



<u>Committee and Date</u>
Council
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<u>Item</u>
<b>11</b>
Public

## **CHANGES TO STAFF PAY REDUCTION 2012**

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### **1. Summary**

1.1 This report deals with improvements to the second part of the staff pay reduction effective from 1 October 2012.

### **2. Recommendations**

- a) That all staff receive a 1% pay increase effective from 1 October 2012, mitigating the second part of the pay reduction
- b) Staff on Spinal Column Point SCP13 (£15,027) and below are fully exempted from the second part of the pay reduction
- c) Staff on Staff on SCP 14-17 (£15,300 - £16,376) are partially exempted from the second part of the pay reduction

## **REPORT**

### **3. Risk Assessment and Opportunities Appraisal**

3.1 The recommendations will lessen the impact of the pay reduction either partially or fully for all staff, and this provides a significant opportunity to improve Trade Union relations and staff engagement.

### **4. Financial Implications**

4.1 These changes will have an additional one-off cost of £0.588m in 2012/3 which is reflected in the Period 4 Revenue Monitor. In 2013/14 these changes will have a full year cost of £1.176m which has been taken account of as part of the Council's financial strategy.

### **5. Background**

5.1 Council on 23 June 2011 agreed changes to staff terms and conditions, which were implemented from 1 October 2011. These included a 5.4% pay

reduction for staff, on a phased basis, with half of the reduction made from October 2011, and the other half due to be made in October this year.

5.2 As part of negotiations with the Trade Unions, which also covered a formal industrial dispute with UNISON, Shropshire Council made some revisions to the proposals with regards to mileage payments, additional one-off Christmas leave and using unpaid leave to mitigate the pay cut. In addition, the Council committed to reviewing the second part of the pay cut in 2012.

5.3 Following discussions between the Leader, Organisation Development, Finance and the Trade Unions, it was agreed that a recommendation to Council would be made for a 1% pay increase, taken account of as part of the 2013/14 budget, to be moved forward to 1 October 2012 to mitigate the second part of the pay reduction.

5.4 The position on whether a national 'cost of living' pay award will be made in 2013 to local government staff is not yet known. Any nationally agreed increase up to 1% would not be paid, due to these enhanced arrangements being in place, but anything over and above 1% would be contractually due to staff.

5.5 It is also possible to recommend an increase in the number of staff who are either partially or wholly exempted from the second part of the pay reduction. Originally, staff up to SCP7 were fully exempt from the second part of the pay reduction, and those between SCP8 and SCP10 had a reduced level of pay cut. Now, it is recommended that staff up to SCP13 are fully exempted, whilst staff between SCP14 and SCP17 have a reduced level of pay cut.

5.6 Therefore, the position for staff is as follows (Appendix 1 provides full details of the new salary scales, subject to acceptance of the recommendations).

- Staff on SCP13 and below are receiving no reduction and a 1% increase (by bringing forward a possible 2013 pay award).
- Staff on SCP 14-17 are receiving a further reduction of between 1% and 2.5% reduction on the 30/9/11 salary level (2.7% already having been implemented on 1/10/11), and an immediate 1% pay increase on the new salary (again, by bringing forward a possible 2013 pay award).
- Staff on SCP 18 and above are receiving a further 2.7% reduction on the 30/9/11 salary level (2.7% already having been implemented on 1/10/11) and an immediate 1% pay increase on the new salary (again, by bringing forward a possible 2013 pay award).
- A number of specified children's social worker posts have been exempted from both parts of the pay cut by payment of a market

supplement, to recognise the particular recruitment and retention difficulties in this area of work locally and nationally.

## 6. Conclusions

6.1 These changes will lessen the impact of the forthcoming pay reduction of staff, and will also provide a pay increase for our lowest paid staff, whilst still ensuring that the Council operates within its agreed financial strategy.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

N/A

**Cabinet Member (Portfolio Holder)**

Councillor Keith Barrow

**Local Member**

N/A

**Appendices**

Appendix 1 – Proposed Shropshire Council salary scales effective from 1 October 2012

