



MEETING : LOCAL JOINT PANEL
VENUE : ROOM 27, WALLFIELDS, HERTFORD
DATE : MONDAY 21 OCTOBER, 2013
TIME : 2.00 PM

MEMBERS OF THE PANEL

EMPLOYER'S SIDE:

Councillors M Alexander, L Haysey, A Jackson and J Thornton

Substitutes:

Conservative

J Ranger

STAFF SIDE – UNISON (2 VACANCIES)

Mr A Stevenson (Chairman) and Mr S Ellis

Substitutes: S Gray and J Francis

(Note: Substitution arrangements must be notified by the absent Member to Democratic Services 24 hours before the meeting)

CONTACT OFFICER: Lorraine Blackburn
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DISCLOSABLE PECUNIARY INTERESTS

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
 - must not participate in any discussion of the matter at the meeting;
 - must not participate in any vote taken on the matter at the meeting;
 - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
 - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
 - must leave the room while any discussion or voting takes place.

2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.

3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.

4. It is a criminal offence to:

- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
- participate in any discussion or vote on a matter in which a Member has a DPI;
- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

AGENDA

1. Apologies

To receive apologies for absence.

2. Minutes (Pages 5 - 8)

To confirm the Minutes of the meeting held on 3 September 2013

3. Chairman's Announcements

4. Declarations of Interest

To receive any member's Declarations of Interest.

5. Reports by Secretary to the Employer's Side

6. Reports by Secretary to the Staff Side

(A) Revision of Council's Pay Award Policy (Pages 9 - 14)

(B) Increase pay grade for staff up to grade 5 (Pages 15 - 24)

7. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

MINUTES OF A MEETING OF THE
LOCAL JOINT PANEL HELD IN THE
COUNCIL CHAMBER, WALLFIELDS,
HERTFORD ON TUESDAY 3 SEPTEMBER
2013, AT 2.30 PM

PRESENT: **Employer's Side**

Councillors M Alexander, L Haysey,
A Jackson and J Thornton

Staff Side (UNISON)

Councillor Mr A Stevenson (Chairman)
J Francis

ALSO PRESENT:

Councillor J Ranger

OFFICERS IN ATTENDANCE:

Glenda Bennett	- Interim Head of People and Property
Lorraine Blackburn	- Democratic Services Officer
Adele Taylor	- Director of Finance and Support Services
Giovanna Azzopardi	- Human Resources Officer

6 **APOLOGIES**

An apology for absence was received from Steve Ellis (UNISON). It was noted that Jenny Francis was substituting for Steve Ellis.

7 MINUTES

RESOLVED – that the Minutes of the meeting held on 3 July 2013 be approved as a correct record and signed by the Chairman.

8 CHAIRMAN'S ANNOUNCEMENTS

The Chairman stated that no reports had been submitted by the Secretary to the Staff Side.

9 GRIEVANCE POLICY

The Secretary to the Employer's Side submitted a report on setting out revisions to the Grievance Policy. She explained that updates to the policy had been necessitated by changes in legislation including the Equality Act 2010, the Employment Relations Act 1999 and the ACAS Code of Practice on handling Disciplinary and Grievances at Work. The revised policy, as now submitted, complied with these Acts as well as the National Joint Council (NJC) Green Book. The Secretary to the Employer's Side highlighted what changes had been made to the policy since its last revision and explained that the policy would be reviewed every three years or sooner and in line with legislation and not two as set out in the report.

In response to a query from Councillor L Haysey regarding a review of grievances, the Secretary to the Employer's Side confirmed that reviews did take place.

In response to a query from Councillor J Thornton regarding the use of recording devices during the grievance process, the Secretary to the Employer's Side stated that it was not recommended standard practice to record meetings, but she confirmed that it was possible to use recording devices as long as there was a voluntary agreement by all parties. She confirmed that Managers were aware of the Protected Acts where grievance issues were concerned and that training was readily available.

The Director of Finance and Support Services referred to other complementary Policies such as the “Whistle Blowing Policy”.

In response to a query from Councillor M Alexander, the Secretary to the Employer’s Side confirmed that the policy only applied to directly employed staff. She confirmed that in line with the Data Protection Act, only data relevant to the decision would be kept by the Council.

