

# Somerset County Council

## HR Policy Committee

– 30<sup>th</sup> September 2020

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### Pay Update – 2020/21

Cabinet Member: Cllr Mandy Chilcott, Deputy Leader and Cabinet Member for Resources

Lead Officer: Chris Squire, HR&OD Director

Author: Vicky Hayter, Strategic Manager HR Business Relations

Contact Details: 01823 359858

	<b>Seen by:</b>	<b>Name</b>	<b>Date</b>
<b>Report Sign off</b>	Legal	Honor Clarke	22/9/20
	Corporate Finance	Jason Vaughan	23/9/20
	Human Resources	Chris Squire	22/9/20
	Cabinet Member	Mandy Chilcott	22/9/20
	Monitoring Officer	Scott Wooldridge	22/9/20
	<b>Summary:</b>	The Report sets out the changes to Green Book Pay as a result of the agreement on the 2020/21 pay award. Also seeks a decision on the increase to Chief Officers salaries for the same period now that the Green Book pay has been set nationally.	
<b>Recommendations:</b>	<b>The HR Policy Committee is asked to :</b>  <b>1. Be reminded of the revised National Living Wage rate from 1<sup>st</sup> April 2020.</b> <b>2. Note the agreement to the 2.75% pay award plus an additional day of annual leave for those receiving the lowest amount of annual leave.</b> <b>3. Apply a 2.75% pay increase to Grades 1-3 to reflect the agreed national Green Book pay increase and the increase agreed nationally for Chief Officers</b>		
<b>Reasons for Recommendations:</b>	<p>To ensure that the Council complies with the statutory requirement to publish a pay policy statement annually.</p> <p>Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a PPS for each financial year which must be approved formally by Full Council. Pay policy statements can be amended 'in-year' should the need arise but only by Full Council.</p> <p>As from 1st April 2012, determination of any salary/cost of living progression for Chief Executive and SLT is undertaken by the HR Policy Committee, subject to an annual review.</p>		

<b>Links to Priorities and Impact on Service Plans:</b>	Appropriate pay provisions for staff are fundamental to the delivery of the Council's objectives and services as set out in the County Plan.
<b>Financial, Legal and HR Implications:</b>	<p>The revised PPS meets the requirements of the Localism Act and related statutory guidance.</p> <p>Any financial consequences come from decisions taken by the Council in accordance with the PPS in place at the time.</p> <p>In terms of applying the requirements of the PPS to pay / grading / appointment and dismissal of staff, the Council will follow all statutory and collectively agreed requirements that apply to local authority employers.</p>
<b>Equalities Implications:</b>	The Council's duty under Section 149 of the Equality Act 2010 is to have "due regard" to the matters set out in relation to equalities when considering and making decisions. There are no direct equality impacts associated with agreeing the PPS itself. There are also no direct impacts on sustainability, health and safety, community safety or privacy aspects as a result of the recommendations
<b>Risk Assessment:</b>	<p>Failure to comply with Section 38 (1) of the Localism Act could lead to a legal challenge to the Council and therefore it is important that the PPS reflects the Act, other relevant legislation and statutory guidance. The Council is required to have regard to statutory guidance and either comply with it fully or put in place appropriate alternative provisions.</p> <p>If the Council fails to comply with the requirements of the PPS in respect of the appointment / dismissal of officers then it could be subject to legal challenge.</p>
<b>Scrutiny comments / recommendation (if any):</b>	None

## 1. Background

- 1.1. The National Living Wage (NLW) rate with effect from 1 April 2020 rose to £8.72. It applies to those aged 25 and over
- 1.2. As a reminder, the Unions made a pay claim which was put to the Employer's side on 24 July 2019. The key elements of the claim were:
  - o real living wage of £10 per hour on SCP1 and a 10% increase on all other NJC pay points
  - o One-day increase to the minimum paid annual leave (21 days plus 2

statutory days moving to 22 days plus 2 statutory days)

- 2-hour reduction in standard working week (37 hours down to 35)
- A comprehensive joint national review of the workplace causes of stress and mental health.

- 1.3.** The LGA undertook a series of regional briefings in September 2019. Most Councils were budgeting for 2% pay rises although there were a few that had budgeted up to 3%. Somerset had budgeted for 2.75% to match the Teachers pay rise agreed earlier in 2019. Concerns were expressed nationally about the affordability of more than 2%.

Most Councils are not affected by the annual leave increase as they already offer a higher amount. However, Somerset still offers the 21 plus 2 statutory days for staff in grades 17-13 (those earning £21,166 or less). The cost of an additional day for this group of staff would be £131.5k for schools staff and notional for other services. This is because schools staff are paid on a multiplier so an additional day of leave will incur an additional day of cost per person. For staff who are not paid on a multiplier, the cost is notional based on productivity/outputs rather than actual cost.

There has been much debate since the January meeting. Following consultation with the members of Unison, Unite and GMB, the pay award of 2.75% was agreed and communicated on 24 August 2020.

- 1.4.** In recent years, the Green Book national pay award has been applied to Chief Officers. The HR Policy Committee is asked to determine whether to apply the 2.75% award to all Officers in Grades 1-3.

2.75% has been agreed on behalf of local government chief executives and chief officers, for those still represented by the Chief Officers JNC.

## **2. Options Considered**

- 2.1.** No alternatives are available in relation to the application of the 2.75% pay award for Green Book staff (Staff in Grades 17-4 in both Schools and SCC) as this is nationally agreed. The additional day of annual leave will also be applied to those staff in Grades 17-13.
- 2.2.** Given that in recent years Chief Officers in Grades 1-3 have received a matched pay award, no other options have been considered at this point.

## **3. Consultations undertaken**

- 3.1.** The NJC Pay negotiations have been discussed at the Joint Negotiation Forum. Members were consulted throughout June and July as to their views on the pay offer. This was a national consultation which included SCC staff.
- 3.2.** The National Living Wage is a legal requirement and has to be adhered to. The

lowest point on the new scale equates to £9.25 per hour which is significantly above the £8.72 NLW wage.

#### **4. Implications**

- 4.1.** The recommendation to apply the same award to Grades 1-3 as to all other staff is intended to ensure fairness and equity in pay award.
- 4.2.** The 2020/21 budget based upon a pay award of 2.75%, so there are no financial impacts upon SCC. For 2020/21 SCC budgeted £4,996,500 for the pay award at 2.75%.

#### **5. Background papers**

- 5.1** Appendix 1 – hourly rates for spinal column points.

Appendix 2 – new salary rates by spinal column point

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