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A Salary Column Point	B 30/09/2011	C % Reduction on 30/9/2011 value	D 01/10/2011 Value	E Planned 01/10/2012 Value	F % Overall Reduction on 30/9/2011 value	G % Increase	H New 1/10/12 Value
4	£12,145	0.0%	£12,145	£12,145	0.0%	1%	£12,266
5	£12,312	0.0%	£12,312	£12,312	0.0%	1%	£12,435
6	£12,489	0.0%	£12,489	£12,489	0.0%	1%	£12,614
7	£12,787	0.0%	£12,787	£12,787	0.0%	1%	£12,915
8	£13,189	1.00%	£13,057	£12,991	1.00%	1%	£13,188
9	£13,589	1.00%	£13,453	£13,317	1.00%	1%	£13,588
10	£13,874	2.00%	£13,597	£13,458	2.00%	1%	£13,732
11	£14,733	2.70%	£14,335	£13,937	2.70%	1%	£14,479
12	£15,039	2.70%	£14,633	£14,227	2.70%	1%	£14,779
13	£15,444	2.70%	£15,027	£14,610	2.70%	1%	£15,177
14	£15,725	2.70%	£15,300	£14,876	3.70%	1%	£15,295
15	£16,054	2.70%	£15,621	£15,187	4.20%	1%	£15,534
16	£16,440	2.70%	£15,996	£15,552	4.70%	1%	£15,824
17	£16,830	2.70%	£16,376	£15,921	5.20%	1%	£16,114
18	£17,161	2.70%	£16,698	£16,234	5.40%	1%	£16,397
19	£17,802	2.70%	£17,321	£16,841	5.40%	1%	£17,009
20	£18,453	2.70%	£17,955	£17,457	5.40%	1%	£17,631
21	£19,126	2.70%	£18,610	£18,093	5.40%	1%	£18,274
22	£19,621	2.70%	£19,091	£18,561	5.40%	1%	£18,747
23	£20,198	2.70%	£19,653	£19,107	5.40%	1%	£19,298
24	£20,858	2.70%	£20,295	£19,732	5.40%	1%	£19,929
25	£21,519	2.70%	£20,938	£20,357	5.40%	1%	£20,561
26	£22,221	2.70%	£21,621	£21,021	5.40%	1%	£21,231
27	£22,958	2.70%	£22,338	£21,718	5.40%	1%	£21,935
28	£23,708	2.70%	£23,068	£22,428	5.40%	1%	£22,652
29	£24,646	2.70%	£23,981	£23,315	5.40%	1%	£23,548
30	£25,472	2.70%	£24,784	£24,097	5.40%	1%	£24,337
31	£26,276	2.70%	£25,567	£24,857	5.40%	1%	£25,106
32	£27,052	2.70%	£26,322	£25,591	5.40%	1%	£25,847
33	£27,849	2.70%	£27,097	£26,345	5.40%	1%	£26,609
34	£28,636	2.70%	£27,863	£27,090	5.40%	1%	£27,361
35	£29,236	2.70%	£28,447	£27,657	5.40%	1%	£27,934
36	£30,011	2.70%	£29,201	£28,390	5.40%	1%	£28,674
37	£30,851	2.70%	£30,018	£29,185	5.40%	1%	£29,477
38	£31,754	2.70%	£30,897	£30,039	5.40%	1%	£30,340
39	£32,800	2.70%	£31,914	£31,029	5.40%	1%	£31,339
40	£33,661	2.70%	£32,752	£31,843	5.40%	1%	£32,162
41	£34,549	2.70%	£33,616	£32,683	5.40%	1%	£33,010
42	£35,430	2.70%	£34,473	£33,517	5.40%	1%	£33,852
43	£36,313	2.70%	£35,333	£34,352	5.40%	1%	£34,696
44	£37,206	2.70%	£36,201	£35,197	5.40%	1%	£35,549
45	£38,042	2.70%	£37,015	£35,988	5.40%	1%	£36,348
46	£38,961	2.70%	£37,909	£36,857	5.40%	1%	£37,226

47	£39,855	2.70%	£38,779	£37,703	5.40%	1%	£38,080
48	£40,741	2.70%	£39,641	£38,541	5.40%	1%	£38,926
49	£41,616	2.70%	£40,492	£39,369	5.40%	1%	£39,762
50	£42,513	2.70%	£41,365	£40,217	5.40%	1%	£40,619
51	£43,403	2.70%	£42,231	£41,059	5.40%	1%	£41,470
52	£44,564	2.70%	£43,361	£42,158	5.40%	1%	£42,579
53	£45,137	2.70%	£43,918	£42,700	5.40%	1%	£43,127
54	£46,018	2.70%	£44,776	£43,533	5.40%	1%	£43,968
55	£46,911	2.70%	£45,644	£44,378	5.40%	1%	£44,822
56	£47,802	2.70%	£46,511	£45,221	5.40%	1%	£45,673
57	£48,658	2.70%	£47,344	£46,030	5.40%	1%	£46,491
58	£49,558	2.70%	£48,220	£46,882	5.40%	1%	£47,351
59	£50,445	2.70%	£49,083	£47,721	5.40%	1%	£48,198
60	£51,084	2.70%	£49,705	£48,325	5.40%	1%	£48,809