

## EXETER CITY COUNCIL

EXECUTIVE  
19 JUNE 2012

### PAY AWARD FOR LOW-PAID STAFF

#### 1. PURPOSE OF REPORT

- 1.1 To seek agreement to the payment of a £250 pay increase for 2012/13, in respect of all staff earning a fulltime equivalent salary of under £21,000 per annum.

#### 2. BACKGROUND

- 2.1 In his 2010 emergency budget statement the Chancellor of the Exchequer promised a £250 pay rise for all public sector employees earning under £21,000 per year.
- 2.2 This £250 award has been paid to all low paid civil service, NHS, armed forces and teaching staff in 2011/12, and again in 2012/13, following the Government's acceptance of the relevant pay review bodies' recommendations. However, the national Local Government Employers organisation, in its pay negotiating role, has for two years running refused to agree such an increase nationally for the lowest paid local authority employees. This is against a background of all local authority staff now being in the third year of a pay freeze and, for the most senior staff, the fourth year of a pay freeze.
- 2.3 Notwithstanding this national position, a number of individual local authorities have agreed to pay the £250 increase to their low-paid employees. It is considered that this Council's lowest paid workers, many of whom directly provide the essential services the public relies on, need and deserve this very modest pay increase, having suffered at least a 10% cut to their pay in real terms over the last two years.
- 2.4 The Council is in the process of streamlining its organisation whilst improving customer service and has already significantly reduced its senior management and its wider staffing levels and costs – largely without having to resort to compulsory redundancies and without significant impact on frontline services. However, the need to further cut its costs will continue for the foreseeable future, whilst the needs of the city and the demands of its customers will continue to grow.
- 2.5 To achieve these aims it is essential that all the Council's ways of working, systems and procedures continue to be subjected to a searching and robust reassessment to ensure that everything it does adds value for the customer and eradicates unnecessary costs. That process is well under way and will continue until the whole organisation is as efficient, flexible and fit for purpose as it can be.
- 2.6 In that context UNISON has been consulted and, in welcoming the proposal to pay this modest award to the lowest paid staff, it accepts the need for further change and efficiencies in the organisation, in order to support and protect local public sector delivery of high quality local public services. UNISON remains committed to working with the Council to pursue these aims, and to address constructively the further changes to ways of working, staffing and organisational structures which will be needed to achieve them.

### **3. PROPOSAL**

- 3.1 The proposal is, therefore, to permanently uplift all pay points below £21,000 by a sum of £250, with effect from 1 April 2012. This affects all staff paid at the penultimate point of Scale 6 and below. There are currently 493 employees within the scope of this proposal, not all of which are full-time (428 fte). Those employees working part-time will receive the appropriate proportion of the increase where their full-time equivalent salary is less than £21,000.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 The total cost of this proposal is approximately £140,000. This is comfortably within the budget provision already made for this year for the possibility of an across-the-board national pay increase, which will not now of course arise. The proposal is clearly affordable for the Council, whilst providing a measure of much-needed financial recognition for the lowest paid employees.

### **5. RECOMMENDATION**

- 5.1 It is recommended that all employees whose full-time equivalent salary is less than £21,000 per annum be awarded a pay increase of £250 (or the appropriate proportion for part-time employees) with effect from 1 April 2012.

CHIEF EXECUTIVE

**Local Government (Access to Information) Act 1985 (as amended)**

**Background papers used in compiling the report:**

None