

EPSOM & EWELL BOROUGH COUNCIL PAY AWARD 2017-18

<u>Report of the:</u>	Head of HR & Organisational Development
<u>Contact:</u>	Shona Mason
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices</u> (attached):	Annexe 1: Pay Award 2017/18 report to Joint Staff Committee Annexe 2: Staff Consultative Group Pay Claim (This Annexe is not for publication by virtue of paragraph 4 of part 1 and paragraph 10 of part 2 schedule 12A to the Local Government Act 1972 (as amended))
<u>Other available papers</u> (not attached):	Pay Policy 2016/20

REPORT SUMMARY

This report provides background information on the budget implications of the Council's proposed pay award for 2017/18, and seeks a decision on the pay award.

RECOMMENDATION (S)

- (1) That the Committee receives and considers the recommendation of a 1.5% pay award for 2017/18 by the Joint Staff Committee.**
- (2) That the Committee determines an appropriate pay award for 2017/18 of 1.5% as recommended by Joint Staff Committee and approves the inclusion in the budget for 2017/18 of the additional cost required to fund the higher pay award.**

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The Council's employees are a key part of its efforts to meet the Council's ambition to make Epsom & Ewell an excellent place to live and work, and its policies on the pay of staff will be important in ensuring that the Council meets its key priorities. In particular, any policy about pay is relevant to the Council's key priority of "Managing Resources" – the Council aims to utilise its limited resources in the most efficient and effective way.

- 1.2 There are no implications arising from this report for the Sustainable Community Strategy.

2 Background

- 2.1 The background to the pay award for 2017/18 is outlined in the attached report that was considered at the Joint Staff Committee on 20 October 2016.
- 2.2 The Council's pay offer to staff was 1%. The Staff Consultative Group made a claim for 2% which was discussed at the JSC on 20 October 2016.
- 2.3 The JSC were keen to improve on the offer of 1% and have recommended 1.5%. The JSC wanted to recognise the views of staff on pay which had been collated during the consultation and the request from staff to better the 1% offer. The JSC were keen to acknowledge the commitment, hard work and dedication of the staff as well as the significant contribution staff make to the Council achieving its key priorities by upping the pay award to 1.5%
- 2.4 The Council's Pay Policy includes an across the board pay award for each year during the four year period.
- 2.5 We are currently undertaking a full review in conjunction with the Local Government Association (LGA) of the Council's pay structure along with the performance pay and appraisal scheme. Currently a job evaluation exercise is being undertaken to inform a revised pay structure. It is envisaged that the LGA will be able to make recommendations relating to a new pay structure by the end of the financial year. This will then be considered by the Leadership Team before consultation takes place with staff with the final recommendations being submitted to Joint Staff Committee and Strategy & Resources for approval during 2017/18.

3 Proposals

- 3.1 The Strategy & Resources Committee approve the proposal of 1.5% pay award for 2017/18.
- 3.2 The Strategy & Resources Committee approve the additional £56.5k to pay for the increased pay award above the original increase of 1%.
- 3.3 The Strategy & Resources Committee are directed to a report also on this agenda entitled "Revenue Estimates 2017/18" which explains how the additional pay award funding of £56.5k has been identified and funded within the Council's budget strategy for 2017/18.

4 Financial and Manpower Implications

- 4.1 The total pay bill inclusive of agency staff and employer salary on-costs is £11.3 million.
- 4.2 It is estimated that the cost of this proposal will be approximately £169.5k including on-costs.

- 4.3 It should be noted that an original budget of 1% at a cost of £113k had been identified and included within the Council's Medium Term Financial Strategy. If this Committee agree the improved and recommended pay award of 1.5%, then this will require additional funds of £56.5k to be identified to pay the extra element of award.
- 4.4 The funding of this additional £56.5k the funds is dealt with in a further report on this agenda called "Revenue Estimates 2017/18" which identifies how this has been funded as part of the overall Council Budget Strategy for 2017/18.
- 4.5 **Chief Finance Officer's comments:** *The Council's revenue estimates for financial year 2017/18 include a funding option to pay for the additional pay award element of £56.5k that will be required if the Committee decide to agree the overall 1.5% award. Specific details of the revenue estimates for 2017/18 and the funding of this are included on a separate report also on this agenda.*

5 Legal Implications (including implications for matters relating to equality)

- 5.1 In 2015 the Council carried out a review of its Pay and Performance scheme which was undertaken by the LGA. The review identified areas that needed to be addressed such as too many grades, inadequate differentials between the spinal column points and a complex appraisal scheme. A full review of both the pay structure and appraisal scheme is being undertaken as outlined in 2.5.
- 5.2 There have been no equal pay claims in the last four years.
- 5.3 **Monitoring Officer's comments:** *There are no legal implications arising from the recommendation in this report. The Committee in making its decision is not constrained by the recommendation. The Committee should have regard to the Budget Targets previously approved by this Committee in September 2016, as well as the management recommendation, claim by staff representatives and the Joint Staff Committee recommendation, and is free to make such decision as it considers appropriate in all the circumstances.*

6 Sustainability Policy and Community Safety Implications

- 6.1 There are no implications for this report.

7 Partnerships

- 7.1 There are no implications for this report.

8 Risk Assessment

- 8.1 Failure to agree a pay award and to review of the Council's pay structure and performance pay scheme is likely to lead to increased turnover and difficulties in recruitment and retention of staff, as well as contribute to low staff morale.

9 Conclusion and Recommendations

- 9.1 The approved budget available would allow the Committee to provide the original recommended pay award of 1%.
- 9.2 The Committee is requested to endorse the Joint Staff Committees recommendation of the 1.5% pay award and agree to the additional funds to increase the award.

WARD(S) AFFECTED: None