

PAY NOTICE 1 (2006) 2006-07 PAY OFFER

PAY NOTICE No 1 (2006)

AIMED AT	PAY BANDS 1-7: ALL PEOPLE TO RECEIVE AN INDIVIDUAL COPY
DATED	18 DECEMBER 2006
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FILE REF	PP4/1

1. Purpose

This notice provides information about the **2006-2007 Pay Offer**, which was tabled with the Trade Unions last week.

2. Background

The FC has had to work within an overall package cost of 3.5% and more stringent Treasury conditions on public sector pay. The management side has acknowledged the positive manner in which the Trade Unions have approached this year's negotiations, which have progressed very quickly after Treasury approved our pay remit.

The Trade Unions have confirmed that they will be recommending acceptance to their members and the Executive Board encourages all Union members to accept the pay offer.

The proposed changes to the pay scales will ensure that 59% of employees would receive an increase of 3.6% or higher.

3. Implementation

This proposed Pay Agreement covers the period 1 October 2006 to 30 September 2007. The pay band increases proposed will be backdated to 1 October 2006, if accepted.

Union ballots are to be held in December and January and, if the offer is accepted, implementation will be made in end-February salaries.

4. Action

Managers are asked to ensure that employees who do not have access to an email account are provided with a paper copy of this Notice as quickly as possible.

Kim P Lardge
Director HR
18 December 2006

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1. BACKGROUND TO THE 2006 PAY NEGOTIATIONS AND OFFER

This round of Pay Negotiations has been carried out in the context of continuing funding challenges over the period of the pay award. The Board had to consider the Trade Union claim against what is affordable for the organisation.

This has left the FC with no scope to provide a pay increase above the levels incorporated in the spending plans for this year. The 3.5% growth in earnings approved by the Executive Board, Ministers and Treasury is the maximum that can be afforded within the available funding.

2. THE OFFER IN DETAIL

Salary Ranges and Progression

Increases to Steps

- We have proposed to continue with the current pay progression system – i.e. Top and Good Performers progress one step up their pay band; Not Fully Effective Performers stay on their current pay step until they achieve a GP assessment; and new recruits and new promotees must complete one year of Top or Good performance in the PB before receiving their first progression step;
- The maxima for all Pay Bands will increase by **3%**;
- People currently on pay protection (i.e. whose salary is protected above their pay band maximum for a fixed period) will have their salary increased by **3%**;
- The PB7 minimum and all other steps will be increased by **0.4%** or (if greater) by an amount necessary to ensure that the effect of this increase plus progression equals at least **2.4%**.

All of these changes are consolidated and pensionable.

Changes to the Minima in Pay Bands 1 to 6b

Last year we shortened Pay Band 7. This year we propose to shorten the rest of the pay bands to reduce the time taken to progress to the maxima. This involves:

- Introducing new minima and removing the current (2005-06) step 1 values in Pay Bands 1 to 6b. This will reduce the progression time to the PB6b maximum to 5 years and to 8 years for Pay Bands 1 - 6a/6a(Op).
- The effect of this change is that, if you are in Pay Band 1 - 6b and are currently on step 1 in the 2005-06 scales, you will move to the 'new' step 1 in the 2006-07 scales from 1 October 2006.
- If you are currently on a 2005-06 scale minimum in one of these Pay Bands (not PB7), you will move to the 'new' minimum with effect from 1 October 2006, and will then progress to the new step 1 on the 1-year anniversary of your appointment/promotion.

As at present, people working part time hours will continue to receive a pro rata salary based on their contractual hours of work.

The new salary steps are shown in the **Annex**.

Changes to Performance Related Bonuses

We will continue to pay a non-pensionable, non-consolidated, performance bonus to staff assessed as Top Performers for the 2006-07 reporting year.

Instead of the current arrangement where the bonus is worth 2.5% of the individual's basic salary, we propose to pay fixed sum bonuses for each Pay Band as follows:

Pay Band	Bonus Amount
1	£ 1,340
2	£ 1,095
3	£ 885
4	£ 735
5 and 5(Op)	£ 600
6a and 6a(Op)	£ 525
6b	£ 405
7	£ 330

Part-time staff, including part-year appointees, who are assessed as Top Performers will receive a pro-rata bonus based on their contractual hours of work and/or period of work in the year.

We are introducing fixed bonuses to reduce gender based differentials in the bonus payments.

