

Rother District Council

Report to:	Licensing and General Purposes Committee
Date:	19 April 2021
Title:	Review of Local Pay Award
Report of:	Chief Executive
Ward(s):	All
Purpose of Report:	To consider the 2021 staff pay award and make recommendations as appropriate.

Recommendation: It be **RESOLVED:** That Members' views are sought for the 2021 pay settlement in the light of budget forecasts.

Introduction

1. As Members are aware, the financial situation the Council faces remains challenging for the foreseeable future. A major component in the Council's budget is its staffing and discussions have been on going with Staff Side on the position for a pay award for this year.
2. Members' views are being sought on the way ahead for this settlement to enable negotiation with UNISON / Staff Side to be progressed. It is also important to realise that any pay settlement is not a one off; it is then built into our budgets for the future years. Members are also reminded that any pay award agreed for staff is also applied to Members' allowances.

Rother Local Pay Award

3. The Chief Executive maintains a regular dialog with UNISON / Staff Side and as would be expected the pay award has been discussed. The expectation on their part will be for an annual pay award that reflects the current outlook. The consultation period with UNISON has closed and they have provided no further comments.
4. At the time of writing this report, the national pay negotiations for local government have not been settled for the 2021/22 financial year. The National Joint Council (NJC) original request was for a 10% award. Offers are expected to be made to the trade unions mid to late May.
5. This year the government have expected local government to follow the policy of no cost of living increase for staff earning a full time equivalent salary of more than £24,000. However, they expect a flat rate of at least £250 per annum to be paid for staff earning below this threshold.
6. It is expected that inflation will remain low following the impact of COVID-19 on the economy. In previous years, the Council has matched the Living Wage (from the Living Wage Foundation, and distinct from the National Living Wage) for our permanent staff. The living wage foundation rate for 2021/22 (financial

year) is £9.50, which is an increase of 20p per hour. All Council officers are paid at this rate or above this rate.

7. Within this debate it should also be kept in mind the Council's future position in the employment market. Recruitment of professional staff remains challenging in some disciplines as the pool of local government professionals appears to be diminishing. In addition, the Council has proactively worked to narrow the gap between ourselves and neighbouring authorities on pay and, as these are often our main competitors, it is necessary to be conscious of their pay.
8. As part of setting the annual revenue budget for this year, Rother's pay award for 2021 was budgeted at 2% and this figure has been used in the agreed Medium-Term Financial Plan for future years. For each 1% increase in pay, based on the budgeted establishment, this would cost in the order of £97,500 including employee on-costs (NI, Superannuation). If the Council were to align with the Government policy for a pay freeze for those earning over £24,000 (based on equivalent full time salary) and a flat rate £250 (pro rata for part-time workers) for those earning under this amount, the cost would be in the order of £37,000 in a full year.
9. Members are aware that the proposed spending review for local government has been further delayed and no information is currently available for the likely financial settlement for 2022/23. It is therefore sensible to agree a one-year settlement rather than a multi-year settlement.

Conclusion

10. The Council needs to determine its preferred pay award for September 2021. Guidance from Government indicates that there should be no cost of living increase this year and a flat rate of £250 per annum applied to those staff currently on our paygrades for S5 and below. In the absence of the national award being agreed, there is no benchmark to use in coming to a view save for the amounts budgeted for by other Councils. The Council's finances are such that to go beyond the budgeted 2% will cause further financial hardship as compensatory savings will need to be delivered. Furthermore, consideration needs to be given to the Council's view on the Living Wage (from the Living Wage Foundation).

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	No	Access to Information	No
Sustainability	No	Exempt from publication	No
Risk Management	No		
Chief Executive:	Malcolm Johnston		
Report Contact Officer:	Maria Benford – Human Resources Manager		
e-mail address:	Maria.benford@rother.gov.uk		
Appendices:	Appendix 1 – Proposed pay scales		
Relevant Previous Minutes:	None		
Background Papers:	None		
Reference Documents:	None		

Proposed Pay Scales - 1 September 2021

PAY STEP	PAY SCALE	ANNUAL SALARY	HOURLY RATE	PAY STEP	PAY SCALE	ANNUAL SALARY	HOURLY RATE
APP	APP	11718.00	6.07	35	PO2	40569.00	21.03
1	S1	14165.00	7.34	36	PO2	41640.00	21.58
2	S1	14567.00	7.55	37	PO2	42697.00	22.13
3	S1	15113.00	7.83	38	PO2	43793.00	22.70
4	S1	15174.00	7.87	39	PO2	44868.00	23.26
5	S1	16075.00	8.33	40	PO3	45879.00	23.78
6	S1	18328.00	9.50	41	PO3	47002.00	24.36
7	S2	18328.00	9.50	42	PO3	48081.00	24.92
8	S2	18498.00	9.59	43	PO3	49148.00	25.47
9	S2	19004.00	9.85	44	PO3	50209.00	26.02
10	S3	19402.00	10.06	45	MG1	51518.00	26.70
11	S3	19816.00	10.27	46	MG1	53421.00	27.69
12	S3	20268.00	10.51	47	MG1	55328.00	28.68
13	S3	20749.00	10.75	48	MG1	57233.00	29.67
14	S4	20937.00	10.85	49	MG1	58825.00	30.49
15	S4	21702.00	11.25	50	MG2	60989.00	31.61
16	S4	22489.00	11.66	51	MG2	63162.00	32.74
17	S4	23298.00	12.01	52	MG2	65342.00	33.87
18	S5	23897.00	12.39	53	MG3	66941.00	34.70
19	S5	24601.00	12.75	54	MG3	69424.00	35.98
20	S5	25392.00	13.16	55	MG3	71891.00	37.26
21	S5	26200.00	13.58	56	MG3	74368.00	38.55
22	S6	26772.00	13.88	57	MG4	74498.00	38.61
23	S6	27681.00	14.35	58	MG4	77263.00	40.05
24	S6	28606.00	14.83	59	MG4	80031.00	41.48
25	LSO	30727.00	15.93	60	MG4	82782.00	42.91
26	LSO	31718.00	16.44	61	MG5	91716.00	47.54
27	LSO	32652.00	16.92	62	MG5	95117.00	49.30
28	LSO	33629.00	17.43	63	MG5	98517.00	51.06
29	LSO	34591.00	17.93	64	MG5	101901.00	52.82
30	PO1	35193.00	18.24	65	MG6	115000.00	59.61
31	PO1	36123.00	18.72	66	MG6	118795.00	61.58
32	PO1	37159.00	19.26	67	MG6	122715.00	63.61
33	PO1	38271.00	19.84	68	MG7	126764.00	65.71
34	PO1	39517.00	20.48	69	MG7	130947.00	67.87
				70	MG7	135000.00	69.97