

Pay Bargaining 2021-22

Response to joint TU Claim – December 2020

Thank you for your pay claim for 2021/22. As we have said in previous years, we found the format really helpful in enabling us to understand and, therefore, respond to the points you raise and claims you make. We value the opportunity to actively work in a constructive way together and we are grateful for the breadth of your submission which provides the scope for us to achieve agreement on how we might continue to improve the pay, terms and conditions and working environment for all staff.

Before I set out our initial response to your claim, I thought it would be helpful, for context, to reiterate the principles that were established in 2019 as these will provide the framework for how we approach your claim. The principles are:

- KCC would aim to pay at a level equivalent to the Foundation Living Wage by 2020. In 2019/20 the Foundation Living Wage is £9.30, and Kent County Council has not only matched this amount but exceeded it – paying £9.35
- From April 2020 grades KR2 and KR3 were combined to become one pay point
- The need to reduce grade length and address concerns that the time taken to reach top of grade in some cases can be long. Consequently, a gap was introduced between the top of one grade and the bottom of the next, initially 0.5%.
- The need to have a clear differential between the top of grades of at least £1,200 per year or £100 per month (gross salary) the difference between top of the grade and the top of the previous grade from KR3 upwards.

We note from the introduction to your pay claim your reference to staff morale and productivity. As you note we have been going through some testing times for staff and have supported staff as much as possible in enabling them to work where possible, supporting financially those that couldn't and putting in frameworks and support to help with mental and physical wellbeing. The response to your claim intends to address the issues you raise over reward in this context.

In response to your claim we have taken each element from section 2 of your document – 'SUMMARY OF CLAIM' – and addressed them individually.

Scaled Pay Increases According to Grade but must represent a real term, above inflation pay increase

KCC acknowledges the hard work, effort and commitment that our entire workforce has delivered in these unprecedented and uncertain times. As part of this, we know that people will have had to face a broad range of issues and problems which may be both work related and personal. It is evident that we are 'all being in this together' so, therefore we believe it would be appropriate to consider the same proportionate pay increase is the right thing to

do. Splitting the increase by grade has the propensity to be divisive and would create technical challenges in maintaining the principles associated with the grade differentials. As has been outlined previously, the numbers of people on grade KR13+ is proportionately very small and reducing their pay increase does not generate significant savings to be spent on others. Even if this was the case, a 4% rise across the organisation is not affordable given the budgetary forecasting within in the current economic climate. However, our Corporate Directors and Directors (those on KR17 and above) have volunteered to take a pay freeze for 2021 and is therefore in keeping with your request.

Having a set amount of time to reach the top of grade is not necessarily deliverable when budgets and progression is agreed annually, however the desire to take a shorter period of time to reach the top of grade is acknowledged. KCC recognised this by the introduction of gap between grades which in effect shortens their length. Grades at the lower end of the pay scale have also been reducing in length as KCC accommodates the rising minimum pay point. In practice there would be a significant cost to reducing the grade lengths which would need to be accommodated in the overall pay award and is not affordable in the current economic climate.

Proposal - we commit to working with the recognised trades unions to review, analyse and determine how this could be affordably achieved.

The minimum wage in KCC to be £10 per hour or the living wage whatever is the greater

KCC currently has a minimum hourly rate which exceeds the Foundation Living Wage level and wishes to maintain this position, these being £9.35 vs. £9.30 respectively. For 2021, the new FLW has been announced as £9.50 which equates to a 2.1% increase and is therefore significantly above the projected rate of inflation for 2021. Your proposal of £10/h represents a 7% increase and is not commensurate with budgets available, particularly when considering any potential knock on pay implications to the grades above.

Proposal - that KCC maintains the differential to the FLW which increases the minimum point (KR3) to £9.55/h.

Total Contribution Pay to be abolished

KCC fully acknowledges that the circumstances in which people are working this year are very different. They have faced changing demands at work as a result of the pandemic, some have had a restricted ability to undertake all their role and/or the possibility to be in a position to demonstrate higher levels. Therefore, as previously discussed and agreed in principle, we are suspending the TCP process for this year on an exceptional basis, however it remains that the approach is seen as being fundamentally right for the organisation. However, due to its

importance in supporting staff and enabling conversation about performance, expectations and development the appraisal process in 2019/20 will happen as will the continuing conversations that we expect between staff and management. Using a quarterly review period is not practical, as responded to previously, however ongoing regular conversation between line managers and employees are expected which helps provide that continuity of recording performance and actions.