The Panel Chairman confirmed that the Staff Side had been involved in the revision process and that UNISON supported the revisions as detailed in the report now submitted.

The Policy, as amended, was supported by the Panel.

RECOMMENDED – that the revised Grievance Policy as amended, be approved.

The meeting closed at 2.55 pm

Chairman
Date

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EAST HERTS COUNCIL

LOCAL JOINT PANEL – 21 OCTOBER 2013

HUMAN RESOURCES COMMITTEE – 15 JANUARY 2014

REPORT BY SECRETARY TO STAFF SIDE

REVISION OF COUNCIL'S PAY AWARD POLICY

WARD(S) AFFECTED: NONE

Purpose/Summary of Report

To approve the amendment of the Councils policy to reduce the pay award

<u>RECOMMENDATION FOR LOCAL JOINT PANEL:</u>	
That:	
(A)	Having made sufficient savings the policy which was intended to reduce the pay award for staff from 5% to 2% be revised; and
<u>RECOMMENDATIONS FOR HUMAN RESOURCES COMMITTEE:</u>	
That:	
(A)	The revised Pay Award Policy be approved

1.0 Background

1.1 The Council's imposed a reduction of the Staff Pay award in 2010 which was intended to reduce the salary budget to accommodate expected savings which the Council envisioned it would need to make. The Council's then Director of Finance expected that the imposed reduction in the pay award would be gained by withholding the expected nationally negotiated annual pay award. In the following years the Council budgeted for these pay awards but central government froze pay for local government. The Council has therefore made the necessary savings to payroll and can now recommence paying staff .

2.0 Report

2.1 **Key changes**

2.2 As described in previous section, the Council did not anticipate that local government would have a multi year pay freeze when the original terms and conditions review was imposed. The Council did however continue to budget for these pay awards and simply re-absorbed the money into budgets rather than any consideration to support of the staff that were experiencing a reduction in pay.

2.3 The unintended consequence of the review of the staff terms and conditions is that effectively the Council's staff have not had an increase in their pay in line with the continued high levels of inflation – effectively a pay cut has been experienced. If the previous Directors' plan is fully implemented it is possible that staff could continue to experience a reduction in pay for more years to come.

2.4 The Staff side wish to suggest to the Members that, as sufficient savings have been made to the staffing budget and simultaneously the staff have experienced many years of effective pay cuts that now is an opportune moment to permanently suspend the reduction in pay award proposals element of the terms and conditions review. Instead staff will now be able to receive any nationally awarded pay increase.

2.5 The calculations and supporting statement for this report can be found in **Essential Reference Paper 'B'**.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers - None

Contact Officer: Steve Ellis – UNISON Branch Secretary
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Report Author: Steve Ellis – UNISON Branch Secretary
01992 531661 Steve.ellis@eastherts.gov.uk

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	People Deliver strong and relevant services Improve outcomes for vulnerable families and individuals Prosperity Deliver value for money Enhance the economic well being of East Herts
Consultation:	East Herts Branch of UNISON originated this proposal and consulted with the regional organiser and Branch membership
Legal:	None.
Financial:	None.
Human Resource:	Submitted to HR 6/9/13
Risk Management:	None.

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THE 5% LOCAL AWARD

The 5% Local Award was introduced in 1988 to counter recruitment and retention problems at that time. In 2010 it was decided by Directors and Members to reduce The Local Award from 5% to 2%, but stated in the report that, 'Retaining the 2% maintains a degree of retention incentive, which the Council believes important.'

Since the announcement of reducing The Local Award, there's been a steady flow of East Herts District Council employees leaving, presumably for greener pastures, if this problem is not addressed then a culmination could see a mass exodus and there is already a return of retention problems.

Stated in the report by Director of Internal Services, dated 8th February 2010, 249 employees were currently entitled to and were receiving the Local Award and the projected cost for 2009/10 was; £326,817.13.

Taking into account the intention was to reduce the award from 5% to 2% meant that the cost (£326,817.13) needed to drop 3/5ths. to £130,726.85 making an overall saving of £196,090.28 per year.

The wage freeze at East Herts District Council has resulted in employees not receiving a pay increase for over 4 years, figures below show the savings made by EHDC based on an estimated wage bill of £12m.

