

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
11 June 2013

Subject: EMPLOYEE ISSUES

**All Wards
Portfolio Holder for Support Services and
Economic Development: Councillor P R Wilkinson**

1.0 PURPOSE AND BACKGROUND:

1.1 The purpose of this report is to consider the annual pay award to staff, the grading structure, training and car leasing.

2.0 PAY AWARD 2013/14:

2.1 National negotiations are ongoing with the current position being:

1. A 1% pay increase has been offered to staff. The Unions are presently considering this.
2. No offer has been made to Chief Officers or Chief Executives.

2.2 The Council's 2013/14 budget contains a provision for a 2% pay award and consequently I have discussed this with the Leader and Deputy Leader.

2.3 It is their view that staff at Hambleton have undergone significant change over the last few years during which time they have had no pay increase. During this period they have sustained excellent commitment and performance. As staff are our main resource it is vital we reward them where we are able to sustain and improve morale and to show that their efforts are appreciated.

2.4 It is therefore proposed that a supplement is added to the national pay award which results in a pay increase of 2%.

3.0 INCREMENTAL STRUCTURE:

3.1 The Council currently operates an incremental pay structure where an officer will commence employment with the Council on a pay grade which will contain a number of increments, for example:

£21,412
£22,122
£22,845
£23,749

3.2 The officer will move up the pay scale each year until they reach the top of their allocated grade. This inevitably leads to officers doing exactly the same job being paid a different pay rate due to length of service.

- 3.3 It is my view that this system is outdated and a spot salary is more purposeful in that there is a clear rate for the job and is consistent with employment practices in the private sector. Indeed some Councils have already introduced 'spot' salaries for all their posts as it has the added benefit of more budgetary certainty.
- 3.4 If this approach to incremental pay grades were to change there would be a need to consult the trade unions and the Council would need to have regard to the agreed pay rates negotiated under the 'single status' agreement.
- 3.5 However, from 1 April 2014 only 11 staff will not be at the top of their grade and to move them to the top point would cost £8,300. This would be an additional cost in 2014/15 because the incremental increase had been brought forward but as these increments have been built into the budget outlook there would be no long term effects on the Council's budget.
- 3.6 I would therefore recommend that from 1 April 2014 all staff be moved to the top of their grade and that the Council uses this as an effective spot salary. In the meantime officers open negotiations with trade unions regarding the permanent removal of the incremental pay structure.

4.0 TRAINING:

- 4.1 The Council currently has a budget of £45,000 which it uses for staff training. I intend to focus this budget on core skills such as customer service, health and safety and data protection. In addition I will use this budget to help develop our managers by updating and enhancing their skills.
- 4.2 I also intend to reintroduce professional trainees into the organisation e.g. planning, accountancy. This initiative builds on the broader apprenticeship scheme and will offer employees a career opportunity and help the Council with succession planning. The introduction of professional trainees will be by redesigning existing structures such that current permanent positions will be redesignated as trainee posts. This will not add to the establishment and costs will be managed within current budgets.

5.0 EMPLOYEE BENEFITS:

- 5.1 There is limited scope to offer employee benefits but I have recently received information relating to a car leasing scheme operated in the NHS. The scheme works by the Council acting as facilitator for a company to offer leased cars directly to employees.
- 5.2 There is no cost to the Council of this scheme and if Members are willing to support this in principal then I will ask the Director of Resources to bring a comprehensive report back to a future meeting of Cabinet.

6.0 RISK ASSESSMENT:

- 6.1 There are no significant risks in considering these recommendations.

7.0 FINANCIAL IMPLICATIONS:

- 7.1 As there is provision within current budgets for a 2% pay award there will be no effect on the Council's 2013/14 budget.

- 7.2 By bringing forward the increments of 11 members of staff a cost of £8,300 will be added to the 2014/15 budget.
- 7.3 The current training offered to employees and introduction of professional trainees will not add to current budgets.
- 7.4 The costs of a car leasing scheme (if introduced) will be met by employees so will not affect current budgets.

8.0 LEGAL IMPLICATIONS:

- 8.1 There are no legal implications in awarding an additional pay increase, but the move to spot salaries will require negotiations with the trade unions.

9.0 RECOMMENDATIONS:

- 9.1 It is recommended that:
1. On conclusion of the national pay negotiations an additional pay award be made which will supplement the national pay award but not exceed a combined total of 2%.
 2. This increase be applied to all employees and all spinal column points from 1 April 2013.
 3. From 1 April 2014 all staff be moved to the top of their grade and negotiations be commenced with trade unions on the removal of the incremental pay structure.
 4. Members note the introduction of professional trainees.
 5. Members agree in principal to the introduction of a car leasing scheme for employees subject to a further report being brought to Cabinet.

PHILLIP MORTON

Background papers: None

Author ref: PM

Contact: Phillip Morton
Chief Executive
Direct Line (01609) 767001