

Somerset County Council

Human Resources Committee

– 17th November 2022

Paper

Item No.

Chief Officer Pay Award – 2022/2023

Executive Member: Cllr Liz Leyshon, Deputy Leader of Council and Lead Member on Finance and Human Resources

Lead Officer: Chris Squire, Director of Customers, Digital & Workforce

Author: Cherry Russell, Strategic Manager HR Business Relations

Contact Details: 01823 355085. Cherry.russell@somerset.gov.uk

Please complete sign off boxes below prior to submission to Community Governance

	Seen by:	Name	Date
Report Sign off	Legal	Honor Clarke	09/11/2022
	Corporate Finance	Jason Vaughan	10/11/22
	Human Resources	Chris Squire	09/11/2022
	Cabinet Member	Cllr Liz Leyshon	15/11/2022
	Monitoring Officer	Scott Wooldridge	10/11/2022
	Summary:	<ul style="list-style-type: none">• The Report sets out the changes to Green Book pay as a result of the national agreement on the 2022/23 pay award.• The Report seeks a decision on the increase to Somerset County Council's Chief Officer Grade 2 and 3 salaries for the same period, now that the Green Book and Chief Officer pay award has been set nationally.• Additionally, it seeks a decision on the Chief Executive Grade 1 salary for the same period with consideration to the recent new appointment to this role and recommendation outlined in this report.	
Recommendations:	<p>The members of the Human Resources Committee are asked to:</p> <ol style="list-style-type: none">1. Note the nationally agreed Green Book pay award for 2022/23 as outlined in paragraph 1.1 below and the updated Somerset salary rates for grades 17 to 4 at Appendix 3.2. To agree the 2022/23 pay award for Somerset County Council Chief Officers, at Somerset Grades 2-3, of £1,925 to reflect the increase agreed nationally for Green Book staff and Chief Officers, as recommended in paragraph 2.2 below.3. To consider the recommendation that no pay increase is awarded to the recently appointed Chief Executive Somerset Grade 1 for the financial year 2022/23, as outlined in paragraph 2.3 below.4. Request that a report is submitted to Full Council on 23rd November 2022 to approve the recommendations of this Committee on a pay increase backdated to April 2022 for		

	Somerset Grades 2-3.
Reasons for Recommendations:	As from 1st April 2012, determination of any salary/cost of living progression for the Chief Executive and Chief Officer Grades 2 and 3, is undertaken by the HR Policy Committee (now renamed Human Resources Committee). In recent years this has mirrored the Green Book pay award for staff.
Links to Priorities and Impact on Service Plans:	Appropriate pay provisions for staff, Chief Officers and the Chief Executive are fundamental to the delivery of the Council's objectives and services as set out in the County Plan.
Financial, Legal and HR Implications:	The forecast budget for annual cost of living increase for all staff including Chief Officers & previous Chief Executive was set at 2.5% for 2022/23. The £1,925 represents a saving on the budget for the year.
Equalities Implications:	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 the proposed pay award. There are also no direct impacts on sustainability, health and safety, community safety or privacy aspects as a result of the recommendations
Risk Assessment:	Failure to pay competitive salaries for Chief Officers may result in increased turnover of Directors and therefore instability for some services.
Scrutiny comments / recommendation (if any):	None

1. Background

1.1. On 1st November 2022, the National Joint Council (JNC) for local government services reached agreement on a one year pay award for 2022/23, applicable to Green Book staff. Details are outlined below:

- a. With effect from 1 April 2022, an increase of £1,925 (pro-rata for part time staff) on all NJC pay points 1 and above(*see 1.3 below).** *(Annual & hourly rate increase by Spinal Column Point (scp) shown at Appendix 1 of this paper, as listed in Annex A of the NJC Local Government Services pay agreement 2022/23 circular dated 1st November 2022).*
- b. With effect from 1 April 2022, an increase of 4.04 per cent on all allowances** *(Shown at Appendix 1 of this paper, as listed in Annex 2 of the NJC Local Government Services pay agreement 2022/23 circular dated 1st November 2022)*

- 1.2.** In recent years, the Green Book national pay award has been a percentage increase on basic salary. The 2022 pay award offer differs from previous years and is based on an increase of £1,925, which reflects a different percentage increase, depending on basic salary.

For the lowest paid workers on Spinal Column Point (SCP) 1, currently SCC Grade 17, on a salary of £18,333, this will equate to a 10.5% increase. The maximum Green Book JNC national pay spine is SCP 43, on a salary of £47,665, this will equate to a 4.04% increase.

- 1.3.** As from 1st April 2014, the Council put in place a local agreement to vary some pay and conditions for Somerset Grade 8 and above. This introduced one pay point per grade from Grade 8 (scp 38) up to Grade 4 (scp 52). The Council's salaries therefore deviate from the JNC pay spine from (scp) 39 and go beyond the maximum point. However, *The Green Book Part 2 Para 5.4 provides that posts paid above the maximum of the pay spine but graded below deputy chief officer are within scope of the NJC. The pay levels for such posts are determined locally, but once fixed are increased in line with agreements reached by the NJC. Therefore, the employers' final offer of £1,925 also applies to Somerset Grades 8 - 4.

On that basis staff paid on SCC Grade 7, (scp 43) with a salary of £48,219 will receive a 3.99% increase and this will reduce for higher grades with SCC Grade 4 (scp 52) receiving a 2.38% increase.

The Somerset salary rates by spinal column points for Green Book staff are outlined at Appendix 2, showing Grades 17 to 4, with the 2022 pay award applied.

