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Dear Councillor,

07 July 2022

You are requested to attend a meeting of the **HUMAN RESOURCES COMMITTEE** to be conducted in the Pannett Gallery, on **Tuesday 12 July 2022 at 4:30pm**, the agenda for which is set out below.



Michael King
Town Clerk

To: Cllrs Mrs H Coughlan, R Dalrymple, G Goodberry,
J Harston, S Smith, Mrs L Wild and Mrs N Wilson

NOTICE OF MEETING – Public notice of the meeting is given in accordance with schedule 12, paragraph 10(2) of the Local Government Act 1972.

AGENDA

1. **ELECTION OF CHAIR**
To elect a chair for the ensuing year.
2. **APOLOGIES FOR ABSENCE**
To receive and resolve upon apologies for inability to attend.
3. **ELECTION OF VICE-CHAIR**
To appoint a Vice-Chair for the ensuing year.
4. **DECLARATION OF INTERESTS AND REQUESTS FOR DISPENSATION**
To declare any interests which members have in the following agenda items.
5. **TO CONSIDER ACTIONS REQUIRED IN ACCORDANCE WITH THE TERMS OF REFERENCE AT THE FIRST COMMITTEE MEETING OF A NEW COUNCIL YEAR.**
 - a. Confirmation of the accuracy of the minutes of the last meeting of the Committee held on 22 February 2022
 - b. Review of the terms of reference of the committee.
 - c. Review of delegation arrangements to employees
 - d. Review and adoption of appropriate standing orders, financial regulations, policies and procedures relating to the functions of the Committee.
 - e. Review of the anticipated Committee workload.

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Members will note that these items were reviewed at the last meeting in February and that it is **recommended** that the resolutions of that meeting are carried over to the end of the council year in respect of items b-e.

6. PUBLIC PARTICIPATION

Standing Orders will be suspended for up to 15 minutes to allow for questions or statements about business items on the agenda, submitted by members of the public (limited to 3 mins per person).

7. UPDATE ON 2021/22 and 2022/23 PAY AWARDS

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8. EXCLUSION OF PRESS AND PUBLIC (IN RESPECT OF ITEM 9, BELOW – IF REQUIRED)

To consider a motion – That, under the provisions of the Public Bodies (Admission to Meetings) Act 1960 §1(2), the press and public be excluded from the meeting during consideration of the matter referred to at item 11 below, due to the confidential nature of the business to be transacted.

9. STAFFING

To consider any confidential matters in respect to any individual members of staff.

WHITBY TOWN COUNCIL

Minutes of the meeting of the **HUMAN RESOURCES** Committee held on Tuesday 22 February 2022 in Pannett Art Gallery at 4:30pm.

Present Councillors Mrs N Wilson (Chair), R Barnett, R Dalrymple, Mrs H Coughlan, G Jackson, S Smith and Mrs L Wild.

Also M King, Clerk & Mrs A Cowey, Deputy Clerk

NOTICE OF MEETING – Public Notice of the Meeting was given in accordance with Schedule 12, paragraph 10 (2) of the Local Government Act 1972.

HR179/22 ELECTION OF CHAIR

MOVED Councillor Mrs L Wild, seconded by Councillor R Dalrymple

RESOLVED that Councillor Mrs N Wilson is elected Chair of the Human Resources Committee until the next Annual Meeting of Council.

HR180/22 APOLOGIES FOR ABSENCE

There were no apologies for inability to attend

HR181/22 ELECTION OF VICE-CHAIR

MOVED by Councillor Mrs N Wilson, seconded by Councillor Mrs L Wild

RESOLVED that Councillor R Dalrymple is appointed Vice-Chair of the Human Resources Committee until the next Annual Meeting of Council

HR182/22 DECLARATION OF INTEREST AND REQUESTS FOR DISPENSATION

No declarations of interests or requests for dispensations were received.

HR183/22 TO CONSIDER ACTIONS REQUIRED IN ACCORDANCE WITH THE TERMS OF REFERENCE AT THE FIRST COMMITTEE MEETING OF A NEW COUNCIL YEAR.

a) Confirmation of the accuracy of the minutes of the last meeting of the Committee held on 24 November 2020

MOVED by Councillor Mrs H Coughlan, seconded by Councillor Mrs L Wild

RESOLVED that the minutes of the of the Human Resources Committee held on the 24 November 2020 be taken as read and confirmed as a correct record and signed by the Chairman 1 Abstention

- b) Review of the terms of reference of the committee.
- c) Review of delegation arrangements to employees
- d) Review and adoption of appropriate standing orders, financial regulations, policies and procedures relating to the functions of the Committee.
- e) Review of the anticipated Committee workload.

