

REPORT OF GENERAL PURPOSES AND LICENSING COMMITTEE

(Meeting held on 5 September 2002)

1. PAY AWARD 2002 – INTERIM SETTLEMENT (REPORT A) (MINUTE NO. 15)

The Pay Panel, which comprises 3 elected Councillors and 3 members of the Employees' Side drawn from the Industrial Relations Committee has made recommendations as to an interim settlement of the Employees' Pay Award for 2002.

The Council generally participates in national negotiations but reserves the right to determine its own pay award, should the national award be detrimental to its own pay structure. Pay awards are negotiated locally, although they are influenced by national negotiations. Nationally, in respect of this year's settlement, the Employees' Side has claimed 6% or £1,750 with the Employers' Side offering 3%, although this was subsequently enhanced to offer a minimum of £5 per hour for all employees. In July 2002, the national pay negotiations hit a stalemate which resulted in a day of industrial action, with further action planned later.

This Council's Employees' Side took the view that it was not appropriate to take industrial action over a national dispute.

Since July, ACAS met the national Employers' and Employees' Sides and made proposals which are the subject of current consultations with both Employers and Trade Union Members across the country.

So far as the District Council is concerned, the Pay Panel was convened and, following discussions, the Employers' Side made the following proposal:

- In the interest of maintaining positive industrial relations the Council would like to make an interim goodwill gesture of 3% to all employees.
- In addition, to further the Council's stated aim to review the pay of the lowest paid, the Council will set the minimum hourly pay for all its employees at £5 per hour. Both of the preceding arrangements will be backdated to 1 April 2002.
- Further work is being undertaken on the lower grades of the Council's pay structure, and the Pay Panel will meet again in September to discuss this further.

The Employees' Side has been reassured that agreement to an interim gesture would not prejudice the final pay negotiations. The Pay Panel is due to meet again on 27 September 2002 to look in more detail at the implications of a Consultant's review of pay and reward and possible changes to the pay structure.

The cost of implementing the 3% pay award has been allowed for within existing budgets. However, the additional cost of implementing the minimum £5 per hour pay rate has been estimated at £33,000 per annum which could not be accommodated within existing budgets. It would therefore require a supplementary estimate, with £26,500 being funded from the General Fund and £6,500 from the Housing Revenue Account.

During discussion on this item, a member proposed that the additional cost of funding the minimum £5 per hour pay rate be met by a 10% reduction in Councillors' allowances. However, this proposal was defeated.

RECOMMENDED:

- (a) That an interim pay settlement of 3% is applied to all employees from 1 April 2002, subject to no employee being paid less than £5.00 per hour;**
- (b) That a supplementary estimate of £33,000 be agreed for the additional cost of the pay award, £26,500 to be funded from the General Fund, and £6,500 to be funded from the Housing Revenue Account; and**
- (c) That final negotiations on the pay award be re-commenced through the Pay Panel when the national award is settled.**

**Cllr W H Dow
CHAIRMAN**

(GP050902)