

Corporate Policy and Resources Committee



19 January 2022

Title	Supplementary Pay Award 2021/22
Purpose of the report	To make a recommendation to Council
Report Author	Debbie O'Sullivan/Angela Tooth, Human Resources Managers
Ward(s) Affected	Not applicable
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Committee/Council decision.
Recommendations	Committee is asked to: Recommend to Council that the preferred option (Option A) of the 2021/22 supplementary pay award or other option is approved.
Reason for Recommendation	<p>As a result of moving to local pay on 1 April 2019, pay awards are to be decided by full Council.</p> <p>Under the Collective Agreement between the Council and UNISON, the Council will give due regard to the National Pay Award.</p> <p>The supplementary pay award is proposed to at least meet the current NJC national pay award offer of 1.75% for all staff.</p>

1. Key issues

- 1.1 With effect from 1 April 2019, Spelthorne Borough Council became a local pay and local terms and conditions employer. Pay awards are to be decided by full Council and Corporate Policy and Resources Committee are asked to recommend to Council a supplement 2021/22 pay award.
- 1.2 The 2021/22 pay award, effective from 1 April 2021, was agreed in early February 2021 as follows:
 - 1.2.1 0.75% to all scale points including personal salaries and apprentices
 - 1.2.2 An additional 0.25% for scales 1 to 3

- 1.2.3 A one off, non-consolidated payment of £100 (gross) to all staff (excluding casual workers)
- 1.2.4 The deletion of scale points 8 and 9 from Scale 1
- 1.2 The above provided a higher increase for those posts in the “lower grades”. For 2021/22, scales 1 to 3 were included in this definition.
- 1.3 Clause 1.1 of the Collective Agreement between Spelthorne Borough Council and UNISON states the following:

“1.1 Spelthorne will give due regard to the NJC, JNC and JNC for Chief Executives National Pay Award.”

- 1.3 The 2021/22 national pay award has not yet been finalised. A full and final offer of 1.75% to the majority of NJC pay points was made by the employers which has not been accepted by the unions. Balloting has taken place in relation to strike action but this will not affect Spelthorne Borough Council staff.
- 1.4 Meetings have been held between Management Team and UNISON under the Collective Agreement to discuss the national pay award offer. It has been accepted by both parties to work with the final national offer of 1.75% when considering point 1.1 of the Collective Agreement as it is unknown when the national award will be concluded and the national employers have indicated that they have made their full and final offer.
- 1.5 The proposals have been subject to consultation and negotiation, within the limits of the Collective Agreement between the Chief Executive, Deputy Chief Executive, Human Resources and UNISON.
- 1.6 Clause 1.4 of the Collective Agreement, Mechanism and timetable for deciding pay awards states:

“UNISON may make representations to Corporate Policy and Resources Committee when they consider the budget for the following year. The Corporate Policy and Resources Committee will consider any pay submission/representation from UNISON before they make a recommendation to Council for the Local Pay Award for the following year.”

- 1.7 UNISON may choose to make their own submission/representation to Corporate Policy and Resources Committee.
- 1.8 This explains the main criteria upon which the decision is to be based.

2. Options analysis and proposal

- 2.1 In order to remain competitive and retain staff the following options are proposed.

2.1.1 Option A – Preferred option

1% to all scale points including personal salaries and apprentices (excluding those staff whose terms of secondment does not qualify for a pay award).

This means that overall for 2021/22 scale points 1 to 3 will have received a 2% pay review for 2021/22, which is higher than the current national offer and all other scale points and relevant personal salaries will have received 1.75%. This maintains the 0.25% differential between scales 1-3 and all other scales. UNISON are supportive of this option as they are mindful that a higher award to lower scales will result in compression issues between scales.

2.1.2 **Option B**

As Option A, plus a one off non-consolidated payment of £100 (gross) per employee (excluding casual workers) up to and including Scale 4. Consideration would need to be given on the reason for this payment to scales 1 to 4.

This will heighten bottom loading but will be on a one off basis. UNISON are aware of the challenges of bottom loading pay scales and the impact reducing monetary differences between grades can have on morale, retention and recruitment together with recognition of the different grade responsibilities.

2.1.3 **Option C**

As Option A, plus setting aside a one off payment of up to £20,000 to be placed into the Spelthorne Assistance Fund for Employees (SAFE) which is available to all employees who may be experiencing financial hardship and who can confidentially apply for support. Support is open for all (subject to criteria) and does not restrict any employee from applying. Voluntary Support North Surrey (VSNS) who previously administered the fund on behalf of Spelthorne Borough Council have stated they no longer wish to continue providing this support. A new provider would need to be appointed as this should remain independent from the Council. It should be noted that it may be challenging to source a provider willing to administer as this is a niche area plus there will be an administrative fee.

3. **Financial implications**

- 3.1 Option A - the incremental cost is £191,530 and is within the headroom in the medium term financial strategy/outline budget assumptions. The uplift can be treated as a supplementary Revenue estimate for 2021-22 which can be covered by the projected net overall Revenue underspend for 2021-22.
- 3.2 Options B or C – the one off cost can be covered from the additional one off head room generated by the New Homes Bonus grant.

4. **Other considerations**

- 4.1 The pay award is to be made to all staff – apart from those whose terms of secondment does not qualify for a pay award.
- 4.2 If agreed, the increase will be applied to certain allowances that are increased annually in line with any pay award. This is covered within the budget.
- 4.3 Consideration needs to be given on the effect of a higher incremental increase to lower scales as this will cause compression issues between scales and provide little differential between one grade and the next. Posts are graded according to the complexity of work, range of responsibilities and the skills and experience required

to undertake them. Reducing the differential may effectively “downgrade” the next scale up. Scales 1-3 have received a higher incremental increase and the above proposals do not reduce the differentials that are currently in place, this in turn may make it increasingly difficult to promote into roles just above these scales (for example refuse vehicle drivers).

Protecting organisational resilience

- 4.4 From a business need perspective, the organisation is finding it more difficult to recruit and retain managers and key professional roles than for the lower grades. If the organisation is unable to retain key professional staff and managers (we are shortly about to lose a few key managers), it will impact on the Council’s ability to deliver services to its residents and may also affect staff morale and well being. It should be noted that the latest Consumer Prices Index measure of inflation is 5.1% and is projected to rise to more than 6% in the coming months. We need to mindful of the direct and indirect costs (including service discontinuity) associated with vacant posts and recruiting to posts and the hidden cost of induction and training associated with new recruitment. We are particularly aware of the difficulties some services are continually encountering when trying to recruit key qualified staff and these are often in front line services. As an example, Environmental Health has been unsuccessful in recruiting Senior/Environmental Health Officers and went out to advert on 3 separate occasions for 2 vacancies over the last 12 months. Internally, the hourly rates for these roles range from £16.17 per hour to £24.74 per hour but they are currently having to pay agency personnel / contractors between £55 to £60 per hour. This is resulting in a potential additional spend of over £1000 per week for each full- time vacant role. In other areas such as Building Control, the hourly agency rate for an experienced Building Control Officers is also between £55-£60 per hour, plus expenses. This compares with the internal hourly rate paid to staff of between £16.17 - £27.96 per hour.

5. Equality and Diversity

- 5.1 This supplementary pay award is applicable to all scales including personal salaries and apprentices.

6. Sustainability/Climate Change Implications

- 6.1 None.

7. Timetable for implementation

- 7.1 The pay award will, if approved, will be implemented in March 2022 and backdated to 1 April 2021.

Background papers: There are none.

Appendices: There are none