

REPORT OF CABINET

(Meeting held on 28 April 2003)

1. PROPOSED CHANGES TO THE COUNCIL'S PAY AND REWARD STRATEGY (REPORT A) (MINUTE NO. 161)

The Cabinet met concurrently with the General Purposes and Licensing Committee and considered the financial implications of the proposed changes to the Council's Pay and Reward Strategy and Pay structure.

In addition to the comments in the report the members noted comments from the Employer side of the Pay Panel detailing further changes to the overall proposals together with the Employee side comments on all proposals.

There were three main additional changes. For those employees in receipt of Luncheon vouchers it is now proposed that employees can either opt to continue to receive them for 24 months or to take an immediate alternative lump sum payment. Whilst the two options equate financially, additional tax will be payable on a lump sum payment.

In terms of changes to salary bandings it is now proposed that all existing employees on band 3 can remain on that band until they reach the top. New employees will be placed on the new banding structure.

Members noted that there was understandable concern in relation to weekly paid employees moving to monthly paid. It is therefore proposed that more time will be spent to ease the transition for those employees and that this proposal will not therefore form part of the current package. Members agreed that as soon as practicable any new employees' contracts will specify monthly pay.

Members paid tribute to the helpfulness and constructive approach of the Employee side at all stages of the negotiations.

After discussion the General Purposes and Licensing Committee agreed the changes to the Pay and Reward Strategy and Pay structure as detailed in appendix 2 to Report A and as set out in that Committee's report to the Council.

As detailed below there is a significant cost to the Council to achieve these changes to the pay structure. This is set against a backdrop of continued financial constraints. The elected member representatives on the Pay Panel have accepted that it is necessary to incur these substantial additional costs in order to address the issue of low pay, and also to ensure there is equal treatment for employees in Leisure and Commercial Services.

The cost of achieving these changes are shown in the following table:

Year	Cost
2003/4	£116,000
2004/5	£154,000
2005/6	£86,000
2006/7	£16,000
2007/8	£16,000
Total	£388,000

Within the expenditure planning process a provisional sum of £375,000 was identified for pay and reward over the next 5 years, subject to formal negotiations. In finalising the budgets, a sum of £50,000 was identified for pay and reward in 2003/4 within the contingency provision. Overall the cost of the final package is broadly in line with the original projection. However, as part of the negotiations with employee side, the proposals have been re-phased, with more expenditure up front than in the latter years. It will therefore be necessary to find an additional sum of £66,000 from reserves for the current financial year.

In estimating the cost of the overall package it is not possible to accurately calculate the cost of national insurance and superannuation, as this will differ according to individual employees' circumstances. NI and superannuation costs will be further refined once the job evaluation exercise has taken place. It is anticipated that these will be broadly contained within the overall financial figures.

The proposed revision to the pay structure will keep the Council's pay in line with the market. Creating a band between the current bands 2 and 3 will enable jobs to be correctly evaluated in line with market pay, and will assist with recruitment and retention of key employees.

Paying all employees on a 37 hour a week, and offering all employees the same basic holiday entitlement (from 2004) will go a long way towards meeting the council's commitment to achieving single status, and reduce the risk of an equal pay claim.

RECOMMENDED:

That the financial implications of the proposed package as set out above be approved and that a supplementary estimate in the sum of £66,000 be agreed for 2003/2004 to be funded from the Council's reserves.

2. 'YOUR REGION – YOUR CHOICE' WHITE PAPER (REGIONAL ASSEMBLIES (PREPARATION) BILL) (MINUTE 162)

The Government has made some amendments to the Regional Assemblies (Preparations) Bill and, as a consequence, has extended the deadline for responses to 15 May 2003.

The Cabinet noted the following comments from Hansard made by Lord Greaves

"It is with very great regret that I say that the reason I have done so is that I cannot support the amendments tabled by my noble friend today. There has been some vigorous discussion about the matter. My view turned out to be a minority one within our team in this House and in the House of Commons. With considerable regret, therefore, I have withdrawn from the team on this Bill.

