

## Annual Pay review - changes to Grades A and B

SMEC/01/20

<b>Report title: Annual Pay review - changes to Grades A and B</b>	
<b>Report to:</b> Senior Management Employment Committee	
<b>Report author:</b> Gavin Jones, Chief Executive	
<b>Date:</b> 25 September 2020	<b>For:</b> Decision
<b>Enquiries to:</b> Pam Parkes, Director, Organisation Development or Alison Woods, Head of People Business Partnering & Employment Practice	
<b>County Divisions affected:</b> All Essex	

### 1. Introduction

- 1.1 Grades A and B were put in place as part of Organisational Development phase 1 in April 2017. This was the first stage of the whole organisation move to Essex Pay to bring transparency, address issues of equality and ensure our pay remains competitive to allow us to attract and retain the skills and talent we need to deliver our organisational strategy. Grade A and B pay scales have not been reviewed or amended since April 2019.
- 1.2 As part of Essex Pay (which includes Grades A and B) an annual pay review has been carried out to determine any increase necessary for 2020/21. The Head of Paid service made a decision to increase pay scales for grades C and below by 2%.
- 1.3 This paper presents the findings and context of this annual pay review and makes a recommendation as to how the annual pay review should apply to grades A&B.

### 2. Recommendation

- 2.1 Uplift A and B pay scales by 2% from 1 April 2020.
- 2.2 Uplift individuals pay on grades A and B by 2% with effect from 1 April 2020.

### 3. Report Detail

#### 3.1 **Essex Pay Annual Review 2020/21**

- 3.1.1 ECC has conducted an annual pay review for 2020/21, to be applied from April 2020 for all Essex Pay grades which was delivered to all those grade C and below. Decision making on changes to grades C and below are delegated to the Head of Paid Service.

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- 3.1.2 To inform this pay review, in depth compensation benchmarking was undertaken using external certified sources including salary data from Korn Ferry Hay and Willis Towers Watson and concluded that to maintain the principles of Essex Pay a 2% flat increase to the pay bill for grades A-I was required. It was also evidenced that a further 1% should be allocated to key roles in the organisation where the external market and areas where it is difficult to recruit are addressed.
- 3.1.3 At the CLT meeting on in March 2020 it was agreed by the Head of Paid Service that a 2% pay uplift for all roles grades C - I would be applied from April 2020 for the 2020/21 pay review, funded from existing budget, with a further 1% available to address any market shortfall where evidence existed. Following further analysis the required adjustments were applied to roles where additional market supplements were needed – utilising and remaining within the agreed 1% budget.
- 3.1.4 The 2020 pay offer by National Joint Council agreed an increase of 2.75% effective from April 2020.
- 3.1.5 2020-21 MTRS included 2% increase to A-B grades equal to c£200,000.
- 3.1.6 The recommendation to apply 2% to all roles as a flat uplift was based on UK Inflation through 2019; public sector pay increases 2019; and private sector average increases in the UK.

### **3.2 Rationale for 2% uplift for Grades A and B**

- 3.2.1 Following the market review the recommendation is to uplift all roles by 2% (including grades A and B). This recommendation was implemented for grades C and below and the Committee are recommended to follow suit for grades A and B, for the following reasons:
- Grades A and B have not been reviewed since April 2019 and there was no uplift applied in April 2018.
  - NJC 2020 pay award will increase all points by 2.75%.
  - 2020-21 Local Government Services Chief Execs & Chief Officers awarded 2.75% pay award.
  - Grades C and below have received a 2% uplift to all roles and this gives pay parity to grades A and B to allow ECC to continue to attract and retain the right leaders for the organisation.
  - 2% uplift can be funded in 2020/21 budget and therefore the additional cost £200,000 does not pose any further financial pressure.

### **3.3 Current and recommended Grade A and B pay scales**

- 3.3.1 Current A and B scales and A and B pay scales with the recommended 2% uplift are shown below

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	Current			Proposed		
	Min	Mid	Max	Min	Mid	Max
A	£142,450	£157,075	£171,700	£145,299	£160,217	£175,134
B1	£122,250	£131,850	£141,400	£124,695	£134,487	£144,228
B2	£101,000	£111,100	£121,200	£103,020	£113,322	£123,624
B3	£81,825	£90,900	£99,990	£83,462	£92,718	£101,990

*To note any market or individual pay supplements will also be uplifted by 2%*