

EMPLOYMENT MATTERS COMMITTEE

6 JUNE 2023

MEDPAY REVIEW UPDATE

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Summary

This report updates members on the progress of the MedPay Review.

1. Budget and policy framework

1.1. This matter is within the council's policy and budget framework.

2. Background

2.1 Full Council originally committed to reviewing the current MedPay scheme in January 2020, however, due to covid the review was postponed.

2.2 On 31 August 2022 EMC was presented with a proposal to develop a reward solution to address identified challenges with MedPay and market conditions.

2.3 At that meeting it was proposed to move to an enhanced MedPay pay approach to address issues such as:

- retaining a talented workforce;
- attracting and recruiting a skilled workforce;
- supporting career progression;
- addressing the challenge of staff leaving and skills shortages;
- ensuring there is a transparent and consistent approach to applying policy for market enhancements and retention payments based on regular market condition assessments.

2.4 The review aimed to achieve greater pay consistency across Medway Council and provide clear routes for career progression and career pathways, enabling staff to develop and move through the pay band.

2.5 The review also sought to establish a consistent set of data tools to inform departmental pay strategies and two external mechanisms are now in place to

ensure equity and fairness in relation to job evaluation and salary benchmarking.

- 2.6 In some areas of the council there has been a high reliance on locums, and it is intended that the enhancements being made will attract permanent staff into the council and reduce this reliance.
- 2.7 It was proposed that a pilot made up of approximately 10% of the organisation would participate in the review to ensure testing at every stage and to drive home that a new framework would be focused more on talent mapping, career progression and providing opportunities for staff to develop.
- 2.8 The committee agreed to the principles and framework of a revised pay approach and requested a report on the findings of the 10% pilot on completion. Whilst the pilot has not yet fully completed, given that the review is now 6 months in, it is timely to provide this committee with an update on progress.

3. Analysis

3.1 Phase 1 project initiation

- 3.2 By October 2022 a small project team was recruited, and the review was announced in late October 2022. Corporate Management Team (CMT) was tasked with deciding which roles should be in the first phase and had to take tough decisions based on the data available which included: turnover rates, recruitment difficulties, retention factors, market conditions and the capacity of managers and their teams to be able to fully participate in the review.

- 3.3 The roles chosen for phase one included: Audit, Building Control Surveyors in South Thames Gateway Building Control Partnership, Community Trading Standards and Enforcement Officers in Regulatory Services, Digital Team, Family Solutions, Highway Engineers, Lawyers, Social Workers in Adults Social Care, Occupational Therapist in Adults Social Care and Children's Social Care, Planners, Surveyors in the Valuation & Asset Management Team, and the Youth Offending Team.

- 3.4 There are three main aspects of the review:

- the introduction of career progression frameworks and career pathways;
- job evaluation where job profiles have changed by 30% or more;
- assessment of market conditions through salary benchmarking, where evidence shows that roles are difficult to recruit or retain, there is high use of locums or succession planning issues that need to be addressed.

3.5 Career Progression Frameworks and Career Pathways

- 3.6 Career Progression Frameworks aim to provide the following information within each job profession:

- Core knowledge, skills and experience at professional levels within job professions;
- Transferable skills and competencies associated with each professional level;
- Development activities that may support vertical and lateral career progression.

- 3.7 The frameworks operate alongside performance appraisal processes and provide a mechanism for individual employee performance to be assessed against set criteria for their role: A (Developing); B (Practiced) & C (Accomplished).
- 3.8 Progress through the pay range is based on assessment of demonstrable evidence which will enable individual progress through the pay range of the post. This ensures individuals are rewarded fairly and equitably based on their skills and competence to do their job.
- 3.9 Job Evaluation
- 3.10 During the pilot it soon became apparent to managers in phase 1 that some of the role profiles in their teams had not been updated for some considerable time and when developing the career frameworks these needed to be aligned. The council was reliant on a database (ESource) for job evaluation that was obsolete, and a new system was commissioned. On 25 May 2023, HR staff will have been trained on Pilat Gauge+ software for job evaluation. The new system is the preferred system nationally for the NJC job evaluation scheme and is governed by the NJC.
- 3.11 The review has been a catalyst for ensuring that role profiles are updated as this is integral to ensuring staff understand what is expected of them in their role and there is transparency in terms of the job role and the career progression framework.
- 3.12 Market Benchmarking
- 3.13 Phase 1 is focused on roles that were hardest to recruit and retain. For a period of 2 years the council has commissioned an external benchmarking system (Cendex) to enable salary benchmarking and salary assessments against the market. The system holds data from public, private, and charitable sectors.
- 3.14 Implementation
- 3.15 Processes were tested, with 1 July 2023 as the proposed implementation date for most of the pilot teams. South Thames Gateway (STG) Building Control which is a partnership of four councils implemented the review from 1 May 2023 and has been at the leading edge of this initiative. Details of the STG career progression framework are available in Appendix 1.

