estimate of £1000 per day, with associated expenses.

4.4 Therefore based on an estimated 20 working days a budget of c£20,000 to £25,000 would need to be allocated to this project.

4.5 The Council's current procurement thresholds require three quotations for any commissioned work that falls within a banding of £5000 and £100,000.

5. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
That the current MedPay Scheme is not fit for purpose and discriminates against some cohorts of staff bring the council into conflict with the Equality Act 2010.	The Trade Unions have challenged that the performance related pay element of the MedPay scheme may discriminate against part-time workers who are pre-dominantly female.	To continue to robustly manage the MedPay scheme and to closely monitor the equalities data.	D2

6. Financial implications

6.1 There is currently no budget allocation to fund this project and any spend will create a financial pressure.

7. Legal implications

7.1 There are no direct legal implications to this report.

8. Recommendations

- 8.1 To comment on the proposed scope of the review.
- 8.2 To delegate to the Assistant Director – Transformation the authority to finalise the scope of the review and appoint an independent provider to carry out the review, following consultation with the Chairman of the Committee and the Opposition Spokesperson.
- 8.3 To recommend to Cabinet that funding for the review be identified as part of the 2019/20 budget setting process.

Lead officer contact

Carrie McKenzie
Assistant Director - Transformation
Telephone: 01634 332261
carrie.mckenzie@medway.gov.uk

Appendices:

None

Background papers:

None