

## EMPLOYMENT PANEL

MONDAY, 13 NOVEMBER 2017

PRESENT: Councillors Lisa Targowska (Chairman), Eileen Quick (Vice-Chairman), Phillip Bicknell, Stuart Carroll, Dr Lilly Evans, Lynne Jones, MJ Saunders and David Hilton

Also in attendance: Ruth Smith (UNISON) and Keith Roberts (GMB) for item 4 only

Officers: Alison Alexander, Terry Baldwin and Karen Shepherd

### APOLOGIES FOR ABSENCE

An Apology for Absence was received from Councillor Brimacombe

### DECLARATIONS OF INTEREST

None received

### MINUTES

**RESOLVED UNANIMOUSLY: That the Part I minutes from the meeting held on 16 October 2017 be approved.**

### UNISON AND GMB PAY CLAIM FOR 2018/19

Members welcomed Ruth Smith (UNISON) and Keith Roberts (GMB) to the meeting to present the Trade Union pay claim for 2018/19.

Ruth Smith explained that a joint claim had been submitted from both unions, setting out the economic situation and justification for the level of claim. As in previous years, the unions had engaged with their members who were RBWM employees, to seek their views before submitting the claim. Representatives had handed out copies of the survey to employees at various entrances to council buildings. The claim was for an across the board increase of 5% or a flat rate of £500, whichever was the greater. The council had a Pay Reward scheme but whenever the unions spoke to their members, they expressed a preference for an across the board pay rise to ensure all benefitted. The unions had therefore been pleased that a 0.8% increase had been agreed last year as well as Pay Reward.

The survey given to union members included a free text box. Panel Members noted a number of comments made by respondents, relating to pay not keeping up with inflation, the cost of living, the lack of increases in recent years, the appraisal system, reorganisations, morale and the loss of skilled staff. The unions were aware that the workforce was much smaller than in previous years.

Keith Roberts commented that it was important for the workforce to see something more substantial in their pay packet this time around; staff were looking for a commitment from the council that the workforce was valued. A number of staff had been transferred to outside providers. This had led to concerns that they were being released to an employer that did not offer the same protections. Under the borough

recognition agreement the trade unions had collective bargaining rights. The new organisations had given reassurances but had not spoken to the unions. It was important to ensure the staff remaining in the core council felt valued and wanted to remain. Mr Roberts highlighted that it was about cash in the pocket. He understood that the council's hands were tied to some extent by government policy. The interest rate increase had increased the cost of mortgages. If the council could not meet the 5% pay claim, he requested that it was not as low as 1%.

The Chairman thanked the union representatives for presenting their claim and invited Panel Members to ask questions. She asked if the survey had asked about the Pay reward element of the scheme. Mr Roberts commented that the 0.8% last year had landed with a thump because it was a small amount. 1% of not a lot was not much, therefore the increase needed to be across the board. Incentives in a Pay Reward scheme needed to be achievable and not based on a manager's opinion.

Ms Smith commented that views were split on what the maximum should be if the scheme included a Pay Reward element. Some people felt they worked hard but could not get a top rating because of the system. Responses had been split over whether the maximum should be more or less than 5%. There was a finite amount of money so the more that was given to the top levels, the less there was to go around.

The union representatives were unable to provide details on the number of people who had responded to the survey, although it was noted that about 40% of their members had responded to the survey. She confirmed that UNISON had a recognition agreement with Optalis and met quarterly with their HR team. Colleagues in the London region dealt with AFC as the arrangements had originally been set up with Richmond and Kingston. Mr Roberts highlighted the lack of agreement with other external employers, such as the companies to which highways and enforcement staff had been moved.

Councillor Saunders asked the union representatives for their thoughts on spinal point increases and whether tenure should drive what someone was paid. Ms Smith responded that this was the traditional structure so those who had worked in local government for a while would expect this to be in place. Spinal points worked on the basis that when a person first started in a role they were not going to be as good as someone who had been doing it for a few years who knew the systems and was more efficient. Councillor Saunders asked how this was different to rewarding better performance. Ms Smith responded that the difference was that it was a clear system that all felt was fair. The issue has been considered by Employment Tribunals and concluded that the system was justified for a limited number of increases.

