

**COLCHESTER CITY COUNCIL
CABINET
22 NOVEMBER 2023
SUPPLEMENTARY AGENDA**

Part A

(open to the public including the media)

2. Urgent Item

The Chair has agreed to take the following item as an urgent report. The urgency arises from the need to resolve the pay dispute following a vote for industrial action and to ensure that staff receive the pay award due for 2023/24 promptly.

The Chair of the Scrutiny Panel has agreed the submission of this report to this Cabinet meeting despite it being a key decision which was not possible to include on the Forward Plan of Key Decisions.

Resources

Revised Pay Award 2023 - 24

Cabinet will consider a report setting out the revised pay offer to Council staff from 1 April 2023 (page 2).

8(i) Officer Pay Policy Statement 2023-34

This report is withdrawn and a revised report will be submitted to the meeting of the Cabinet in January 2024.



Cabinet

Item
2

22 November 2023

Report of Chief Executive

Author Jessica Douglas.
Head of People

Title Revised Pay Award 2023 - 24

Wards affected Not applicable

1. Executive Summary

- 1.1 This report sets out the revised pay offer to council staff from 1 April 2023.
- 1.2 The 2023-24 pay award was negotiated on local terms. This offer was not acceptable to UNISON who subsequently balloted their members who voted not to accept the pay offer and to strike.
- 1.3 Since the pay offer was rejected the City Council as employer have agreed in principle to apply the NJC pay award of £1925 for each spinal column point for permanent and fixed term contract staff backdated to 1 April 2023. This amounts to an additional cost of £600k.

2. Recommended Decisions

- 2.1 To agree to apply the National Joint Council (NJC) £1925 pay increase on all spinal column points from 1 April 2023.
- 2.2 That the cost of £600k to fund the pay award be met from reserves.

3. Reason for Recommended Decision

- 3.1 The National Joint Council (NJC) pay award for 2023-24 has recently been agreed and represents a significantly higher pay increase than the offer made to Council staff locally.
- 3.3 To resolve the pay dispute and to award staff a pay increase in line with NJC.
- 3.4 As a good employer, the council acknowledges the impact of the increase in the cost of living on its employees and believes the decision to increase pay will support staff to cover their living costs. It will support staff retention and allow the continuation of the delivery of critical services.

4. Alternative Options

- 4.1 To not apply the NJC pay award 2023-24 to the council's pay scales. In this eventuality UNISON members indicated that they would take industrial action in form of strike action thereby severely impacting council core services to its residents.

5. Background Information

5.1 The Council currently negotiates pay with UNISON at a local level. The 2023-24 made a pay award offer for:

- £1,000 increase on spinal column points 14 - 42
- A one-off unconsolidated £500 lump sum to all staff on spinal column points 14 -42
- Changes to spinal points for the lowest paid.

5.2 This was rejected by UNISON members and UNISON balloted their members for strike action. The result of the ballot of their members for strike action was:

- Percentage of votes cast 66% - meets the threshold of 50%
- Percentage of members who voted yes to strike - 49% - meets the 40% threshold.

Accordingly, the required thresholds for industrial action were met.

5.3 The UNISON regional negotiator stated that the only pay deal UNISON would be prepared to recommend to its members to accept was the NJC pay offer of £1925 added to all pay scales.

5.4 The Council as a good employer wants to resolve the pay dispute and ensure that staff receive the pay award due for 2023/24 promptly. Whilst the original pay offer was funded within the agreed current year's budget, the offer to pay the NJC award results in an in -year pressure of £600k that will be required to be funded by use of reserves.

5.5 The pay award creates a significant pressure on the in year and future years' budget and officers are looking at ways to mitigate these increased costs. The Council will do everything to mitigate the impact on services to residents and staffing levels. There are currently no specific proposals to fund the cost in future years. Funding will therefore need to be determined in setting the Council's 2024/25 revenue budget.

6. Equality, Diversity and Human Rights implications

6.1 The proposed pay award will be applied equally to staff on all spinal column points. There will not be any detrimental impacts in relation to gender, gender reassignment, disability, sexual orientation, religion or belief, age and race/ethnicity.

7. Strategic Plan References

7.1 Staff play a key role in delivering the themes and priorities in the Strategic Plan. This revised pay award is put forward as a fair agreement that recognises the current economic climate and cost of living challenges.

8. Consultation

8.1 The proposal to pay the NJC pay award follows a pay negotiation process with UNISON on behalf of their members.

9. Publicity Considerations

- 9.1 This decision may generate some public and press interest. We will respond to enquiries about it by setting it in the context of our overall budget position.

10. Financial implications

- 10.1 Financial Regulation 3.6.6 covers authority to exceed an approved budget. It states:

Any proposal which, if adopted, is likely to involve expenditure or future commitments not provided for in the existing revenue budget shall be the subject of a special report to the Cabinet. This report shall detail all the financial consequences and state whether sufficient financial provision is available in the budget for the proposal in current and future years and what action is proposed if such provision is not available.

- 10.2 The general fund impact of the proposed award would be circa £600k in 2023-24, and there would be additional cost in future years.
- 10.3 There is no provision in the 2023-24 general fund revenue budget to revise the pay award. The additional cost would therefore require the use of reserves. The revenue budget is currently reporting a £1.447m overspend at Q2 (28 November 2023 Governance and Audit Committee). This forecast does not allow for the additional cost of the proposed award.
- 10.4 Cabinet has yet to consider proposals to close the budget gap in 2024-25 and future years. The award would increase the budget gap in all years of the MTFP.

11. Other Implications

- 11.1 There are no particular health, wellbeing and community safety, health and safety, risk management or environmental and sustainability implications.