

Council 28th July 2022

Report Title	Virement – Salary Increments 2022/23
Report Authors	Janice Gotts, Executive Director of Finance Janice.gotts@northnorthants.gov.uk

Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Appendices – None

1. Purpose of Report

- 1.1 The purpose of this report is to request approval for a virement which is in excess of £0.5m. In accordance with the Council's Constitution, virements in excess of £0.5m must be approved by Council.

2. Executive Summary

- 2.1 A report was presented to the Employment Committee on 28th June 2022 which set out that the Council has a range of terms and conditions relating to pay for its employees as a result of local government reorganisation. Staff transferring to North Northamptonshire Council on 1st April 2021 transferred on the terms and conditions they were subject to at their predecessor authorities.
- 2.2 Whilst those employees who transferred on nationally agreed pay and terms and conditions, and those who have been appointed to NNC since 1 April 2021 will contractually receive an annual salary increment (subject to being in post for 6 months prior to 1st April 2022 and not being at the top of the corresponding grading structure), those on local terms and conditions or 'other' TUPE terms will not automatically receive a salary increment.
- 2.3. To support the Council's ambition to become an employer of choice and ensure fairness across the organisation, the Employment Committee agreed that all eligible employees receive a salary increment.
- 2.3 This report requests that Council approve the virement from the Council's corporate contingency budget in order to fund the additional payment to staff.

3. Recommendations

3.1 It is recommended that Council:

- a) Approve the use of £1.150m of the contingency budget to fund a salary increment for all eligible employees in 2022/23. This will include staff not at the top of their grade where their protected TUPE terms and conditions of employment have no contractual entitlement to incremental progression as agreed by the Employment Committee at the meeting on 28th June 2022 and as reported to the Executive meeting on 14th July 2022.

Reason for Recommendation

- a) *Following local government reorganisation, employees were transferred under TUPE from predecessor authorities to North Northamptonshire Council on the pay, terms and conditions applicable to them on 31st March 2021. Whilst the majority of our workforce (employees from the D&B's) are on nationally agreed pay, terms and conditions, some are subject to local terms and conditions and do not therefore automatically receive an annual salary increment.*
- b) *It helps the Council to attract and retain staff and recognises their ongoing hard work and contribution in supporting the delivery of the organisation's priorities and services.*
- c) *It supports the Council's corporate aim to become an employer of choice.*
- d) *It is supported by Trade Union colleagues as a positive step for employees.*
- e) *In accordance with the Council's Constitution, virements in excess of £0.5m must be approved by Council.*

(Alternative Options Considered – The Council could decide not to approve the use of the contingency budget to fund a 2022/23 salary increment for all eligible staff, however this would result in salary increments only being awarded to employees who are contractually entitled to them, however the impact on the organisation and the Council's ability to recruit and retain talent would likely be hampered by this decision. Such a decision would not accord with the Council Corporate Plan, which was agreed by full Council.)

4. Report Background

- 4.1 A report was presented to the Employment Committee on 28th June 2022 which set out that the Council has a range of pay and terms and conditions for its employees as a result of local government reorganisation. Staff transferring to North Northamptonshire Council on 1st April 2021 transferred on the terms and conditions they were subject to at their predecessor authorities
- 4.2 All predecessor authorities recognised national pay, terms and conditions, with the exception of Northamptonshire County Council, whereby pay and terms and conditions were determined locally.

- 4.3 Where local authorities recognise national agreements, pay is determined by a negotiating body; the National Joint Council (NJC) for local government services. The NJC is made up of representatives from trade unions and the employers. Under the agreed terms of NJC, employees are entitled to an annual salary increment each year.
- 4.4 In addition, NNC is currently in the process of developing its own pay and grading structure and has already made the commitment to recognise national pay, terms and conditions.
- 4.5 This means that employees who transferred from the district and boroughs have received their increment for this financial year as it is a contractual right. It also means that those employees who have started with the Council and have at least 6 months in role and headroom within their grade, will also receive a salary increment.

5 Issues and Choices

- 5.1 Full Council has delegated authority to the Employment Committee via the Constitution to agree to implement any salary increments for those employees on local terms and conditions.
- 5.2 Employment Committee at the meeting on 28th June 2022 agreed that staff not at the top of their grade where their protected TUPE terms and conditions of employment have no contractual entitlement to incremental progression would receive an increment in 2022/23 and that this would be backdated to 1st April 2022.
- 5.3 The Council has made provision for increments within the 2022/23 budget within the corporate contingency budget and this report seeks the release of these funds to the directorate budgets so the budget and costs are aligned.

6 Next Steps

- 6.1 Subject to approval by Full Council, Human Resources will liaise with Payroll to ensure increments are paid to qualifying employees as soon as possible.

7 Implications (including financial implications)

7.1 Resources and Financial

- 7.1.1 The contingency budget approved by Council at its meeting on 24th February 2022 was £4.750m. The current balance at the end of Period 2 after allowing for salary increments is £2.950m.

7.2 Legal and Governance

7.2.1 In accordance with the Council's Constitution the virement request requires Council approval as it exceeds £0.5m.

7.3 Relevant Policies and Plans

7.6.1 The Council is committed, within its Corporate Plan 2021-2025, approved by full Council on 1 December 2021, to invest in and value its staff to become an employer of choice.

7.4 Risk

7.4.1 No specific risks.

7.5 Consultation

7.5.1 The Council continues to hold regular meetings with recognised Trade Unions.

7.6 Consideration by Executive Advisory Panel

7.6.1 Not applicable.

7.7 Consideration by Scrutiny

7.7.1 Not applicable.

7.8 Equalities Implications

7.8.1 By ensuring those employees who are subject to local terms and conditions receive the same entitlement to salary increments as their colleagues who benefit from national pay agreements, this will ensure that the Council does not have a two-tier workforce and that all employees are treated in an equal way.

7.9 Climate Impact

7.9.1 Not applicable.

7.10 Community Impact

7.10.1 Not applicable.

7.11 Crime and Disorder Impact

7.11.1 Not applicable.

8 Background Documents

7.1 North Northants Council's Corporate Plan
<https://www.northnorthants.gov.uk/corporate-plan>

7.2 Report to the Employment Committee 28th June 2022
<https://northnorthants.moderngov.co.uk/documents/s9602/Salary%20Increments%202022.pdf>