

Employment Matters Committee

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Reward and Recognition Strategy 2024-2028

Report from: Samantha Beck-Farley, Chief Organisational Culture Officer

Author: Sandra Maddocks, Employee Engagement Manager

Summary

The report presents for information, the draft Total Reward and Recognition Strategy 2024-28, attached as Appendix 1 to the report.

1. Recommendations

1.1 The Employment Matters Committee is asked to note the report and Appendix 1 to the report and raise any questions and/or suggestions.

2. Budget and policy framework

2.1 This Strategy has been agreed by Corporate Management Team and is consistent with the Council's policy and budget framework.

3. Background

3.1 Extensive industry research shows that employees who feel valued for their contribution are more likely to go the extra mile when needed, and more likely to stay with their employer. In our environment of continuous challenges and pressures, having a workforce who feel valued for their contribution is therefore crucial to us being able to deliver on our priorities and achieve our objectives.

3.2 The Reward and Recognition Strategy 2024-28, set out at Appendix 1, forms part of our wider attraction strategy as we seek to build a reputation as an 'employer of choice' - a strong employer brand that is much sought after as it brings with it a number of key organisational benefits, but primarily it means we have a better chance of attracting the best talent and retaining them for longer.

3.3 The key priorities for action from this strategy stem from previous annual employee surveys and what our employees have told us through other

employee engagement activity. We want to prove we are listening to our workforce and do this through committing to action.

4. Advice and analysis

4.1 There are a number of key benefits for any organisation in having a workforce that feels valued and supported. These are:

- Lower employee turnover.
- Better opportunities to engage top talent.
- Better engaged employees, willing to go the extra mile when needed.
- Increased performance.
- Less sickness absence.
- Increased employee and customer satisfaction.

4.2 The focus to achieve these benefits is to highlight the total investment we make, and plan to make, in our employees. We have done this by bringing together in one strategy document the individual components (that research tells us) make an impact on how valued and motivated employee's feel. This includes both financial and non-financial components.

4.3 The components that make up our total reward and recognition approach, and the objective for each component are summarised below.

- **Recognition:** by implementing new recognition processes that are valued and welcomed by employees and, at the same time, reinforce our values and behaviours.
- **Compensation, performance and progression:** by completing the Medpay Performance, Progression, Pay review.
- **Employee Benefits:** by introducing new benefits that are sought after and valued.
- **Giving employees a voice:** by building upon our current two-way communication processes (at both corporate and local level) to enable employees to have their views heard and feel valued in doing so.
- **Wellbeing (and work-life):** by building upon current practices and evidencing to employees that we take their health, safety and wellbeing seriously.
- **Development:** by developing our leadership and management training programmes, enabling fair access to learning and development for all employees, and building our talent pipeline.

4.4 Some workstreams are already progressing, and some form part of other workplace strategies such as the Workforce Strategy 2028 and the Employee Engagement Strategy 2024-28. The strategy does not seek to change or adapt their direction but seeks to:

- Include additional incentives such as new employee benefits and recognition processes, and
- Provide effectiveness measurement through employee engagement survey metrics.

4.5 The Strategy also explains:

- What it is to be an **employer of choice** and why we aspire to build that reputation.
- **Our values and behaviours** and how we use the components of the strategy to embed these.
- How it links to **wider organisational strategy** such as the Workforce Strategy 2028.
- How the elements of our **People Promise** steer the strategy.
- Why we are taking a **total reward and recognition** approach.

4.6 **Communicating the strategy:** A communications plan is being developed to promote the strategy and its components.

4.7 One of the main pathways for communicating the strategy will be to link it to our 'People Promise', as set out at Appendix 2.

Our People Promise has two purposes:

- (i) It provides a visual concept that enables both current (and prospective employees) to see at-a-glance our priorities, our values and the investment the council is making in them through the provision of an array of both financial and non-financial incentives, and
- (ii) It enables us to regularly measure, through the annual employee survey, how effective our policies and processes are to achieving employee satisfaction.

4.8 **Reviewing and measuring the strategy:** The annual employee engagement survey will be the main vehicle for measuring the effectiveness of the strategy. Within the action plan there are metrics for each component that will be used to measure progress.

4.9 **In summary**, we want our employees to feel valued and motivated to go the extra mile for our organisation, and also to build a career here. We aspire to achieve this by:

- listening to what colleagues are telling us about what they value from an employer and implementing change and valued benefits wherever possible.
- celebrating and highlighting our investment in our employees through the components of this strategy and our People Promise.
- continual review and measurement of progress.

5. Risk management

5.1 Failure to invest and support our employees, and their career journey will have a significant negative impact on our reputation as an 'employer of choice' and it will also impact our service delivery as set out below.

Risk	Description	Action to avoid or mitigate risk	Risk rating
A lack of feeling valued and supported in the workforce, reduction in performance and adverse effect on service delivery and productivity.	Failure to show our employees that we value them, and their wellbeing may lead to: <ul style="list-style-type: none"> - Lack of employee motivation - less likely to go the extra mile. - Lower employee and customer satisfaction. - Decreased performance. - Decreased engagement - Higher employee turnover. - 'Less likely to attract top talent Increased sickness absence.	The strategy seeks to mitigate this risk through a total reward and recognition approach for the next four years.	BIII

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

6. Consultation

- 6.1 The draft strategy has been shared with Corporate Management Team who are keen for the corporate centre to communicate and promote the investment the council makes in its workforce more widely. Officers agreed to prioritise this activity.
- 6.2 Corporate Management Team agreed to share and promote the investment that makes up our People Promise, and the suite of employee benefits within their services and teams.

6.3 The draft strategy will be shared with the Medway Makers engagement champions to ask for their suggestions on creative ways to reach out to all colleagues across the organisation to ensure they are all aware of the investment that is being made, and the employee benefits available to them.

7. Climate change implications

7.1 Whilst there are no direct climate change implications the strategy will support all council priorities through the development of a highly motivated workforce.

7.2 With the introduction of new employee benefits we will prioritise, where appropriate, those benefits that support our climate response, e.g. the Cycle to Work Scheme that is to be introduced early 2025, and the current Tusker 'green' car salary sacrifice scheme and green interest-free travel loan schemes.

7.3 Recognition processes, where appropriate, will recognise individuals and teams who go over and above to support all our priorities, including our climate response.

8. Financial implications

8.1 The 2025/26 draft budget includes £7.8million for pay to cover the Cost of Living Award and the cost of the Medpay review. Other elements of the reward and recognition strategy are funded from or will be funded from existing revenue budgets.

9. Legal implications

9.1 There are no direct legal implications arising from this report.

Lead officer contact

Samantha Beck-Farley, Chief Organisational Culture Officer

Appendices

Appendix 1 - Draft Reward and Recognition Strategy 2024-28

Appendix 2 - Our People Promise diagram

Background papers

None.