

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet

Subject: EXTENSION OF THE COUNCIL'S PAY PROTECTION POLICY

**All Wards
Scrutiny Committees
Cabinet Member for Corporate Management: Councillor Ron Kirk**

1.0 PURPOSE AND BACKGROUND:

- 1.1.1 The Shared Service programme resulted in 21 staff across both Hambleton District Council being placed on pay protection. The Council's Pay Protection Policy is a 3 year arrangement, protecting pay at 100% for the first year, 66% for the second year, 33% for the third year, with staff dropping down to the substantive pay in the final year.
- 1.1.2 There has been no pay award / cost of living increase since 2009. Originally any drop in pay would have been mitigated by the cost of living increase, however as there has been no such increase, and none planned for 2012, staff who are due to lose salary will feel the full effects of the loss of income.
- 1.1.3 This report seeks a one off one year extension to pay protection at 100%, resulting in protection at 100% for the first year and the second year, before reducing to 66% in the third year, 33% in the fourth year. This extension will cover all staff whose salary has been impacted by shared services, and will be back dated so as to include any staff whose pay protection has dropped from 1 January 2012. (Hambleton has 2 members of staff whose pay protection dropped to 66% in January 2012.)

2.0 DECISIONS SOUGHT:

- 2.1 To provide a one off extension to the pay protection arrangements to provide an additional year of protection at 100% between 1 April 2012 and 31 March 2013.

3.0 LINK TO CORPORATE PRIORITIES:

- 3.1 This links to the Council's Corporate Management priority and the Workforce Strategy and Plan.

4.0 RISK ASSESSMENT

4.1 Risk in approving the recommendation(s)

There are no significant risks in approving the recommendations.

4.2 Risk in not approving the recommendation(s)

There are no significant risks in not approving the recommendations.

5.0 SUSTAINABILITY IMPLICATIONS:

- 5.1 None

6.0 **FINANCIAL IMPLICATIONS AND EFFICIENCIES:**

6.1 Overall the revenue effects to extend the pay protection arrangements are detailed below.

The cost to Hambleton is £42,097 over 4 years. The original cost of pay protection was included in the shared service business cases and reduced the original savings. The cost of pay protection will therefore temporarily increase the base budget for 3 years before falling out in year 4.

Revenue Effects	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Cost of pay protection over 4 years	<u>1201</u>	<u>14,192</u>	<u>13,501</u>	<u>13,203</u>	<u>0</u>
Financed by:					
Increase in base budget					
	<u>1201</u>	<u>14,192</u>	<u>13,501</u>	<u>13,203</u>	<u>0</u>

7.0 **LEGAL IMPLICATIONS:**

7.1 None.

8.0 **SECTION 17 CRIME AND DISORDER ACT 1998:**

8.1 None.

9.0 **EQUALITY/DIVERSITY ISSUES:**

9.1 This policy decision will have no adverse impact on any section of the workforce, as all staff will be treated the same in relation to application of pay protection rules

10.0 **RECOMMENDATION:**

10.1 Agree a one off extension of one year at 100% to the pay protection arrangements.

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Background papers: None

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