3. EFFECT OF THE OFFER ON INDIVIDUAL SALARIES

Although 3.5% is the 'headline cost' of the offer, many people, taking account of progression increases, as well as the increases to the pay steps, will receive pay increases in excess of this.

The effect of this offer (progression and re-valorisation) would be as follows:

Increase to Salary	Proportion of FC workforce
5% or higher	20%
4% - 4.99%	25%
3%- 3.99%	39%
2.99% or less	16%

4. Summary

Given the current challenges in the FC's funding, the Board believes that this offer is both fair and the best that can be achieved.

HR Policy
18 December 2006

PROPOSED NEW PAY BANDS EFFECTIVE FROM 1 OCTOBER 2006

Pay Band Minima, Maxima and Intermediate Steps

Pay Band 7

<u>2005/06 Salary Range</u>		<u>2006/07 Salary Range</u>	
Max	13,924	Max	14,342
4	13,518	4	13,585
3	13,267	3	13,320
2	12,765	2	12,816
1	12,280	1	12,329
Min	12,000	Min	12,048

Pay Band 6b

<u>2005/06 Salary Range</u>		<u>2006/07 Salary Range</u>	
Max	17,391	Max	17,913
5	16,891	4	16,982
4	16,584	3	16,650
3	15,804	2	15,867
2	15,062	1	15,122
1	14,355	Min	14,412
Min	13,680		

Pay Band 6a [Op]

<u>2005/06 Salary Range</u>		<u>2006/07 Salary Range</u>	
Max	24,792	Max	25,536
8	24,142	7	24,335
7	23,765	6	23,956
6	23,395	5	23,489
5	22,556	4	22,646
4	21,749	3	21,836
3	20,969	2	21,053
2	20,218	1	20,299
1	19,493	Min	19,571
Min	18,795		

Pay Band 6a

<u>2005/06 Salary Range</u>		<u>2006/07 Salary Range</u>	
Max	21,118	Max	21,752
8	20,555	7	20,710
7	20,225	6	20,379
6	19,901	5	19,981
5	19,204	4	19,281
4	18,532	3	18,606
3	17,884	2	17,956
2	17,257	1	17,326
1	16,653	Min	16,720
Min	16,069		

Pay Band 5 [Op]

<u>2005/06 Salary Range</u>		<u>2006/07 Salary Range</u>	
Max	28,953	Max	29,822
8	27,951	7	28,063
7	27,280	6	27,389
6	26,624	5	26,730
5	25,788	4	25,891
4	24,979	3	25,079
3	24,195	2	24,292
2	23,436	1	23,530
1	22,700	Min	22,791
Min	21,988		

Pay Band 5

<u>2005/06 Salary Range</u>		<u>2006/07 Salary Range</u>	
Max	24,661	Max	25,401
8	23,793	7	23,888
7	23,208	6	23,301
6	22,636	5	22,727
5	21,946	4	22,034
4	21,278	3	21,363
3	20,629	2	20,712
2	20,001	1	20,081
1	19,392	Min	19,470
Min	18,803		

Pay Band 4

2005/06 Salary Range

Max	31,856
8	31,264
7	30,711
6	30,168
5	29,136
4	28,138
3	27,174
2	26,244
1	25,346
Min	24,478

2006/07 Salary Range

Max	32,812
7	31,448
6	30,892
5	30,289
4	29,253
3	28,251
2	27,283
1	26,349
Min	25,447

Pay Band 3

2005/06 Salary Range

Max	38,583
8	37,804
7	37,078
6	36,364
5	35,142
4	33,962
3	32,822
2	31,719
1	30,653
Min	29,623

2006/07 Salary Range

Max	39,740
7	37,968
6	37,237
5	36,509
4	35,283
3	34,098
2	32,953
1	31,846
Min	30,776

Pay Band 2

<u>2005/06 Salary Range</u>		<u>2006/07 Salary Range</u>	
Max	47,641	Max	49,070
8	46,441	7	46,864
7	45,766	6	46,182
6	45,100	5	45,280
5	43,493	4	43,667
4	41,943	3	42,111
3	40,448	2	40,610
2	39,006	1	39,162
1	37,616	Min	37,766
Min	36,276		

Pay Band 1

<u>2005/06 Salary Range</u>		<u>2006/07 Salary Range</u>	
Max	58,531	Max	60,287
8	57,039	7	57,545
7	56,196	6	56,695
6	55,366	5	55,587
5	53,424	4	53,638
4	51,551	3	51,757
3	49,744	2	49,943
2	48,000	1	48,192
1	46,317	Min	46,502
Min	44,694		