

**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.

Portfolio	Lead Cabinet member for Finance
Subject Matter	Pay Award 2018/19
Ward(s) Affected	
Date Taken	Tuesday, 27 November 2018
Contact Officer	Susan Gardner Craig, Head of People and Organisational Development (Susan.GardnerCraig@scambs.gov.uk)
Date Published	Tuesday, 27 November 2018
Call-In Expiry	Tuesday, 4 December 2018
Key Decision?	Yes
In Forward Plan?	Yes
Urgent?	No

<p>Purpose / Background</p> <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 April 2018, that agreement had been reached with trade unions for a two year pay deal. Broadly, this was 2% across the majority of the NJC pay scale with additional percentage increases for the lowest spinal column points (SCP).</p> <p>Local pay discussions and negotiations with the recognised trade unions at SCDC (GMB and Unison) have taken place. The trade unions submitted a pay claim which has been taken into account during negotiations.</p> <p>The Council, in its negotiations, has also taken account of two issues which staff have routinely raised through surveys and workshops – equalisation of annual leave and reimbursement of professional fees.</p> <p>Considerations</p> <ul style="list-style-type: none"> The Trade unions submitted a pay claim to the Council. 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. Cabinet were made aware of this pay claim.

- The 'new' National Living Wage is currently £7.83ph for 25year olds and over. The rate will increase on 1 April 2018 to £8.21ph.
- The 'Real Living Wage' set by the Living Wage Foundation, at the time of the Council's final pay offer to trade unions and union ballot was £8.75ph (outside of London). The new rate of £9.00ph has just been announced.
- Current policy is that South Cambridgeshire District Council should have regard to the Living Wage when reviewing annual pay awards for Council employees.
- The 2018/2019 budget was agreed by Council on 22 February 2018, this made provision for a 1% increase on salaries for this financial year.
- South Cambridgeshire District Council has made budget provision in the MTFS for a 1% increase from 1 April 2018. The Lead Cabinet Member 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.
- There are costs associated with equalisation of annual leave and reimbursement of professional fee.

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 is £200K which is within agreed budgets
- The impact of applying the Living Wage Foundation rate of £8.75ph from 1.4.18 is £4K (includes £3.2k on HRA), this will also be within service budgets
- 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 Grade1. The rate was anticipated to reach £9.00ph during 2018/2019 (this has now been confirmed). 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.
- The cost of equalisation of annual leave is £100K and the anticipated cost of reimbursement of professional fees is £90K. These costs will have to be found from within existing service budgets.

Consultation

The Council has been in discussions and negotiations with the recognised trade unions for the purpose of reaching an acceptable pay deal, during the discussion the Council advised the unions that budget includes provision for a 1% pay award for all staff for 2018/2019.

GMB and Unison have balloted their members. They have confirmed that the pay deal has been accepted.

The Council has ensured that all SCDC staff have received regular communications in relation to the negotiations and pay offer.

Recommendation

It is recommended that the Council:

- a) applies a 1% increase on all pay points with effect from 1st April 2018 or the Living Wage rate (effective at 1 April 2018) of £8.75 per hour, whichever is the highest, with effect from 1st April 2018
- b) equalises annual leave and reintroduces the reimbursement of professional fees.

The decision for 2018/2019 is within approved budget provision. The MTFS and 2019/2020

budget is subject to Council approval in February 2019.

Declaration(s) of Interest <i>Record below any relevant interest declared by any executive Member consulted or by an officer present in relation to the decision.</i>
None

Dispensation(s) <i>In respect of any conflict(s) of interest declared above, record below any dispensation(s) granted by the Council's Standards Committee.</i>
None

Consultation <i>Record below all parties consulted in relation to the decision.</i>
Cabinet has been briefed and are supportive of the approach outlined in the recommendations above. Cabinet confirmed their support for the Lead Cabinet Member Finance and Staffing to make the decision.

Other Options Considered and Reasons for Rejection

Final decision	Reason(s)
Agreed recommendations.	Within agreed budget for 2018/2019.

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

Further Information