

**Cherwell District Council
And
South Northamptonshire Council**

Joint Personnel Committee

23 March 2015

<p>2015 Cost of living pay award for the Joint Management Team and Shared Service Managers</p>

Report of Human Resources Business Partner

This report is public

Purpose of report

The purpose of this report is to consider a cost of living pay award for the Chief Executive, Directors, Heads of Service and shared service managers who are outside of the mainstream pay negotiating framework for employees of Cherwell District Council (CDC) and South Northamptonshire Council (SNC).

1.0 Recommendations

The meeting is recommended to:

- (1) Consider awarding an annual cost of living pay award to the Chief Executive, Directors, Heads of Service and other shared service managers pay grades in line with that proposed for the mainstream local government workforce for 2014 and 2015 as used for SNC staff, as well as the agreed local pay award for CDC staff, and if minded to do so, to also;
- (2) Consider an implementation date of 1st April 2015, and delegate authority to the Director of Resources /Section 151 Officer to implement the decision of this Committee.

2.0 Introduction

This report has been completed on behalf of a Human Resources Business Partner, to ensure independence from those employees impacted by this proposal. The report will provide information to support the recommendation that a 1.75% pay increase should be provided to the Joint Management Team (JMT) and Shared Service Managers at CDC and SNC.

3.0 Report Details

- 3.1 Upon the creation of the JMT in 2011, a common pay grade was established across CDC and SNC which was applicable to posts that have senior management responsibility for shared services across both Councils.
- 3.2 JMT and shared service managers received a 1% pay increase in 2013, and a further 1% in 2014, but prior to this had not received an annual cost of living increase since the JMT and the shared service manager structure was founded in 2011.
- 3.3 The current pay structure for JMT and Shared Service Managers as used by both Councils are shown at **Appendix 1**. A further column has been added to show the 1.75% pay award added to these proposed grades.
- 3.4 Cost of Living Pay Award - National and Local Context
Across the two councils different pay bargaining arrangements currently apply for employees below Chief Executive, Chief Officer (i.e. Director and Heads of Service) and shared service manager grades.
- 3.5 CDC employees on grades below the joint manager and shared service manager grades were given a locally negotiated pay award and received an increase of 1.25% in April 2014, and it will be 1.85% from the 1 April 2015.
- 3.6 Conversely SNC tracks the National Joint Council (NJC) pay award. For 2014, the last and final pay offer of 1% was rejected by the NJC which resulted in a ballot for strike action. The strike took place on 10 July 2014 and following this a further offer was made by the NJC. This included a variety of small lump sum payments as at the 1 December 2014, and a further lump sum payment that would have been paid in January 2015, but SNC paid this in one lump sum on the 1 December 2014. This was not consolidated into basic pay and was not seen as backdated pay for a pay award that would normally have been backdated to the 1 April 2014. On top of this 2.2% was agreed to be implemented from the 1 January 2015, but with no further award being paid until the 1 April 2016. In effect, a 15 month pay award rather than the normal 12 months, which would equate to a 1.77% award if pay for 12 months, was made. Further details of the NJC pay award as applied to SNC staff is attached at Appendix 2.
- 3.7 The employers' side of the equivalent body covering the Joint Negotiating Committee (JNC) for Chief Executive and JNC Chief Officer grades decided not to make any offer to the trade unions side for 2014, and the same position applies for 2015. There has been no nationally agreed cost of living award for senior management posts since 2008.
- 3.8 With regard to the JNC Chief Executive and JNC Chief Officer posts, and in the absence of a national award, it remains open to Councils to decide locally what pay award to offer their senior management posts (up to and including the Chief Executive, as locally determined). In the case of SNC and CDC the JPC must also extend their consideration to include the shared service managers who are appointed to the shared service pay grade that was created at the time of creating the new joint management team as they sit outside of both the mainstream pay negotiating framework for SNC and CDC employees.

3.9 Factors of influence when considering a pay award

A number of factors are influences in this respect:

Date of last pay award

A 1% pay increase was awarded in 2013 and again in 2014 but prior to this pay increases had not been awarded since pre-2011. Primarily this pay award will aid the prevention of a continuing decline in pay in real terms where post responsibilities have not been subject to change and salary of individual posts reviewed arising therefrom).

