

# Agenda



## Penderfyniadau dirprwyedig - Aelod cabinet dros drawsnewid sefydliadol

---

Dyddiad: Dydd Mawrth, 26 Gorffennaf 2022

At: Cynghorwyr: D Batrouni

---

Eitem		Wardiau Dan Sylw
1	<u>Adroddiad Aelod Cabinet - Amrywiad mewn Cyflog (Tudalennau 3 - 8)</u>	All Wards

Person cyswllt: Governance Team Leader, 01633 656656

Ffôn:

E-bost:

Dyddiad cyhoeddi: Date Not Specified

Mae'r dudalen hon yn wag yn



# Report

## Cabinet Member for Organisational Transformation

---

### Part 1

Date: 26 July 2022

**Subject** Variation to Local Pay and Conditions of Service

**Purpose** For Cabinet Member to consider and agree the changes to additional payments.

**Author** HR & OD Manager

**Ward** All

**Summary** During the period of March 2020 – March 2022, the period of the COVID19 Global Pandemic, the rate at which additional payments were paid was temporarily increased to help support the workforce in delivering critical services. This report now seeks to make these provisions permanent so that attractive rates of pay for additional working can be offered to staff and to help the Council to continue to deliver critical services.

The amendments will also be reported to full Council in the Pay Policy report at the end of the financial year.

**Proposal** For the Cabinet Member to agree to the permanent change the additional payments noted in this report

**Action by** Head of People, Policy and Transformation

**Timetable** Immediate

This report was prepared after consultation with:

- Chief Executive & Directors
- Head of People, Policy & Transformation
- Head of Law and Standards
- Head of Finance
- Trade Unions

## Background

In March 2020 the COVID 19 global pandemic struck affecting the working environment. In line with the emergency measures in place for decision making, Newport City Council Gold Command agreed to increase a number of additional areas of pay to ensure services continued to be delivered. These temporary increases were agreed by the Trade Unions at that time.

The increase to allowances included:

- Overtime of 1.5 times the hourly rate of pay for all hours worked beyond 37 per week. Previously paid at 1.25 times.
- The grade bar between Grades 1-6 receiving enhancements and Grades 7-15 not receiving was removed so that all NJC staff were eligible for the revised overtime rates and bank holiday payments.
- Standby rates were set at £25 per period, from £15 previously.

A review of the temporary provisions has taken place with a view to now making these arrangements permanent to support ongoing service delivery. This review also considered parity with other neighbouring authorities, and the length of time since rates had been reviewed.

## Proposal

The amendments proposed will be signed off by Cabinet Member and included in next year's Pay Policy report to Council to ensure that attractive rates of pay for additional working can be offered to staff and help the Council to continue to deliver critical services.

Following Executive Boards agreement to do so consultation has taken place with the recognised trade unions for collective bargaining, UNISON, UNITE & GMB to permanently change the rates as listed below for all in-scope Council employees employed under the conditions of service of the National Joint Council for Local Government Services.

## REVISED PAYMENTS

### 1.0 Payment for working public bank holidays as part of the normal working week

- 1.1 All in-scope employees shall be eligible to claim the additional enhanced payments or TOIL (time off in lieu) for bank holidays, removing the provision that staff employed at Grade 7 or above should only receive normal pay.

### 2.0 Additional hours

- 2.1 For all employees in-scope, the remuneration for additional hours worked is as follows:

- Monday to Sunday, 6am to 11pm – plain time for the first 37 hours worked during any pay week. For additional hours beyond the full time equivalent (i.e. in excess of 37 hours a week, or beyond their contracted working pattern that averages a 37 hour working week) time and a half will be paid

All other arrangements for additional working remain unchanged.

### 3.0 Out of hours working

- 3.1 The standby payment for the out of hours provision shall increase to £25 per period and attract the normal annual payment uplift for any pay awards.

All other arrangements for out of hours working remain unchanged.

### 4.0 Provision of the arrangements

4.1 The arrangements for these payment commenced temporarily in March 2020. The Council has continued to make these payment to staff until 31 March 2022. This agreement confirms that these payments will continue as from 1 April 2022 on a permanent basis, unless and until they are varied by any subsequent collective agreement.

## Agreement

Consultation has concluded with the Trade Unions and agreement reached on the implementation. The next step following Cabinet Member approval will be for the Council and the three trade unions to sign an addendum to the current collective agreement which will outline the terms above and then move to implementation.

## Financial Summary

The overtime paid in the last three years is contained in the table below. In the table below, financial year 2019/20 will have been paid at pre Covid rates of pay, whereas from April 2020 Covid rates applied. Comparative costs are difficult to quantify from the data as the number of people in receipt of overtime payments and the number of transactions being processed has more than doubled and increased significantly, so it's not a fair reflection on the cost increase, although this does underline the importance and reliance on overtime for existing staff resources in a time where competition for recruitment is high and filling vacancies is more difficult. The costs of paying some overtime payments are therefore partially offset and funded through role vacancies and recruitment processes.

A fairer way to review the increase cost is to analyse the payments made in 2019, at the pre Covid rates, had these have been paid at post Covid rates, it would have meant an increase to approximately 62k across Council budgets. Each individual service area will be responsible for picking up the impact of the increased remuneration within existing budgets.

