

## London Borough of Bromley

Report No.

PART I – PUBLIC

Agenda Item No.:

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**Decision Maker:** General Purposes & Licensing

**Date:** 8<sup>th</sup> February 2022

**Decision Type:** Non-Urgent Non-Executive Non-Key

**TITLE:** 2022/23 PAY AWARD

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**Ward:** N/A

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### 1. REASON FOR REPORT

- 1.1 Under the local terms and conditions of employment framework, the General Purposes & Licensing Committee (GP&L) is required to make a recommendation on pay awards to Full Council.
  - 1.2 Pursuant to the local framework, the annual pay award review is now part of the Council's budget planning process. This requirement is a key driver for coming out of the national/regional pay negotiating frameworks.
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### 2. RECOMMENDATION(S)

- 2.1 **Members are asked to recommend that Full Council approve the following:**
  - (i) **A flat 2.25% pay increase for all staff (excluding teachers who are covered by a separate statutory pay negotiating process)**
  - (ii) **An additional £100k towards Merited Rewards, for 2022/23, bringing the total to £300k for rewarding staff for exceptional performance.**
  - (iii) **That the Trade Unions' pay claim for staff be rejected (see para 3.8 below and attached Appendices)**
- 2.2 **Members also note that, as in the previous years since coming out of the nationally/regionally negotiated frameworks, Bromley staff will receive the 2022/23 pay increase in time for the April pay.**

### Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Excellent Council
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### Financial

1. Cost of proposal: £1.8m
  2. On-going costs: £1.7m
  3. Budget Head/Performance Centre: Staffing budgets across the council
  4. Total current budget for this Head: £76m
  5. Source of Funding: Central contingency
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### Staff

1. Number of staff (current and additional): All Council staff, except teachers.
  2. If from existing staff resources, number of staff hours:
- 

### Legal

- 1) Legal Requirement: Non-Statutory Requirement
  - 2) Call In: Call in is not applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected)
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### Ward Councillor Views

- 1) Have Ward Councillors been asked for comments: N/A
- 2) Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

3.1 The Council formally adopted a local terms and conditions of employment framework for its staff, except teachers, on 12<sup>th</sup> November 2012. The key elements of the localised arrangements are as follows:

- Locally determined annual pay award for all staff, except teachers, aligned with the annual budget setting process;
- Merited reward (non-consolidated/non-pensionable) for exceptional performers;
- Any pay increases, including increments and pay awards linked to satisfactory performance for all staff, not automatic.

3.2 The Council continues to face financial challenges going forward and although there is a broadly balanced budget next year and a good local government finance settlement has been received, this has to be considered against the context of significant cost/growth pressures, higher inflation, increase in employer's national insurance costs and the ongoing impact of Covid. The Council's approach to this pressure and the challenges and opportunities it faces to balance the budget is comprehensively addressed in the report 'Draft 2022/23 Budget and Update on Council's Financial Strategy 2023/24 to 2025/26' to Executive on 12<sup>th</sup> January 2022. A copy of the report can be found at the following link:

[\(Public Pack\)7. Draft Budget 2022/23 Agenda Supplement for Executive, 12/01/2022 19:00 \(bromley.gov.uk\)](#)

3.3 Delivering sustainable finances is increasingly important during a period of national and international economic issues which creates uncertainty over the longer term. This has been further exacerbated by the Covid-19 Pandemic and additional pressures on Public Sector finances.

3.4 In order to continue to provide services in the longer term the Council will need to continue to provide priority services, radically transform existing service provision, release the necessary revenues, increase council tax income, continue to explore investment opportunities and mitigate against the cost pressures currently being forecast. The Transforming Bromley Agenda seeks to address these issues.

3.5 Against this background, the Council proposed for staff and Trade Union consultation purposes a flat 2.25% pay award increase for all staff, except teachers who are covered by a separate statutory pay negotiating process.

3.6 In addition to this and in recognition of the hard work of staff, especially during the Covid-19 Pandemic, the Council proposed an additional £100k towards Merited Rewards, increasing the amount to £300k for 2022/23.

3.7 The proposal was communicated on behalf of the Director of HR, Customer Services & Public Affairs to all staff on 13<sup>th</sup> February 2022 and the Unions, comprising Unison, GMB and Unite branch and regional officers were also advised. At the time of writing the report feedback is still being gathered. The initial reaction from the unions is not favourable compared to the positive and realistic response from the Departmental representatives. Whilst both stakeholders recognised the rising

inflation rate currently at 5.4% (CPI), the Departmental representatives unlike the unions accepted that the Council's offer of 2.25% was reasonable in the current unprecedented financial climate

- 3.8 This year, a joint claim was submitted on behalf of GMB, Unison and Unite. The Unions' claim is as summarised below (Management's response is indicated in italics) A full copy of the claim and supporting documentation can be found at Appendix A.

