

Title of meeting: Employment Committee

Date of meeting: 24 November 2020

Subject: Reward and Recognition

Report by: Assistant Director of HR

Wards affected: None

Key decision: No

Full Council decision: No

1. Purpose of report

1.1. Following on from the Employment Committee held on 22nd September, Members requested a further report which outlined what the Council had already done, what existing mechanisms were in place for recognising employees' resilience and hard work during the on-going pandemic period and to outline options for what could be put into place for the future.

2. Recommendations

2.1. It is recommended:

- i) Members note how PCC has already publicly acknowledged the outstanding services and efforts that council officers have made and are continuing to make during the ongoing pandemic. Future email communication from the Leader and the Chief Executive to staff thanking them for their efforts is continued.
- ii) Members note what reward and recognition systems are already in place across the whole City Council as contained within Appendix 2.
- iii) Confirm the reward and recognition in relation to efforts made as a result of the pandemic through the arrangement of an awards ceremony when it is safe to do so, or any other method of reward that Members wish to implement.
- iv) Provide an additional day's annual leave to all staff to be taken on either Christmas Eve or New Year's Eve (or at a later date for those rota'd to work on these days) in recognition of the efforts of all staff during the pandemic.

3. Background

3.1. The Council has been and is continuing to go through unprecedented times. Across the council there have been many examples where individuals have made outstanding contributions to the community.

- 3.2. The Council want to recognise and reward the work that these individuals have undertaken to support the COVID-19 effort.
- 3.3. There are a range of practices/mechanisms already in existence within the Council that may be used to reward staff and these and their appropriateness are outlined in Appendix 2.
- 3.4. There have been a number of emails sent to staff via Corporate Communications, from both the Leader and the Chief Executive publicly thanking and commending staff for their efforts during the pandemic.
- 3.5. In the past the Council have offered staff an additional day's annual leave as a mechanism of reward (for example, the Why Don't We staff suggestion scheme). We have also established that this is an alternative method that other local authorities have implemented to reward their staff during this pandemic (Appendix 2). There has been a concerted effort to focus on staff wellbeing throughout the pandemic, including encouraging staff to take their annual leave throughout the crisis. Therefore following engagement with services the view of managers is that there will be small numbers carrying leave over, and we are working closely with ASC to support them with their workforce planning needs. It is believed that an additional days leave is now an option that could be considered as a mechanism to recognise and reward staff for their efforts during the pandemic.

4. Reward and Recognition

- 4.1. The culture of an organisation plays a big part in determining how employees feel about their workplace, particularly during challenging times. Staff resilience and commitment to each other also makes a big difference. Using reward and recognition can help an organisation develop and strengthen its culture, particularly when reward and recognition celebrate desired organisational values and behaviours.
- 4.2. Reward and recognition is an activity employers engage in to acknowledge exceptional performance and encourage specific values or behaviours. Recognition can be monetary, non-financial or simply a public acknowledgement of someone's efforts.
- 4.3. Reward is a subjective factor and is specific to the individual concerned, this therefore means designing a reward scheme can be challenging. Different monetary and non-monetary rewards will be valued differently by each employee.

4.4. Monetary rewards

- 4.4.1. Setting a monetary reward amount needs to be considered carefully, if it is not set at the right level (the reward does not match the expectation of the employee or is not perceived to equate to the task or the work) it could have an adverse effect and cause dissatisfaction.
- 4.4.2. The Council has lost a significant amount of income as a result of the Covid-19 pandemic and may in the future have to make cuts to services/staffing levels.

Nationally there is also an economic crisis developing, the perception of the public if we were to financially reward staff at this time needs to be considered carefully. Particularly if monetary rewards are not replicated throughout the community and our partners.

4.4.3. Determining the level of any monetary reward and incentive can also have the following limitations:

- The perceived 'reward value' will vary significantly between individuals subject to their personal circumstances
- The motivation from a monetary reward is often short-lived - only felt at the time in which the payment is received
- Rewarding a lot of employees would be costly to the council to implement, if only a few could be selected consideration needs to be given to what the selection criteria would be.

4.4.4. If different employees are awarded different monetary amounts the reasons for the difference in payment would need to be justified. This is to demonstrate that the greater sums of money were a proportionate means to achieve a legitimate aim (e.g. to reward a sum of 5% of each person's salary). Justifying the payment in this way creates a 'material factor defence' to show that variable payments are paid for a legitimate reason and do not discriminate against an employee either directly or indirectly because of their gender or any other protected characteristic under the Equality Act.

