

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	4 October 2012
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Chief Officer Voluntary Pay Restraint
REPORT NUMBER:	OCE/12/024

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### 1. PURPOSE OF REPORT

This report indicates the saving which was achieved by the authority's Chief Officers voluntarily declining to accept the nationally agreed pay award of 2.5% in respect of the financial year 2010/11.

It goes on to indicate that, as the agreed period of non-payment was for 12 months, the pay for all Chief Officers (other than the Chief Executive) should have reverted to the nationally agreed pay-spine as of 1 April 2011.

Furthermore, the report confirms that as Chief Officer pay has been 'normalised', the recently advertised post of Director of Education, Culture and Sport will be appointed to on the rate for the job.

### 2. RECOMMENDATIONS

It is recommended that Members note that:

1. Approximately £67,000 worth of savings were generated by virtue of the Council's Chief Officers voluntarily agreeing not to accept a national pay award during the financial year 2010/11.
2. Chief Officer pay should have been normalised with effect from 1/4/2011 and steps are being taken to rectify this position.
3. The salary for the post of Director of Education, Culture and Sport will be £109,827, i.e. the rate for the job.
4. The impact of normalising the pay grades will be met within existing budgets with minor virements as appropriate.

### 3. FINANCIAL IMPLICATIONS

The annual cost of normalising Chief Officer pay is £67,000 per annum. These costs will be met from existing budget provision and where appropriate the necessary budget virements will be made on a service by service basis.

The salary savings relating to the voluntary non-acceptance of the 2010/11 pay award £67,000 have already been accounted for in the Council's 2012/13 budget.

#### 4. OTHER IMPLICATIONS

Legal officers advise, that given that the contractual arrangements pertaining to the Chief Officers include salary levels set through national collective agreement following recommendation by the Joint Negotiating Committee for Chief Officers of Local Authorities (Scotland) and given the provisions of the Employment Rights Act with regard to the requirement for individual consent in relation to deductions from wages, there is a risk to the Council of a successful claim to the Employment Tribunal by the Chief Officers in relation to 2011/2012 and 2012/2013.

#### 5. BACKGROUND/MAIN ISSUES

As part of the budget setting process for the financial year 2010/11, the Councils' Chief Officers agreed not to accept a nationally agreed pay award of 2.5%. This was to assist in generating savings for the financial year in question but it was intended that the contractual rate for the job would be re-established with effect from 1 April 2011.

This voluntary decision led to a saving of approximately £67,000 and these savings have been incorporated into the Council's 2012/13 budget.

The Chief Officers concerned wished their pay to revert to the nationally agreed pay spine with effect from 1 April 2011. The position, however, was not adjusted at the time and steps are only now being taken to finally reconcile matters.

The cost of applying the nationally agreed pay spine to all of the 24 affected employees will result in additional salary costs of approximately £67,000 until the end of the current financial year. In addition a similar level of backdated costs will be incurred in normalising the respective pay position with effect from 1 April 2011.

It should be noted that at national level, local authority Chief Executives also declined the 20/10/11 pay award but it is understood this declination was agreed on a longer term basis.

Finally, the post of Director of Education, Culture and Sport was recently advertised at a salary scale of £107,148 (the voluntary pay point agreed by the previous incumbent) to £109,827 (the rate for the job).

The Appointment Panel, at its meeting on 15 June 2012, delegated authority to the Chief Executive in consultation with the Leader of the Council and Convener of the Finance on Resources Committee to determine the specific rate of pay for the post prior to the interviewing process. With the position in

relation to the other Director posts having been clarified, the new appointee to the Director of Education, Culture and Sport will be paid £109,827 (i.e. the rate for the job).

#### 6. IMPACT

The report ensures that Chief Officer Posts below Chief Executive level are paid in accordance with the appropriate nationally prescribed spinal column points.

#### 7. BACKGROUND PAPERS

No background papers were necessary in the compilation of this report.

#### 8. REPORT AUTHOR DETAILS

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