MOVED by Councillor G Jackson, seconded by Councillor Mrs H Coughlan

RESOLVED that items b-e are taken on block, received and approved.

STANDING ORDERS SUSPENDED

HR184/22 PUBLIC PARTICIPATION SESSION

No public participation

STANDING ORDERS REINSTATED

HR185/22 UPDATE ON PAY AWARDS 2021/2022

Members received a report on the 2021/22 pay awards and the advice from the National Association of Local Councils

MOVED by Cllr Mrs L Wild, seconded by Cllr S Smith and

RESOLVED unanimously that staff on SCP1 or SCP2 are paid at an hourly rate of £9.50 from 1 April to comply with the legislation on the National Living Wage, whilst the outcome of the 2021 pay awards are pending.

HR186/22 PERFORMANCE APPRAISALS

The Town Clerk reported on the completed two rounds of performance appraisals. Objectives have been agreed with the relevant staff and will be monitored.

MOVED by Cllr G Jackson, seconded by Cllr R Dalrymple

RESOLVED unanimously that delegation is given to the Chair to carry out the Town Clerks performance appraisal.

HR187/22 ESTABLISHMENT OF POST – MAINTENANCE SUPERVISOR

Councillors discussed the proposed job brief including responsibilities and requirements for the post of Maintenance Supervisor.

MOVED by Councillor Mrs L Wild, seconded by Councillor R Dalrymple

RESOLVED that a) the job brief be sent to Ellis Whittam the Town Councils Employment Advisor and advice sought, and
b) the requirements within the job Brief include a driving Licence and access to a car

HR188/22 EXCLUSION OF PRESS AND PUBLIC (IN RESPECT OF ITEM HR189, BELOW)

MOVED by Cllr S Smith, seconded by Cllr G Jackson and

RESOLVED unanimously that under the provisions of the Public Bodies (Admission to Meetings) Act 1960 §1(2), the press and public be excluded from the meeting during consideration of the matter referred to at item HR189, below, due to the confidential nature of the business to be transacted.

HR189/22 STAFFING

Staff can only carry 5 days holiday over into the next financial year. Due to workloads caused in part by the corona virus, office staff have accrued a large number of holidays over the last two years.

MOVED by Cllr S Smith, seconded by Cllr Mrs H Coughlan and

RESOLVED unanimously that with staff agreement they carry over 5 day and any outstanding holidays at the end of March 2022 are paid.

MOVED by Councillor R Dalrymple, seconded by Councillor G Jackson

RESOLVED unanimously that the hours given to event organisation is monitored

Update on 2021/22 Pay Award and 2022/23 Pay Negotiation

On 2 March 2022, The National Association of Local Councils was informed that the National Joint Council for Local Government Services (NJC) agreed the new rates of pay applicable from 1 April 2021. They stated that Employers were encouraged to implement this pay award as swiftly as possible. The scales were revised and back-pay was paid in the March 2022.

In May, the Employers' Secretary to the NJC wrote to principal council chief executives with the following update:

19 May 2022

Dear Chief Executive,

The three local government unions (UNISON, GMB and Unite) are expected to lodge their pay claim for 2022-23 at the end of this month, which you will note will be almost two months beyond the usual pay award implementation date of 1 April.

Because the National Employers are conscious of councils' frustration at the time it took to settle the 2021 pay round, they have written to the unions expressing their hope that we can all work together in the forthcoming negotiations to avoid another lengthy process. The employers have also sought reassurance from the unions that they will engage constructively and agree from the outset to be bound by the eventual outcome, in accordance with the provisions of the NJC's Constitution.

The employers of course respect that each of the unions has its own processes to adhere to and that any member consultations they conduct will take as long as is deemed necessary by their national committees. However, the employers have asked the unions to make every effort to try and synchronise as much as possible the dates and duration of their respective consultations.

Employer regional pay consultation briefings have been arranged to take place (virtually) in each of the nine English regions, Wales and Northern Ireland between 14 and 27 June. It is vital that every council is represented at these meetings by senior elected members and senior officers. Please contact your regional employer organisation for details of the event in your area.

As well as seeking views on the unions' pay claim, the briefings will build on the themes set out previously in the **employer circular dated 2 February**, which itself was the basis for the regional briefings held in March.

