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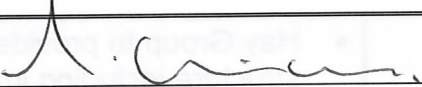
OFFICER DECISION TITLE: Approval to work with Korn Ferry Hay Group (formerly HAY) to develop a CA pay and reward structure.
NAME OF OFFICER EXERCISING DELEGATED POWERS: The Chief Executive of the Cambridgeshire and Peterborough Combined Authority
DATE OF OFFICER DECISION: 25/5/18

Responsible Director:	<i>Martin Whiteley, Chief Executive</i>
Is this a public report? If a key decision, it will be a public report and will be published on the CA website.	No
Does the report have any annex that contains exempt information?	No

Decision taken	<p>The Chief Executive has agreed that the Head of HR is to work with Korn Ferry (formerly HAY Group) to develop the pay and grading structure for the Combined Authority in support of the new draft structure.</p> <p>The initial cost of this project is £27,000. This comprises of Job Evaluation, quality assurance and work level descriptors and Reward analysis with two cuts of market data.</p> <p>The second phase, an additional cost of £14,000, is to develop and run a Reward workshop and embed the new grade/policy design framework.</p> <p>It is not proposed that a procurement exercise be carried out as Korn Ferry Hay Group are the approved and recognised evaluator of senior level roles in Local Government and therefore approved via the Local Government Framework. They are also the original developers of the HAY scheme and therefore it would not add value to go via a third party for this project.</p>
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<p>Authorisation (delete as appropriate)</p>	<p>This decision has been taken under delegated authority of the Chief Executive. The Chief Executive is delegated authority to take decisions up to £500K subject to any such decisions being reported to the next Board meeting of the Combined Authority.</p>
<p>Background Information</p>	<p><i>The CA is currently in consultation about a new structure. As part of the new structure, new job descriptions have been created for all roles. These require evaluation and salary assessment.</i></p> <p><i>Until now CA appointments have been aligned to Peterborough terms and conditions and Peterborough pay scales which are based on NJC and HAY pay scales.</i></p> <p>It is an appropriate time therefore for the CA to develop it's own pay structure that meets our vision and aspirations and ensures that we can attract and retain the very best talent as well as demonstrating value for money and a sustainable pay structure.</p> <p>The CA is not part of National Collective Bargaining and therefore does not need to align itself to nationally agreed pay scales for local government. Equally, we do not have a pay policy for incremental progression and therefore the pay scales we have been aligning to are not appropriate or meaningful to the CA.</p> <p>As such, a proposal has been developed for the CA to work in partnership with Korn Ferry to develop our own bespoke pay and grading structure that rewards appropriately, fairly and has some element of performance related pay.</p> <p>The proposal and key components of the project:</p> <ul style="list-style-type: none"> • To review existing company information, including background functional areas, jobs and organisation structure to ensure the best outcomes from the context meeting. • Hay Group to interview and evaluate the six roles within the Executive Team to ensure a thorough understanding of the roles including scope, scale and business operation and set the organisational evaluation benchmarks. • Evaluate all the roles within the organisation (~40). • Review and quality assure evaluations and hold individual sessions with the Directors to agree the work level relativities in their departments. • Produce summary work level descriptors for each level of work to enable slotting in the future.

	<ul style="list-style-type: none"> • Hay Group to provide analysis that supports a new grading structure including implications for each employee following a workshop focussed on reward principles with the Executive Team. • Using the outcomes from the Job Evaluation process Hay Group will use Paynet, the biggest pay database in the country and is aligned to our JE methodology, to use the job evaluation scores to undertake a comprehensive benchmarking exercise against the market. <p>The end result will be a comprehensive set of recommendations for a CA reward system that is both robust and sustainable and based on Korn Ferry Hay Group's proven evaluation framework to support the organisation.</p> <p>Korn Ferry Hay Group have recently worked with a number of CA's on this work and have very current knowledge and understanding of the challenges and issues affecting CA's. They also have a comprehensive database of information and benchmarking data that no other organisation would have access to.</p>
Alternative options considered.	<p>Korn Ferry Hay Group are the leading pay experts in Local Government and are therefore best placed to lead on this project. By maintaining parity and consistency in the Hay approach, whilst developing a more modern version for our own needs, we will be able to transition from our current arrangements to a new structure far easier as well as being able to benchmark and demonstrate transparency and fairness across the sector.</p> <p>If we went to the market for an alternative supplier then they would be using Hay evaluation practices second hand and not best placed to adapt and flex the traditional Hay evaluations to suit a modern, smaller organisation such as the CA.</p>
Consultation	This has been discussed and shared with the CA Directors. Also discussed with Darren Edey - Procurement
Declarations / Conflicts of Interests (only if the decision falls under the 'Express Authorisation' category)	None
Supporting documentation	Proposal attached.

Officer signature	MARTIN WHITELEY 	Date 6/6/18
<p>Once signed please file in the electronic file Documents/Governance/ office decision notice and enter details in the register.</p> <p>If a public report, pass to Democratic Services and we will arrange publication.</p>		