

Council

24 February 2022



Title	Pay Award 2022/23
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	<p>The Corporate Policy and Resources Committee is asked to recommend to Council that the 2022/23 pay award is approved as follows:</p> <p>2% to all scale points including personal salaries and apprentices and an additional 0.5% for scales 1 to 5 inclusive</p>
Reason for Recommendation	<p>As a result of moving to local pay on 1 April 2019, the pay award for 2022/23 is to be decided by full Council.</p> <p>The pay award is made to help attract and retain staff and is in recognition of their ongoing hard work and dedication in supporting the Council's services.</p>

1. Key issues

- 1.1 With effect from 1 April 2019 Spelthorne Borough Council (Spelthorne) became a local pay and local terms and conditions employer. Pay awards are to be decided by full Council and the Corporate Policy and Resources Committee are asked to recommend to Council the pay award for 2022/23.
- 1.2 The Chief Finance Officer presented at a Budget Briefing for councillors on 26th January 2022, which included a proposal for the pay award which will take into consideration pay review data from other councils within Surrey and any available information from the national pay award negotiations. In order to remain competitive and retain staff a total increase of 2% for all staff is recommended. Sufficient provision will be built into the 2022/23 budget.

- 1.3 Originally it was recommended that the 2% budget is a “flat” rate across all scale points with no bottom loading. This would bring Spelthorne in line with the other Surrey District and Boroughs who we understand are budgeting between 2% to 3%. However, it was agreed that with the cost of living increases there should be an extra 0.5% for those staff on scales 1 to 5 inclusive.
- 1.4 In order to continue to delivery high quality services, Spelthorne’s focus is on retaining the breadth and depth of skills, technical knowledge and managerial experience we have together with the ability to attract suitable and qualified candidates for vacant posts. In the last 12 months up to 8 December 2021, 10 staff resigned citing their reason as either higher salary or promotion. A further 10 members of staff retired. These posts were mainly in the managerial or technical grades, for example, Building Control, ICT, Licensing, Information Governance and Housing.
- 1.5 In the last 12 months (up to December 2021), recruitment took more than one attempt or was unsuccessful for 14 posts. In addition to the hidden cost of the time involved in recruitment campaigns, some services are having to use agency personnel at rates of between £55 to £60 per hour (Environmental Health) or service delivery will take longer or is reduced.
- 1.6 The average total pay growth for the private sector was 5.4% from August to October 2021 and for the public sector it was 2.7% (www.ons.gov.uk). The latest Consumer Prices Index measure of inflation is 5.4% and is projected to rise to more than 6% in the coming months. National Insurance employee (and employer) contributions are due to increase by 1.25% from April 2022. Therefore, all staff will be experiencing significant cost of living increases.
- 1.7 The proposal has been subject to consultation and negotiation, within the limits of the Collective Agreement, between the Chief Executive, Deputy Chief Executive, Human Resources and UNISON as further detailed below.
- 1.8 UNISON made a pay submission to the Chief Executive in October 2021 with the first consultation meeting in relation to the pay award held on 10 November 2021. There have been several consultation meetings held since this date, particularly to take account of the financial, recruitment and retention challenges. Agreement has been reached on the distribution as detailed above. UNISON are supportive of all scale points receiving the same rate due to the compression issues of bottom loading on scale points, the cost of living increases all staff are experiencing and the retention and recruitment issues the Council are experiencing.
- 1.9 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.”
- 1.10 UNISON may choose to make their own submission/representation to Corporate Policy and Resources Committee.
- 1.11 This explains the main criteria upon which the decision is to be based.

2. Options analysis and proposal

- 2.1 To approve the distribution of the pay award as detailed in this report. This is required to remain competitive with our comparators and will demonstrate a commitment to all staff. **Preferred option.**
- 2.2 To not approve the pay award or award a lower pay award or implement bottom loading will impact on morale, recruitment and retention.
- 2.3 It is worth considering 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. For the 2021/22 pay award, Scales 1-3 received a higher incremental increase. This in turn may make it increasingly difficult to promote into roles just above these scales (for example refuse vehicle drivers).

3. Financial implications

- 3.1 The budget for 2022/23 has built in sufficient provision to cover the proposed additional percentage increase and will add approximately £425,900 (inclusive of national insurance and superannuation). to the base budget for 2022/23. The budget for including an extra 0.5% for staff on grades 1 to 5 is £32,000 taking the total budget to £457,900.

4. Other considerations

- 4.1 If agreed the pay award, as detailed above, is applicable to all staff including those on protected salaries, personal salaries and apprentices – apart from those staff whose terms of secondment does not qualify for a pay award.
- 4.2 If agreed, the 2%, or 2.5% for scales 1 to 5, increase will be applied to certain allowances that are increased annually in line with any pay award.
- 4.3 Under clause 1.1 of the Collective Agreement, Section 1: Arrangement for agreeing the Spelthorne Local Pay Award it states the following:

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

The 2021/22 National Pay award has not yet been concluded and there has been no indication of any proposals for 2022/23. Should the 2022/23 National Pay Award be higher than the Spelthorne Local Pay Award, due consideration will be given to proposing to Council that the Local Pay Award meets the National Award, subject to affordability.

5. Sustainability/Climate Change Implications

- 5.1 There will be no impact on climate change issues.

6. Timetable for implementation

The pay award will be effective from 1 April 2022.

Background papers:

There are none

Appendices:

There are none