

Report to Corporate O&S Committee – January 2113
Additional Savings Proposals

Replace automatic pay increments with a performance based system

Provide current forecast cost of pay increments. Give examples of schemes used at other authorities (eg: more robust performance management systems, a fixed value 'increment pool' approach for top performers rather than automatic entitlement) and what effect these would have if implemented in Thurrock.

The current budgeted forecast for costs of increments in 2013/14 is £806K and in 2014/15 is £768K. These forecasts are based upon the assumption that all staff who have headroom in their pay band (approximately 55% of staff) will receive one increment.

Awarding of increments is not automatic – progression is based upon performance in accordance with our current Performance and Development Review (PDR) scheme. Staff have to achieve objectives and demonstrate a good level of performance to progress within their pay band. The scheme is contractual, forming part of our existing pay arrangements; therefore increments cannot currently be withheld where appropriate performance levels are achieved.

A full review of pay and benefits is planned and the initial phase of research and analysis will be conducted over the next few months. This will incorporate an assessment of pay schemes in other authorities; current recruitment and retention challenges and market pressures, along with the current costs of pay, benefits, recruitment and agency staff.

Proposed changes to our pay arrangements will require extensive consultation, including members, and will require approval through the General Services Committee and Full Council as part of our Pay Policy.

There are no savings targets currently linked to the Pay Review and it is not feasible to deliver savings in the next two financial years. Once the analysis and research is conducted and a proposed model is determined we will be in a better position to assess whether savings are achievable in the longer term.

Jackie Hinchliffe