

**EAST SUSSEX COUNTY COUNCIL AND
SURREY COUNTY COUNCIL**

ORBIS JOINT COMMITTEE



DATE: 20 JANUARY 2017

LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER, EAST SUSSEX COUNTY COUNCIL) AND JOHN STEBBINGS (CHIEF PROPERTY OFFICER, SURREY COUNTY COUNCIL)

SUBJECT: ORBIS PAY STRATEGY

INTRODUCTION:

With Brighton and Hove City Council (BHCC) joining Orbis as the third founding partner a need to review the Orbis Pay strategy has emerged in order to support all Orbis services in their journey towards greater integration and efficiency. This report sets out the proposed approach to developing a pay and reward strategy for staff within Orbis in light of the addition of BHCC to the partnership.

RECOMMENDATIONS:

It is recommended that the Orbis Joint Committee notes the approach being taken to develop the pay strategy and how this will inform blended pay for 'true partnership' roles.

DETAILS:

Background

1. Establishing Orbis has created a fully integrated business services organisation providing excellent customer service and delivering public value with the aim of ultimately becoming the public sector provider of choice.
2. The original Orbis Pay Strategy developed around the two initial founding partners (ESCC and SCC) was agreed by the Orbis Joint Committee in March 2016.
3. With Brighton and Hove City Council (BHCC) now joining Orbis as the third founding partner the need to review Orbis Pay strategy has emerged in order to support all Orbis services in their journey towards greater integration and efficiencies.
4. Given that the governance model for Orbis remains that of a Joint Committee with all three partner councils equally represented, the core principle that staff remain employed by their respective council is also maintained. As such, each council's contractual pay and grading arrangements as well as contractual terms and conditions of service such as annual leave sick pay etc will continue to apply.
5. It is acknowledged that each council operates different pay and grading arrangements. There are many reasons for these differences, for example, the variation in housing and commuting costs, the nature of the respective labour

markets, skills shortages, recruitment and retention issues as well as historical and on-going decisions around organisational design.

The Pay Strategy

6. Set against the above background, the pay strategy has been reviewed to address potential pay differences amongst the three councils in the context of achieving the desired integrated partnership arrangements (Orbis vision). Given that staff will be working in integrated teams with some providing services to all three councils, the original approach of a 'blended' salary based on the following three principles still applies:
 - i) Identify 'true partnership' roles – these are roles which are contractually required to operate in, and across, all three councils. This specific requirement will be clearly outlined in each job description of the relevant "true partnership" role (or as an addendum to existing job descriptions). They have the "regular physical presence in all headquarter locations" as a key requirement for the role so that professional networks can be created and critical business intelligence and insight is gained. As the move towards integration continues to progress, many roles will undertake work for all councils. However, unless this requires the regular physical presence in more than one partner organisation this will not be sufficient to meet the criteria for being a 'true partnership' role.
 - ii) Identify 'balance of activity' – once identified as a 'true partnership' role the balance of activity across the three councils will need to be determined. This provides flexibility where true partnership roles have different focus across the partnership organisations.
 - iii) Identify 'blended' salary range and pay - to preserve the integrity of the three separate pay and grading structures, a 'blended' salary will be created that reflects the balance of activity.
 - iv) Apply no detriment - in the interests of ensuring appropriate recruitment and retention arrangements within the partnership, the principle of 'no detriment' will apply.
 - v) Identify market position – once the blended salary has been determined, consideration can be given to the market position and where appropriate, subject to the necessary approvals, a market supplement can be paid. The market supplement will be arranged by the employing council in accordance with that council's policies and procedures for the paying of market supplements.
7. The pay strategy forms part of the wider Staff Protocol schedule within the Inter-Authority Agreement (IAA) and this will also be updated as part of developing an IAA for three partners. The staff protocol schedule also includes elements such as equality & diversity, management & performance of staff, terms & conditions of employment, application of policy & procedures, recruitment, training & development etc.
8. The pay strategy is hugely complex as there are a number of factors that need to be taken into consideration including starting salary, pay progression and employing authority.

9. In addition, all true partnership roles will need to be evaluated in each sovereign authority. This process is not the same between the partners and there are differences in the grading process. There is also material differences in the salary ranges across the three partners as Surrey grades can be as much between 20-30% higher in monetary terms for some roles.
10. Pay progression is another area that causes significant complexity due to the different models used in each council. Surrey, for example, has a performance related pay approach and any pay increase is processed in July each year where as in East Sussex and Brighton & Hove both use an annual increment that is applied in April.

NEXT STEPS

11. Officers will continue to develop the pay strategy as part of the IAA process with a view to having a completed IAA ready in April 2017. The IAA will need to be approved by Joint Committee prior to being signed and sealed.
12. The pay strategy will require sovereign approval from all three partners and will be taken through the appropriate Committee's in each authority.

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Consulted:

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Appendices:

Appendix 1 – Pay Strategy Overview slide pack

Sources/background papers:

None