

Employment Matters Committee

3 July 2025

MedPay Review Update

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Summary

This report updates the Committee on the progress of the MedPay Review, with a specific focus on the period between February 2024 and June 2025.

1. Recommendation

The Employment Matters Committee is asked to note the report.

2. Budget and policy framework

2.1 Updates on the MedPay review are a matter for this Committee.

3. Background

3.1 The background to the MedPay Review was set out in a paper to Employment Matters Committee on [6 June 2023](#) with an evaluation of Phase 1 considered on [30 January 2024](#).

3.2 The aim of the Review was to ensure that the Council:

- retains a talented workforce;
- attracts and recruits a skilled workforce;
- supports career progression;
- tackles the challenge of staff leaving and skills shortages;
- continues to pay people above the National Living Wage; and
- has a transparent and consistent approach to applying policy for market enhancements and retention payments based on regular market condition assessments.

3.3 It should be recognised that the review was not just a process affecting pay and reward but related directly to personal performance and development and a cultural change process.

- 3.4 Twelve areas of operations completed in phase 1 between 1 May 2023 and 31 January 2024. 218 people were included in Phase 1, 155 people (71.1%) of whom had an increase in their salary. Phase 2 was rolled out from February 2024 with an original aim of between 18-24 months for completion.
- 3.5 Leadership frameworks for Service Managers and above were originally to be looked at in Phase 3 (year 3) but the work commenced alongside Phase 2 with the new senior management leadership competency framework which was considered by Employment Matters Committee on [29 January 2025](#). The framework has been embedded into the senior manager performance appraisal and career conversation process from 2025/26 as a tool for personal and professional development. Consideration of the senior manager pay scales to enable pay progression through pay range is a matter for consideration at full council.
- 3.6 Key Performance Indicators (KPIs) were established to enable the monitoring of the success of the review against the desired outcomes. These were broken down into key areas.

Quantitative data:

- Recruitment and Retention Data (such as turnover and campaign success data);
- Financial and Personal Impact Data (monitoring pay levels and the allowances that were awarded and measuring the financial impact);
- Diversity Impact Assessment (DIA) Data (for individual teams for management purposes as well as aggregated data for organisational monitoring).

Qualitative data:

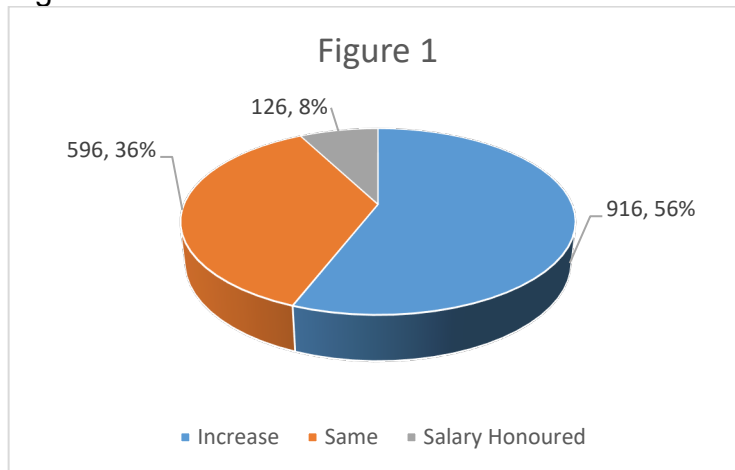
- Staff Surveys;
 - Risk Register Monitoring.
- 3.7 The MedPay Review Team have closely monitored the impact of the review on those with protected characteristics. A full diversity impact assessment (DIA) will be made available to this Committee once all teams have implemented as part of the project evaluation.
- 3.8 A final end of project evaluation report will be reported to the Employment Matters Committee in 2026.

4. Update

- 4.1 In Phase 2, 154 areas of operations were reviewed between February 2024 and June 2025. Out of 1638 people who were implemented by 30 June 2025, 916 people (56%) had their salaries increased which demonstrated that progression through the pay grade based on competence in the role had a positive effect on people's pay.

- 4.2 Figure 1 shows that whilst 56% of staff received an increase in pay, 36% remained at the same level and 8% had their salaries honoured as they were assessed at a level which was paid lower than their salary. Salary honouring was put in place to ensure staff were not at a financial detriment caused by the review. Cost of Living Allowance was applied to salaries that were honoured for the duration of the review but will end in 2026/27.

