

WIRRAL COUNCIL

COUNCIL MEETING

17 OCTOBER 2011

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| SUBJECT: | LOCAL PAY AWARD 2011-12 – UPDATE |
| WARD/S AFFECTED: | ALL |
| REPORT OF: | DIRECTOR OF LAW, HR AND ASSET MANAGEMENT |
| RESPONSIBLE PORTFOLIO HOLDER: | CLLR ADRIAN JONES |
| KEY DECISION? | NO |

1.0 EXECUTIVE SUMMARY

- 1.1 On 18 July 2011, Council resolved to support a non-consolidated payment to employees of the Council who earned below £21,000 per annum.
- 1.2 Council requested that a report was provided to all members of the Council to inform them of progress of discussions with staff representatives and details when this payment will be made.
- 1.3 This report set out the arrangements for the payment of this Local Pay Award which will be paid on 28 October 2011 and seeks Council's agreement on those arrangements.

2.0 RECOMMENDATION/S

- 2.1 That Council agrees the arrangements that have been put in place for the payment of a non-consolidated Local Pay Award of £250 to Council employees earning below £21,000 per year.
- 2.2 That this payment will be made to eligible employees in accordance with the key principles set out at Appendix One to this report.
- 2.3 That Council agrees that a sum of £190,000 is transferred from the General Budget to the Schools Budget to assist in funding this payment.

3.0 REASON/S FOR RECOMMENDATION/S

- 3.1 To ensure the Council fulfils its commitment to making a non-consolidated payment of £250 to those Council employees earning below £21,000 per year.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 On 18 July Council resolved to support a non-consolidated payment should be made to employees of the Council who earned below £21,000 per annum.

- 4.2 On 21 July 2011, Cabinet further recommended that the payment should be net of Income Tax, National Insurance and Pension Contributions and should be a one-off payment.
- 4.3 The payment will be net of Tax and NI so that eligible employees receive the full net amount up to £250.
- 4.4 Specific arrangements for the pension contribution element are proposed at Appendix One and have been discussed with trade unions.
- 4.5 In practical terms as the Local Government Pension Scheme is a final salary scheme and based on years' contributions. Payment of pension contributions for a one off, non consolidated payment would not have impact on pensionable pay when an employee accesses their pension in future. Therefore, a pension contribution will have no benefit for the employee. However, where employees are in their final year and retire on or before 31 March 2012, we will ensure that their individual case is assessed to determine if the non-consolidated payment would be of financial benefit to their pension.
- 4.5 Consultation has taken place with the trade unions around the principles and operational arrangements for the payment.
- 4.6 In accordance with Council decision also taken on 18 July 2011 around the Living Wage, work is also currently being undertaken to bring those Council employees earning below £7.20/hour up to living wage levels.

5.0 RELEVANT RISKS

- 5.1 None

6.0 OTHER OPTIONS CONSIDERED

- 6.1 None

7.0 CONSULTATION

- 7.1 Consultation has taken place with Trade Unions.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 None

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 The cost of implementing the Local Pay Award is estimated at £1,630,000.
- 9.2 At Cabinet on 21 July 2011, the Director of Finance reported that budgetary provision of £1,000,000 exists in the General Fund and £640,000 in the Schools Budget.
- 9.3 Cabinet agreed to recommend to Council that a sum of £190,000, included in the total estimated cost above, should be transferred from the General Fund

Budget to the Schools Budget to meet the cost of Income Tax, employees' National Insurance and employees' pension contributions.

10.0 LEGAL IMPLICATIONS

10.1 None

11.0 EQUALITIES IMPLICATIONS

11.1 None

11.2 Equality Impact Assessment (EIA)

(a) Is an EIA required? No

(b) If 'yes', has one been completed?

12.0 CARBON REDUCTION IMPLICATIONS

12.1 No issues arising

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 No issues arising

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APPENDICES

Appendix One Key Principles non-consolidated Pay Award 2011/12

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|--|--------------|
| Local Paid Wirral Council Workers – Pay Increase | 18 July 2011 |
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