

Employment Committee 20th March 2023

Report Title	Salary Increments 2023
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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
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

List of Appendices

None.

1. Purpose of Report

- 1.1 To seek agreement by the Committee to apply salary increments to eligible employees on locally determined terms and conditions which were protected at the point of transfer to North Northamptonshire Council.

2. Executive Summary

- 2.1. 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.
- 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 2023 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 Councils ambition to become an employer of choice and ensure fairness across the organisation, it is proposed that all eligible employees receive a salary increment as outlined in the recommendations.

3. Recommendations

3.1. It is recommended that the Employment Committee approves:

- (a) the payment of salary increments for the 2023 financial year to eligible North Northamptonshire Council employees (not currently at the top of their pay grade), whose protected TUPE terms and conditions of employment have no contractual entitlement to incremental progression.

3.2. *(Reason for Recommendations –*

- 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. This recommendation therefore supports a fair and transparent approach to pay and reward.*
- 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 June 2022, the council agreed to pay increments for the financial year 2022 (backdated to April 2022) to employees on TUPE terms and conditions, who were not contractually entitled to receive them. This was extremely well received by employees.*

3.3. *(Alternative Options Considered – The Council could only award salary increments 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. As a result of Local Government Reorganisation, North Northamptonshire Council came into being on 1st April 2021. The predecessor authorities of Corby Borough Council, Borough Council of Wellingborough, East

Northamptonshire District Council, Kettering Borough Council and Northamptonshire County Council were abolished.

- 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 already 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.
- 4.6. Whilst this accounts for the majority of our workforce, it does mean that ex-NCC and employees on other TUPE terms have not received an increment.

5. Issues and Choices

- 5.1. Due to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), North Northamptonshire Council has a complex workforce, with employees working on different pay, terms and conditions, depending on which authority they transferred from.
- 5.2. New employees appointed from 1 April 2021, and those who have moved into new roles following a restructure, have been given new NNC contracts, which included a contractual entitlement to annual increments. The second phase of this work to establish the new pay and grading structure and a full set of terms of conditions for NNC is currently underway and consultation and negotiation with our recognised Trade Unions is ongoing. Full Council will consider the finalised pay structure and terms and conditions later in 2023.
- 5.3. Whilst this will provide the Council with agreed terms and conditions for North Northamptonshire, it will not automatically follow that all employees will move immediately onto these new pay, terms and conditions (harmonisation) and it is likely therefore that the Council will have employees who will be subject to different terms and conditions for some time.
- 5.4. Contractual increments will be paid for all eligible employees who TUPE transferred under National "Green Book" in April 2023 as per contractual entitlements.

- 5.5. The Council does not yet have its pay and grading structure in place, however, new starters since 1 April 2021, employed directly by North Northamptonshire are contractually entitled to an increment, subject to eligibility. These will be paid in the April 2023 pay-run.
- 5.6. Recruitment and retention of talent is becoming increasingly challenging for the public sector and therefore the actions the Council is taking to become an employer of choice is key to ensuring that the Council has the right talent to deliver excellent services for North Northamptonshire. Whilst there are a number of reasons why employees will choose to work for the Council, pay and reward will be an important element as will the delivery of the Council's commitment to treat all staff equitably.
- 5.7. The Council has committed to becoming an employer of choice and recognises the importance of ensuring fairness across the organisation. It is therefore proposed that those employees who are subject to local terms and conditions receive the salary increment (subject to eligibility) 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.
- 5.8. Whilst the alternative option is to only pay increments to employees who are contractually entitled to receive them, the impact on the organisation and the Council's ability to recruit and retain talent will likely be hampered by this decision.
- 5.9. In June 2022, the council took the decision to award increments for the year 2022 to all eligible staff, regardless of their contractual entitlement. This was extremely well received by staff.
- 5.10. Steps such as incremental progression will assure staff that the Council is committed to making sure that there is pay equality and fairness throughout the organisation and that NNC is an organisation that they want to stay and work for. This decision is therefore key to the retention of staff within North Northamptonshire Council.
- 5.11. A decision not to pay increments would not align with the Council Corporate Plan, which was agreed by Full Council.

6. Next Steps

- 6.1. Subject to approval by the Employment Committee, Human Resources will liaise with Payroll to ensure increments are paid to qualifying employees in April 2023 payroll.

7. Implications (including financial implications)

7.1. Resources and Financial

- 7.1.1. The financial impact of awarding salary increments to eligible employees who do not have a contractual entitlement is £350,000.
- 7.1.2. The cost of the proposed pay changes will be met from within Council resources, using funding set aside within the corporate contingency as part of the budget setting.

7.2. Legal and Governance

- 7.2.1. 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.

7.3. Relevant Policies and Plans

- 7.3.1. 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. There are no significant risks arising from the proposed recommendations in this report.

7.5. Consultation

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

7.6. Equality Implications

- 7.6.1. 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.

7.7. Climate Impact

- 7.7.1. Not applicable.

7.8. Community Impact

- 7.8.1. Not applicable.

7.9. **Crime and Disorder Impact**

7.9.1. Not applicable.

8. Background Papers

8.1. [North Northamptonshire Council - Corporate Plan 2021-2025](#)