

## REPORT TO EMPLOYMENT PANEL

Title: **Annual Pay Award**

Date: 10 November 2009

Member Reporting: Councillor David Burbage

Contact Officer(s): Carol Naismith, Head of HR 01628796992

Wards affected: None

### 1. SUMMARY

Pay levels for all staff graded MG6 and above are determined at local level. This Report recommends an annual pay award for this group up to and including Service Head level

### 2. RECOMMENDATION :

**That pay levels for all staff at MG6 up to and including Service Head level are increased by 1% with effect from 1 April 2009**

What will be different for residents as a result of this decision?
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By continuing to offer an appropriate employee reward package the Borough ensures attractive local government employment opportunities for it's residents and no disruption to continuity of service
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### 3. SUPPORTING INFORMATION

#### 3.1 Background

3.1.1 RBWM have locally determined pay levels for MG6 and above. This includes managers, service heads, directors and chief executive.

3.1.2 The following data is normally considered when determining the level of the annual pay award for this group:

#### Pay Settlements:

0%	JNC Chief Officers settlement
1%	NJC for Local Government Services settlement
2%	Whole economy median pay settlement year ending August 09
2.3%	Public sector median pay settlement year ending August 09

2% Locally agreed median pay settlement 2009/10

Average Earnings Increases July 2009:

1.2% Private Sector 3.4% Public Sector

Economic Indicators August 2009:

1.6% CPI -1.3% RPI

3.1.3 For 2009/10 the Council had budgeted a 2% pay increase for all staff. Employees on pay levels Scale 1-MG7, covered by national pay bargaining, received a 1% increase backdated to 1 April 2009 in their October pay.

3.1.4 In previous years the Council agreed local pay settlement at the same level as that agreed by national employers

3.1.5 In the light of the economic position the employers nationally have determined no pay increase for Chief Executives and Chief Officers (Director level)

3.1.6 Notwithstanding 3.1.5, the position with Directors is as follows:

Director of Env salary frozen, no pay award applies

Director of Resources new recruit who started during 2009/10 with contract terms for this level of post that salary to be reviewed locally on 1 April each year therefore next review April 2010

Director of A & C as Director of Resource

Director of Children's EP previously considered salary review which is being implemented for this financial year

3.1.7 In view of the forthcoming negotiations over local determination of pay for Scale 1-MG7, the pay award given to MG6 and above will act as a signal to other parties in regard to future settlements.

#### 4. OPTIONS AVAILABLE AND RISK ASSESSMENT

##### 4.1 Options

	Option	Comments	Financial Implications
1.	To award 1% pay increase to staff from MG6 up to and including Service Head level from 1 April 2009  <b>Recommended Option</b>		This would be a saving upon the 2% currently budgeted and is approximately £167,000

	<b>Option</b>	<b>Comments</b>	<b>Financial Implications</b>
2.	Not to award pay increase		Increased saving would be made upon the monies currently budgeted

## 4.2 Risk assessment

- 4.2.1 Not to award a pay increase may carry some risks in terms of loss of goodwill and in some cases staff retention.
- 4.2.2 Similarly no pay increase may negatively influence the future negotiations on introduction of local pay for staff on grades scale 1-MG7

## 5. CONSULTATIONS CARRIED OUT

- 5.1.1 No formal consultation with Trade Unions yet

## 6. COMMENTS FROM THE OVERVIEW AND SCRUTINY PANEL

- 6.1.1 N/A

## 7. IMPLICATIONS

- 7.1.1 The following implications have been addressed where indicated below.

<b>Financial</b>	<b>Legal</b>	<b>Human Rights Act</b>	<b>Planning</b>	<b>Sustainable Development</b>	<b>Diversity &amp; Equality</b>
√	√	✓	N/A	N/A	✓

Background Papers: None