1% pay increase, £12m x 1% = £120,000 - 4 (years) =£487,248.12 EHDC saving.

2% pay increase, (in line with Private Sector) £12m x 2% = £240,000 - 4 (years) = £989,185.92 EHDC saving.

3% pay increase, (in line with inflation) £12m x 3% = £360,000 – (4 years) = £1,506,105.72 EHDC saving.

The above figures show that EHDC exceeded their wage reduction plan of 2010, 11, 12, and 13, the forecast for 2014 is a further £1m cut on wages, to continue penalizing long serving, loyal, reliable employees would be unfair. Unison asks EHDC to cancel the plans to reduce The Local Award and allow all employees to receive the 1% pay increase negotiated this year, without reduction of The Local Award. If EHDC see the necessity to make further savings, it's suggested this could be achieved by phasing out The Local Award and not including this in contracts offered to new employees.

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EAST HERTS COUNCIL

LOCAL JOINT PANEL – 21 OCTOBER 2013

HUMAN RESOURCES COMMITTEE – 15 JANUARY 2014

REPORT BY SECRETARY TO STAFF SIDE

REVISION OF COUNCIL'S PAY GRADES FOR GRADES 1 TO 5

WARD(S) AFFECTED: NONE

Purpose/Summary of Report

To approve the amendment of the Council's policy to adjust grades for staff on grades 1 to 5 to enable progression on to the next higher grade.

<u>RECOMMENDATIONS FOR LOCAL JOINT PANEL:</u>	
That:	
(A)	the grades for all staff from grade 1 to grade 5 be revised.
<u>RECOMMENDATIONS FOR HUMAN RESOURCES COMMITTEE:</u>	
That:	
(A)	The revised adjustment to pay grades 1 to 5 be approved

1.0 Background

1.1 The pay grading structure that East Herts District Council devised a number of years ago does not sufficiently make allowance for the distorting effects of national pay awards which tend to be percentage based. As a result, those on a higher salary will always tend to benefit by increases to their total salary when compared to those on a lower salary. The gap between the richest employees and the poorest employees therefore grows wider every year. UNISON suggests that the grades for staff on grades 1 to 5 be enabled to progress on their pay grade to the top of the next highest pay grade.

2.0 Report

2.1 **Key changes**

2.2 All staff currently on grades 1 to 5 and at the top of this grade are allowed to progress on to the next grade scale. E.g. grade 1 staff can migrate to grade 2 once they reach the top of grade 1. All other grades up to grade 5 would do likewise the grade 5 staff migrating to grade 6 once they reach top of grade 5.

2.3 The adjustment would result in a permanent change to the grading structure for the council but would not affect the NJC spinal column points system which would continue in its present format.

2.4 The calculations and supporting statement for this report can be found in **Essential Reference Paper 'B'**.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	People Deliver strong and relevant services Improve outcomes for vulnerable families and individuals Prosperity Deliver value for money Enhance the economic well being of East Herts
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Risk Management:	None.

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The Unison Side Pay Claim for 2013-2014

Unison Side is submitting the following claim for a pay increase for the lower paid employees of East Herts Council, to take effect from April 1st 2013.

An increase of pay for all employees at the **top** of their grades between grades 1 to grade 5. As an example, an employee at the top of grade 3, SCP21 (mid point of grade 4) should then be allowed to progress to SCP24 (top of grade 4), one SCP per year. The reasoning behind this proposal, is to reduce the ever increasing gap between the higher paid and the lower paid employees and in recognition of the financial hardship being suffered by the lower paid, as a consequence of the pay freeze, inflation and the failure of the local Government Employers to award £250 to those earning below £21,000, as embodied in Government policy.

All EHDC Unison members have seen and read a copy of this campaign/report and asked to vote **for** or **against** pursuing this pay claim, it covered a wide range of employees on various salaries, the outcome was **96.6%** in favour.

Evidence in support of this proposal.

East Herts employees are facing the fastest rise in the cost of living for 20 years. In October 2011 the headline rate of inflation, as measured by the annual change in the all-items retail prices index (RPI) for the year to September 2011, rose to 5.6%. Even the consumer price index (CPI), which does not account for housing costs, rose to 5.2%. The main pressures to the RPI annual rate has come from soaring prices for gas (+22.3%), electricity (+12.9%), fuels and lubricants (+17.8%) and food bills (+6.4%). The governments aim has been to keep inflation to 2%, but a more realistic average annual figure, since the last pay increase in **2009**, has been 3%+.