Councillor Saunders commented that the average pay rise in the last year had been 2.5% when taking into account the Pay Award, Pay Reward, spinal point increases and promotions. Ms Smith commented that if spinal increments were removed, pay levels were frozen in time and emphasised the inequality for someone who had just arrived. This could engender frustration and resentment. If all in the same role were raised to the same salary point this would be ok. Councillor Saunders highlighted that averaging out could lead to some receiving a reduction. Ms Smith stated that the unions would never advocate for this approach.

Councillor Saunders highlighted that funds had been provisionally allocated in the budget for an increase in employer pension contributions and to deal with a pension deficit. An overall increase of 17.5% had been included, with 15% allocated to

pensions. Ms Smith commented that pension levels were set by actuarial valuation therefore unions could not argue for higher or lower figures in this respect. Mr Roberts commented that, in relation to spinal points, processes were in place to ensure increases were not received if performance levels had not been met.

Ms Smith confirmed that the claim was for 5% or a flat rate of £500, whichever was greater, to ensure protection for the lowest paid workers. Mr Roberts suggested the union should take a survey of its members to find out which of them received an overall increase of 2.5% last year. The Managing Director requested that the HR team be involved to ensure the correct question was asked, to refer to wider increases than just Pay Award. The Head of HR agreed to provide members with figures of union membership, based on those who had union memberships deducted from their salary.

Members noted the promotion increase had amounted to 1.3% last year, Pay Award was 0.8% and the Pay Reward figures had been:

Good – 0.35%

Excellent – 0.69%

Outstanding – 1.38%

Members requested information on retention levels for staff in the three appraisal categories, which the Head of HR agreed to provide. Staff turnover was predicted to be around 17% to 19% and HR could undertake detailed modelling of turnover in each category for the February Panel meeting.

There were some questions about the Local Government Pension scheme and as it was a national scheme, there was no scope to discuss terms or contribution rates with individual employees. Employees did have the option to opt out of the scheme entirely.

Councillor Hilton asked about the demographics of staff that had moved out to Optalis and AfC. It was confirmed that although the workforce had significantly reduced, those who left were a representative sample therefore the demographics had not significantly changed.

It was noted that incremental grades only operated at the first five grades. LP6 onwards were spot salaries and therefore any future progression had to be made through Pay Award, Pay Reward or a change in role.

The Managing Director confirmed that there was no longer any concern that borough salaries were not comparable to neighbouring authorities. As an example the Managing Director noted there was now a full complement of permanent staff in the planning department.

Councillor Saunders explained that the indicative budget included £3.4m for incremental staff costs, £2.4m to top up pension payments, £500,000 for pay increases and £500,000 for increased employer contribution costs. He suggested that at some point staff should be advised of the wider set of increases than simply pay. Councillor Jones commented that it would be important to be clear that at the last pension valuation the council chose not to pay as much as was needed therefore the deficit was a council problem. Councillor Hilton highlighted that the deficit fluctuated, for example had changed from 73% to 78% in recent weeks. Councillor

Saunders commented that the figure he was obliged to use for budget setting purposes was 73%.

In relation to comments made via the trade unions in relation to stress caused to staff remaining in the core council once the moves to Optalis and AfC had taken place, the Managing Director highlighted the need to be clear that the council still had the same number of people delivering services to borough residents. Councillor Jones commented that some of the responses in the survey could have related to where changes had required officers to work differently, for example weekend working.

It was confirmed that the borough paid all staff above the National Living Wage. The minimum pay was £7.73 per hour. Members requested that the supported employment scheme in the council be reviewed as this had not been done for a number of years.

**RESOLVED UNANIMOUSLY: That Employment Panel notes the report and:**

- i) Reviews the trade union pay claim and the supplementary information supplied as part of the consideration of the annual pay review for eligible staff for 2018/19.**
- ii) Requests a review of the council's Supported Employment scheme.**

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

**RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on items 6-8 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act**

The meeting, which began at 6.30 pm, finished at 8.02 pm

CHAIRMAN.....

DATE.....