

Report to: Corporate Issues Scrutiny Committee

Date: Monday, 9th October 2006

Report of: Assistant Chief Executive

Report No:

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Report Title: **Strategic Employment Monitoring Programme Pay and Remuneration – 1st April 2005 - 31st March 2006**

Non Confidential

Significant Variations and Highlighted Matters:

- a) 22 Outstanding Regradings were brought forward from the previous reporting period and all but one Appeal, registered before 15th September 2004, have been heard during this reporting period.
- b) 9 Regrade Appeals were considered and dismissed by the Regrading Appeals during this reporting period and 12 Appeals were withdrawn by the employees concerned.
- c) No new Regrading Appeals were processed during this reporting period pending the completion of the Pay and Grading Review.
- d) 37 additional Market Rate Pay Supplements have been awarded in this reporting period.

Recommendations:

Elected Members are asked to:

- a) Note and comment on the contents of the report.

1. Introduction

- 1.1 This is one of a series of annual reports the purpose of which is to provide the Corporate Issues Scrutiny Committee with Strategic Monitoring Information regarding various aspects of employment practice within the Council.
- 1.2 It is intended that the information obtained should help guide the future development of the Council's Corporate Employment Policy Framework.
- 1.3 The subject of this report is Pay and Remuneration within the Council and covers the period 1st April 2005 to 31st March 2006.
- 1.4 Information is provided in respect of:
 - Department led grading changes;
 - Appeals to the Regrading Appeals Panel;
 - Honoraria Payments;
 - Market Rate Pay Supplements.
- 1.5 This is the first time strategic monitoring data has been provided since managerial realignment and since the Payroll Centre of Excellence went live in October 2005.

2. Department Led Grading Changes

- 2.1 It was agreed within the Council and accepted by the Trade Unions in September 2004, that Departmental led grading changes would be put on hold pending the outcome of the Pay and Grading Review. However, there were 49 departmental led grading movements which were registered prior to September 2004 but were only settled in this reporting period. Please see Appendix 1.

3. The Outcome of Appeals to the Regrading Appeals Panel

- 3.1 It was also agreed, following consultation, with the Trades Unions that no Regrading Appeals would be processed after September 2004 pending the completion of Pay and Grading Review.
- 3.2 However there were 22 outstanding regradings brought forward from the previous reporting period. Of these 9 were considered and dismissed by the Regrading Appeals Panel during this reporting period. 12 Appeals were withdrawn by the employees concerned and there was one outstanding regrading appeal registered with Central Personnel Services at 31st March 2006 which has been subsequently heard by the Regrading Appeals Panel. Please see Appendix 2.

4. Honoraria Payments

- 4.1 In previous Strategic Employment Monitoring Reports data has been provided in relation to the payment of honoraria, however it has not been possible to provide meaningful data in this category for the first six months of this reporting period due to a combination of managerial realignment and the transfer of data from the previous payroll system to Oracle which went live on 1st October 2005.
- 4.2 However, data for the period 1st October 2005 – 31st March 2006 has been provided at Appendix 3. During the first 3 months of this period honoraria were awarded at an average cost of £276 per honoraria. The number of honoraria can in part be attributed to the increase in the number of acting up arrangements during realignment and the ongoing Pay and Grading Review coupled with the fact that no new regarding applications are being processed. During the period 1st January 2006 to 31st March 2006 the average cost of honoraria payment reduced slightly to £216 per honoraria.

- 4.3 Future Strategic Employment Monitoring Reports will provide data for the whole reporting period.

5. Market Rate Pay Supplements

- 5.1 The payment of Market Rate Pay Supplements (MRPS) assists the organisation to recruit and retain employees within certain service areas as a consequence of the salary levels determined for the posts concerned comparing unfavourably with salaries paid by external organisations.
- 5.2 In this reporting period 1st April 2005 to 31st March 2006 there were 49 employees in receipt of a MRPS compared to 12 in the period 1st April 2004 to 31st March 2005.
- 5.3 Of the additional 37 MRPS awarded in this reporting period, 34 were in the Building Control, Planning Control and Policy and Transport Planning Sections in the former Environment Department where it had become increasingly difficult to recruit new professional staff and retaining existing professional staff. There were 2 additional MRPS awarded in Children's Services and 1 in Legal and Democratic Services.
- 5.4 The value of the MRPS varies between 12.5% and 15% depending on the specific market conditions for the employees concerned.
- 5.5 The allocation of MRPS are subject to annual review and are reported to Elected Members as part of the Strategic Monitoring Information cycle

6. Pay and Grading Review

- 6.1 Elected Members will be aware that as part of the 2004 National Pay Award, local pay reviews must be completed and implemented, in partnership with the Trades Unions, by 2007.
- 6.2 The Council wide Job Evaluation exercise commenced in November 2004 and over 85% of posts within the Council have now been evaluated. All posts will be evaluated by the end of November 2006.
- 6.3 Running concurrently with the Pay and Grading Review, a new Corporate Pay Policy has been developed and agreed. The Pay Policy and Strategy will, amongst other things, seek to provide a better framework for pay determination in the way the Council responds to both permanent and temporary variations to the range and level of work required of employees.

7. Recommendations

- 7.1 Elected Members are asked to:
- a) Note and comment on the contents of the Report.