

LONDON BOROUGH OF BROMLEY

**OUTLINE PROPOSALS FOR A LOCALISED ANNUAL PAY REVIEW
MECHANISM**

1. Context

- 1.1 Reward and recognition is a key theme of the Council's agreed HR Strategy. This includes establishing strong links between performance and reward, and celebrating individual and organisational achievements.
- 1.2 Local authorities currently face significant challenges including the need to reconcile competing priorities and demands on resources whilst remaining competitive in the marketplace for skilled labour. The Council therefore believes the time is right locally to extend its ability to determine its own employment framework, including remuneration, in conjunction with key stakeholders and with the involvement of the relevant recognised trade unions.
- 1.3 This paper should be read in conjunction with the paper setting out the Council's proposals for the introduction of a scheme of non-consolidated Rewards for Exceptional Performers as part of its local reward and recognition framework.

2. Objectives of the Annual Pay Review

- 2.1 The Council expects high standards of performance from staff at all levels as the norm. By means of the process of the localised annual pay review the Council aims to
 - ensure that staff are appropriately rewarded for the job that they do;
 - enhance the Council's ability to compete by maintaining a simple, fair, transparent and affordable pay and reward structure that attracts and keeps a skilled and flexible workforce;
 - improve the links between organisational efficiency, individual performance and reward; and
 - ensure that decisions on reward and recognition are better aligned with the considerations and timetable of the annual budget setting processes and timetable

3. Scope

- 3.1 The introduction of a single local annual pay review mechanism would replace the current arrangements for Bromley employees under the Green Book, Soulbury Committee, and Bromley local grades including Management Grade staff.
- 3.2 As part of consultation consideration will be given to whether teaching staff at Bromley Adult Education College should also be included within

the scope of these arrangements. The pay and conditions of this staff group are already determined locally by the Council's Local Joint Negotiating Committee

4. Proposed changes

- 4.1 The introduction of a localised annual pay review will mean that subject to consultation the Council would:
 - 4.1.1 Withdraw from the NJC, GLPC and Soulbury Committees and introduce an annual local pay review mechanism to replace the existing national and regional collective bargaining arrangements;
 - 4.1.2 Cease to accept a recommendation from Inbucon on the market movement in salary bands for staff on the Bromley Management Grades (MG). In future:
 - 4.1.2.1 the MG annual salary review would be undertaken via the same single local annual pay review mechanism as all other staff (except teachers whose pay and conditions are governed by statute); and
 - 4.1.2.2 The existing PRP scheme for MG staff will be discontinued.
 - 4.1.3 Introduce a scheme of discretionary non-consolidated non-pensionable Rewards for Exceptional Performance applicable to all staff; and
 - 4.1.4 Reinforce the link between individual performance and pay, by proposing to withhold pay increases for under performing staff.
- 4.2 The process of the local annual pay review would lead to a local decision taken by full Council as part of the budget setting process. The Executive and subsequently full Council would consider the recommendations of the General Purposes and Licensing Committee and determine the amount to be allocated to any increase in staff pay in the coming year on the basis of:
 - (a) a general cost of living increase;
 - (b) the amount available to support the Council's proposed scheme of non consolidated non-pensionable performance related rewards.
- 4.3 Consideration by all parties involved in the annual review process will have particular regard to:
 - Affordability; inflation
 - Market settlements elsewhere including the NJC, GLPC and Soulbury Committee
 - Organisational performance
 - Stakeholder views
 - Trade union and staff perspectives
- 4.4 Details of how the annual pay review mechanism might work and the key milestones in the process are set out in Table 1 attached.