

Corporate Policy and Resources Committee



20 February 2023

Title	Pay Award 2023/24
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 2023/24 pay award is approved as follows:</p> <p>A consolidated payment of £1925 per full time equivalent (FTE) to all scale points including personal salary</p> <p>An increase of 3.5% (average percentage increase) to those allowances that increase annually with the pay award.</p>
Reason for Recommendation	<p>As a result of moving to local pay on 1 April 2019, the pay award for 2023/24 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. Summary of the report

- 1.1 This report seeks the Corporate Policy and Resources Committee agreement to recommend to Council that the 2023/24 pay award is a consolidated (built into the base pay) payment of £1925 per FTE to all pay scales and personal salaries and for the average percentage increase to be applied to those allowances which increase each year with the pay award.

2. Key issues

- 2.1 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 2023/24.
- 2.2 The Chief Finance Officer presented at a Budget Briefing for all councillors on 22nd November 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 consolidated increase of £1925 to all pay scales and personal salaries is recommended. Sufficient provision will be built into the 2023/24 budget. This matches the 2022/23 pay element of the National Pay Award.
- 2.3 A consolidated payment means that lower grades will receive a higher percentage increase (9.54% to the lowest scale point) gradually decreasing through the higher scales, for example, 6.52% for scale point 24 (Scale 5), 3.22% for scale point 49 (Scale SM2), 2.31% for scale point 64 (Group Head scale) and 1.47% for the top scale point 94. However, this bottom loading will not compress the scale points due to all scale points increasing by the same amount. Bottom loading which results in scale compression does not meet organisational business need. This also maintains a gap between the 2023/24 bottom scale point and the new National Living Wage of £10.42 for 2023/24.
- 2.4 Certain allowances, for example, first aid, car allowances and incident liaison increase with the pay review percentage each year. It is recommended that the average percentage increase of 3.5% is applied to the affected allowances.
- 2.5 In order to continue to deliver 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. Recruitment and attracting the right candidate continue to be challenging.
- 2.6 In November 2022 the Office for National Statistics (ONS) reported "average regular pay growth for the private sector was 6.9% in August to October 2022, and 2.7% for the public sector; outside of the height of the pandemic period, this is the largest growth rate seen for the private sector and is among the largest differences between the private sector and public sector growth rates we have seen." The ONS Consumer Prices Index measure of inflation (November 2022) is 10.7%. The cost of housing and household services rose 11.7% in the 12 months to October 2022. Therefore, all staff will be experiencing significant cost of living increases.
- 2.7 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.
- 2.8 UNISON made a pay submission to the Chief Executive at the end of August 2022. Consultation meetings were held, and agreement has been reached on the distribution as detailed above. The agreement accepted UNISON's pay claim of a consolidated payment of £1925 which is based on the 2022/23 pay element of the National Pay Award.

2.9 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.”

2.10 UNISON may choose to make their own submission/representation to Corporate Policy and Resources Committee.

2.11 This explains the main criteria upon which the decision is to be based.

3. Options analysis and proposal

3.1 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.**

3.2 To not approve the pay award or award a lower pay award or implement bottom loading resulting in compression will impact on morale, recruitment and retention.

4. Financial implications

4.1 The budget for 2023/24 has built in sufficient provision to cover the proposed additional percentage increase and will add approximately £673,000 (inclusive of national insurance and superannuation) to the base budget for 2023/24.

5. Risk considerations

5.1 The well-publicised cost of living rises may impact retention and recruitment of staff where other organisations may offer higher salaries and benefits. A fair and equitable pay review which seeks to support the lower scales will go towards mitigating this risk.

6. Procurement considerations

6.1. There are none

7. Legal considerations

7.1 Consultation with UNISON has followed the process detailed in the Collective Agreement.

8. Other considerations

8.1 If agreed, the pay award as detailed above, is applicable to all staff including those on protected salaries, personal salaries and apprentices.

8.2 If agreed, the average percentage increase will be applied to certain allowances that are increased annually in line with any pay award.

8.3 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.”

There has been no indication of any proposals for the 2023/24 National Pay Award. Should the 2023/24 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 Pay Award, subject to affordability.

9. Equality and Diversity

The pay award is across all pay scales and personal salaries and all staff are included.

10. Sustainability/Climate Change Implication

10.1 There will be no impact on climate change issues.

11. Timetable for implementation

11.1 The pay award will be effective from 1 April 2023.

12. Contact

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Background papers:

There are none

Appendices:

There are none