- A 10% across the board uplift with a follow through to all allowances / rates

***National pay talks are still ongoing for 21/22 with the final offer at 1.75% compared to the 2% already implemented at Bromley for 21/22. Whilst the previous years pay award has still not been settled nationally, there are no proposals for the 22/23 pay award.***

***The proposed Bromley pay award of 2.25% is likely to match or exceed that being considered by other LG employers. The unions' 10% pay claim would cost the Council £7.6m. A 10% pay claim does not reflect the on-going unprecedented pressures from the Covid-19 Pandemic.***

***The latest figures from the Office for National Statistics (ONS) currently report RPI at 7.5% and CPI at 5.4% however, the pay offer has to be seen in the wider context of the pressures on Public Sector Finances.***

- A £2000 home working lump sum. This to be uprated each year in line with the percentage pay rise.

***Since the beginning of the Covid-19 Pandemic, various support has been made available including laptops and IT goody bags to support agile working, desks and chairs made available where required, mental health support and wellbeing initiatives and online training and support.***

***The Council's commitment to hybrid and agile working is very clear as stated in the Transforming Bromley Workplace Modernisation Programme. Therefore, as we ease back to the workplace following the easing of the coronavirus restrictions, staff can work smartly in a mixed arrangement including a combination of home and office working or wholly from the office, subject to the desk to staff ratio (50/50 or 60/40) being considered as part of the Council's asset management review***

- A £500 Covid Hazard payment for all staff who have not been able to work from home due to the nature of the role.

***As a public health authority, we take the wellbeing of all of our employees seriously. Rapid Testing is available to staff and contractors, relevant PPE is available, where applicable, and vast work has been undertaken to ensure office areas are Covid secure. Our comprehensive Returning to the Workplace Staff Handbook was also produced and made available to all staff which can be found here***

***<https://lbbstaffhandbook.guide/>***

- A commitment to discuss a reduction in the working week with no loss of pay.

***There are no plans to look at a reduction of the standard working week***

***However, we are committed to giving serious consideration to requests for flexible working arrangements. This includes 'compressed weeks' where staff work their usual 5-day week hours over the course of 4 days. We already have a number of colleagues working under these arrangements.***

- A phased increase of annual leave by 5 days

***There are no plans to increase the minimum entitlements for annual leave. The minimum leave in the Council is 24 plus the 8 statutory bank holiday, rising to 30 for long standing employees with 5 years or more service. This compares very favourably with the leave provisions both in the private and public sector.***

***In addition, employees are given a discretionary additional concessionary day during the Christmas period.***

- A further review of the pay and grades structures following previous realignment and removal of the lowest bandings to achieve headroom above the Living Wage (National Minimum Wage) and the Foundation Living Wage (London Living Wage);

***One of the key principles of adopting a local pay framework allows democratically elected Members/Councillors to determine staff pay and terms and conditions based on a number of factors including affordability and local benchmarks. In 2020/21, the Council removed the equivalent of lower spinal points up to and including spinal point 8.***

- An additional increase in rates for staff at the bottom of the pay scale to bring their pay up to the level of the Foundation Living Wage (London Living Wage) which is currently set at £11.05 per hour for 2021-22 (£10.85 for 2020);

***Although The London Living Wage is not a statutory requirement, the proposed 2.25% increase would bring the lowest hourly rate at Bromley to £11.06 p.h.***

- A review of payments and consideration of improvements to conditions in relation to additional components such as unsocial hours, gender pay, terms for working parents, and adjustments to hours;

***Bromley will be meeting its statutory obligation to publish its gender pay information and continues to seek to address the gap. At present there are a number of women employed in senior management positions within the Council. Bromley also has a range of flexible working and benefits for working parents. Bromley's pay arrangement is equality compliant.***

- Special London Allowance for Residential Staff (should this apply) in accordance with the GLPC agreement (for reference, the agreed rate from 1 April 2020 was £1,200, the 2021 rate is awaited);

***This is not applicable to any Bromley staff***

- Planned overtime rates in line with the GLPC recommendations for 2022-23 (see paragraph 2.4 of the Gold Book for guidance on the application of these rates);

***Contractually, staff that carry out planned overtime can be reimbursed as time off in lieu or overtime based on the agreed rates under the localised terms and conditions of employment.***

- An agreement with the joint unions on behalf of staff in relation to the management of workloads across the Council;

***The Council recognises the need to ensure an adequate work life balance for its staff and empowers its managers and staff to ensure that this happens. Monitoring by Senior Management helps to reinforce this best practice. The introduction of a formal workload agreement between the Council and the Trade Unions is not therefore required.***