There could not be a better example of the challenge we face from the proximity of the National Living Wage (NLW) to the bottom of the NJC pay spine, than the fact that since the March briefings the Low Pay Commission (LPC) has revised upwards its forecasts for the NLW in 2023 and 2024:

“Although our recommendations in the autumn will be subject to Commissioners' assessment of economic conditions, our current best estimate for the on-course NLW rate in April 2023 is £10.32, within a range of £10.14 - £10.50. **Our current best estimate of an NLW set at two-thirds of median earnings for those aged 21 and over in 2024 would be £10.95 within a range of £10.58 - £11.33.** These are based on the latest wage growth forecasts, but actual wage growth may turn out higher or lower, and we will update these ranges in the summer based on changing forecasts. We will publish a report, to coincide with the increase in NLW and NMW rates, setting out this pathway in more detail”

This forecast is the highest rate yet predicted for the NLW in 2023 and 2024 and there is no guarantee it won't rise further, due to the ongoing economic volatility, potential impact of the international context and expected further increases in the rate of inflation.

Prior to this, we had been working on an assumption (which we shared at the March briefings) that the NJC's bottom pay points would need to rise to around £10.25 in 2022 and £11 in 2023 to provide some headroom, if the forecasts came in at the top of the ranges we had seen over the previous two years. It is clear that both of these figures are now inadequate as targets and will likely change again during the pay negotiation process.

The problem for the NJC is caused less by in-year comparisons but more the practicalities of when the government announces the increase to the NLW for each forthcoming April (usually in October / November) and the NJC's negotiating timescales, which, as is currently evident, almost always run past the usual implementation date of 1 April due to the timing of the local government funding settlement, trade unions' pay claim, the consultation process and sometimes the electoral timetable.

Even if we were to do just the bare minimum required to simply remain compliant with NLW legislation and allowing for forecasts to jump again beyond the LPC's latest projections, but nothing else (in terms of a 'normal' pay award), we would need to do the following:

- A bottom rate of £10.50 in 2022 would require deleting SCPs 1-5
- A bottom rate of £11.50 in 2023 would require deleting SCPs 6-10
- Not allowing for any increase on any other SCPs or any restoration of differentials

This would result in:

- 35 per cent of the entire FTE workforce on the new bottom pay point
- Cost in the region of £366m (2.41 per cent on national payroll) over the two years from 2022

Of course, this scenario is completely unworkable from the point of view of operating a pay structure; would severely compromise managerial hierarchies and would take up the majority of the budget councils have put aside for pay which we know from the March briefings is in the region of 2 per cent for this year. Plus, of course, a pay deal that included retrospectively deleting pay points would be unlikely to be welcomed by councils because of the, potentially significant, impact on local grading structures.

While all councils have different grading structures utilising the pay spine, the pay points potentially in scope for removal under this scenario could cover roles such as planning assistants and support officers; legal apprentices, assistants, clerks and secretaries; many roles in schools potentially up to and including teaching assistants; maintenance and cleaning staff; IT assistants and technical support officers; helpdesk assistants, team leaders and supervisors and many other entry, first and second step supervisory roles, all of whom would end up earning the same, lowest rate of pay. Notwithstanding the retention and morale issues this would create, it could also lead to huge equal pay challenges in many areas.

Given that the scenario above will not come to pass, the National Employers have few opportunities to consider anything other than a pay award that applies to the pay spine as currently configured. As mentioned above, retrospectively deleting pay points is probably not an option in 2022; doing so could only be considered in the later part of a multi-year deal, should that be achievable.

Projected increases to the lower earners' pay is more or less guaranteed due to the increases to the statutory NLW, but it is also important to remember that the NLW is just one element of what will need to be considered by the National Employers in the forthcoming pay negotiations. To

secure an agreement will require consideration of more than just ensuring compliance with the NLW; it will also need to take account of other factors such as the wider economic backdrop of rising inflation, cost of living, energy and fuel prices, all of which will understandably be the focus of the unions' attention in the negotiations. The National Employers are also acutely aware of the recruitment and retention challenges councils are facing.

As has been made clear in previous communications, including at the March briefings, this year's pay challenge is of a different order of magnitude to recent years. In terms of potential costs, you will understand that the National Employers can only ever make estimates based on the national payroll. Costs for individual councils will vary from place to place: those councils with relatively few staff on the bottom pay points are likely to incur lower costs than councils (and schools) with large numbers of staff on those pay points.

Whilst we cannot provide a running commentary once the negotiations get underway; I shall of course provide updates whenever I can.

The National Employers look forward to hearing from you at the forthcoming regional pay briefings.

Yours sincerely,

Naomi Cooke
Employers' Secretary

Conclusion

It is becoming normal that the pay award is not resolved until the end of the year in which it takes effect. The budget allows for 2.5% pay inflation this year. There is currently no information on the actual increase for 2022/23 or on which to base any recommendation for the pay inflation to be assumed for 2023/24.

Recommendation – That the position is noted