

REPORT OF GENERAL PURPOSES & LICENSING COMMITTEE

(Meeting held on 28 April 2003)

1. PROPOSED CHANGES TO THE COUNCIL'S PAY AND REWARD STRATEGY (REPORT A) (MINUTE NO. 62)

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

The proposed changes were as follows:-

- From 1 October 2003, all pay to be based on a 37 hour working week.
- A revised pay structure where all pay bands would have a number of increments to be removed from the bottom of the band on a phased basis over three years, to ensure that all employees were paid the market rate for their jobs.
- The top two increments in current band 3 to be removed, as the pay consultant had advised that these were paid above the market rate. For any existing employees currently paid in band 3, incremental progression up to the current top of band would be protected for 3 years.
- A band had been created between the current bands 2 and 3. A job evaluation exercise would be carried out for the employees in bands 1B, 1C, and 2 to establish their correct banding within the new pay structure. This exercise would take place between now and October 2003, with the new pay structure being effective from October 1, 2003.
- In leave year 2003/4, an extra statutory day would be added to the leave entitlement of employees who do not receive it, plus an additional day in leave year 2004/5.
- Luncheon vouchers would no longer be paid, but all employees who currently received them would get two years' worth as compensation.
- Additional increments would still be paid out at the top of bands where there were particular recruitment or retention difficulties. Directors would also be able to approve additional increments where an individual has developed beyond the requirements of the job.
- The payment frequency for all employees would be monthly rather than weekly.

Members noted comments from the Employee side 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 was now proposed that employees could either opt to continue to receive them for 24 months or to take an immediate alternative lump sum payment. Whilst the two options equated financially, additional tax would be payable on a lump sum payment.

In terms of changes to salary bandings it was now proposed that all existing employees on band 3 could remain on that band until they reached the top. New employees would 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 was proposed that more time should be spent to ease the transition for those employees and that this proposal would not therefore form part of the current package. All new employees would be monthly paid.

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

RECOMMENDED:

That the proposed changes to the pay and reward strategy contained in Appendix 2, and the revisions in Appendix 3 be approved; these proposals to be subject to minor fine tuning which may be required following formal consultation with employees, notwithstanding the point made in paragraph 6.3, of Report A that the Council will have the option to withdraw the proposals entirely if they are not acceptable to employees.

**Cllr W H Dow
CHAIRMAN**

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