- 3.16 The pilot has involved establishing and testing standard templates (such as model templates for career progression frameworks, guidance, and project plan timelines) which can be included in toolkits. These toolkits will be launched for use by phase two managers. Managers are asked to complete the templates and make them specific to their areas of operation when they embark on the review. Employees within the pilot phase teams are fully engaged in the process as managers share the draft frameworks and ask staff to contribute to their content before implementation.
- 3.17 Approval processes are undertaken by a subset of the corporate management team (CMT) before implementation of the review recommendations for each team in the pilot phase. Any costs associated with the review, for example introduction of any market allowance for recruitment and retention purposes or any job profile amendments that lead to a job re-evaluation resulting in the recommendation of a higher pay grade are considered under officer delegations and must be cleared by both HR and Finance before consideration by CMT subset.
- 3.18 The review is committed to ensuring that no-one is put at detriment because of any recommendations relating to their level of performance within the career progression framework. Any individuals who are evaluated at a lower pay range than their current salary will have their pay protected and support will be put in place to assist them in their development and reaching the performance required of the relevant pay grade.

4. Risk management

- 4.1 Risk management is an integral part of good governance and project governance processes are in place to monitor the risk register for this project. The council's strategic risk register acknowledges the risks associated with recruitment and retention.
- 4.2 The MedPay project risk register can be found at Appendix 2.

5. Consultation

- 5.1 As the review was focused on enhancements to the current MedPay scheme, there was no requirement to formally consult as the main scheme has remained the same and the changes do not cause any detriment, however recognised trade unions have been engaged with through the Corporate Consultative Committee and Joint Consultative Committee, with the two main trade unions for support staff also regularly updated through informal communication channels.
- 5.2 The review team also devised a communications and engagement strategy (appendix 3) and plan (appendix 4) to ensure both key stakeholders and all staff in the council are kept informed of the proposed changes and invited to comment at all stages.

5.3 Each directorate nominated Communication Champions specifically for the MedPay Review project who are asked to channel information to their directorates and feedback on any issues or concerns to the project team for consideration.

6. Financial implications

6.1 Financial assessments of any proposed changes to individuals' pay as a result of their placement on the Career Progression Frameworks are scrutinised by HR and Finance and signed off by members of CMT under existing budget delegations. Four teams have been costed within the 10% so far. Once the full 10% is complete a financial evaluation will take place and ongoing monitoring or retention and recruitment challenges to ensure added value.

6.2 The financial impact of the four teams who have been costed within the 10% is to increase the cost of those teams by £118,000 at 2023/24 pay rates. There is no current budget allocation to fund this in 2023/24, however CMT is expected to identify savings within the existing budget to fund the impact of these re-evaluations and any arising from later phases.

7. Next Steps

7.1 As a result of phase 1 a few HR policies and processes require alignment to the new enhanced MedPay, and any revised or new policies will be presented to EMC over the course of the project. A revised draft MedPay policy, for example, is being presented to this EMC as a separate report and a revision to the existing Market Premia policy.

7.2 Phase 1 implementation date for pilot phase teams is 01 July 2023, 4 of which to date have the finances signed off and are ready to proceed.

7.3 The project team are looking to onboard most of the organisation in phase 2, which commences late July 2023. Managers will be able to consider when would be the best time to start the process and will be required to set a reasonable timescale for the introduction.

7.4 Capacity issues were identified as a factor preventing roll out of the review at greater pace, so some additional fixed term resource has been agreed and recruitment is currently taking place for an additional HRBP, 2 project coordinator/ change consultants and 2 project officers. Roll out will be subject to capacity of the project team and managers working closely with managers in their implementation planning, to QA the frameworks, and ensure consistency, equity, and fairness across the organisation.

7.5 Phase 3 will be focussed on embedding the review, onboarding any teams or roles not covered in phase 2 (e.g. Service Manager and Strategic Service Manager roles), and the mapping of transferable skills to enable cross organisational career pathways.

7.6 A full evaluation of phase 1 implementation along with outcomes analysis will be presented to a future meeting of EMC,

8. Recommendations

8.1 Members of the Committee are asked to note the report.

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Appendices

Appendix 1 (a, b) Example of STG career progression framework

Appendix 2 MedPay project risk register

Appendix 3 Communications and engagement strategy

Appendix 4 Communications and engagement plan

Background papers:

None