

SLOUGH BOROUGH COUNCIL

REPORT TO: Employment and Appeals Committee
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PART I **FOR INFORMATION**

PROGRESS ON IMPLEMENTATION OF THE NJC PAY AWARD 2019/2020

1. Purpose of Report

- 1.1 This report seeks to provide members with information on the Council's implementation of the pay award for 2019/2010, which introduced a new pay spine to be implemented by 1st April 2019.

2. Recommendation(s)/Proposed Action

- 2.1 The Committee is requested to resolve that the contents of this report be noted.

3. Supporting Information

- 3.1 As part of the NJC pay agreement for 2018 – 2020 there was inclusion of the introduction of a new pay spine to be implemented on 1 April 2019 – please see the circular which includes details in Appendix A. The new pay spine will apply to staff who are on the NJC terms and conditions (known as the Green Book). This is a nationally agreed part of the terms and conditions. This report highlights the main areas that are being considered in relation to achieving the new pay spine requirements.

The majority of roles at the council (paid on Level 1 to 10) have pay rates based on the national pay spine which is determined by the NJC for local government services which comprises of the national employers and the recognised trade unions – UNISON, GMB and UNITE.

Different pay scales apply to senior management staff on are paid on the Senior Management pay rates, SML 11 to 16.

A small number of specialist employees are covered by different terms and conditions, including Teachers and Soulbury and therefore have salary scales which are negotiated separately by their national negotiating bodies.

The NJC pay award is negotiated and applied to the national pay spine on an annual basis. Following a three year pay freeze from 2010 to 2012 the majority of staff have been subject to a 1% pay increase each year from 2013 until the most

recent two year pay deal agreed in 2016. In order to meet national living wage requirements these pay deals have had bottom loaded pay increases, meaning those on the lowest spinal points have received a higher percentage annual increase than those further up the pay spine.

The recent changes to the national pay spine have meant that points 1 to 5 of the pay spine have been removed so that all of the lowest paid workers have been placed onto point 6. At Slough we our lowest SCP is 9.

Individual councils negotiate local arrangements for how they map grades against the national pay spine. SBC currently has 10 grades, each grade spanning between 3 and 5 points of the national pay scale, except for the lowest grade which now has just one salary point. The council's pay grades were implemented and agreed with the unions as part of the single status agreement in 2010.

Each council also has the discretion for how employees progress through the grades and in Slough incremental progression is based on time served in the grade.

The government has planned for the national living wage rate to continue to increase, with an expectation that it will reach at least £9 per hour by 2020 (potentially £10 per hour under a labour government). Currently the lowest point of the Slough pay scale is £9.16 (inc) per hour.

- 3.2 The attached appendix provides LA technical advice on issues related to the introduction of the new pay spines. We are currently reviewing the options available to us and what approach we will take to implement the new pay spine.

The key considerations that we are reviewing are:

- how we pair the old SCP's 6-17 to create the new SCP's 1-6 inclusive
- how to create the equal steps between pay points (for Slough this will mean that the current grade will change)
- how we assimilate to the new SCP
- how we deal with the annual pay rise on the 1st April ie do we action the pay rise before we assimilate onto the new pay spine or assimilate and then apply the pay award
- understand the financial impact of the above

4 Financial implications

- 4.1 It is important to understand that there is no "cost neutral" option of implementing a new pay scale in 2019, as even if we decided not to continue to be part of national pay bargaining we would still need to implement a new pay spine which met living wage requirements going forward.
- 4.2 The exact increase in costs can only be determined once there is agreement on how the pay spinal points will be grouped in grades from April 2019. Any changes to the grading structures will involve negotiation with the unions who will take a view on the impact on grades and pay and on the application of all the spinal points in the new table.

5. Next steps

- 5.1 A working group is being set up consisting of Trade Unions, HR and Finance to discuss the matter in hand.
- 5.2 An Equality Impact Assessment will need to be carried out as suggested in the circular.
- 5.3 To engage with HAY to ensure we can adapt our current pay arrangements in relation to how our pay is determined in the future.
- 5.4 Estimated Costs has been identified by Finance colleagues as being approximately £340,000 (if Option A is adopted) based on an overall 3% uplift to the paybill, if the council can reach agreement to increment first and then assimilate onto the new pay spine.

6. Consultation

- 6.1 Pragmatically we may reach agreement with the trade unions that we will increment first and then assimilate onto the new pay spine to ensure everyone receives a timely cost of living and pay spine award. It may take longer to resolve some of the more detailed work in relation to the long term sustainability of the pay spine and pay grades and how job evaluation scores will need to be adapted.

7. Conclusion

- 7.1 It is recommended that this committee note the contents of this report and receive a further report to outline the options for consideration with the implementation of a new pay spine in April 2019.

8. Background Papers

None.

9. Appendices

Appendix A – NJC – New Pay Spine 1 April 2019 – dated 14th June 2018