Enhanced redundancy protections including the restoration of the 'clearing house' for those at risk of redundancy

We understand the concerns your Members are raising considering the anticipated 2021/22 budget; however, we are yet to fully understand the magnitude and impact of any changes to the Council's base budget. We are still planning to be able to launch draft budget on 5th January in advance to the Council's budget meeting on 11th February. What we can assure you is that we always aim to minimise the impact of change on our employees, looking to avoid compulsory redundancies wherever possible. Our current policy outlines that our approach to achieving reductions includes a range of options of which redundancy is one but also highlights vacancy management and early retirement being amongst others. The policy also recognises that compulsory redundancies may result but only if it hasn't been possible to avoid job losses through alternative measures.

However, there is an extra aspect to our usual approach to managing redundancies in that, given the reach of the £95k cap on exit payments, this may fetter decisions for a number of employees on taking voluntary redundancy, if we need to make job reductions. This potentially could have an impact on the ratio we experience that usually favours voluntary over compulsory redundancies, when we have to make them.

As such we are very clear that we will do all we can to retain people and their skills, wherever possible, but sometimes it will result in people being made redundant.

We are already looking at ways of supporting people to find alternative work both inside and outside of the Council and we would like work with you on how best this can be shaped and implemented. However, in terms of resurrecting the 'Clearing House', as you have proposed, we are not minded to do this as our experience is that it is not the most efficient and effective method of supporting redeployment.

Last year we offered to work with you to review the support and practical application of the policy in support of staff in these situations. This work was undertaken but unfortunately, we have not yet been able to reach agreement on the representations made. Aspects of that work identified how we can best support people to find jobs and other aspects of support they may require (financial, resilience)

Proposal - we will continue to look at how we enhance that offer. We continue to appreciate your input in to how we can best support our employees in these areas.

Abolition of 'Market Premiums' for those at KR15 and above

The market premium policy is available to be used in specific circumstances when there is a specific need to pay more. A market payment can be used to attract and retain and can be for a variety of reasons such as a specific role, general role, location and individual etc. The policy provides a coherent approach and requires supporting evidence to justify a decision to make a payment. These payments are subject to organisational and political scrutiny which, if necessary, includes the relevant business case. The approach is therefore seen to be necessary, proportionate, consistent and robust providing the organisation with flexibility for addressing specific pay challenges. This is the principle applied to all grades including KR15 and above. Regular updates are made to ensure that the total pay for these individuals is reflected in a timely manner on Kent.gov.

KCC Pay Scales and Matrix Review – work to be completed

A full review of the Kent Scheme pay structure and Job Evaluation matrix is a huge undertaking and cannot be underwritten in a predetermined way as having no financial detriment to any staff. KCC acknowledges that the disproportionate and welcomed increase to the lowest pay point over recent years does result in a degree of grade length reduction. However, the pay scales have inherent design principles already incorporated to mitigate the future risk of compression - £1,200 between tops of grades to make a clear distinction of at least £100/month between grades and 0.5% breaks, again to aid distinction between levels.

Proposal - that we work with you to review this in the forthcoming year and in conjunction with Finance. This will include improvements and timescales and ensure any changes are subject to the criteria of fairness, operational requirements, and affordability.

Annual Leave and Leave – continuing the journey

As acknowledged from previous years, KCC has a long-term commitment to greater standardisation of the annual leave provision. We are aware that there is not always a direct cost, however this also means that some parts of the organisation are disproportionately affected financially, particularly those which are front facing, service delivery in nature. We will continue to consider options and costs; however, any alteration will need to be part of an overall package which falls within an affordable cost envelope.

CMT did agree a one-off additional concessionary day as a thank you to acknowledge people's commitment during the COVID crisis, however we are aware that some people are

having difficulty taking all their leave and currently, there are travel restrictions on where people can go to use it.

Proposal - to work with you on developing guidelines to assist with the granting of leave for COVID related absences.

Management Culture and Accountability

We acknowledge your comments on this matter and can assure you we will continue to build on all the positive work that has been going on in this area. The new People Strategy will evolve from its current position and will set the framework for continuing to address the matters you raise. Indeed, the management capabilities that have been recently introduced are a starting point for providing a basis for this work.

