

BRECKLAND COUNCIL

Report of: Ruth Hassall, Shared HR Manager

To: Local Joint Consultative Committee – 3 April 2014
General Purposes Committee – 16 April 2014

Subject: PRP Scheme and Pay Award 2014/15 for Breckland Council

Purpose: To seek approval of the PRP and pay awards (for 2014/15)

Recommendation(s):

It is recommended that the Council/Committee:

- 1) Consider the pay claim from UNISON
- 2) Agree the proposed response, (at paragraph 2.3) as follows:
 - Award staff a Basic Performance Increase (BPI) of 1% of salary;
 - Award staff consolidated PRP payments to be made, using the following ratings to determine % values (ratings taken from the 2012/13 annual appraisals):
 - Exceptional = 1.0%
 - Overachieving = 0.5%
 - Performing = 0%
- 3) Uplift pay scales (minimum and maximums) by 1.0%;
- 4) Use the agreed process and eligibility guidelines applied from 2013/14 (at Appendix C).

1. BACKGROUND

1.1 The agreed budget for pay awards for 2014/15 is 1.325%. This compares to 1.325% in 2013/14 and 0.325% in 2012/13.

1.2 Under the current scheme, staff PRP and pay awards are made up of the following two elements:

- A Basic Performance Increase (BPI) – consolidated to an individual's annual salary rated Performing and above. This percentage would also be the basis for reviewing and increasing the top and bottom of the salary scales for each grade;
- Performance Related Pay (PRP) award – consolidated into an individual's annual salary. This award would be dictated by an individual's performance rating. Performance related pay was introduced following the withdrawal of the former incremental pay scheme.

1.3 Under the current PRP scheme award values (%) have been applied based on the individual Officer's performance rating from the Annual Appraisal scheme. Pay awards processed in these previous years were applied as follows:

- Performing = 1% (the Basic Performance Increase)
- Overachieving = Basic Performance Increase plus an additional 0.5%
- Exceptional = Basic Performance Increase plus an additional 1.0%

Based on the expected split of these ratings (what % of staff should be awarded each rating) this was costed on the basis of the average of 1.325%.

- 1.4 Unison have submitted a pay claim and have requested that the overall 'pot' for pay awards be 2%.

2 OPTIONS

- 2.1 Agree that no pay award will be granted this year. This option carries risk in relation to the effectiveness of appraisals, as it removes the incentive to achieve high performance for increased remuneration.

- 2.2 To agree to the pay award requested by UNISON of a 2% increase to the overall pay-bill. This option would require an increase in the budgeted funds, as at present an increase of 1.325% has been included in the budget for 2014/15.

- 2.3 Agree to the payment and awarding of salary increases as applied in 2013/14, i.e.:

Basic Performance Increase

- Apply a 1.0% consolidated (up to the maximum of the pay band) 'Basic Performance Increase' to all staff in post on 31st March 2014;
- Uplift the pay scale minimums and maximums by 1.0% with effect from 1 April 2014 (see appendix A); the BPI to be applied to salaries first, before the scales are uplifted;
- To be effective from 1 April 2014.

Performance Related Pay

- In addition to the BPI award above, consolidated PRP payments to be made, using the following ratings to determine % values (ratings taken from the 2012/13 annual appraisals):
 - Exceptional = 1.0%
 - Overachieving = 0.5%
 - Performing = 0%
- Awards consolidated up to the maximum of the respective pay band, meaning that non-consolidated PRP payments will be made where employees reach the maximum of their pay band.
- To be effective from 1 April 2014.

- 2.4 To agree to an increase of 1.325%, but implement the apportionment of awards as per the agreed process for the next financial year, i.e.:

Performance Increase

- Apply a 1.0% consolidated (up to the maximum of the pay band) 'Basic Performance Increase' to all staff in post on 31st March 2014;
- Uplift the pay scale minimums and maximums by 1.0% with effect from 1 April 2014 (see appendix A); the BPI to be applied to salaries first, before the scales are uplifted;
- To be effective from 1 April 2014.

Awards for Overachieving and Exceptional

- Applying awards for Exceptional and Overachieving on the basis of the numbers who are identified as achieving either category. This means that at present the % increase applicable can not be identified, but the overall cost can be limited to 0.325% of the overall salaries budget.
 - Awards consolidated up to the maximum of the respective pay band, meaning that non-consolidated PRP payments will be made where employees reach the maximum of their pay band.
 - To be effective from 1 April 2014.

3 REASONS FOR RECOMMENDATION(S)

3.1 Award payments as at 2.3 above.

3.2 This option ensures that the same process is in place at the time of completion of this year's appraisals, as was in place at the start of the appraisal year, so it is not 'changing the goal posts' at the end of the appraisal year.

3.3 This option is affordable under current budgets forecasts, (though it should be noted that budget setting does not dictate levels of award).

4 EXPECTED BENEFITS

4.1 Although the recommendation is for a pay award which is not at the level of the pay claim UNISON have submitted, it is anticipated that it will meet the union objective that 'everyone receives something', which has not always been possible.

4.2 Continued use of previous practice in the apportionment of performance related pay means that employees are likely to have a better understanding of how the awards will be applied.

5 IMPLICATIONS

5.1 Carbon Footprint / Environmental Issues

5.1.1 It is the opinion of the Report Author that there are no implications.

5.2 Constitution & Legal

5.2.1 It is the opinion of the Report Author that there are no implications.

5.3 Contracts

5.3.1 If the recommendation of this report are agreed it will provide a change in pay rates for the majority of staff and change the salary grades of Breckland Council, this could be considered to be a positive contractual change in the employment contract.

5.4 Corporate Priorities

5.4.1 It is the opinion of the Report Author that there are no implications.

5.5 Crime and Disorder

5.5.1 It is the opinion of the Report Author that there are no implications.

5.6 Equality and Diversity / Human Rights

5.6.1 It is the opinion of the Report Author that there are no implications.

5.7 **Financial**

5.7.1 If the recommendation of this report are agreed there will be an overall increase in the salaries bill for Breckland Council of 1.325%, as currently forecast.

5.8 **Risk Management**

5.8.1 It is the opinion of the Report Author that there are no implications.

5.9 **Staffing**

5.9.1 If the recommendation of this report are agreed, staff will be positively impacted by an increase in pay if they qualify for PRP and/or the Basic Performance Increase.

5.10 **Stakeholders / Consultation / Timescales**

5.10.1 If the recommendation of this report are agreed UNISON will be provided with a response to their pay claim and this report will be submitted to LJCC and GP.

5.11 **Other**

5.11.1 It is the opinion of the Report Author that there are no other implications.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 It is the opinion of the Report Author that there are no implications.

7.0 **ACRONYMS**

7.1 PRP - Performance Related Pay
BPI - Basic Performance Increase

Lead Contact Officer

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Director / Officer who will be attending the Meeting: Ruth Hassall, Shared HR Manager

Key Decision: No

Exempt Decision: No

Appendices attached to this report:

Appendix A: Proposed Pay Scales 2014/15

Appendix B: Proforma B

Appendix C: Pay Scheme Eligibility guidance