

## **DETAILS OF PROPOSED SETTLEMENT**

### **PAY**

Changes to pay will take place in three stages over the next 20 months. In total, the City Council is initially putting £2.3M back into the Council's pay bill, as set out below:

It is proposed as from 1 November 2012:

- those earning up to £17,500 (full time equivalent) will receive an increment payment backdated to May 2012 (unless the individual employee is already on the top of their grade). This increment will therefore cover the period May 2012 to March 2014;
- those earning between £17,501 and £22,000 (full time equivalent) will receive a 2% increase, which will mean the complete restoration of the 2% pay cut;
- those earning £22,001 to £35,000 will receive a 0.45% increase in pay; and
- staff above £35,000 will receive no immediate increase in pay.

From April 2013:

- those earning between £22,001 and £35,000 will receive a further 2.25% increase in pay;
- those earning above £35,000 will receive no increase in pay;
- as previously agreed, normal increment payments will also resume although those staff earning up to £17,500 will already have received their increment in November 2012, (back dated to May 2012); and
- any increase in Local Government pay agreed nationally will be honored.

From April 2014:

- those earning between £22,001 and £35,000 will receive a further 1.8% increase in pay, which will mean that their pay cut is restored in full;
- those earning between £35,001 and £65,000 will receive a 1.82% increase in pay;
- any further increase in pay for those earning between £35,001 and £65,000 and any increase for those earning over £65,000 will be subject to the financial position of the authority and the savings generated to fund that. If by the end of year 2014/15 insufficient savings have been found to increase pay for the remaining staff, then this will be funded from the budget for 2015/16; and
- any increase in Local Government pay agreed nationally will be honored .

The Unions have committed to work with the Council, through an employee suggestion scheme, to identify a further £500,000 in savings, so that in total, up to £2.8M can be added back to the pay bill by 2014/15. The aim would be to identify this additional sum as quickly as possible, so that those employees earning in excess of £35,000 can have their pay restored by 2014/15, or sooner if sufficient savings are found in years 1 or 2. If by the end of 2014/15 insufficient savings have been identified to allow the restoration of pay for those in earning in

excess of £35,000, the intention would be to fund any shortfall from within the 2015/16 budget.

All references to pay are linked to the Pay Bands set out below and relate to the pay rates in force before the 11 July 2011, (that is before the pay cut).

<b>Band</b>	<b>Basic Pay Thresholds</b>	<b>SCP</b>
A	Less than £17,500	4 – 18
B	£17,501 - £22,000	19 - 25
C	£22,001 - £35,000	26 – 41
D	£35,001 - £65,000	42 – 62
E	In excess of £65,000	Above 62

To identify the salary changes that will apply to them, staff need to use the actual SCP (Spinal Column Point) they are on now, and refer back to the equivalent pre pay cut salary to identify which pay band they fall within.

### **ADDITIONAL ANNUAL LEAVE**

None of the additional leave that was awarded when terms and conditions were changed will be withdrawn in 2012/13. Thereafter, leave will be reduced proportionally as pay is reinstated over the next 20 months, as set out below:

### **Annual Leave Entitlement Reduction**

<b>Original Band</b>	<b>Original Reduction July 2011</b>	<b>Year 1 - 2012/13</b>		<b>Year 2 - 2013/14</b>		<b>Year 3 - 2014/15</b>		<b>TOTAL</b>	
		<b>Percent Reinstated</b>	<b>Annual Leave Reduction</b>	<b>Percent Reinstated</b>	<b>Annual Leave Reduction</b>	<b>Percent Reinstated</b>	<b>Annual Leave Reduction</b>	<b>Percent Reinstated</b>	<b>Annual Leave Reduction</b>
A	0.00%	0.00%	0	0.00%	0	0.00%	0	0.00%	0
B	2.00%	2.00%	0	0.00%	0	0.00%	0	2.00%	0
C	4.50%	0.45%	0	2.25%	1	1.80%	4	4.50%	5
D	5.00%	0.00%	0	0.00%	0	1.82%	0	1.82%	0
E	5.50%	0.00%	0	0.00%	0	0.00%	0	0.00%	0

If by the end of 2014/15 insufficient savings have been identified to allow an increase in pay for those in earning in excess of £35,000, the intention would be to fund any shortfall from within the 2015/16 budget and the annual leave entitlement for these employees would therefore be reduced by 5 days at that time.

In addition, an additional half day's annual leave will be given to all staff on the morning of 24 December 2012.

The City Council is looking to develop a salary sacrifice scheme for annual leave which will enable staff to take additional annual leave at a reduced cost to themselves.

### **CAR ALLOWANCES**

The Southampton Contractual Car Allowance will be increased from £20 a month to £40 a month from 1 November. A general review of staff travel allowances with trade union involvement will take place and will be completed by April 2013.

## **MARKET SUPPLEMENTS**

The market supplements for social workers will remain in place, subject to the pre-planned review. The social worker posts not in receipt of the market supplement will be reviewed to see if the supplement should be extended to these posts.

## **LEGAL ACTION**

UNISON and Unite will postpone the hearing of the legal action against the Council while the trade union ballot takes place. If the settlement is accepted in the ballot, the trade unions will withdraw the claims in the trade unions names. Legal assistance will be withdrawn by the trade unions from the individual unfair dismissal claims lodged against the Council by the trade unions.

## **INDUSTRIAL ACTION**

UNISON and Unite have suspended the current industrial action with effect from 15 August, If the proposals are accepted, the industrial dispute on this issue will end.