Proposal - We welcome your continued involvement in developing the positive culture we mutually seek.

Job Changes by Stealth

If, jobs are changed significantly, we expect this to be addressed through our established policies and processes. However, we also need to afford a degree of flexibility in how work is managed to ensure the agile deployment of people's skills to meet the needs of residents and the organisation. The policies that we have to enable this have been agreed by Personnel Committee who understood and endorsed the need for management to be afforded a degree of flexibility. Therefore, on this basis we are not able to accept this element of your claim.

Secondments and Promotions Fairness

As outlined in the previous section there is a need for the Council to be flexible to meet organisational need and priorities, but we accept that this must happen in an open and fair way. As such we have the established Flexible Deployment policy to facilitate this. Depending on the circumstances, and as long it is in line with guidance, managers can directly deploy people to a post. If there is more than one suitable candidate an open process is undertaken for those candidates.

Unfortunately, given that the review you asked for in the previous section is not proposed to take place as, based upon the existing policy and our understanding of its application, we are not able to accept the requirement for this.

Proposal - We are always happy to look at any examples you might have of where this has been perceived not to have been applied in line with the policy.

Work and Casework Complexity Review (Outstanding from 2019/20)

Last year, in our response to your claim, we said that we knew you were raising this issue in the Directorates and that this is the most appropriate place to address these concerns and the request you make.

Proposal - If the matter has not been picked up through the DJCCs we will ensure it is shared with the respective Corporate Directors and on the agenda for those meetings.

Data (outstanding from 2019/20)

We are sorry that you did not find the meeting with the Council's Chief Analyst helpful. Our intention of arranging that meeting was to explore and understand the context in which data is collected. This was to give some broader understanding as to how data, that employees may not see at useful at a local level, is in fact relevant at a wider organisational level.

Proposal - This was always meant to be a step in working with you to respond to the issues you raised in last year's claim. As such we propose to work with you to take this forward having established the broader basis for the types of data required.

KCC Commissioning and Outsourcing Review (outstanding from 2019/20)

Our response to this claim last year was:

"What would help us in achieving your request would be if you could please provide what you would see as the details and scope of a review so that we can take it through the appropriate governance processes."

Proposal - We are willing to work with you on this, however we have not had any correspondence from you on what you would see as the scope of this review. I appreciate you have now provided further detail to some degree in this year's claim so could use that as a basis for determining the terms of engagement and outcomes of the review if this is what you now wish.

Ending in Work Poverty (outstanding from 2019/20)

Last year we agreed that we would meet to review with you the information you had on this matter so that we were able to determine what the scope of any review would look like.

This would enable us to ensure that we have the ability to address the issues through those elements in our control and, we can then determine how we could work with you to do that.

We do not accept that the work done on this was tokenism but an effort to address some of the immediate and short-term issues you raised to see if we could provide some further support to staff in the context of looking more broadly through our engagement with you on our approach to pay, such as enhanced lower pay, flexibility on lump sums and improvements of the TCP distribution profile.

Proposal - We will look at the outcome of those meetings and look to see what we can do for our staff that arose out of those discussions as it is important not to lose sight of them. In terms of the broader strategic pay issues you raise we will continue to work with you through pay bargaining and other discussions to move this agenda forward in the best way we can within the parameters that exist that influence pay and grading in the Council.

Review of Level 1 Teaching Assistants role (outstanding from 2019/20)

We did meet to address this and as a result of that meeting determined that the solution to this matter is not as straight forward as originally thought and hoped. We commissioned additional work to progress this matter.

Proposal - We will prioritise progressing this work and move to a mutually agreed solution

Summary

Having considered the range of elements and how to balance these, we propose: -

1. A pay increase of 2% is recommended (subject on final budget allocation, savings, government funding allocation) for this forthcoming year and applied consistently to all staff, except for those on KR17 and above.
2. The grade KR3 should increase to £9.55 per hour from April 2021 (pending final decisions on all pay awards). The bottom of KR4 would continue to preserve 0.5% gap
3. Take forward the agreed reviews and agreed continuing work from 2019/20 pay bargaining, as identified above.

We recognise that this does not meet all your submission, but I hope provides the basis for further productive discussion and hopefully agreement.