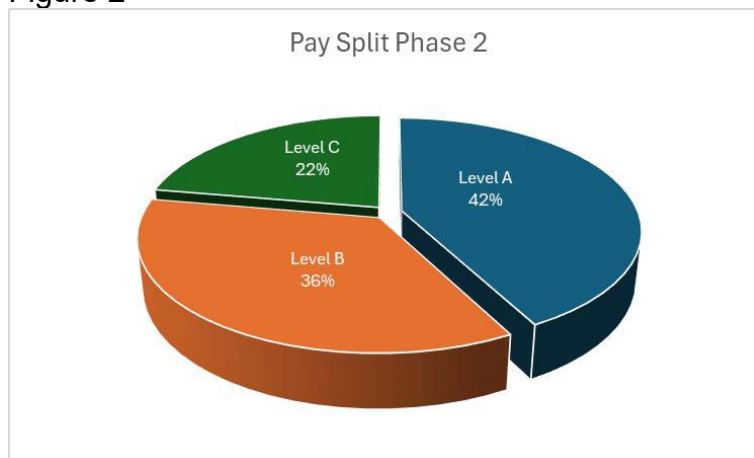
Figure 1



The chart at Figure 1 shows:
916 people – 56% had a pay increase
596 – 36% pay remained the same
126 – 8% had their salary honoured

- 4.3 The project aims to have a 20:60:20 distribution across the levels A:B:C to support career development and succession planning. Level A is bottom of the pay range, Level B is the middle of the pay range and Level C is the top of the pay range for most pay ranges. Figure 2 shows the number and percentage of staff at levels A, B, and C for phase 2 between February 2024 and June 2025.

Figure 2



The chart at Figure 2 shows:
Level A - 42 % (692 people)

Level B - 36%(581 people)

Level C - 22% (365 people)

- 4.4 In July 2023, the Council commissioned an automated job evaluation system. Pilat Gauge + was recommended nationally by the Local Government Association and was approved by Trade Unions. The system and process has proved to be a fairer and more accurate way of evaluating jobs, with managers taking a leading role in the process and HR undertaking a quality assuring role rather than an assessment role.
- 4.5 At 17 June 2025, 443 job evaluations were completed on Pilat Gauge+ since it was implemented in July 2023, these include evaluations of roles outside of the review, such as role profiles that had been amended or created due to organisational change activity e.g. restructures. In order to assess organisational impact, we started to monitor the data more closely in September 2023 and there were 318 re-evaluations between 1 September 2023 and 17 June 2025 with 39 (12%) of those coming out at a higher grade, 98 (31%) at the same grade and 5 (2%) at a lower grade whilst 176 (55%) were new posts.
- 4.6 The MedPay team also used the PILAT Gauge+ pay modelling software to modernise and streamline the pay structure as a result of the issues with the increasing rise to the National Living Wage and the resulting knock-on impact to the lower pay bands. This supported strategic planning by offering insights into the financial implications of different pay models, helping to align compensation strategies with organisational goals, resulting in accurate forecasting for the implementation of new pay scales in April 2024. The team found Gauge+ would accurately model and provide robust reporting on the various cost of living scenarios, enabling the council to make informed decisions when deciding on the pay award for April 2025.
- 4.7 A political and managerial commitment was made to accelerate the review in order for it to complete early in 2025; the MedPay project team were therefore formally disbanded on 31 May 2025 although one officer remains in a fixed term role to assist with and monitor the final stage and to undertake evaluation on final completion. Staff working on the project such as HR Business Partners reverted to their substantive roles from 1 June 2025 but continue to support managers of teams that have not fully implemented.
- 4.8 Phase 2 did not originally include a group of 430 stewards/casual/sessional staff in various areas of operations. These roles are paid on spot point salaries which will remain, although there will be opportunity for career progression frameworks to be developed to facilitate career pathways. This work will take place in Autumn 2025.

5. Risk Management

- 5.1 The risk register was maintained during phase 2. Risks identified were either been mitigated or sat below the threshold for escalation. Where corporate risk

remained these were explicit in the corporate risk register which is reported to service committees and Audit Committee.

6. Consultation

- 6.1 As the review related to enhancements of the current MedPay terms and conditions, formal consultation was not necessary however the review team fully engaged both formally and informally with trade unions on a regular basis and a communications strategy was in place with training, staff briefings, dedicated pages on the intranet, TEAMS channels, regular newsletters and communications champions established within each directorate.

7. Conclusion

- 7.1 The review demonstrates a positive impact on pay and reward although the project needs to be fully evaluated following its completion to determine whether the aims and objectives have been met in full.

8. Financial implications

- 8.1 During the budget build process for 2024/25 £4million was built into the directorate budgets for the impact of MedPay, in 2025/26 a further £1.9million was built into directorate budgets for the completion of the MedPay process. A financial assessment on the final impact is currently being undertaken, the expectation is that the final cost of all MedPay reviews will be met from within the amount earmarked for this process.

9. Legal implications

- 9.1 There are no legal implications directly arising from this report.

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Appendices

None

Background papers

[MedPay Review Update report to Employment Matters Committee 6th June 2023](#)
[MedPay Review Phase 1 Evaluation Report to Employment Matters Committee on 30 January 2024](#)
[Senior Management Leadership Competency Framework Report to Employment Matters Committee on 29 January 2025](#)