Consistency of treatment with the mainstream workforce

Secondly, the question of equity in comparison with the mainstream workforce these posts are responsible for managing.

Morale, recruitment and retention

Thirdly, how the continuing freeze will impact both on morale, the ability to retain key staff upon the anticipated change in labour market conditions and the ability to recruit to key posts at such time as they may become vacant.

4.0 **Conclusion and Reasons for Recommendations**

4.1 A suggested pay award of 1.75% is made based on an average pay award of 1.77% for SNC staff and 1.85% for CDC staff from the 1 April 2015.

4.2 If 1.75% pay award is agreed, the cost of the award on the actual current salary bill for the group of staff within scope is £40,042.10 per annum, an increase from £2,228,120 to £2,328,162 including on costs. This already includes an element for increments which have yet to be paid in April 2015 for JMT and shared service managers.

4.3 The combined effect of the outlined factors leads to the recommendation within this report that the JPC consider offering a 1.75% cost of living award to the Chief Executive, Chief Officer and shared service manager grades with effect from the 1st April 2015 (the date applicable to the mainstream workforce at CDC), with the associated arrears payment if the award is not processed in April 2015.

5.0 **Consultation**

Pay awards are not negotiated and require a decision by the JPC.

6.0 **Alternative Options and Reasons for Rejection**

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Not agree with the recommendations made in this report.

Option 2: Agree to the recommendations in this report.

Option 3: Propose an alternative pay increase to the recommendation made.

7.0 Implications

Financial and Resource Implications

- 7.1 The 2015-16 budget was prepared with sufficient provision for the proposed JMT and shared service managers pay award. This was costed at 1.85% for CDC from April 2015 to March 2016 and 2.2% for SNC (per the National Joint Council (NJC) pay award).from January 2015 to March 2016, equivalent to 1.77% for 12 months instead of 15 months.

Comments checked by: Denise Taylor, Denise Taylor, Corporate Accountant
Cherwell District Council and South Northamptonshire Council
Telephone 01295 221982 Mobile 07805849283
denise.taylor@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 There are no specific legal implications arising from this report.

Comments checked by: Ross Chambers, Solicitor, Shared Legal Team.
Cherwell, South Northamptonshire and Stratford on Avon District Councils
Tel 01295 221690
Mob 07875 276978
ross.chambers@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

None

Lead Councillor

Cllr Barry Wood, Lead Councillor, CDC
Cllr Mary Clarke, Lead Councillor, SNC

Document Information

Appendix No	Title
Appendix 1	Current and Future Proposed JMT and Shared Manager Pay Structure
Appendix 2	NJC Pay Award As Used For SNC
Background Papers	
None	
Report Author	Lana Holman, Interim HR Business Partner
Contact Information	01295 227959 Lana.holman@cherwellandsouthnorthants.gov.uk

Appendix 1

Current JMT and Shared Manager Pay Structure plus Proposed Pay from the 1 April 2015

GRADE	Current Salary	Salary plus 1.75%
MNR001	£35,703.50	£36,328.31
MNR002	£36,723.60	£37,366.26
MNR003	£37,743.70	£38,403.51
MNR004	£38,763.80	£39,442.17
MNR005	£39,783.90	£40,480.12
MNR006	£40,804.00	£41,518.07
MNR007	£41,824.10	£42,556.02
MNR008	£42,844.20	£43,593.97
MNR009	£43,864.30	£44,631.93
MNR010	£44,884.40	£45,669.88
MNR011	£45,904.50	£46,707.83
MNR012	£46,924.60	£47,745.78
MNR013	£47,944.70	£48,783.73
HS009	£61,206.00	£62,277.11
HS010	£62,226.10	£63,315.06
HS011	£63,246.20	£64,353.01
HS012	£64,266.30	£65,390.96
HS013	£65,286.40	£66,428.91
HS014	£66,306.50	£67,466.86
HS015	£67,326.60	£68,504.82
HS016	£68,346.70	£69,542.77
HS017	£69,366.80	£70,580.72
HS018	£70,386.90	£71,618.67
HS019	£71,407.00	£72,656.62
HS020	£72,427.10	£73,694.57
HS021	£73,447.20	£74,732.53
HS022	£74,467.30	£75,770.48
DIR001	£80,587.90	£81,998.19
DIR002	£83,138.15	£84,593.07
DIR003	£85,688.40	£87,187.95
DIR004	£88,238.65	£89,782.83
DIR005	£89,768.80	£91,339.75
LS0009	£127,512.50	£129,743.96

