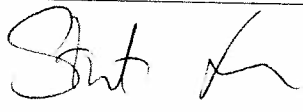


Haringey Council

Report for:	Corporate Committee on 27 September 2012	Item Number:	
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Title:	Approval of a one off lump sum payment of £250 pro rata to staff graded below Sc5 spinal point 25
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Report Authorised by:	 Stuart Young, Interim Head of Paid Service
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Lead Officer:	Steve Davies, Head of Human Resources
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Ward(s) affected: ALL	Report for Key/Non Key Decisions: Non Key Decision
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1. Describe the issue under consideration

- 1.1 To approve making a one off lump sum payment of £250 pro rata to staff earning below the government public sector low pay guide of £21,000.
- 1.2 This report seeks the approval of this payment to all staff graded below spinal point 25 grade Sc5 except those staff in cleaning services and schools which transferred to Academy status in September 2012, because these staff have already been given the payment in August.

2. Cabinet Member introduction

Not applicable

3. Recommendations

- 3.1 That Corporate Committee approve the making of a payment of £250 pro rata to staff graded below Sc5 spinal point 25, excluding staff in Cleaning Services and in Coleraine Park, Downhills, Nightingale and Noel Park primary schools, who have already been paid.

4. Other options considered

Not applicable.

5. Background information

- 5.1 The employee side requested the council consider making a payment of £250 to staff below the government public sector low pay guide of £21,000 back in March 2012. They also want the council to publicise its status as a London living wage employer.
- 5.2 In June 2010 the Chancellor George Osborne said that because he was implementing a two-year pay freeze, public service workers earning less than £21,000 should get a "flat pay rise" of £250. However, no additional funding was provided to local government to pay for this.
- 5.3 For the last 2 financial years there have been no pay awards agreed through the Employers' National Joint Council and in this third financial year the position has remained the same.
- 5.4 This year, due to concerns relating to staff morale and financial hardship a number of London boroughs have agreed to make a payment of £250 to staff.
- 5.5 London Councils conducted a recent survey of boroughs and can confirm information relating to 10 boroughs – 7 making payment and 3 in final discussions awaiting agreement. These are as follows – 7 making a payment - Lewisham, Tower Hamlets, Hackney, Sutton, Lambeth, Islington and Waltham Forest. 3 are in final stages of agreement – Southwark, Richmond and Kingston.
- 5.6 Following consideration of the employee side representations and the potential benefits for staff, leading members of the Council & Employee Joint Consultative Committee have agreed that it would be a good idea to make a payment to staff.

6. Payment proposals

- 6.1 The government's low pay guide of £21,000 per annum takes no account of London Weighting payments, therefore if London Weighting is taken out of the

equation then staff paid on grade Sc5 spine point 24 and below would receive the payment.

- 6.2 It is recommended that payment should be in the form of a single lump sum payment. This is to avoid the need for the council to adopt its own pay spine outside of the London regional pay spine. The payment will be subject to tax, national insurance and pension deductions where applicable.
- 6.3 The number of staff qualifying for the payment across the council would be 1040 (725 full time equivalent - FTE) non schools staff and 1875 (905 FTE) schools staff.

7. Cost of the proposals

- 7.1 Outlined below are tables that show the costs of these proposals for council excluding the cleaning services staff and for schools staff excluding the recent Academy transferred staff in September. The schools cost will be contained within schools via Direct Support Grant and the cleaning services costs via Revenue budgets in the General fund. On costs have been estimated at a composite rate of 20% because not all staff are in the pension scheme, if they were the on costs would be nearer 29%.

7.2 Council costs excluding Cleaning Services.

	Council FTE	Council Cost	Oncost (est 20% - not all in pension scheme)
Misc Grades	0.0	0	£0
SC1A	34.6	£8,639	£10,367
SC1B	105.8	£26,440	£31,727
SC2	57.4	£14,354	£17,225
SC3	298.1	£74,514	£89,417
SC4	183.5	£45,883	£55,059
SC5	41.6	£10,408	£12,490
UQ TEACH	1.0	£250	£300
Total	725.2	£181,310	£217,573
Cleaning Services	43.8	£12,268	£14,721
Total costs excl Cleaning staff	681.4	£169,042	£202,852

7.3 Costs in Schools excluding staff transferred to Academies

	Schools FTE	Schools Cost	Oncost (est 20% - not all in pension scheme)
Misc Grades	13.2	£3,298	£3,957
SC1A	78.7	£19,670	£23,604
SC1B	132.0	£33,007	£39,609
SC2	34.5	£8,636	£10,364
SC3	94.5	£23,629	£28,354
SC4	435.8	£108,957	£130,749
SC5	92.1	£23,021	£27,626
UQ TEACH	23.7	£5,925	£7,110
Total	904.6	£226,144	£271,373
Recent Academies staff	68.2	£17,061	£20,474
Total Costs excl Academies staff	836.4	£209,083	£250,899

8. Comments of the Chief Finance Officer and financial implications

- 8.1 In respect of the call on the General Fund revenue budget Members should note that budgetary provision has been made for such a payment.
- 8.2 In respect of Schools DSG funding the amounts in individual schools based on staff profiles indicates they should be relatively minor and manageable within their overall budget shares.

9. Head of Legal Services and legal implications

- 9.1 The Head of Legal Services has been consulted on the content of this report. Section 112 of the Local Government Act 1972 provides that the Council can determine the reasonable pay and benefits of its employees. This recommendation falls within the statutory powers set out in Section 112.
- 9.2 Further legal comments are contained in the exempt information report attached at Appendix A.

10. Equalities and Community Cohesion Comments

This report seeks to make a payment to staff in grades Sc5 and below. There tends to be higher proportions of women, black, asian and minority ethnic staff and part time workers in these grades. This is a positive impact on these groups and there are no adverse impacts arising out of the proposal.

11. Head of Procurement Comments

Not applicable

12. Policy Implications

Not applicable.

13. Use of Appendices

Appendix A: Exempt Information - **not for publication**

14. Local Government (Access to Information) Act 1985

No documents that require to be listed were used in the preparation of this report.