- Unions are asking the Council, as a non-NJC employer, to look again at their arrangements in the light of new national pay structures as they are forthcoming;

***Bromley Council previously adopted localised terms and conditions giving democratically elected Members/Councillors the ability to determine staff pay and terms and conditions based on a number of factors including affordability and local benchmarks.***

***The situation at the national/regional level for 21/22 remains unsolved let alone the 22/23 pay award. The proposed Bromley pay award of 2.25% is likely to match or better that being considered by other LG employers as well as being implemented for April 2022.***

**How does the Council's 2022/23 pay award increase offer compare?**

- 3.9 The National Joint Council (NJC) is yet to agree its pay deal for 21/22. The National Employers for Local Government had put forward a full and final pay settlement for April 2021 of 1.75% on all NJC pay points 2 and above (2.75% for point 1). The unions have rejected the National Employers' full and final one-year pay offer and have confirmed the timetable for industrial action ballots.
- 3.10 The Council will continue to monitor staff recruitment and retention and where appropriate additional pay including the use of market supplements and any other proportionate responses will be adopted e.g. hard to fill and retain posts in children/adult services. Since coming out of national terms & conditions, Bromley's pay remains competitive for all occupations.

**4. Public & Private Sector pay forecast 2022/2023**

- 4.1 In November 2020, the Chancellor imposed a freeze on public sector pay rises. In October 2021 it was announced that the pause on public sector pay would be lifted from April 2022.

- 4.2 Private sector pay rises are expected to be in the region of 2.5% in 2022 according to the Chartered Institute of Personnel and Development (CIPD).
- 4.3 The Council continues to operate in an economic climate of national financial uncertainty whilst having to face enormous pressures to deliver services where demand for growth is high particularly in relation to care services to vulnerable children and adults. This is also set against the backdrop of global financial impact and uncertainty due to the ongoing Covid-19 Pandemic.
- 4.4 The Council will continue to respond positively and flexibly to the labour markets regarding critical skills and hard to recruit and retain posts, in particular by offering enhanced packages if appropriate. Staff employed by the Council are also able to access the “Real Benefits” Scheme. Through the scheme the Council has negotiated favourable discounts with a range of retailers in Bromley. Accessing these benefits maximises the opportunity for employees to save on everyday living costs and staff feedback in this respect has been very positive.
- 4.5 Additionally, the Leader, the Portfolio Holder for Resources and their Cabinet colleagues and the Chairman of General Purposes and Licensing Committee are still committed to the Merited Pay Reward scheme for exceptional performers
- A separate amount of £200k for Merited Award vouchers for exceptional performers has been set aside and in 2022/23 a proposed one off increase to bring this to £300k. In 2021/22 a total of 484 awards ranging from circa £250 to £1,000 were awarded to staff. Also, a total of 162 mini rewards circa £50 (average) were awarded to staff.
  - Members have also reiterated their commitment to Staff Training and Development including the Graduate Internship Scheme and the Apprenticeship Levy.
  - Every year the Council recruits graduate interns and many of them have been promoted into permanent senior positions in the organisation. In terms of the Apprenticeship Levy, HR is developing a plan to use the levy to upskill existing staff in the organisation partly to address areas of recruitment and retention difficulty.

## **5. POLICY IMPLICATIONS**

- 5.1 As stated in paragraph 3.1 above, the annual pay award review is one of the key drivers for adopting the localised terms and conditions of employment framework for staff, except teachers. It enables the Council to set its own pay award free from nationally/regionally negotiated arrangements, usually divorced from local pressures and circumstances.
- 5.2 Aligning the pay review process with the budget setting process means that the cost of the pay increase is not viewed in isolation from the other significant cost pressures impacting on the Council's overall budget

## **6. FINANCIAL IMPLICATIONS**

- 6.1 A 2.25% increase to all staff as detailed in recommendation 2.1 (ii), will cost the Council £1.7m p.a. The proposed increase of £100k in Merit Reward payments would be a non-recurring cost in 2022/23 only.
- 6.2 The Council continues to face an underlying 'budget gap' as identified in the 2022/23 Council Tax report to Executive and there remains a need for savings to be identified in future budget choices. Provision for a 2.25% increase has been included in the Draft 2022/23 Budget. The proposed £100k increased cost of Merit Rewards would need to be funded from Central Contingency.

## **7. LEGAL IMPLICATIONS**

- 7.1 As set out in the report, there are no specific implications, including equal pay arising from the proposed pay award recommendations as detailed in para 2.1 above.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 As set out in the report.

<b>Non-Applicable Sections:</b>	
Background Documents: (Access via Contact Officer)	