

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet Council 20th July 2004
22nd July 2004

AUTHOR: Finance and Resources Director

PAY AWARD 2004/2005

Purpose

1. To report the results from the Joint Pay Award Panel in relation to the pay award for 2004/2005 and make a recommendation to Council.

Effect on Corporate Objectives

2. Corporate Objectives 1- 4 and developing the capacity to deliver the objectives. A well motivated workforce is an essential requirement for the achievement of the Corporate Objectives.

Background

3. As part of the review of the Council's pay and grading structure which was implemented in April 2003, the decision was made to move outside the nationally negotiated pay settlement and replace it with a local agreement. The basis of the agreement was to be set by reference to two pay indices :the average of the Income Data Services Average Earnings index for the public sector and the Office for National Statistics New Earnings Survey. Ensuing investigation revealed that the indices are one and the same, and derived from the Office for National Statistics (ONS).
4. Subsequent discussion with the lead consultant from PriceWaterhouse Coopers (PWC) who advised the Council on the Pay and Grading Review, has resulted in a recommendation that the Council determines its pay award by reference to the ONS Average Earnings index.
5. The index contains various categories. The recommended approach is to adopt the category that provides for a private/public split on the basis of 1/3 :2/3 respectively. While this weights the public sector more strongly, it acknowledges the influence of the private sector in the Cambridge labour market. As the Council applies market supplements, this approach avoids over weighting towards the private sector.
6. A Joint Panel representing the employers and the union, Unison, has been set up to agree the pay award. The Panel comprises the Resources and Staffing Portfolio Holder, Chief Executive, Finance and Resources Director, HR Manager, Unison Branch Secretary, Treasurer and Chairman. The Panel meets on 19th July 2004.

Considerations

7. At the time of writing this report, the national pay award has not been agreed. The national pay award is not being considered in isolation, and forms part of a package of measures for negotiation.

Options

8. In line with the approach being adopted at national level, the authority's intention is to propose a package of measures as the basis for local negotiations.
9. By reference to paragraph 5 the resultant pay award is 4.2 %. A range of issues will form the basis of negotiation between the Employers and Unison to ensure the authorities needs are better met.

Financial implications

10. The cost of the pay award was budgeted at 3.5%. Applying a pay award of 4.2% will cost £588,000, including overheads, and results in a shortfall of £98,000. This shortfall is addressed in the Finance and Policy Review, considered separately by Cabinet.

Staffing implications

11. The award will be backdated to 1st April 2004. Subject to approval by Council, the pay award could be paid in the August payrun.

Risk Management Implications

12. The Council's reward strategy is key in influencing staff morale, turnover performance and legal motivation.

Legal Implications

13. Failure to apply the pay award would constitute a breach of the terms and conditions of employment.

Consultations

14. Unison was represented on the Panel.

Recommendation

15. The results from the Joint Pay Award Panel will be reported verbally to Cabinet with a view to this forming a recommendation to Council.

Contact Officer: Deborah Pearson, HR Manager, Tel: (01954) 7130285