

## Report of the HR Policy Committee

Cabinet Member: Cllr Anna Groskop, Cabinet Member for HR, Health & Transformation

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### 1. Summary

#### 1.1. The Committee considered:

- (1) The current position for pay negotiations in Somerset for 2018/19; and
- (2) The referral from the Full Council meeting on the 19<sup>th</sup> July 2017, of a requisitioned item proposed by Cllr Jane Lock and seconded by Cllr Simon Coles. The item was as follows:

#### 1. Staff Pay Award

This Council welcomes the Government's possible relaxation of the Public Sector Pay Cap for nurses and police officers. Devon and Somerset Fire and Rescue Service are considering a breach of the cap and increasing the pay of fire fighters by 2%.

It is time Somerset County Council stopped taking its' staff for granted and did the same. Of course it should be funded by central government but failing that we believe it is essential to address the pay freeze and the 1% pay rises of recent years, which in real terms has been a pay cut for our loyal and hardworking staff.

I **propose** this Council tasks the HR Policy Committee with reviewing the level of staff pay awards and reports back to the November Council meeting.

- 1.2. Appropriate pay provisions for staff are fundamental to the delivery of the Council's objectives and services as set out in the County Plan.

### 2. Recommendations

- 2.1. **Council is asked to note that the Committee shares the concerns about the impact of the pay freeze followed by low pay rises for local authority staff. However, the Committee is clear that the national pay bargaining mechanism is still relevant for Somerset and has not made any recommendations for changes to the current pay determination arrangements.**

### 3. Background

#### 3.1. Officer Pay

The Council operates a 17 grade pay structure (see Appendix A). Each grade from 17 up to 9 contains a number of pay increments. Grades 8 and upwards,

contain a single pay point per grade. The Pay and Grading structure incorporates National Pay Points up to spinal column point 44 and locally determined pay points above.

National Joint Council for Local Government Services (Green Book) pay, terms and conditions apply to posts on Grades 17 to 4 inclusive. Annual pay awards are determined by national agreement. The National Joint Council consists of the Trade Unions (Unison, Unite and GMB) representing the Employee side and the Local Government Association representing the Employer side.

The Council does not operate a performance-related pay scheme for any staff, but does have a performance related appraisal scheme, including behaviours and competency assessment. The Council does not pay a bonus to any Council employee.

In November 2012, HR Policy Committee resolved for grades 5 – 8 (and now including G4) to agree spot salaries; a reduction in pay protection from 3 years to 1; and not to apply the sick pay scheme for the first 3 months of employment. There was no agreement to withdraw from national pay bargaining, although this was discussed.

### **3.2. Senior Leadership Team Pay**

The Chief Executive and Senior Leadership Team are paid on Grades 1 – 3. Each of the Grades 1 – 3 has a spot salary and no incremental progression.

In January 2012 HR Policy Committee moved the Chief Executive and Senior Leadership Team on to new contracts which included withdrawing from the national pay and bargaining machinery (NJC) for Chief Officers. There was also a reduction in entitlement to sick pay. Specifically the half pay was reduced by half so 1 month in years one and two, two months in years three and four and three months from year five onwards. The change was effective from 1 April 2012.

### **3.3. Governance**

The HR Policy Committee has responsibility for deciding and implementing annual pay awards for the Chief Executive and Senior Leadership Team and, where it is agreed that an award is made, the revised scales are included for information in the next annual review of the Pay Policy Statement.

The Committee also has responsibility for reviewing, on at least an annual basis, the pay and grading structure of the Council (including the Chief Executive and senior Leadership Team grades and salaries) and making recommendations for any changes considered necessary to Full Council by way of a revised PPS.

### **3.4. Recent consultations**

In June 2017 the Trade Union side of the National Joint Council made a pay claim for the 2018-19 year to the Local Government Association (Employers side). The claim was for 'the deletion of NJC pay points SCP 6-9 to reach the Foundation Living Wage of £8.45 (UK) and £9.75 (London) and a 5% increase on all NJC pay points'. The debate continues in respect of an appropriate settlement. 5% is not seen as affordable by the Employer side.

The Local Government News bulletin released on 22<sup>nd</sup> August 2017 stated: 'The National Living Wage presents challenges to councils' pay bills and grading

structures over coming years. Regional consultation meetings to inform the employer position on the Local Government Services pay negotiations have been completed, and further discussions will take place within the employers' side National Joint Council. It is likely an offer will be made to the unions in the autumn'.

### **3.5. Pay Spine Review**

The Pay Spine (Appendix A) is being reviewed because it will not be fit for purpose once the National Living Wage reaches the £9 per hour mark in April 2019. Work is underway to manage the bottom points that will be below this level and the differentials throughout the spine that recognise the differing levels of responsibility that employees work at. Somerset is represented on the national group run by the Local Government Association.

Councils need to be mindful of any proposal to take action outside of the national pay bargaining arrangements in 2018. This is because the move to the new pay spine in 2019 is likely to be complex in order to protect the differentials. If the Somerset County Council pay spine points don't match the national picture, there will be significant work involved in formulating and agreeing a Somerset version.

### **3.6. Public Sector Pay 2018**

As mentioned by Cllr Lock, the government has mooted the idea that the 1% public sector pay cap may be scrapped from 2018. The negotiations in other parts of the Public Sector suggest that a higher than 1% across the board deal is possible. However, it is too early to tell whether the higher proportion will only be applied to the lower grades (as in the previous two years) or beyond.

## **4. Consultations undertaken**

- 4.1.** There have been no consultations locally in relation to pay matters. Consultations are currently at a national level. However, Unions consulted their members in the Spring prior to submitting their pay claim in June.

## **5. Implications**

- 5.1.** If Somerset County Council remains part of the national pay arrangements it benefits from the collective resource allocated to the process which takes into account the appropriate consultation requirements, legal considerations and financial modelling.
- 5.2.** There are significant implications involved in withdrawing from the national pay arrangements. The key considerations are dedicated resource to manage the negotiation process; legal considerations related to the decision making; the balance of pay versus jobs within the budget i.e. more jobs at lower pay or less jobs at higher pay.

## **6. Meetings of the Committee (for information)**

### **6.1. 18 September 2017**

Disclosure Policy

We discussed the report about the proposed Disclosure Policy and how it intends to consolidate the Council's current guidance and process in relation of the disclosure of criminal records. We heard that it was an appropriate time to consolidate current guidance and processes into a formal policy as the Disclosure and Barring Service will be commencing compliance inspections and The Committee agreed to accept the new Disclosure Policy.

## **6.2 13 November 2017**

The Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (LGPS) (Transitional Provisions and Savings) Regulations 2014

We received a report and discussed its content with the Strategic Manager for HR Admin and Payroll Services Manager.

The Committee heard that Policy aims to limit the cost of the LGPS to the Employer, where it has the discretion to do so, whilst giving the scheme members some flexibility. The Committee agreed to approve the revised Discretions Policy.

## **7. Background Papers**

### **7.1** Agenda and papers for the HR Policy Committee meetings on 18 September 2017 and 13 November 2017.

**Note** For sight of individual background papers please contact the report author