Appendix 2

SNC Pay Award Based on NJC Award for December 2015 and January 2015

Grade	Grade Point	April 2013 Annual Salary	Non-Consolidated Payment (Paid in December 2014)	Pay Award 1 Jan 2015 to 31 March 2016 %
12	pt 1	£13,464	£150	4.13
12	pt 2	£13,992	£150	2.55
12	pt 3	£14,472	£150	2.32
12	pt 4	£15,003	£100	2.20
12	pt 5	£15,519	£100	2.20
11	pt 1	£15,147	£100	2.20
11	pt 2	£15,741	£100	2.20
11	pt 3	£16,338	£100	2.20
11	pt 4	£16,938	£100	2.20
11	pt 5	£17,532	£100	2.20
10	pt 1	£17,259	£100	2.20
10	pt 2	£17,952	£100	2.20
10	pt 3	£18,630	£100	2.20
10	pt 4	£19,314	£100	2.20
10	pt 5	£19,980	£100	2.20
9	pt 1	£19,881	£100	2.20
9	pt 2	£20,673	£100	2.20
9	pt 3	£21,456	£100	2.20
9	pt 4	£22,233	£100	2.20
9	pt 5	£23,013	£103	2.20
8	pt 1	£21,786	£100	2.20
8	pt 2	£22,659	£103	2.20
8	pt 3	£23,520	£107	2.20
8	pt 4	£24,378	£110	2.20
8	pt 5	£25,230	£114	2.20
7	pt 1	£23,868	£107	2.20
7	pt 2	£24,813	£110	2.20
7	pt 3	£25,752	£118	2.20
7	pt 4	£26,700	£122	2.20
7	pt 5	£27,633	£126	2.20
6	pt 1	£26,340	£118	2.20
6	pt 2	£27,384	£126	2.20
6	pt 3	£28,416	£129	2.20
6	pt 4	£29,451	£133	2.20
6	pt 5	£30,489	£139	2.20
5	pt 1	£29,040	£133	2.20
5	pt 2	£30,198	£136	2.20
5	pt 3	£31,341	£143	2.20
5	pt 4	£32,478	£147	2.20
5	pt 5	£33,615	£152	2.20
4	pt 1	£35,364	£160	2.20
4	pt 2	£36,642	£165	2.20
4	pt 3	£37,908	£173	2.20
4	pt 4	£39,162	£177	2.20
4	pt 5	£40,425	£185	2.20

Appendix 2 continued

Grade	Grade Point	April 2013 Annual Salary	Non-Consolidated Payment (Paid in December 2014)	Pay Award 1 Jan 2015 to 31 March 2016
3	pt 1	£39,168	£177	2.20
3	pt 2	£40,593	£185	2.20
3	pt 3	£42,015	£189	2.20
3	pt 4	£43,419	£197	2.20
3	pt 5	£44,832	£206	2.20
2	pt 1	£42,981	£197	2.20
2	pt 2	£44,295	£202	2.20
2	pt 3	£45,606	£206	2.20
2	pt 4	£46,917	£214	2.20
2	pt 5	£48,228	£219	2.20
1	pt 1	£52,521	£241	2.20
1	pt 2	£53,532	£246	2.20
1	pt 3	£54,542	£250	2.20
1	pt 4	£55,551	£254	2.20
1	pt 5	£56,562	£259	2.20
RR1	Point 3	£21,024	£100	2.20
	Point 2	£19,974	£100	2.20
	Point 1	£18,927	£100	2.20
RR2	Point 3	£18,855	£100	2.20
	Point 2	£17,913	£100	2.20
	Point 1	£16,974	£100	2.20
RC1	Point 3	£19,911	£100	2.20
	Point 2	£18,921	£100	2.20
	Point 1	£17,922	£100	2.20
RC2	Point 3	£17,580	£100	2.20
	Point 2	£16,698	£100	2.20
	Point 1	£15,825	£100	2.20
RS1		£17,532	£100	2.20
		£16,560	£100	2.20