- 1.4.** On 1st November 2022, The National Employers also agreed a one year offer for Chief Officer pay for those still represented by JNC negotiations. SCC is out of scope of the national agreement; however, it is a useful guide for consideration. Details are outlined below and at Appendix 3.

- **With effect from 1st April 2022 the individuals' basic salaries of all officers within scope of the JNC for Chief Officer of Local Authorities should be increased by £1,925** (this increase applies to individual salaries as well as pay points, if applicable). Note: Basic salary should exclude other separately identified payments such as Returning Officer fees etc.

- 1.5.** The Council has also opted out of national pay negotiations for Local Authority Chief Executives. The National Employers final offer for Chief Executives was £1,925 to match Chief Officers and Green Book Staff. However, no agreement has been reached nationally and a meeting between lead members of the National Employers and the body that represents Chief Executives (ALACE) has been scheduled for later this month.

- 1.6. Determination of any salary/cost of living progression for the Chief Executive and Chief Officer Grades 2-3, is undertaken by this Committee, following a decision in 2012 to opt out of National negotiations for Chief Officers and Chief Executive. In recent years the pay awards for the Chief Executive and Chief Officers have mirrored the Green Book pay award for staff.
- 1.7. Employers are encouraged to implement the pay award as swiftly as possible. We will ensure the Green Book pay award is implemented in the November payroll for Grades 1 to 4.

The Chief Officer and Chief Executive pay award requires Full Council approval. The next meeting is on 23rd of November 2022, which is after the normal payroll deadline, however as this change only applies to a small number of Officers it is anticipated the change will be able to be implemented in time for November pay.

- 1.8. On 1st November 2022, the National Joint Council (NJC) for local government services reached agreement on other terms, applicable to Green Book staff, which will not come into force until 1st April 2023. Details are outlined below and in Appendix 1:

- a. **The NJC has agreed that from 1 April 2023, all employees covered by this National Agreement, regardless of their current leave entitlement or length of service, will receive a permanent increase of one day (pro-rata for part timers) to their annual leave entitlement.** This may require, in some organisations, that a local agreement has to be reached in order for the extra day to be applied. The NJC's full expectation is that the additional day's leave will be applied for all NJC staff, regardless of existing local arrangements. The National Agreement Part 2, para 7.2, with effect from 1 April 2023, will be amended to reflect this change.
- b. **The NJC has agreed with effect from 1 April 2023, Spinal Column Point (SCP) 1 will be permanently deleted from the NJC pay spine.**

A separate report will be presented to this Committee, at a later date and before April 2023, to outline the impacts and how we will implement these changes.

2. Options Considered

- 2.1. No alternatives are available in relation to the application of the pay award for Green Book staff (staff in Grades 17 – 4 in both schools and SCC) as this is nationally agreed.

- 2.2.** In recent years Chief Officers at Somerset Grades 2-3 have received the same pay award as Green Book staff.

Although SCC opted out of national pay negotiations for Chief Officers of Local Authorities some years ago (1st April 2012) it is open to the Council to follow the 2022/23 pay award for those within scope of the JNC. The agreement this year matched Green Book Staff.

It is therefore recommended that the pay award for Chief Officers Somerset Grades 2 and 3, for the period of 1 April 2022 to 31 March 2023, matches the nationally agreed increase of £1,925 on basic salary. (For the bottom pay point of Grade 3 on a salary of £96,204 this would equate to a 2% increase and for the bottom of Grade 2 on a salary of £113,127 this would equate to a 1.7% increase.)

- 2.3.** The Committee is asked to make a decision on the Chief Executive pay award for 2022/23.

In recent years the Chief Executive at Somerset Grade 1 has received the same pay award as Green Book Staff. The Council has opted out of national pay negotiation for Chief Executives.

The current Chief Executive was recently appointed and took up his position on 3 October 2022. The salary on appointment was agreed by Full Council and was not subject to the 2022/23 pay award. It is therefore recommended that no pay increase is awarded for the 2022/23 financial year.

3. Consultations undertaken

- 3.1.** Updates on the Green Book NJC national pay negotiations have been discussed at the Joint Negotiation Forum in Somerset. Members were consulted throughout 2022 as to their views on the pay offer and the recognised Unions conducted a national ballot of their members.
- 3.2.** The Chief Officer and Chief Executive pay award proposal has been circulated to the Joint Negotiation Forum for comment on 9 November 2022, requesting responses by end of the day on 16 November 2022. Any comments received will be shared verbally at this Committee on 17th November.

4. Implications

- 4.1.** The recommendation to apply a £1,925 pay award to Chief officers Grades 2 and 3, which is in line with Green Book staff, is intended to ensure fairness and equity in pay awards for all staff.

- 4.2.** The 2022/23 budget provided for a pay award of 2.5%.

The financial impact of a £1,925 pay award for Chief Officers is £26,950(excluding on costs) and falls within budget forecasts. The percentage increase varies dependant on salary with the bottom point of Chief Officer Grade 3 receiving 2% and bottom of Grade 2 receiving 1.7%.

5. Background papers

- 5.1** Appendix 1: NJC Local Government Services pay agreement 2022/23 circular dated 1st November 2022 (PDF document attached separately).
- 5.2** Appendix 2: Somerset salary rates by spinal column points for Green Book staff Grades 17-4, with 2022 pay award applied. (Excel spreadsheet attached separately)
- 5.3** Appendix 3: NJC Chief Officers of Local Authorities pay agreement 2022/23 circular dated 1st November 2022) PDF document attached separately)