I live and am politically active in a two-tier area, so perhaps I look at life from a perspective different from that of those from London and metropolitan areas – or some of them anyhow. I declare that as an interest. Like my noble friend, I shall refer to other amendments that are part of a package negotiated between members of my party and the Government. The meaning of the amendments moved by my noble friend can be understood only by looking at them in the context of the package.

The crunch is whether people in areas that are to have referendums on regional assemblies, as proposed by the Government, have the democratic option to decide for themselves and not be told by the Minister, 10 Downing Street or anyone else that two-tier local government is not allowed. I would hardly wish to refer to the proposal as regional government, as the proposals are such feeble affairs. We debated that issue vigorously in Committee. It is the issue on which, I believe, the negotiated deal sells the pass.

In Committee, when I spoke from the Front Bench on behalf of my party, I responded to some fairly vigorous comments by the Minister. The noble Lord, Lord Rooker, said:

“If this measure is decoupled, there will not be a referendum because there will not be a Bill. We shall take it away. That is the price to be paid. It is as simple as that ... If you want to kill the Bill, carry on.”

Later the Minister referred to those words as being his ‘mantra’. Throughout the three days of Committee stage he kept saying that it was the mantra and that was that. On behalf – I thought – of my own party, I said:

“We now have threats, bluster and blackmail from the Minister – not rational argument.”

I added:

“The Minister’s attitude is not acceptable ... We are being threatened that if we do what we believe is right, the Government will take their bat and ball home. If it comes to that, do not blame us. The responsibility would clearly rest with the Government. It is arrogance of the highest order.”

Later I said that the Minister was browbeating us:

“The Liberal Democrats will not be brow-beaten in every instance. If he is saying that if your Lordships’ House stands firm on such issues he will not get his legislation, then we might as well all pack up and go home.”

I repeat those words at some length because I believed then that I was speaking on behalf of my party. After I spoke, I was not given an indication that I had not been speaking on behalf of my party. But I believe that my party has, regrettably, now agreed to be blackmailed, bullied and browbeaten.

Even if a compromise on the Bill were necessary at the end of the process, it was wholly wrong not to test the opinion of the House, at the very least, on those important issues and to negotiate from strength on that basis instead of having the negotiations that took place. I blame Ed Davey and my colleagues in the House of Commons, and I am happy to stand up in public and say that. I believe that in my part of the world, and in other parts of the world too, Liberal Democrats will believe that they have been let down on this issue by their parliamentary representatives. In the press statement which the party put out, Ed Davey is quoted as saying:

“These concessions prevent the absurd situation whereby voters unaffected by local government reform would effectively be imposing changes on voters elsewhere in the region.”

That is not true. The amendments do not prevent that. All that they do is give those voters a choice. If they believe that unitary government is some form of hell, it gives them a choice of two kinds of hell. That is not the kind of choice that we should be giving sensible and rational voters – certainly not in my part of the world.

I am merely quoting what has been put out in a press statement by my party, and explaining why I find myself very troubled indeed not to be able to support what my party is saying on this issue. The press statement continues:

“The Governments’ original proposal of only one ballot question meant a ‘Yes’ vote in the regional referendum would automatically have led to unitary government, as proposed by the Boundary Committee for England.”

That is still the case and nothing has changed.

Finally, the press statement says that this, “significantly improves the chances of referendums on regional assemblies actually being won.”

I do not think that the situation in the North West is any different. It will make it much more difficult in one important respect for any referendum in the North West to be won. There is already a united Conservative Party that will be campaigning against it. The Labour Party in the North West is already split, and will not be campaigning for the referendum in any united way. I had hoped that the Liberal Democrats would be. I have no doubt that the Liberal Democrats in the North West will be split down the middle on this proposal.”

The Cabinet fully supported the comments and agreed that a letter should be sent to the Office of the Deputy Prime Minister setting out the Council’s views in the following terms:-

“That this Council requests the Government to note its opposition to the proposals for an elected regional assembly in the South East of England, but should it proceed with the Regional Assemblies (Preparations) Bill it should allow the Boundary Committee to include a status quo option in any referendum, thereby providing a real public choice.”

**Cllr M J Kendal
CHAIRMAN**

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