

Item 7

Staff Pay Award for 2012/13

Report of the Chief Executive (Leader's Portfolio)

Recommended:

That a pay increase of one per cent be awarded to all employees subject to a minimum increase of £250 with effect from 1 April 2012.

SUMMARY:

- The report addresses the pay claim submitted by Unison for the year 2012/13
- The Council's approved budget for 2012/13 contains provision for a potential pay award
- The Report recommends awarding a 1% pay increase to all employees subject to a minimum increase of £250

1 Introduction

1.1 Unison has submitted a pay claim for the year 2012/13 which is reproduced in full in the Annex to this Report and contains the following 3 heads:

- *To pay the £250 promised by the Chancellor to all employees in their council from 1 April 2012 as an on scale and pensionable payment.*
- *To identify part-time employees who may be affected by the change in conditions for Working Tax Credit and seek to enhance their hours to 24*
- *To resist making (further) cuts to pay, hours and conditions at local level*

1.2 No claim has been submitted by other unions represented amongst the Council workforce, and so the Unison claim is treated as applying to all Council employees.

2 Background

2.1 The Council is not a party to the national pay bargaining arrangements for local government; its pay framework is based on locally agreed pay arrangements for all employees.

- 2.2 No pay award was made to staff for the year 2010/11 nor was any such general award made last year (2011/12) – but last year a one-off payment of £250 was made to staff whose full time equivalent earnings during the year were less than £21,000.00. That payment was not consolidated into pay scales nor did it count as pensionable pay.

3 Corporate Objectives and Priorities

- 3.1 The issue of staff welfare, and valuing our staff, relates directly to the Council's Vision *to be an organisation of excellence* committed to improving the quality of life of all the people of Test Valley.

4 Consultations/Communications

- 4.1 The matter has been considered by the Officers' Management Team (OMT) and been the subject of consultation with relevant Portfolio Holders.

5 The Issues

- 5.1 OMT's views on the 3 heads of the claim were as follows:

- The second head (re Working Tax Credit) can provide helpful background information to managerial decision making, but cannot constitute the basis for any formal commitment
- The third head (re Cuts) is acknowledged as a desirable position but not one in respect of which a commitment can or should realistically be given
- In the current circumstances, and against the background of the Accommodation Review, the first head raises issues of profound sensitivity. OMT noted the following:
 - The claim is for a fixed sum across the board which will be a permanent addition to the pay scales and pensionable.
 - The claim would represent a 1.82% increase for the lowest paid (rather than 1.5%)
 - The 2012/13 Budget contains provision for a potential pay award

6 Options and Option Appraisal

- 6.1 The first Option relates to whether or not it is appropriate in the present circumstances to make a pay award.
- 6.2 This involves, amongst other things, balancing the duty to make efficient and prudent use of public funds in a time of severe economic austerity with the need to recognise the contribution made by staff and to maintain a high performing organisation.

- 6.3 OMT concluded that it would, on balance, recommend a pay award.
- 6.4 OMT considered that such an award should be based on an 'across the board' percentage increase in order to recognise the efforts of all staff (and also to minimise the distortion of differentials within the pay scales), but that there should be a guaranteed minimum increase.
- 6.5 Against this background, OMT considered the following options and concluded that Option 3 from the following list was appropriate - namely, a 1% increase to all employees subject to a minimum increase of £250 at a cost of £173,000.
- Option 1 - £250 to all employees (based on 476.90 fte) at a total estimated cost of £147,000
 - Option 2 - 1% increase to all employees at a total estimated cost of £150,000
 - Option 3 - 1% increase to all employees subject to a minimum increase of £250 at a total estimated cost of £173,000
 - Option 4 - 1.5% increase to all employees at a total estimated cost of £225,000
 - Option 5 - 1.5% increase to all employees subject to a minimum increase of £250 at a total estimated cost of £227,000
 - Option 6 - 1.82% increase to all employees (thereby guaranteeing all employees a minimum of £250) at a total estimated cost of £273,000

7 Resource Implications

- 7.1 The cost of £173,000 can be contained within the Council's approved budget for 2012/13.

8 Risk Management

- 8.1 An evaluation of the risks associated with the matters in this report indicates that further risk assessment is not needed because the issues covered do not represent significant risks

9 Legal Implications

- 9.1 None

10 Equality Issues

- 10.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EQIA has not been carried out.

11 Conclusion

- 11.1 The proposals contained in this report seek to strike a balance between prudent financial decision making and demonstrating recognition of the value of the Council's staff.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1		
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