	Number of Staff in receipt of payments	Overtime Paid £	Number of lines of Transactions
2019/20	533	558k	2,347
2020/21	823	1,082k	3,488
2021/22	1,176	1,764k	6,548

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to arrange cover and plan overtime because rates are not attractive	H	M	Temporarily paid at an enhanced rate and proposed to make permanent.	Chief Executive / Head of People, Policy and Transformation

## Links to Council Policies and Priorities

This report has links to the annual update to the Pay and Reward Policy, which is generally agreed at Council on or around April each year. This change to provision will be reported to Council at the next update in April 2023 so that the Council complies with the statutory requirement to publish a "pay policy statement" on an annual basis.

## Options Available

The options available are as follows:

1. For the Cabinet Member to approve the proposed amendments to support ongoing service delivery.
2. For the Cabinet Member to not approve the proposed amendments.

### **Preferred Option and Why**

For the Cabinet Member to approve the amendments so that attractive rates of pay for additional working can be offered to staff and help the Council to continue to deliver critical services.

### **Comments of Chief Financial Officer**

The financial table contained within this report shows the steep increase in the volume of overtime over the course of the past two financial years, both in terms of value and number of people in receipt of payments. It should be noted that a large number of payments made in 20/21 and 21/22 would have been funded from the Welsh Government Hardship Fund as a result of the overtime being incurred because of the pandemic.

The report and analysis show that the 'normal year' impact of this change is c£60k and if approved, would increase costs. Service areas/HoS will need to manage this impact and ensure they manage within existing service area budgets approved by Cabinet and Council, in line with the Council's Financial Regulations. Closer monitoring of this cost will be required to manage this in the first year or two of operation, especially in the context of there being no further 'Hardship Fund' and therefore it will be important to reduce overtime occurrences back towards 'normal year' levels otherwise the impact of this will be greater than that shown.

### **Comments of Monitoring Officer**

The proposed action is in accordance with the Council's statutory powers under section 112 of the Local Government Act to fix reasonable terms and conditions for the employment of staff. Most terms and conditions of service for local government staff are set nationally through collective bargaining but there are variable local terms and conditions that are set at a local level, including overtime rates and enhanced payments. The current overtime payments and enhancements were increased temporarily to cover the Covid-19 response work, but there is a continuing need to pay these increased rates in order to assist with recruitment and retention and the delivery of critical services, particularly those that require an out-of-hours response. Agreement has been reached with the recognised trade unions and, subject to Cabinet Member approval, the changes will be formalised and implemented by way of an addendum to the previous Pay and Reward collective agreement, which will then be incorporated into individual contracts of employment. The decision to agree these changes to the overtime and enhancements policy falls within the executive scheme of delegation for the Cabinet Member for Organisational Transformation, as it relates to a strategic HR policy. This change to the overtime payments does not fundamentally alter the annual Pay & Reward Policy agreed by Council at the AGM in May. Therefore, these changes will not require in-year Council approval. However, in accordance with the requirements of the Localism Act 2011, the Pay and Reward policy will need to be updated to incorporate these changes, when the policy is reported again to Council for adoption next April.

### **Comments of Head of People, Policy and Transformation**

The comments of the Head of People, Policy and Transformation are contained within the main body of the report by the HR & OD Manager.

### **Comments of Non-Executive Member**

Councillor Hourahine:

I'm content to support the proposal.

Councillor Drewett:

I fully agree with this report

### Councillor Cocks:

I am in support of this decision. The Covid pandemic demonstrated the vital role played by council staff delivering critical services.

## **Scrutiny Committees**

N/A

## **Equalities Impact Assessment**

There is no requirement for a Fairness & Equality Impact Assessment as a result of these changes as they apply to all staff as and when they undertake the arrangements.

The Council remains committed to carrying out regular equal pay audits of its pay and grading arrangement.

## **Wellbeing of Future Generations (Wales) Act 2015**

The wider Pay and Reward Policy contributes to the well-being goals for a more equal Wales and a prosperous Wales. The policy demonstrates how employees are rewarded for their contribution to the organisations local and national priorities, and will ensure the Council complies with the statutory requirement to publish a “pay policy statement” on an annual basis.

The five ways of working have been applied when considering this proposal. The Council is required to publish a Pay Policy Statement each financial year and this updated policy meets this requirement. This policy provides a framework for decision making on pay and allows the Council to demonstrate its key approaches to pay and reward for employees, ensuring resources are managed effectively both in the short and longer term.

This updated policy outlines the Council's approach to pay and reward of its employees in the interests of openness and transparency, and is in place to prevent problems and issues occurring with any decisions made in relation to public sector pay. The policy also forms a key part of the Council's People and Culture Strategy. The strategy underpins the Council's Corporate Plan and strategic objectives - how employees are rewarded for their contribution is directly linked to the delivery of the council's key aims and objectives.

As part of this policy, the Council's intention is to continue to develop collaborative working on a planned and strategic basis with local authority partners and other public and third sector organisations. In addition, the policy provides the public with the Council's policy on all aspects of pay and reward, including senior posts and the lowest paid posts, explaining the relationship between remuneration for senior post holders and other groups.

## **Consultation**

As outlined within the report.

## **Background Papers**

Collective Agreement

Annual Pay and Reward statements

**Dated: 26 July 2022**

Mae'r dudalen hon yn wag yn