

Reward and Recognition Strategy 2006/2009

Reward and Retention Strategy

Purpose

The intention of a Reward Strategy is that it defines what the organisation wants to pay for. The strategy provides specific direction on how the Council will develop and design pay, benefits and related programmes to ensure that it rewards the behaviours and contributions that support the achievement of its corporate objectives. It is clearly linked to the Councils Pay and Workforce Strategy, Workforce Plan and over all HR Strategy to ensure that the Council has the capability to deliver its overall corporate improvement plan.

In a wider context the purpose of the strategy is that it enables change and progress by creating willingness in relation to the development of new skills and behaviours which are needed to deliver organisational improvements.

The illustration below shows seven main elements or levers for successful change and how they are dependent on each other. At the centre of the model is leadership. However, it clearly illustrates that reward and recognition are part of and dependent on other elements of the change agenda. Consequently, it is appropriate that as the Council continues to change that it evaluates how it pays and recognises appropriate behaviour and achievements.



The Development of Rossendale's Strategy

The purpose of reward is to attract, retain and motivate staff. It can be evidenced that salaries attract a person to an organisation; benefits keep them, whilst incentive schemes motivate and encourage positive behaviour. Reward can be described as consisting of three distinctive parts:

Remuneration: covers pay, job evaluations

Benefits: which tend to be offered to all employees irrespective of their grade, such as paid leave, awards ceremonies,

Perks: which are benefits that tend to be provided to discrete categories of employees, such as payment of professional fees.

More recently, the divide between which parts of reward are best suited for recruitment; retention and attraction have become merged. Individuals are attracted, retained and engaged by a wide range of financial and non-financial rewards and this may change over time.

For instance, people at the beginning of their career may be more interested in getting access to training and career development, than those further on in their career who may be more interested in flexible working arrangements. It is essential that when creating reward incentives that they are integrated and complement each other and reward the values and behaviours which are considered important within Rossendale Borough Council.

The public sector already enjoys a range of traditional benefits including:

- Paid Leave
- Occupational Sick Pay
- Occupational Pensions
- Occupational Maternity Pay
- Paternity Pay
- Car Loan Schemes for Essential and Casual Car users

Assumptions

The Strategy is based on the following assumptions:

- Recognition of role and valuing people for learning new skills and capabilities in their current role;
- Recognition that the pace of individual development can vary;
- The need to reward the behaviours associated with individuals broadening their role and delivering a range of objectives;
- Changing career patterns, new ways of working and the growth of current or new technical specialisms;
- Measuring differences in roles and levels using an agreed analytical and transparent approach to ensure fair rewards for different kinds of skills and responsibilities;
- Equality proofing to ensure that a more diverse workforce can be attracted, developed and progressed;
- Recognition of the importance of work - life balance and for taking account of the different life cycle needs of different kinds of employees;
- Looking at rewards on a total reward basis i.e. looking at the balance between everything that an employee may see as rewards for their work.

Consultation has taken place with employees and Trade Unions in relation to factors that matter to individuals and it is acknowledged that these can be different for different roles and employees.

Current reality and challenges in relation to reward and recognition

Rossendale Council currently pays employees in accordance with National Conditions of Service. Premium rates still apply in relation to ex weekly paid staff. As a public body the Council needs to achieve value for money. There is a recognition that all remuneration has to be accounted for. A pay and grading review has to be completed by March 2007 in accordance with the National Pay Agreement. Rossendale is facing the same challenge as many other Local Authorities in relation to its ability to attract qualified staff in relation to regulatory services specifically planning. In addition, there is a national shortage of quality candidates in relation to the fields of building control, environmental health, and accountancy. Market supplements have been used to aid recruitment.

Rossendale has radically changed in relation to the composition of the workforce and the skills and competencies of its employees. Workforce remodelling has taken place in the majority of areas, though as the organisation continues to change there will be a need for flexibility and some change to job roles. There has been a large investment in organisational development. However the workforce plan illustrates a number of employees at the basic grade within the Council who do not hold any formal qualifications and this is to be addressed in the organisational development plan. There is still a need to change the culture in some areas of the Council and a Culture change programme utilising key competencies has been commissioned for this year, to change the culture where there is customer focus, effective performance management and where people matter.

The pace of change within the Council has been quick and this is in the context of a changing national agenda and improvements across all Councils. Consequently successes have not always been celebrated and positive achievement recognised.

As the Council seeks to build capacity it has embarked on a number of partnering arrangements. There is a need to deliver greater efficiencies through maximising productive time. Levels of attendance were poor at the end of 2005. Some improvements are currently being delivered through strong direction from the Human Resources Team.

The Council has agreed flexible working policies and the 2006 Staff Morale survey demonstrated that these have been well received by staff. Child care vouchers are provided for those staff who use child care facilities. However there is a balance to be achieved between maintaining good performance and providing flexibility for employees. Facilities for some employees have improved but further work is still needed in the depots.

