

POLICY, FINANCE AND ADMINISTRATION COMMITTEE

2 DECEMBER 2014

REPORT OF HEAD OF COMMUNICATIONS

PAY AWARD UPDATE

1.0 PURPOSE OF REPORT

- 1.1 The report updates Members on the Local Government pay award and outlines the financial impact for the Authority in applying the enhancements.

2.0 RECOMMENDATIONS

- 2.1 **The Committee is asked to note the arrangements for the pay award.**
- 2.2 **Members are asked to consider if they wish to extend the 0.45% on pay beyond spinal point 49 to include the locally extended points 50 – 60.**

3.0 KEY ISSUES

- 3.1 The revised pay proposal put forward to the unions cover the period 1 January 2015 to 31 March 2016. It applies to staff employed under NJC terms and conditions. At Melton this means all employees with the exception of the Chief Executive and Strategic Directors.
- 3.2 The national Spinal Column Points (SCP) starts at point 5 which is currently the equivalent of £6.36 per hour. However at Melton we have previously agreed to pay at least the equivalent of the Living Wage which is currently £7.65 per hour. This has increased to £7.85 which will be applied to pay on the 1 April 2015. The pay proposals increase the lower SCP's by a higher percentage however this does not impact on our employees because the Living Wage has already been applied.
- 3.3 The pay award will only apply to employees in post from the 1 December 2014 and no backdated payments will be made to employees who leave employment before that date.
- 3.4 One off lump sum payments have been included in the pay proposal, calculated to ensure the new proposal is not detrimental to employees after unions rejected the initial offer of 1% backdated to April 2014. The national SCP goes up to point 49 therefore these additional payments are only applicable on the points up to 49. At Melton we have locally extended points up to point 60. Employees on points 50 – 60 do not currently attract the lump sum on 0.45% only the 2.2% on offer for all points.

4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 The pay proposals are following national consultation and negotiations. They do not impact on any other policies and terms and conditions.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 There are seven employees paid between point 50 and 60 who would have been better off with the initial pay offer put to unions earlier this year. It is therefore suggested to Members that they consider applying the 0.45% to our locally extended spinal points beyond point 49. The financial impact of doing this would be a one off payment of £1,936
- 5.2 The financial impact of the pay proposals are outlined below :

Proposal	Financial impact
2.20% on SCPs 11 and above effective 1 January 15	£28,207 – 2014/15 £50,990 – 2015/16
One off lump sum payments	
£325 non- consolidated payment to SCP 5,6,&7	£494.00
£150 non-consolidated payment on SCP 8,9,& 10	Nil
£100 non- consolidated payment on SCP 11-25 incl	£10,831
0.45% of proposed new salaries on SCP 26-49 incl	£11,191
Total	£22,516

*General Fund Impact only

As part of the Budget Framework report presented to members of this committee at its meeting on 30 September a contingency provision for the pay award was agreed for inclusion in the 2015/16 budget estimates. This equated to approximately £50k and if the proposed 2.20% proposals outlined above are agreed this contingency will be removed and salary estimates for 2015/16 updated accordingly as set out in the revenue estimates report elsewhere on the agenda.

In terms of the 2014/15 one off lump sum payments and the proposed award for January – March 2015 a contingency budget was set up for 2014/15 of £100k which includes an element for award that will be used to fund the amounts as summarised above. This has been currently factored into the forecast year end position for 2014/15 and therefore can be met from within the existing budget.

The impact on the HRA is £2,348 for the 2014/15 impact of the pay award and lump sum payments totalling £2,182 which can be met within the existing HRA revenue account. The increases for 2015/16 are currently being worked through as part of the HRA revenue estimates preparation.

6.0 LEGAL IMPLICATIONS/POWERS

- 6.1 There are no known legal implications as a result of this pay award.

7.0 COMMUNITY SAFETY

7.1 No direct implications regarding community safety have been identified.

8.0 EQUALITIES

8.1 The pay proposal is a Nationally agreed arrangement and will be applied on each spinal point on a pro rata basis. It is not anticipated that there is be a detrimental impact on any groups with protected characteristics.

9.0 RISKS

9.1 There are no know risks associated with this report

10.0 CLIMATE CHANGE

10.1 There is no impact on climate change as a result of this report

11.0 CONSULTATION

11.1 Consultation on the strategy has taken place at a National level.

12.0 WARDS AFFECTED

12.1 All wards are affected by the implementation of the strategy .

Contact Officer Sarah-Jane O'Connor – HR and Communications Manager

Date: 12th November 2014

Appendices :

Background Papers: Budget and salary estimate working papers.

Reference : X : Council\?