

STRATEGY AND RESOURCES COMMITTEE
27 JANUARY 2016

EEBC PAY AWARD 2016-17 & PAY POLICY 2016/20

<u>Report of the:</u>	Head of HR & Organisational Development
<u>Contact:</u>	Shona Mason
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	N/A
<u>Annexes/Appendices (attached):</u>	Pay Award 2016/17 report to Joint Staff Committee Pay Policy 2016/20 report to Joint Staff Committee Pay Policy 2016/20
<u>Other available papers (not attached):</u>	None

REPORT SUMMARY

This report provides background information on the budget implications of the Council's proposed pay award for 2016/17 and Pay Policy for 2016/20.

<u>RECOMMENDATION (S)</u>	<i>Notes</i>
(1) That the Committee agrees a 1.5% pay award for 2016/17 as recommended by the Joint Staff Committee on 13 October 2015;	
(2) That the Committee agrees the Pay Policy 2016/20 with a full review of the Councils pay structure and performance pay scheme as recommended by the Joint Staff Committee on 13 Oct 2015.	

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. It is also relevant to consider its Core Values, which set the principles that guide how the Council does business, which include:

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- Valuing Staff – We will value staff by ensuring that they are supported, motivated and empowered. We will be a good employer, provide strong and committed leadership, develop staff and value their achievements.
- Continuous Improvement – We will monitor and evaluate our activities and strive for improvement in all that we do.
- Value for Money – We will ensure that we use our time, money and other resources wisely to deliver services at an affordable cost.

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

2 Background

- 2.1 The back ground to pay award 2016/17 and Pay Policy is outlined in the two attached reports that were considered at the Joint Staff Committee on 13 October 2015.
- 2.2 The Council's pay offer to staff was 1.3%. The Staff Consultative Group made a claim for 2% which was discussed at that meeting.
- 2.3 The Joint Staff Committee was keen to improve on the offer of 1.3% and has recommended 1.5%.
- 2.4 The Council's Pay Policy was drafted to include an across the board pay award for each year during the four year period and consideration to be given to moving from a 9 point pay scale to 6 point pay scale.
- 2.5 Staff Consultative Group requested that a review of the Council's pay structure along with the performance pay and appraisal scheme should be included during the 4 year period. The Joint Staff Committee was supportive of this request and has recommended that the Pay Policy be amended to include a full review.

3 Proposals

- 3.1 The Strategy & Resources Committee approve the proposal of 1.5% pay award for 2016/17.
- 3.2 The Strategy & Resources Committee approve the Pay Policy 2016/20 with a full review of the Council's pay structure and performance pay scheme.

4 Financial and Manpower Implications

- 4.1 The total pay bill inclusive of agency staff and employer salary on-costs is £11.4 million.

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4.2 It is estimated that the cost of the proposed 1.5% pay award for 2016/17 will be approximately £170,000 including on-costs which has been included in the draft budget for 2016/17.

4.3 **Chief Finance Officer's comments:** *The 1.5% pay award for 2016/17 will be approximately £170,000 and has been incorporated into the budget for 2016/17. This is just for the pay award and there is a separate increase in the budget for progression related costs which is estimated at £60,000. Therefore the overall budget increased by £230,000 (as detailed in Item 6) to reflect pay awards for 2016/17. The 1% pay rise and annual progression anticipated in future years have been included in the 4 year financial plan.*

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

5.1 In 2014 the Council carried out market test benchmarking exercise to ensure our salaries are competitive within the defined bench mark group, fair and the pay structure is fit for purpose as it is important to be able to attract and retain staff with the right skills and experience. The exercise provides reassurance that all our staff are paid fairly for their jobs.

5.2 There have been no equal pay claims in the last four years.

5.3 **Monitoring Officer's comments:** *No further comment.*

6 Sustainability Policy and Community Safety Implications; Partnerships

6.1 There are no implications for this report.

7 Risk Assessment

7.1 Failure to agree a pay award and to undertake a wider 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.

8 Conclusion and Recommendations

8.1 The approved budget available would allow the Committee to consider the recommended pay award of 1.5%.

8.2 The Committee is requested to endorse the recommendation of the 1.5% pay award and Pay Policy 2016/20 with a full review of the Council's pay structure and performance pay scheme.

WARD(S) AFFECTED: All