

GENERAL PURPOSES AND LICENSING COMMITTEE - 16 NOVEMBER 2007

PAY AWARD 2007

1 INTRODUCTION

- 1.1 This report provides information on the national pay settlement and recommends a local pay settlement on this basis.

2 BACKGROUND

- 2.1 The Council's position on pay negotiations is that the Council participates in national negotiations, but reserves the right to determine its own award should the national award be detrimental to the Council's pay structure. The Council has defined its own pay structure which is based on its business needs and the local pay market.
- 2.2 In practice the Council has generally undertaken Local Pay Negotiations informed by the national position.
- 2.3 Local negotiations take place through the Pay Panel which comprises three Council Members – Cllrs Kendal; Mrs Holding and Mrs Robinson – and three employee side representatives – Jean Barras (Unison), Steve Drodge (UNITE) and Dave Bramley(GMB).

3 LOCAL PAY NEGOTIATIONS

- 3.1 The Pay Panel met on the 23 March 2007, and employee side put forward their claim. The claim was as follows:
1. One year only claim
 2. 5% or £1,000 whichever is greater
 3. £6.30 underpin on the minimum hourly rate
 4. An increase in annual leave of 1 day for all employees
 5. An increase in basic annual leave entitlement to 25 days per year as the minimum entitlement to all employees
 6. A reduction in the standard working week to 35 hours, without loss of pay.
 7. Contractual overtime (anything over 37 hours paid at time and a half)
 8. Continuous Service for any break in employment
 9. To increase the night shift allowance over a 3 year period from time and a third, to time and a half, to time and three quarters, to double time in the final year
 10. An increase in the sleep-in allowance to £60
- 3.2 The employer side response was as follows:
- 3.2.1 In reference to items 1 to 3 of the claim, the employer side made a first and final offer of an increase of 2.5% on all spinal column points with effect from 1 April 2007. The offer was on the table until 29 June 2007. The employer emphasised that the most important factor in formulating the response had been affordability. The Council had a

duty to balance the employee side claim against the interest of Council tax payers, both in terms of the size of the Council tax bills and the level and quality of service provided by the Council.

- 3.2.2 The employer recognised that the offer fell short of the employee side aspirations but the consequences of an unaffordable increase were inescapable – there would either have to be an increase in Council Tax that would be unreasonable to council tax payers, and/or the Council would have to make cuts in services with a consequent impact on jobs. Neither of these outcomes would be acceptable to the Council.
 - 3.2.3 The employer would be prepared to consider items 4,5, 7 and 8 as part of the wider Pay and Reward review which was currently underway.
 - 3.2.4 In reference to item 6, the employer side emphasised that any reduction in the working week would inevitably create additional costs. The reduction in hours that was agreed in 2003 added a cost to the overall pay bill and the current 37 hour week was consistent with many other parts of the public sector.
 - 3.2.5 Items 9 and 10 do not apply to the Council.
- 3.3 The Pay Panel met again on the 29 June 2007, after employee side had consulted its members on the employers offer.
- 3.3.1 The employee side welcomed the Councils offer of 2.5%, and stated that Test Valley Borough Council had been offered 2.7% and asked for this to be considered.
 - 3.3.2 The employee side, based on their consultation, wanted to wait for the National Pay Award and therefore were not in a position to agree the 2.5% offered by the employer.
 - 3.3.3 The employee side requested the opportunity to discuss the Pay Award locally if National Pay Negotiations were delayed; this was agreed by Pay Panel.

4. NATIONAL PAY NEGOTIATIONS

- 4.1 The National Pay Negotiations concluded on 29 October 2007 with the offer being accepted by the National Joint Council Staff Side. The offer was as follows:
 - 4.1.1 An increase of 2.475% on spinal column points 5 and above with effect from 1 April 2007.
 - 4.1.2 An additional increase in spinal column point 4 to take it to £6 an hour (the cost of this additional increase is 0.025% nationally so the total cost of the offer is 2.5%)
 - 4.1.3 The element of the offer that exceeds 2% is made on an exceptional basis. It recognises the contribution the workforce has made to local government consistently producing the most substantial efficiency

gains in the public sector while maintaining high standards of service delivery and includes a commitment to future co-operation in order to ensure that these standards of performance are maintained. It also includes a commitment from both sides of the NJC to a strategic and comprehensive review (to start in October 2007) of the way that local government pays and rewards its workforce.

5. PAY PANEL RECOMMENDATIONS

5.1 The Pay Panel reconvened on 6 November 2007, the employee side put forward the following:

1. The employer side had stated that they would look at a number of items from the employee side claim as part of the wider Pay and Reward review, employee side requested an update.
2. The employee side claim was 2.7% in line with Test Valley, and also the removal of scp 6 on the Council's pay structure.
3. The data they had received from South East Employers on Local Pay settlements had shown local settlements averaging 2.78%.
4. On accepting the Inbucon pay structure in 1989/1990 employees agreed in being kept in the Upper Quintile.

5.2 The employer gave the following response:

5.2.1 The Pay and Reward project team was set up earlier this year, and has been working on a range of terms and conditions. The team is meeting on the 12 November, it is hoped that the project team and HR will be ready to put forward its recommendations to Pay Panel in January to start negotiations. There has been some delay in the project, due to issues raised in relation to the Councils job evaluation scheme.

5.2.2 Under the difficult financial climate, the employer's offer remains at 2.5%. The employer side had obtained delegated authority from Council for General Purposes and Licensing Committee to agree the pay award within budget provision on the 16 November 2007, therefore being able to pay the new rates from 1 December 2007 and back pay in January 2008.

5.2.3 The employee side asked for an adjournment, and on their return agreed subject to the following:

- 2.5% across all spinal points
- Deletion of spinal point 6 of the Pay structure

5.2.4 The Pay Panel after discussion agreed to delete scp 6.

5.2.5 The Pay Panel would now recommend the Pay Award to General Purposes and Licensing Committee on 16 November, subject to employee side consultation. Employee Side would consult their members and come back to the Head of HR before the Committee meeting.

6 FINANCIAL IMPLICATIONS

- 6.1 The cost of the 2.5% pay award is within budget provision. The cost in relation to the deletion of spinal column point 6 is a maximum of £2,000.

7 ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS

- 7.1 None

8 EMPLOYEE SIDE COMMENTS

- 8.1 Employee Side are currently consulting their employees and will be in a position to give comments at the meeting.

9 RECOMMENDATION

It is therefore recommended that

- 9.1 The local pay award of 2.5% be implemented from 1 April 2007; and
- 9.2 Spinal column point 6 be deleted from the pay structure from 1 April 2007, and all employees currently on this point be progressed to scp 7.

For further information contact:

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