

Provisional subject to the outcome of the local Unison ballot process.

Corporate Policy and Resources Committee



19 February 2024

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| Title | Pay Award 2024/25 and Pay Award 2025/26 |
| 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 a two year pay award for 2024/25 and 2025/26 is approved as follows:</p> <p><u>Pay Award 2024/25</u></p> <p>A consolidated award of 2.8% on all spinal points and personal salaries (across the board increase).</p> <p>An additional 2 days' special paid leave (pro rata for part time staff) to cover the Christmas closure period 2024. This is in addition to the 1 day's special paid leave already in place for 2024. Front-line operational staff who are required to work to provide vital services to residents over the Christmas week will be compensated and paid for this time.</p> <p><u>Pay Award 2025/26</u></p> <p>A consolidated award of 2.8% on all spinal points and personal salaries (across the board increase)</p> <p>An additional 3 days' special paid leave (pro rata for part time staff) to cover the Christmas closure 2025. Front-line operational staff who are required to work to provide vital services to residents over the Christmas week will be compensated and paid for this time.</p> |

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| | With compounding across the two years this equates to an aggregate consolidated increase of 5.7% over the period. |
| Reason for Recommendation | <p>As a result of moving to local pay on 1 April 2019, the pay award for 2024/25 and 2025/26 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

| What is the situation | Why we want to do something |
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| A two year pay deal is proposed as this will provide certainty and clarity to both staff and Spelthorne at this challenging time. | <ul style="list-style-type: none"> To recruit and retain staff by awarding an annual increase to all salary points. Ongoing cost of living issues |
| This is what we want to do about it | These are the next steps |
| <ul style="list-style-type: none"> To award a 2 year pay deal to be awarded for 2024/2025 and 2025/2026 of 2.8% for both years Additional 2 days paid special leave to be granted for Christmas 2024 to cover Christmas closure 2024. Additional 3 days paid special leave to be granted for Christmas 2025 to cover Christmas closure 2025 | <ul style="list-style-type: none"> To consider pay award options and for Council to make a decision. |

- 1.1 This report seeks the Corporate Policy and Resources Committee agreement to recommend a 2 year pay deal to Council that the 2024/25 and 2025/26 pay award of 2.8% for both years' respectively is consolidated (built into the base pay) and applied to all pay scales and personal salaries.

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 2024/25 and 2025/26.

- 2.2 The Chief Finance Officer presented at a Budget Briefing for all councillors in November 2023, 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. Since then, in response to discussions with Unison, we have moved away from the original proposal of a one year award with two percent consolidated and one percent non-consolidated (ie does not carry forward into future years), to a two year award with consolidated uplifts of 2.8% in each year. In order to remain competitive and retain staff a consolidated increase of 2.8% to all pay scales and personal salaries is recommended. Sufficient provision will be built into the 2024/25 and 2025/2026 budget.
- 2.3 Spelthorne, along with many other local authorities faces significant financial challenges over the next few financial years. A substantial saving still has to be delivered within the next year and this has been factored into the recommended pay award of 2.8% whilst acknowledging that Spelthorne needs to recruit and retain staff in a competitive market.
- 2.4 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 continues to be challenging.
- 2.5 At the end of 2023, the Office for National Statistics (ONS) reported "average regular pay growth for the private sector was 7.2% annually in the 3 three months to November 2023, and 3.3% for the public sector; outside of the height of the pandemic period, this is the fastest growth rate since 2001 seen for the private sector and is among the largest differences between the private sector and public sector growth rates we have seen." This will still be impacting all staff who will be continuing to experience significant cost of living increases.
- 2.6 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.
- 2.7 UNISON made a pay submission to the Chief Executive on 25 August 2023. Consultation meetings were held. The last meeting was held on 19 December 2023 and UNISON responded on 22 December 2023 to advise they accept Spelthorne is experiencing unprecedented financial pressures but 'the ongoing cost of living crises places a greater responsibility on management to ensure that staff are not forced into further hardship.' Following a ballot of the membership, they indicated that the two-year offer has been accepted (subject to Council agreement). Should this position change, they will present directly to Corporate Policy and Resources Committee.
- 2.8 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.”

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

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

3. Options analysis and proposal

3.1 To approve the 2 year pay offer to cover the period 2024/25 and 2025/26 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 one year pay award or lower pay award which will impact on morale and motivation.

4. Financial implications

4.1 The budget for 2024/25 has built in sufficient provision to cover the proposed additional percentage increase and will add approximately £596,100 (inclusive of national insurance and superannuation) to the base budget for 2024/25. The further additional amount for 2025/26 will be approximately £615,000, subject to any necessary adjustments.

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 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 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 2024/25 National Pay Award. Should the 2024/25 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. The same will apply to the 2025/26 National Pay Award.

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 for 2024/2025 will be effective from 1 April 2024.

11.2 The pay award for 2025/2026 will be effective from 1 April 2025.

12. Contact

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Background papers:

There are none

Appendices:

There are none