

Personnel Committee - 23 November 2020

Retention Payments Policy

1. Summary

- 1.1 To gain Personnel Committee approval for the new Retention Payments Policy (appendix 1) endorsed by CMT at their meeting of 05 November 2020.

2. Recommendations

- 2.1 Personnel Committee is recommended to approve the Retention Payments Policy (appendix 1) endorsed by CMT (05 November 2020).

3. Background Information

- 3.1 The new Retention Payments Policy has been drafted in response to business requirements, specifically, a particular retention issue identified in some Children's Service's Social Work Teams. Feedback was received from this area of the business, requesting a mechanism to pay a retention payment to address retention issues where a market supplement payment is not applicable.
- 3.2 In order for a market supplement payment to be made there must be evidence of market forces, where comparable pay outside of the council is higher. However, in some circumstances there are no market force issues, the council pays a comparable rate of pay, so a market supplement payment cannot be paid, but retention remains an issue.

Aim

- 3.3 The new Retention Payments Policy offers a mechanism for which an additional payment can be paid, in order to encourage retention in areas where it can be clearly evidenced that there are long term staff turnover issues impacting on service delivery. A retention payment may be offset against the cost of repeat recruitment campaigns and the use of agency workers to cover vacancies, and assist in retaining skilled workers.
- 3.4 This policy has been designed to align with the PROUD Programme and the Behaviour Framework to ensure a consistent approach and reinforce the culture and behaviours across the council.

Know

- 3.5 The main elements contained in the new Retention Payments Policy include;
- A mechanism to pay an additional discretionary monthly payment to an employee or group of employees where there is evidence of a retention issue;

- The payment could be considered in exceptional circumstances where there is clear evidence that a failure to retain a stable and well performing workforce in an area, presents serious risks to the effective delivery of high profile, statutory or regulatory services;
 - A robust method of justification, authorisation and review is built into the request form and review process, with managers required to complete the request form in consultation with HR and Finance and obtain authorisations from their Executive Director and the Director of HR.
 - Flexibility for the business to set the required level of retention payment (up to a limit of 15% of basic salary in any one year) and the required service length for eligibility (subject to a 12 month minimum);
 - Flexibility for the business to set the length of time over which the payment can be made and to pre-set appropriate review periods (subject to a limit of an initial 3 year payment plan, extendable by 2 years with a minimum review 3 months prior to each expiry).
- 3.6 The policy is an alternative to the Market Supplements Policy, mirroring this policy in the need for a request form / business case with evidence (in this case long term retention issues rather than comparable pay), and the same approach to approval (Finance, Executive Director and HR Director).
- 3.7 Due to the individual nature of such payments and the flexibility afforded by the policy to adapt the business case to service area/team needs, managers will need to take responsibility for the operation of their retention payments scheduled and ensure payroll are instructed accordingly when payments need to be amended or cease.
- 3.8 Payroll have recently indicated that a new payroll element will need to be set up in One Source to make and track these payments and so we are currently in discussion with the One Source helpdesk to progress this request. If the skills are available in house, then this should be a fairly straightforward and free task. If the third party contract for One Source is required to set up this element, then there maybe additional costs that will need to be covered corporately, however whether there will be any cost at all or what level this might be has not yet been confirmed by the One Source Helpdesk.

Council corporate plan priorities

- 3.9 These policy reviews are directly aligned to the internal focus priority within the Corporate Plan, delivering services that are efficient and effective.

Response

- 3.10 Subject to approval, HR/Payroll will finalise all associated request forms and prepare a workforce communications and implementation plan ready for publication.

Review

3.11 Employment policies will usually be reviewed on a three yearly cycle, unless legislation or internal organisational need prompt a review earlier.

3.12 Retention Payments will be reported in the annual Employment Monitoring Report in the same way Market Supplement Payments are currently.

4. Financial Implications

4.1 There are financial implications associated with the introduction of this policy. However, managers wishing to introduce retention payments will be required to evidence that the financial impact is justifiable. Retention payments will be made from existing service area budgets.

5. Legal Considerations

5.1 There are no anticipated legal issues arising from this report.

6. Risk Management

6.1 An equality impact assessment is attached (appendix 2).

7. People

7.1 The policy is applicable to all Council employees but excludes Directors, Executive Directors and the Chief Executive, as well as school employees where the Governing Body has delegated authority and for whom separate arrangements apply. This policy does not apply to contractors, consultants, agency workers, or any self-employed individuals working for the Council.

7.2 There is no direct impact on our citizens as a result of this procedure. The procedure is however, part of the employment framework that helps to ensure that residents of Walsall get the best possible services from council employees.

8. Consultation

8.1 The policy has been consulted upon with senior managers and trade unions across the Council between 22 September and 6 October 2020. Early consultation was undertaken with Children's Services and has been ongoing throughout to ensure through the draft policy, their initial needs have been met.

8.2 Feedback from managers' consultation resulted in some minor wording amendments to aid clarification and understanding. Managers also requested the service criteria to be reduced from 24 to 12 months, which has been incorporated into the policy. An original option of monthly payment or a lump sum payment was suggested, however the lump sum option was removed due to potential payroll implications for both the employer and employee.

8.3 The trade unions had concerns that the policy may create inequality with regards to pay. The trade unions also expressed a need for the evidence and justification to be robust, with appropriate approvals. The unions did

request that reviews be undertaken by the S151 Officer and that payments should go to JNC prior to being granted. However, it was felt the approval route for the Retention Payment Policy should be the same as the Market Supplement Policy, i.e. through Finance, the appropriate Executive Director and the HR Director (who will view all requests ensuring consistency of approach and fairness in relation to equal pay). No existing payments are approved through JNC's or via the S151 Officer and so this would be inconsistent with current practice and not the most appropriate route.

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