Some initial health lifestyle initiatives have been provided in partnership with the Leisure Trust following an initial pilot. These have been well received by employees.

The Council undertakes an annual staff survey and is committed to do more to reward those behaviours and competencies which will lead to organisational success. A range of drivers have been identified which will address the challenges identified associated with reward and retention of employees.

- Payment of a professional fee where there is an essential professional qualification for a post and the employee has 12 months service with Rossendale Borough Council
- Letters to all employees who have no sickness absence in 12 months
- Quarterly draw for those employees who have had no sickness absence
- One days added annual leave for those employees have had had no sickness absence for that particular year, up to an additional 2 days leave within two years.
- Reward and Recognition Ceremony
- Accessibility to free cooled water for all employees
- Healthy Lifestyles
- Implement culture change programme utilising key competencies
- Implement organisational development plan offering all employees the access to appropriate training and development opportunities
- Review of Pay and grading structure
- Improve facilities for all employees
- Develop and implement Home working Policy

Drivers for change

Payment of One Professional fee where there is an essential professional qualification for a post and the employee has 12 months service with Rossendale Borough Council

Rossendale Borough Council faces the same recruitment and retention issues as many other Local Authority Employers in relation to the recruitment of professionally qualified experienced employees. A number of other local authorities offer payment for professional fees. The activity would illustrate Rossendale's commitment to the professional development of staff.

In addition by linking the payment to 12 months service, there is a reward associated with the retention of the individual employee. The Council currently pays the professional fees of planning and building control employees which is externally funded.

Letters to all employees who have no sickness absence **Quarterly draw for those employees who have had no sickness absence** **One days added annual leave for those employees have had had no sickness absence for that particular year, up to a maximum of 2 days in 2 years.**

The Council is committed to reducing the levels of sickness absence and robust systems of management have been implemented. However, it is important to recognise those employees who do attend work on a regular

basis. A letter to all employees would make them aware that their good attendance has been acknowledged. A quarterly draw is an incentive for good attendance and reinforces the message that good attendance is recognised. Extra days leave is a specific reward for regularly attending work.

Reward and Recognition Ceremony

Rossendale has had many successes. However, the pace of change often results in very little reflection of that success. A reward and recognition ceremony would give employees the opportunity to come together and consider achievements and recognise those elements of work which the Council has benefited from. Similar to many other Local Authorities and Private Sector organise. Consequently the awards may be for:

- Employee of the Year - In recognition for individual personal contribution to RBC
- Going the extra mile - In recognition for excellent Customer Services
- Innovation Reward - In recognition of changing an activity to improve performance
- Community Award - In recognition of a significant benefit delivered to the Rossendale Community by a Community Group.

A Member/Officer/Community Steering Group would be established to determine the arrangements in relation to this initiative.

Access to cooled water

Cooled water is available to employees who work at Futures Park and the Town Hall Offices. It is proposed to extend this to the depots. This measure encourages employees to take a regular intake of water which is evidenced as having health benefits, but in addition the intention is to demonstrate to employees that they are valued.

Healthy Lifestyles

An initial pilot has been provided where employees are involved in taking healthy walks in their own time with a leader. The purpose is to give employees an opportunity to meet informally whilst partaking in exercise. It is proposed that the options in relation to the provision of exercise classes or otherwise exercise initiatives be explored pending consultation with employees and exploration in relation to external funding.

Implement culture change programme utilising key competencies

A culture change programme has been commissioned focusing on the key competencies of: Customers Matter, Performance Management, Loyalty, Celebration of Success, Communication.

Implement organisational development plan offering all employees the access to appropriate training and development opportunities

An organisational development plan has been developed for 2006/2007.

Review of Pay and Grading structure

The Council has committed to a review of pay and grading by March 2007. The Council needs to develop a robust market supplements policy. A balance has to be struck in relation to retaining skilled employees and encouraging employees to explore opportunities elsewhere to develop and grow.

Improve facilities available for employees

Some facilities have progressed with the relocation of the back office staff to Futures Park, the revamp of Stubbylee and the development of the One Stop Shop. The capital programme for this year is addressing the issue of improvement of hand washing, toilet and kitchen facilities at the main depots.

Home working

Home working is available but a coherent policy needs to be developed and there is a need for this to be supported by robust IT infrastructure.

The 2006 Staff Morale Survey illustrated an improvement but how staff feel but this needs to be continually monitored.

The Outcomes of the Reward and Recognitions Scheme

The key outcome identified by the delivery of this strategy are:

- Employees feel engaged and are committed to their work and are able to perform better and make a fuller contribution.
- Employees remain working for RBC
- Potential employees are attracted to work for RBC and RBC becomes an employer of choice
- Increased attendance at work
- A healthier workforce better able to perform

Review of the Strategy

The outcomes of the strategy will be reviewed by the Senior Management Team on an annual basis.