4.5. Non-Monetary Reward and recognition

4.5.1. Not all employees are motivated by monetary pay or rewards. There are also non-financial rewards that can be added and used as part of total reward.

4.5.2. Non-financial rewards already used within PCC include:

- Flexible working arrangements (such as working from home) to help employees achieve a work-life balance.
- Training schemes to aid personal and career progression.
- Staff engagement through staff forums, involving staff in decisions that affect how and when employees do their work.
- Employee well-being initiatives, Employee Assistance Programme, free eye tests and subsidised gym and leisure facilities.

4.5.3. An area for development at PCC is a recognition scheme, these can be linked to individual performance development reviews, or team based schemes such as 'Employee of the Month' certificates. Organisational wide schemes can also be developed in the form of employee recognition award ceremonies.

4.6. Recognition schemes

- 4.6.1. Recognition is acknowledging or giving special attention to a high level of accomplishment or performance, such as customer care or support to colleagues, which is not dependent on achievement against a given target or objective.
- 4.6.2. Recognition is not about setting targets and rewarding people for achieving them; it is simply about recognising the great things that people are doing. It can be significant in influencing how engaged employees feel at work and if done right can aid in staff retention and engagement, improving motivation in the longer term.
- 4.6.3. Recognition can be done frequently and in the moment, which means people don't have to wait for praise on a job well done. There are a number of examples where this happens across the organisation, such as emails of thanks from Directors to front line employees and staff newsletters highlighting staff achievements. Recognition can be inexpensive when done in this way but publically acknowledging someone's efforts often has the greatest impact on motivation.
- 4.6.4. Non-financial rewards such as achievement, responsibility and recognition can be seen as intrinsic to the job and can bring much longer term satisfaction than short term rewards such as pay.

5. Reason for recommendation

- 5.1. Recognising staff corporately and celebrating successes through an employee and community based award ceremony could be a way to achieve this and bring the community together after a challenging period of time.
- 5.2. Invitations for nominations could be invited from within the organisation and externally across our partners and the wider community (local businesses, the NHS and voluntary organisations). Initially the ceremony would aim to recognise those who have made an outstanding contribution to the council or city, demonstrated exceptional customer service or gone beyond the call of duty during the pandemic. However, this is a concept that could be developed in future years to continue to recognise and reward employees for their dedicated hard work and contribution in the community.
- 5.3. Engaging with our partners, the voluntary sector and local businesses would also aim to reinforce collaborative working and highlight the community wide response to the covid-19 pandemic.
- 5.4. The implementation of an additional day's annual leave will also enable staff who may wish to take some extra time back over the Christmas period the opportunity to do so or for those who need to work to take this back at a later date. This would work in a similar way to previous years when staff have been given a 'Sandwich' Day at Christmas.

6. Longevity of the award ceremony concept

- It provides a means to recognise staff, without placing additional strain on existing budgets.

- The recognition scheme and ceremony is flexible enough to be applied to all types of employees within the authority and can be developed in the future to include monetary rewards should the authority choose to do this.
- The open nomination process would allow for a fair and equitable chance for all employees to be nominated. If monetary rewards were to be awarded in the future these would have to be in accordance with legislation.
- Launching this scheme at this time is an ideal opportunity to start developing a culture at PCC that acknowledges and recognises good performance and desirable values and behaviours. Local schemes could include employee of the month award.
- Employees can be surveyed to identify the types of reward that they perceive to be of value. Regularly checking this will also ensure the reward and recognition scheme continued to meet the needs and values of employees and therefore having the desired effect of motivating and retaining staff.

7. Integrated Impact Assessment

Appendix 1

8. Legal implications

- 8.1 The report outlines a recommendation to establish a reward and recognition scheme within the Council. There is no specific legislation or legal framework which determine how such a scheme should run; however, the Council must consider the Equalities Act 2010 ("the Act") when deciding those employees who will be recognised under the scheme and the nature of the reward to be given. This is to ensure that the Council does not discriminate against an employee directly or indirectly due a protected characteristic under the Act.
- 8.2 The nature of any award provided must be in accordance with the Council's discretionary powers.
- 8.3 Once a final decision is made with regard to the terms of the scheme, the matter will be looked at again by legal services in order to consider further legal implications which may occur.

9. Director of finance's comments

An annual event held at minimal cost could be met from existing revenue budget provision.

.....
Signed by:

Appendices:**Appendix 1: Integrated Impact Assessment****Appendix 2 - Existing Reward Mechanisms****Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location