



<b>REPORT TO:</b>	COUNCIL
<b>DATE:</b>	28 SEPTEMBER 2022
<b>SUBJECT:</b>	IMPLEMENTATION OF SALARY SUPPLEMENT FOR LOWEST PAID EMPLOYEES
<b>PURPOSE:</b>	TO SEEK MEMBER APPROVAL TO IMPLEMENT A SALARY SUPPLEMENT FOR THE LOWEST PAID EMPLOYEES
<b>KEY DECISION:</b>	NO
<b>PORTFOLIO HOLDER:</b>	COUNCILLOR JIM ASTILL, PORTFOLIO HOLDER CORPORATE AND COMMUNICATIONS
<b>REPORT OF:</b>	JAMES GILBERT, ASSISTANT DIRECTOR (CORPORATE)
<b>REPORT AUTHORS:</b>	ANNA WADDELL, HR MANAGER – OPERATIONS, PSPS AND JAMES GILBERT, ASSISTANT DIRECTOR (CORPORATE)
<b>WARD(S) AFFECTED:</b>	N/A
<b>EXEMPT REPORT?</b>	NO

#### **SUMMARY**

This report seeks Council's approval for the implementation of a pay supplement to enhance pay to a minimum of £9.90 per hour for all employees of the Council paid on the National Joint Council (NJC) pay rate.

An increase would benefit 15 employees and cost £2,000 in 22/23.

The approach would support the lowest paid employees at a time when there are significant cost of living pressures.

£9.90 per hour is the minimum rate of pay paid by Boston and East Lindsey Councils; and several other Councils in Lincolnshire.

#### **RECOMMENDATIONS**

- That from 1 April, 2022, the Council implements a pay supplement to raise pay to £9.90 per hour for all Council employees on the National Joint Council (NJC) pay rate currently paid below this sum.

#### **REASONS FOR RECOMMENDATIONS**

- To support the Council's lowest paid employees at a time when cost of living is increasing and is expected to continue to increase.

#### **OTHER OPTIONS CONSIDERED**

Do nothing – the Council doesn't have to pay a supplement.

## **1. BACKGROUND**

- 1.1** On 1 April, 2016, the Government introduced a mandatory wage rate for those aged over 25 (now over 23) called the National Living Wage. This rate with effect from 1 April, 2022, is £9.50 per hour. The National Living Wage rate is based on a Government target to reach 66% of median earnings by 2024. Under current forecasts this means a rise to £10.50 per hour by 2024.
- 1.2** In recognition of the impact the cost of living is having on the Council's workforce, Council is being asked to consider increasing the pay of its lowest paid officers to a minimum of £9.90 per hour through a salary supplement. This is also the lowest rate of pay paid by Boston Borough Council and East Lindsey District Council and is recognised as a sum more closely aligned to the true cost of living than the National Living Wage.
- 1.3** 15 colleagues at South Holland District Council currently earn below £9.90 per hour.
- 1.4** If the Council were to agree to apply a supplement to £9.90 per hour for those earning below this sum this would cost the Council an additional £2,000 in 2022/23. This additional budget requirement can be accommodated within existing budgets. As this is a salary supplement there would be no knock-on impacts to other rates of pay.
- 1.5** It is recommended if SHDC decides to implement the supplement that payment be backdated to 1 April, 2022.
- 1.6** The supplement to the lowest paid employees at the Council will go some way to assisting the easing of the financial burden those individuals will be feeling in the current environment of inflation and increases in the cost of living.
- 1.7** If the Council wishes to ensure pay continues to be closely aligned to the true cost of living in future years for the lowest paid employees, a further report would come back to Council for consideration. At the time of writing this report the NJC pay award for 22/23 is yet to be confirmed.

## **2. CONCLUSION**

- 2.1.** It is recommended that SHDC approve the payment of a supplement to raise the minimum hourly wage for those employees on the NJC pay rate to £9.90 per hour.

### **EXPECTED BENEFITS TO THE PARTNERSHIP**

Both Boston and East Lindsey Councils pay the same rate of £9.90 per hour as a minimum, via a supplement.

### **IMPLICATIONS**

#### **SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP**

#### **CORPORATE PRIORITIES**

None

#### **STAFFING**

The only staffing implication of note is the positive affect implementing the supplement would have on a proportion of the workforce.

#### **CONSTITUTIONAL AND LEGAL IMPLICATIONS**

Decisions relating to the terms and conditions of staff are non-executive functions and are reserved to Council in the Constitution.

#### **DATA PROTECTION**

None

#### **FINANCIAL**

This additional cost of £2,000 for 22/23 can be met from existing budgets.

This will be paid as a supplement enhancing the NJC rate of pay to £9.90 per hour as a minimum. Any NJC pay deal subsequently awarded, will be offset against the supplement already paid.

#### **RISK MANAGEMENT**

The proposal is to pay, as a minimum, a rate of £9.90 per hour. This is voluntary rather than mandatory and represents no risk to the Council.

#### **STAKEHOLDER / CONSULTATION / TIMESCALES**

None

#### **REPUTATION**

Positive reputational impact on the Council.

#### **CONTRACTS**

None

#### **CRIME AND DISORDER**

None

#### **EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**

The Council is subject to the Public Sector Equality Duty under the Equality Act 2010. The supplement will be paid to all staff who currently earn below this level.

#### **HEALTH AND WELL BEING**

None

#### **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

None

<b>APPENDICES</b>	
Appendices are listed below and attached to the back of the report: -	
N/a	

<b>BACKGROUND PAPERS</b>	
Background papers used in the production of this report are listed below: -	
Document title	Where the document can be viewed
N/a	

<b>CHRONOLOGICAL HISTORY OF THIS REPORT</b>	
Name of body	Date
N/a	

<b>REPORT APPROVAL</b>	
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