

Cheltenham Borough Council
Appointments and Remuneration Committee
23 April 2013
National Pay Award

Accountable member	N/A
Accountable officer	Amanda Attfield, Head of Human Resources, GO Shared Services
Ward(s) affected	None
Significant Decision	No
Executive summary	The Executive Directors and Directors are on JNC terms and conditions (those for Chief Officers and Deputy Chief officers), but receive the NJC (National Joint Council) annual pay awards. The Chief Executive is on JNC terms and conditions (those for Chief Executives), but does not receive the NJC (National Joint Council) annual pay awards but may receive an annual pay award under different negotiating machinery which may be (but is not necessarily) at the same level as the NJC award. The Chief Executive's pay award position is therefore anomalous when compared to all other CBC employees. The position could be rectified by enacting a contractual change similar to that which exists for the Executive Directors and Directors, whereby they remain on their JNC terms and conditions but revert to the NJC for any annual pay awards.
Recommendations	That the annual pay award for the post of Chief Executive be brought in line with that of all other staff, seeking mutual agreement to the change and that this take effect as soon as is practicable.

Financial implications	An assumed 1% pay award has been reflected in the 2013/14 budget for all staff, including the Chief Executive in parity with the rest of the Executive Directors and Directors. Contact officer: paul.jones@cheltenham.gov.uk, 01242 775154
Legal implications	Changes to an employment contract can be made through mutual agreement between employer and employee. The Appointments and Remuneration Committee has the power to determine the conditions on which the Chief Executive and Directors hold office. Contact officer: peter.lewis@tewkesbury.gov.uk, 01684 272012
HR implications (including learning and organisational development)	As contained in the body of this report. Contact officer: amanda.attfield@cheltenham.gov.uk, 07920 284313
Key risks	None.

Corporate and community plan Implications	N/A
Environmental and climate change implications	N/A.
Property/Asset Implications	N/A.

1. Background

- 1.1 As set out in the Council's Pay Policy Statement 2013, the Council is a member of the local government employers association for national collective bargaining in respect of chief executives, chief and deputy chief officers, and all other employees. Listed below are the separate negotiations and agreements in respect of each of these three groups.
- Chief Executives - Joint Negotiating Committee for Local Authority Chief Executives (ALACE is normally the negotiating body for pay, unless varied locally);
 - Chief and Deputy Chief Officers – Joint Negotiating Committee for Chief Officers of Local Authorities (National Joint Council for local Government Services is normally the negotiating body for pay, unless varied locally);
 - All other employees – National Joint Council for local Government Services.
- 1.2 Changes from national negotiations generally take effect from 1 April each year and are retrospective to 1 April where agreements are struck later than 1 April. It is the Council's general policy to implement national agreements, however, exceptionally, unprecedented economic pressures may necessitate the Council to consider alternative arrangements.
- 1.3 The pay for the Chief Executive was last increased in April 2008. The pay for Chief and Deputy Chief Officers, and all employees was last increased in April 2009.
- 1.4 The terms and conditions of the Chief Executive are set out in the Joint Negotiating Committee, Joint Negotiating Committee For Local Authority Chief Executives National Salary Framework & Conditions Of Service Handbook.
- 1.5 Regarding salary, it states that *"The salary paid to a chief executive will be that determined by the employing local authority"* (para 6.1). All other employees within the Council have undergone salary reviews since 2008 as part of a restructure or single status implementation. In respect of a salary review of the Chief Executive, the JNC Handbook states that *"Local authorities should review the remuneration of their chief executive periodically in the light of the latest published figures."* (para 6.1). The salary of the Chief Executive (which is a spot salary) has not been reviewed since the appointment was made. This report does not concern itself with salary, but a condition of service (i.e. annual pay award).
- 1.6 Annual pay awards for Chief Executives are normally as nationally agreed with the Association of Local Authority Chief Executives (ALACE). ALACE have until very recently, followed the NJC nationally negotiated pay increases.

2. Reasons for recommendations

- 2.1 With the exception of the Chief Executive post all other employees in the Council - including Executive Directors, and Directors - receive the annual pay awards as negotiated by the NJC.

2.2 The Executive Directors and Directors are on JNC terms and conditions (those for Chief Officers and Deputy Chief officers), but receive the NJC (National Joint Council) annual pay awards. The Chief Executive is on JNC terms and conditions (those for Chief Executives), but does not receive the NJC (National Joint Council) annual pay awards. The Chief Executive's pay award position is therefore anomalous when compared to all other CBC employees, and whilst unlikely, any pay increase awarded by ALACE that was higher than the NJC increase could be seen as unfair and potentially divisive. The position could be rectified by enacting a contractual change similar to that which exists for the Executive Directors and Directors, whereby they remain on their JNC terms and conditions but revert to the NJC for any annual pay awards.

3. Alternative options considered

3.1 Leave the position as is – potentially unfair and divisive.

4. Consultation and feedback

4.1 Initial discussion has taken place with the Chief Executive on the anomalous position.

5. Performance management –monitoring and review

5.1 Appointment and Remuneration Committee to keep the position under review as required.

Report author	Contact officer: amanda.attfield@cheltenham.gov.uk, 07920 284313
Appendices	1. Risk Assessment
Background information	None

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.	If variation by mutual consent cannot be achieved, the change would need a further process and may take more time.	AA	11/- 4/2013	2	1	3	Accept	Consult with the individual with the aim of reaching mutual agreement	30 04 2013	AA	N/A
<p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											