

Committee(s): Corporate Services Committee	Dated: 18 October 2023
Subject: Reward Refresh	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	8: We have access to the skills and talent we need.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	
Report of: Emma Moore, Chief Operating Officer and Ali Littlewood, Chief People Officer	For Information
Report author: Fay Johnstone, Assistant Director Reward and HR Projects	

Summary

The Corporate Services Committee approved the delegation to the Town Clerk of decision making on the operational aspects of this reward project at their meeting on 12 July 2023.

This report gives an update on activity since that meeting. It also gives an update on the next steps over the following three months.

The Corporate Services Committee is asked to: -

- Note that the Executive Leadership Board have approved the Design Principles for the project as attached at Appendix 1.
- Note the name change for the project to Ambition 25: My Contribution, My Reward.
- Note the next steps on the project.

Main Report

Design Principles

1. The Executive Leadership Board met on 13 July 2023 (following the Corporate Services Committee workshop on 12 July) and the project team followed up with 121's with every member of the Executive Leadership Board (Departments and Institutions) during July and August to receive feedback.
2. Taking the feedback of the Corporate Services Committee and the Executive Leadership Board into account, the Design Principles as attached at Appendix 1 were presented and approved at the Executive Leadership Board meeting on 13 September 2023.

3. The Corporate Services Committee are asked to note the Design Principles.

Project name

4. The project team have been considering the name of the project “Reward Refresh”. We do not feel that this is quite right for the following reasons:
 - We have received feedback from our employees – across Departments and Institutions – that the word “reward” does not resonate with them. By connecting “reward” to “contribution”, it is felt that this will allay some concerns as the project is not just about pay.
 - The word “refresh” feels that the project is tinkering around the edges, when this project is a root and branch reform to the pay, grading and benefits strategy.

Therefore, the project is re-named Ambition 25: My Contribution, My Reward, which reflects the wording of the People Strategy.

5. The Corporate Services Committee are asked to note the project name change.

Next Steps

6. The project team are coming to the end of the data collection exercise to gather all the job descriptions and structure charts across the Corporation. The data collection exercise will be closed by the end of September 2023 with mitigation activities being put in place for gaps in the information.
7. The team are organising and delivering deep dives into each function within the Departments and Institutions to really understand the breadth and depth of each role within the Corporation. Deep dives will be completed by the end of October 2023.
8. Chief Officers have nominated people within their Departments and Institutions to form the Job Family working group. Workshops will be facilitated by Korn Ferry during November 2023 to commence the development of job families to test and feed into the job family design. This will be completed by the end of November 2023.
9. Role profiles (around 500) for the agreed families will be produced and job evaluated during December and January 2024.
10. In early 2024, draft role profiles will be reviewed, and the process of matching role profiles to job descriptions will be undertaken. It is intended that this work will extend until the end of March 2024.

Communications and Engagement with our People (including Trade Unions)

11. Engagement with our people has commenced. An email to all staff was issued on 20 September 2023, saying:

Dear Colleagues,

We promised to keep you updated on the work we have been carrying out to improve our approach to reward and recognition.

This is a strategically important programme for the whole City Corporation and a key priority for Members of the Corporate Services Committee too. Whilst it won't be a silver bullet for everything we want to achieve, the work is a critical part of our plans to become a world-class employer through our [new Corporate Plan and our new People Strategy](#).

Over the next 18 months, this ambitious programme will help us:

- Benefit from greater clarity and consistency about what's expected of us in different roles.
- Identify where our careers can take us, through clearer career paths that are easier to follow across the City Corporation.
- Ensure fair pay and reward, with clear policies and application in relation to hiring salaries, market supplements, and additional payments.

To support this process, we have commissioned consultants Korn Ferry, who are world leaders in this type of work, to partner with us to deliver these objectives and they will be in contact with departments and institutions over the coming months. Please support them and HR with any information and meeting requests they have.

A dedicated section has been created on [Colnet](#) to set out the background of this programme, more detail on its ambition and where it fits in with our other high-level programmes.

12. More detailed information is available to everyone on Colnet, our staff intranet.

13. The project team have held an initial briefing with the trade unions, and will follow up with monthly briefings to keep them engaged with the project. This will keep them fully updated right up until the point where the Corporation will have to enter into detailed and extensive consultation and negotiation in around Summer 2024.

14. The project team have also held an initial briefing with the whole HR team so that they are also fully engaged with the project and understand the implications for the HR team as a whole (across Departments and Institutions). This, again, will be followed by regular updates.

Corporate & Strategic Implications

15. Strategic implications – It is essential that the Corporation adopts a new reward strategy and pay and grading structure. Failure to do so will put the delivery of the

Corporation's strategic objectives at risk given the notable recruitment and retention challenges we currently have, and the risk of equal pay concerns.

16. Financial implications – there will need to be some provision regarding the overall size of the “pot” to be provided in pay and benefits once all the activities are considered. As the project proceeds, and options are presented for a new pay and grading structure, the financial implications will become clearer. This will be around Spring 2024.
17. Resource implications – Additional (funded, fixed term) posts have been created in the HR service to support the implementation of a new reward system. In-house support from the programme management office, Finance and Internal Communications will also be required, which is yet to be determined. It will be essential to continue to have ongoing support from Korn Ferry to implement the recommendations.
18. Governance implications – Officers will regularly report on progress to the Corporate Services Committee.
19. Legal implications – The Chief People Officer and Chief Operating Officer will work closely with the Comptroller & City Solicitor as detailed proposals are brought forward to ensure that the Corporation continues to meet its employment law duties, particularly those in relation to equalities.
20. Risk implications – There are significant risks to be managed. A comprehensive risk register has been drafted for the programme and is currently under review. However, we will be conducting a full review of all roles and grading to mitigate any risk. This is in common with many organisations who have used a non-industry benchmarked and maintained pay and grading system. This risk will be mitigated by implementing a new job evaluation system.
21. Equalities implications – A comprehensive Equality Assessment will be undertaken as proposals are developed. All decision makers have an obligation to pay due regard to an Equality Assessment before approving any recommendation to introduce new reward arrangements within the Corporation. Any organisational changes proposals must also consider any impacts on under-represented groups.
22. Climate implications – None.
23. Security implications – None.

Conclusion

24. Considerable progress has been made since the project team last reported to the Corporate Services Committee, as described above. The project team are on track to deliver the project into “business as usual” in Autumn 2024.

Appendices

- Appendix 1: Design Principles

Background Papers

The exempt Reward Refresh Update Reports to Corporate Services Committee 19 April 2023, 31 May 2023 and 12 July 2023.

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