

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

CABINET SCRUTINY COMMITTEE

**Minutes of a Meeting of the Cabinet Scrutiny Committee
held on Wednesday 16th April 2014 at 6pm
in the Committee Suite, King's Court, Chapel Street, King's Lynn.**

PRESENT:

Councillors C Joyce (Chairman)
D J Collis, J Collop, J Loveless (Vice-Chairman), A Lovett,
C Manning (substitute) Mrs S Sandell, Mrs S Smeaton (substitute) and D Whitby.

Portfolio Holders Present:

Councillor N Daubney, Leader and Portfolio Holder for Resources

Management Team/Officers:

Debbie Gates, Executive Director, Central and Community Services
Ray Harding, Chief Executive

Apologies for absence were received from Councillors R Bird, T Manley, Mrs K Mellish and M Tilbury.

CSC92: **MINUTES**

The Chairman welcomed Councillor Sam Sandell to her first meeting of the Committee.

The minutes of the meeting held on 18th February 2014 were agreed as a correct record and signed by the Chairman.

CSC93: **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business to report.

CSC94: **DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

CSC95: **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members pursuant to Standing Order 34.

CSC96: **CHAIRMAN'S CORRESPONDENCE**

The Chairman had no correspondence to report.

CSC97: **RESPONSE TO PREVIOUS COMMITTEE RECOMMENDATIONS**

There were no previous Committee recommendations.

CSC98: **MATTERS CALLED-IN PURSUANT TO STANDING ORDER 12**

There were no matters called-in pursuant to Standing Order 12.

CSC99: **STAFF PAY AWARD 2014/15**

The Chairman stated that although the Labour Party had an official National Policy with regard to the Living Wage, for the purpose of scrutinising the Cabinet decision, there was no role for the party “whip” and those relevant Members were free to voice their own opinions.

Councillor Loveless referred to the extract from the minutes from the Joint Employee Committee (JEC), who had been consulted on the proposals, which had subsequently been considered by Cabinet when determining their decision. He drew Members’ attention to the comment made by Brian Lynch of UNISON who had welcomed the proposals but had considered that there should have been a fourth bullet point requesting that the Council make a public statement in support of working towards the National Living Wage and questioned whether Cabinet had considered this. In response, the Leader explained that Cabinet had taken into consideration the recommendations from the Resources and Performance Panel (R&P Panel) and as part of the consultation process the comments from the JEC had also been taken into account. The comments from the Unions had been minuted verbatim as part of the full Cabinet minutes but Cabinet had determined not to make a public statement in support of working towards the Living Wage.

The Chairman took the opportunity to highlight that there was not a “National Living Wage” because the pay rate differed in London from that of the rest of the country. He also highlighted that unlike the National Minimum Wage, payment of the Living Wage was not a statutory requirement. Cabinet had agreed to introduce a minimum wage of £7 per hour which had been welcomed by the Unions. If Cabinet were to have considered introducing the Living Wage as opposed to the National Minimum Wage it would have further financial implications and would have resulted in an increase in cost of approximately £160k. Such a cost would have to be offset by finding additional savings such as staff redundancies or an increase in Council Tax.

Councillor Lovett questioned the legality of the question raised by Councillor Loveless with reference to the comments made by the JEC as the Committee did not have access to the relevant paperwork. He also referred to section 3.3 of the Cabinet report which had stated that the Living Wage was an hourly rate of pay set independently by

the Centre for Research in Social Policy at Loughborough University. The Chairman stated that the Centre for Research in Social Policy was an independent body separate from Central Government whereas the National Minimum Wage was a statutory requirement and was set by Government. He also explained that he had attended the Cabinet meeting and the discussions with staff representations on the proposed pay award and subsequent comments considered at the JEC meeting had been read out at the Cabinet meeting and therefore could be referred to by the Committee.

Councillor J Collop referred to Brian Lynch's comment made at the JEC meeting and questioned what was meant by "working towards the National Living Wage". The Executive Director, Central and Community Services explained that it had been a statement made by Brian Lynch but had not been expanded on further at the meeting. The Leader stated that he had interpreted the statement as to mean that UNISON accepted that it was not a recommendation that the Cabinet could introduce immediately but wanted Cabinet to consider working towards implementing it in the future.

Councillor J Collop questioned whether the annual pay award had an impact on the retention of staff and referred to Section 1.3 of the Cabinet report which detailed pay increases over the past 5 years and also referred to Section 2.2 which detailed the Retail Prices Index (RPI) and the Consumer Prices Index (CPI) figures over the past four years. He further questioned whether the Council were confident in awarding a 1% pay increase that they could retain staff particularly as other employers within the area were potentially paying higher salaries which could result in an increase in staff turnover. The Chairman questioned how many employees would be affected by the increase of the National Minimum Wage to £7 per hour which was a substantial increase of some 9/10%.

In response, the Leader explained that the Borough Council were not the only employer who had awarded pay increases lower than inflation rates; it was reflected across the whole of the public sector. He also explained that the majority of employees also had the opportunity to influence their salary over and above the annual pay award of 1% via the Council's Performance Related Pay Scheme which was based on an individual's performance. The Leader also stated that the Council's annual pay increase was locally determined having regard to national, regional and local pay. The Council's policy had been to continue to directly employ staff, such as cleaners and catering staff, whereas many authorities had contracted out such services. The Leader confirmed that approximately 200 members of staff, including those employed on a casual basis, which was approximately 120 employees, would benefit from the introduction of a minimum wage of £7 per hour. He further clarified given the nature of the Council's resort services, there was a considerable number of staff employed on a casual basis.

Councillor D J Collis requested clarification on the financial implications for the Council as a provision of a 1% pay award had been budgeted for but questioned what further costs would be incurred if staff were awarded additional salary increases as part of the Performance Related Pay Scheme. In response, the Leader confirmed that the Financial Plan did include a provision for a 1% annual pay award but also included budget provision for costs associated with the Performance Related Pay Scheme. The Executive Director, Central and Commercial Services further explained that a budget provision had been made for a 1% annual pay award, a sum of £150k associated with the introduction of an increase in the minimum wage and a further £150k in relation to the Performance Related Pay Scheme.

The Chairman referred to the extract from the minutes from the R&P Panel where a Councillor had referred to the Council having to consider increasing wage levels in order to maintain their “good” employees and sought clarification as to what was meant by this comment; the alternative being that there was an element of “not so good” employees. The Leader explained that he had understood the comment to mean that the Council would need to reward staff appropriately to retain the current status of a good workforce by ensuring that employees had appropriate terms and conditions of employment and that any necessary training was provided.

In response to a further question raised by the Chairman, the Leader confirmed that it had been the Council’s policy to follow and implement the National Minimum Wage, but in particular following the recent comments by the Chancellor, who had backed an above-inflation increase to £7 an hour, the Cabinet had taken the decision to introduce it. This had been welcomed by the Unions.

CSC100: **PORTFOLIO HOLDERS’ DECISIONS MADE UNDER DELEGATED POWERS**

The following Portfolio Holder’s Decision was noted:

- Commemorating WW1 Fund

CSC101: **DATE OF NEXT MEETING**

It was noted that the next meeting of the Cabinet Scrutiny Committee was scheduled to be held on Thursday 15th May 2014 at 6pm.

Meeting closed at 6.28pm