

## Appendix 6 – Proposed Pay Award

- 1.1 The council operates a Local Pay Agreement and determines any pay award annually as part of its budget setting process. As part of this process in the autumn representatives from UNISON and GMB presented their local pay claim for 2023/24. This year their claim is for:
- UNISON and the GMB believe that only a significant rise will help protect services and enable staff to weather the growing cost of living pressures following a decade of local authority cuts and pay restraint.
  - A £2,000 rise at all pay grades or the current rate of RPI (presently 11.1%, September 2022), whichever is higher for each individual.
  - A one day increase to the minimum paid annual leave entitlement
  - A two-hour reduction in the standard working week
  - Agreement of home/hybrid working guidance and an introduction of a home working allowance.
  - An urgent review of all mileage rates currently applying
  - A settlement that also acknowledges the unique pay arrangements for staff who are employed by Optalis, and the way in which the different approaches taken by Wokingham and RBWM can have a detrimental effect.
- 1.2 The claim has been modelled and costed:
- A £2,000 increase on the lowest point would be a 10.14% increase therefore 11.1% has been applied to all pay grades, the cost of this is over **£2,610,000** for RBWM staff (excluding AfC and Optalis).
  - A one day increase in annual leave has been costed at **£164,000**.
  - A two-hour reduction in the working week has been costed at **£1,364,000**.
- 1.3 With regard to home/hybrid working guidance, the council already has guidance in place and in common with the majority of councils there are no plans to pay a home working allowance.
- 1.4 The council pays mileage rates based on the HMRC approved rates of 45p per mile up to 10,000 and 25p over 10,000. A recent survey identified that 82% of employers apply the HMRC rates. Employers can choose to pay above the HMRC rate, however any additional payment would be subject to tax and is P11D reportable. The HMRC rates have been in place for many years and there is no indication that they are planning to revise them.
- 1.5 The NHS has increased their mileage rate on a temporary basis by 5 pence per mile from 47 pence. The national pay offer for Local Government does not

include any increase in mileage rates. And the price of fuel has been coming down in the past couple of months.

- 1.6 In 2021/22 the total mileage claimed cost £43.2k. And for 2022/23 (7 months projected to 12) the estimated cost is £63.1k for around 150 claimants. It is likely that the mileage claimed during 2021/22 was lower due to the lockdowns, as some services have seen a significant increase in mileage claims so far this year. Table 2 below identifies the additional annual cost of a 5, 10 and 15 pence per mile increase.

**Table 2: Estimated costs for an increase in mileage based on 2022/23 full year projection**

	+5p per mile	+10p per mile	+15p per mile
Additional cost pa	£7k	£14k	£21k

- 1.7 It is recommended that there is no change to the current mileage rate.
- 1.8 As part of the assessment of options the following was taken into consideration:
- In April 2023, the National Living Wage will increase to £10.42 per hour or £20,104pa. The council's current minimum salary is £19,679pa or £10.20 per hour. A 4% pay award will increase the salary to £20,466, which is £10.61 per hour.
  - CPI November 2022 was 10.7% a slight reduction following an increase month on month during this year.
  - Local Government employees received a flat rate increase of £1,925 from 1 April 2022.
  - RBWM sits outside the national terms and conditions and negotiations as we have opted for local terms and conditions. In 2022 the Council gave a 2% pay award for RBWM staff.
- 1.9 As set out in paragraph 2.2 the costs of an 11.1% pay award, a 2 hour reduction in the working week and an additional day's leave are significant.
- 1.10 For Christmas/New Year 2022, the council has approved an additional day's leave as the offices were closed on 30 December.

### **Option 1**

- 1.11 A two-year settlement of a pay award of 4% in 2023 and 3% in 2024 is affordable within the scope of available funding.

### **Optalis**

- 1.12 The council's pay settlement relates only to its own employees. Optalis, named in the TU claim, and AfC, not named in the claim, as separate employers are responsible for managing their own pay review and pay award processes within the context of their own pay policy and terms and conditions. Provision for a pay award for the Optalis and AfC contracts are included in the proposed budget for 2023/24 and would be available to fund any pay claims from those contracts. The money will be set aside until these matters have been concluded.

## 2. KEY IMPLICATIONS

**Table 2: Key Implications**

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Decision on annual pay award	N/a	21 February 2023	N/a	N/a	1 April 2023

## 3. FINANCIAL DETAILS / VALUE FOR MONEY

3.1 Provision of £2,087,000 has been included in the draft budget for a pay award for 2023. This provision is to cover the council, Achieving for Children and Optalis. The cost of the pay award of 4% to all council employees paid on the RBWM local pay scales has been estimated at £941,000. For 2024 the cost is estimated to be £969,000.

3.2

**Table 3: Financial impact of report's recommendations**

REVENUE COSTS	2023/24	2024/25	2025/26
Additional total	£2,087k	£3,700k	£3,700k

## 4. LEGAL IMPLICATIONS

4.1 The council opted out of national pay bargaining in 2010 and has a local agreement to determine any annual pay award. The decision to make a pay award is made annually by council as part of its budget setting process.

## 5. RISK MANAGEMENT

5.1

**Table 4: Impact of risk and mitigation**

Threat or risk	Impact with no mitigations in place or if all mitigations fail	Likelihood of risk occurring with no mitigations in place.	Mitigations currently in place	Mitigations proposed	Impact of risk once all mitigations in place and working	Likelihood of risk occurring with all mitigations in place.
There is a risk that employee morale will be impacted if there is no pay award which could result in	Moderate	Medium	The council's financial position has been communicated to the Trade Unions and staff by the	None	Minor	Medium

<p>increased turnover. Morale is still likely to be impacted as 4% is lower than the pay awards applied to other public sector workers.</p> <p>No pay award may encourage the Trade Unions to consider some form of industrial action.</p>			<p>CE and Director of Resources and the council's draft budget contains provision for a 3% pay award.</p>			
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## 6. POTENTIAL IMPACTS

- 6.1 Equalities: The pay award would be applied across the board and therefore no Equality Impact Assessment was required.
- 6.2 Climate change/sustainability: There are no implications because of this report.
- 6.3 Data Protection/GDPR: No Data Protection Impact Assessment was required.

## 7. CONSULTATION

- 7.1 The Interim Chief Executive, Director of Resources, Head of HR, Corporate Projects and IT and the Service Lead HR Services met with Trade Union representatives in October to discuss their claim and the council's budget situation.

## 8. TIMETABLE FOR IMPLEMENTATION OF 2023 PAY AWARD

- 8.1 Implementation date if not called in: 1 April 2023. The full implementation stages are set out in table 5.

**Table 5: Implementation timetable**

Date	Details
21/02/2023	Decision paper to full Council (as part of the Council's budget)
March 2023	Outcome formally communicated to Trade Unions and employees.
01/04/2023	Application of pay award and revised pay scale

