

EMPLOYMENT COMMITTEE
3 DECEMBER 2015

PAY UPDATE

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose

1. The purpose of this report is to update the Employment Committee in relation to pay. Following discussions at the last meeting about the potential impact of the implementation of the National Living Wage and noting forthcoming pay negotiations, the Committee asked for a high level plan relating to work on pay and reward.

Policy Framework and Previous Decisions

2. The report presented to the Committee on 22 October 2015 outlined the recent and forthcoming changes to pay, particularly those in relation to lower paid staff and also to begin to explore the implications of these changes on the pay structure as a whole.

Review of Pay Structure

3. Strategic Human Resources and Strategic Finance are working jointly to examine the options available to the Council in order to implement the National Living Wage. Particular consideration will be given to:
 - Cost and how this is managed;
 - Pay differentials and how the increase to at least £9 per hour by 2020 will impact upon these.
4. Further exploratory work is being carried out in relation to medium and long term pay and reward objectives and challenges, including:
 - (a) Market analysis, in order to benchmark Leicestershire's pay structure;
 - (b) Considering broadening or merging grades, which may help us to recruit and retain specialist skills, and also provide flexibility to pay market rate salaries for hard to recruit posts;
 - (c) Considering the number of incremental points within each grade;
 - (d) Considering how new ways of working could reduce the overtime bill, for example four days on, four days off rotas and annualised hours contracts. This links into additional work that is being carried out in relation to flexible deployment;
 - (e) Reviewing recruitment and retention initiatives and incentives.

5. This work will be carried out over the next twelve months, whilst monitoring the direction and impact of the national pay negotiations for 2016-17.

Next steps

6. Options in relation to the direct impact of implementing the National Living Wage and also the longer term work will be presented at future Employment Committee meetings.

Recommendation

7. The Employment Committee is asked to note the report.

Background Papers.

Report to the Employment Committee 22 October 2015 - "Pay Update 2016-17"
<http://ow.ly/V11fo>

Circulation under the Local Issues Alert Procedure.

None.

Officer to contact

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Equality and Human Rights Implications

8. Any review of pay will need to take into consideration equal pay issues, and also any other Equality and Human Rights Implications to ensure the policy is fair and non-discriminatory.