Come April 2013, four years would have past since employees last had a pay rise, at the moment NJC are negotiating a 1% increase in pay, unfortunately if negotiations are successful a significant amount of employees will **not** see any benefit due to the adjustment of their **Pay Award** (5% down to 2%). In effect, employees receiving the Pay Award and assuming that pay increases could be 1% each year, they will not see any financial gain until 2016 possibly later. Based on these figures, due to inflation, for each £1,000 spent on essentials in 2009, by 2016 to buy the same items, you would need to spend £1,229.87, an increase of just under 23%.

The statutory pay rises before the pay freeze, have increased the gap between the higher paid and the lower paid, simple maths based on a 1% pay increase, £20,000 per annum = £200 and £40,000 per annum = £400 so obviously the gap has increased by a further £200, this has been the case for sometime and adjustments need to be made to balance the gap.

Option 1 Who will benefit from this proposal?

Based on figures submitted by HR on 11th February 2013.

Grade	Number of employees	Employees at the top of the scale
1-2	15	4
3	66	24
4	16	9
5	96	46

East Herts District Council employees 360 people, 193 employees are on grades 1 to 5, (53.63%) and 83 employees (23%) are at the top of their grades, therefore 83 employees would move to the next level of pay. This would continue until they reach the top of the next grade.

Top of grade 1/2 - SCP17, £16,830	SCP18, £17,161
A rise of £331 x4 employees.	Total £1,324

Top of grade 3 – SCP21, £19,126	SCP22, £19,621
A rise of £495 x24 employees.	Total £11,880

Top of grade 4 – SCP24, £20,858	SCP25, £21,519
A rise of £661 x9 employees.	Total £5,949

Top of grade 5 – SCP28, £23,708	SCP29, £24,646
A rise of £938 x46 employees.	Total £43,148

The total cost for this proposal - **£62,301 (per year)**
(Plus National Insurance Contribution and Pension).

Option 2.

East Herts District Council chose to adopt The Hay Pay Scale Scheme, devised by Edward (Ned) Hay back in 1947, sixty six years ago; it could be argued that this scheme has become somewhat antiquated. As mentioned before, now is the time to close the every increasing gap between the lower paid and the higher paid. Most people would assume that the percentage increase into the next SCP after reaching the top of their grade, would be equal, but the figures are surprising.

Top of grade 3 – SCP21, £19,126 SCP22, £19,621 increase of **2.59%**

Top of grade 5 – SCP28, £23,708 SCP29, £24,646 increase of **3.96%**

Another example of preferential treatment for the higher paid.

A possible solution to this would be to give an equal pay rise to the employees reaching the top of grades 1 to 5.

For example, £600 x83 employees. (For the next 4 years).

The total cost of this proposal - **£49,800 (per year)**
(Plus National Insurance contribution and Pension).

What impact does the pay freeze have on pensions?

The following figures are based on an employee with a basic salary of £20,000 and with length of service to be entitled to a full Government Pension of 32/60ths (53.3%) final salary. The last pay increase was April 2009 and due to the fading out of the Local Award, it is likely some staff will not see a pay increase until 2016. In the event of an employee retiring in 2016 with full Pension entitlement and basing figures of 1% pay increase each year between 2009 to 2016 the sums are:

2009 – £20,000 per annum, by 2016 - £21,442.71 per annum.
An increase of £1,442.71
Extra Pension entitlement @ 53.3% - £768.96 per annum.
A loss of £14.79 per week.

If the calculations are done the same way, but basing the figures on inflation at an average of 3% and wage increases matched inflation between 2009 to 2016 the sums are:

2009 - £20,000 per annum, by 2016 - £24,597.48 per annum.
An increase of £4,597.48
Extra Pension entitlement @ 53.3% - £2,450.46 per annum.
A loss of £47.12 each per week.

This is another example why East Herts District Council need to act now, employees will have no other option but to continue working well past their retirement age to make ends meet and in turn will add pressure on unemployment figures.

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