

**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL
RECORD OF EXECUTIVE / CHIEF OFFICER DECISION**

This form should be used to record key and other decisions made by individual Portfolio Holders and key decisions made by Chief Officers. The contact officer will ensure that the signed and completed form is given to Democratic Services as soon as reasonably practicable after the decision has been taken.

Unless permission has been obtained from the Chairman of Council and the Chairman of the Scrutiny and Overview Committee that this decision be treated as a matter of urgency under Rule 12.19 of the Scrutiny and Overview Committee Procedure Rules, this decision will come into force, and may then be implemented, on the expiry of five working days after the publication of the decision, unless called in under Rule 7 of the Budget and Policy Framework Procedure Rules or Rule 12 of the Scrutiny and Overview Committee Procedure Rules.

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| Portfolio | Finance and Staffing Portfolio Holder |
| Subject Matter | Pay Award 2017/2018 |
| Ward(s) Affected | |
| Date Taken | Tuesday, 14 March 2017 |
| Contact Officer | Susan Gardner Craig, Head of People and Organisational Development (Susan.GardnerCraig@scambs.gov.uk) |
| Date Published | Tuesday, 14 March 2017 |
| Call-In Expiry | Tuesday, 21 March 2017 |
| Key Decision? | Yes: Is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates |
| In Forward Plan? | Yes |
| Urgent? | No |

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| Purpose / Background |
| <p>Annual Pay Award for SCDC employees</p> <p>South Cambridgeshire District Council has a local agreement with trade unions which covers negotiation of local terms and conditions, pay scales and pay awards. In considering annual pay offers and agreements the council takes account of national pay negotiations, local job market forces and affordability.</p> <p>The Local Government Association advised local government employers in 2016, that agreement had been reached with trade unions for a two year pay deal for 2016/2017 and 2017/2018. Broadly, this was 1% across the majority of the NJC pay scale with additional percentage increases for the lowest scp's.</p> <p>Having considered the implications of the 2016 national agreement, the Finance and Staffing Portfolio Holder approved the following in June 2016:</p> <p>a) To apply a 1% increase on all pay points with effect from 1st April 2016 or the Living Wage rate (effective at 1 April 2016) of £8.25 per hour, whichever is the highest, and to</p> <p>b) backdate to 1st April 2016</p> <p>The decision notice is attached for information.</p> <p>Considerations</p> <ul style="list-style-type: none"> • The 'new' National Living Wage will increase to £7.50ph for 25year olds and over • The Living Wage set by the Living Wage Foundation is currently £8.45ph (outside of London, £9.75 inside London) • The Finance and Staffing Portfolio Holder is supportive of the Government's programme to |

improve pay levels for those on low pay by accelerating increases to the National Living Wage through to 2020 and that South Cambridgeshire District Council should have regard to the Living Wage when reviewing annual pay awards for Council employees.

- The 2017/2018 budget was agreed by Council on 23 February 2017, this took account of a potential 1% increase on salaries for the year. The Finance & Staffing Portfolio Holder should note that there have been changes to National Insurance contribution rates and this has impacted on the salary budget resulting in an increase in NI costs
- South Cambridgeshire District Council has made budget provision in the MTFS for a 1% increase from 1 April 2017. The Portfolio Holder can only approve a pay award within planned budget levels. Approval for a percentage increase above 1% would need to be considered and approved by Full Council.
- It should be noted that Member allowances are increased by the equivalent percentage amount as the Council agrees to apply to the pay rates of Council staff.

Annual Pay Award for TUPE transferred DSO staff

Staff that transferred from Veolia to SCDC in October 2010, under TUPE, remain under their Veolia contractual terms and conditions of employment and are entitled to receive payment of the locally negotiated pay award.

At the time of writing Veolia advised this council that they have not reached a local agreement for their pay award.

The effect any pay award will only apply to 1 employee and is not expected to exceed £700 pa (including back pay and employers NI costs) and can be found from existing budgets.

Implications

Financial modelling has been undertaken to assess the impact of the NJC pay deal and Living Wage:

- The impact of applying a 1% increase on all SCDC pay points (not including changes to NI contributions) is £152,112, this is within agreed budget
- The impact of applying the Living Wage Foundation rate of £8.45ph from 1.4.17 is £6,281 (includes £3.2k on HRA)
- The National Living Wage is anticipated to reach £9.00ph by 2020. Currently this has minimal impact on SCDC current grades, the Council does not employ any staff, below the National Minimum or National Living Wage
- The Living Wage Foundation rate is currently higher than SCDC pay rates in Grade 1. The rate is anticipated to reach £9.00ph during 2017/2018. If the rates continue to increase as predicted it will impact on SCDC Grade 2 pay rates. In this scenario, the Council will need to consider a review of pay scales.

Options

The Council has the following options:

1. apply 1% across all SCDC pay points in line with the agreed budget or,
2. apply the nationally agreed pay award as agreed in 2016 (1%) including the increases to the lower pay points (bottom loading) to the SCDC pay scales or,
3. apply 1% across pay points 10 and above, and applying the Living Wage of £8.45 per hour to pay points G – 2

Consultation

The Council has advised the recognised trade unions that Council budget includes provision for a 1% pay award for all staff for 2016/2017.

Unison submitted a pay claim for 2017 in January. The claim was for a minimum increase of 5% for all staff. This is significantly in excess of the nationally agreed pay award negotiated and agreed with national employers and trade unions.

Members of the Employment Committee, at their meeting on 26 January, were provided with details of the claim. Members of Full Council were also made aware of the claim.

Recommendation

It is recommended that the Council:

- a) applies a 1% increase on all pay points with effect from 1st April 2017 or the Living Wage rate (effective at 1 April 2017) of £8.45 per hour, whichever is the highest, with effect from 1st April 2017

The council has an obligation under TUPE to apply a pay award to transferred staff therefore it is recommended that:

- b) the council applies the 1% increase to the former Veolia employees, with effect from 1 April 2017 and,
- c) delegated authority be given to the interim Chief Executive, to approve any adjustment required following Veolia's conclusion of pay negotiations for 2017/2018.

The decision for 2017/2018 is within agreed budget provision.

Declaration(s) of Interest

Record below any relevant interest declared by any executive Member consulted or by an officer present in relation to the decision.

Full Council agreed in November 2012 to give a general dispensation (from the need to declare a disclosable pecuniary interest under the Code of Conduct) to all members on any matter concerning the setting of allowances.

Dispensation(s)

In respect of any conflict(s) of interest declared above, record below any dispensation(s) granted by the Council's Standards Committee.

None.

Consultation

Record below all parties consulted in relation to the decision.

Cabinet has been briefed and are supportive of the approach outlined in the recommendations above. Cabinet confirmed their support for the Finance and Staffing Portfolio Holder to make the decision.

Other Options Considered and Reasons for Rejection

| Final decision | Reason(s) |
|------------------------|------------------------------------|
| Agreed recommendations | Within agreed budget for 2017/2018 |

| Signed | Name (CAPITALS) | Signature | Date |
|------------------|---|-----------|------|
| Portfolio Holder | Signed copy available upon request from Democratic Services (democratic.services@scams.gov.uk) | | |
| Chief Officer | | | |

Further Information