

NJC PAY AWARD - VERBAL BRIEFING
STAFFING & REMUNERATION COMMITTEE
20 NOVEMBER 14

Purpose of Briefing

The Council was notified on Monday 17 November that the National pay award for employees covered by the NJC (National Joint Council for Local Government Services) has now been agreed following a recent period of consultation with Employers and Trade Unions.

It covers most council staff and non teachers in schools (5325 employees).

This briefing is to inform the Committee of the agreement reached and the implications of this to the Council.

Recommendations

- 1) That the Committee note that the council will be implementing the agreement with immediate effect.
- 2) That the Committee note that it is the intention to bring forward the April 2015 lump sum payment to December 2014
- 3) That the Committee note the implications of this pay award to the London Living Wage report being presented at this Committee.

The background to reaching an agreement

As you may recall, earlier in the year the Employers put forward an offer of 1% which was rejected by the unions and led to a day of industrial action on 10 July. A further two days of action was planned but was called off when Employers put forward this new package.

There was a period of consultation with Employers and Trade Unions which ended on 14 November 2014 and resulted in an agreement being reached.

Councillor Arthur and Jacquie McGeachie attended the Employers' consultation session on behalf of the Council on 5 November 2014.

The cost implications

The estimated costs over the 2 year period is £3m (£0.8m for 2014/15 & £2.2m for 2015/16)

This can be accommodated within the overall inflation provision.

The detail of the agreement

This is a 2 year deal covering the period 1 April 2014 to 31 March 2016.

It does not include a provision to backdate salary increases to 1 April 2014 (which is normally the case).

But is a deal that is a little more complex than normal and is a combination of an increase in salaries taking effect from 1 January 2015 ranging from 2.2% to 8.56% and lump sum payments ranging from £100 to £325 to be paid in December 2014 and April 2015.

As you would expect the biggest increase in salaries and lump sum payments are at the bottom end of the salary scales.

Casual Workers will also benefit from the increase to salaries and may qualify for the lump sum payment if they meet certain criteria.

The detail of the increase to salaries is as follows:

Amount	Eligible employees	Number of staff affected	Date of effect
£1,065 (equiv to 8.56%)	employees on SCP 5 (deletion of SCP5 wef 1/10/2015)	18	1 January 2015
£1,000 (equiv to 7.93%)	employees on SCP 6	8	
£800 (equiv to 6.19%)	employees on SCP 7	128	
£550 (equiv to 4.13%)	employees on SCP 8	78	
£350 (equiv to 2.55%)	employees on SCP 9	63	
£325 (equiv to 2.32%)	employees on SCP 10	543	
2.2%	employees on SCP 11 and above	4487	
		5325	

The detail of the lump sum payments are as follows and are pro rata for part time employees. These payments are not consolidated into salaries:

Amount	Eligible employees	Number of staff affected	Month of payment
£325	employees on SCPs 5,6 & 7	154	December 2014
£150	employees on SCPs 8,9 & 10	684	December 2014
£100	employees on SCPs 11 to 25 inc	2131	December 2014
0.45% of proposed new salary (ranges from £111 to £201)	employees on SCPs 26 to 49 inc	2212	£100 to be paid in December 2014 and the remaining balance to be paid in April 15
		5181	
Employees on SCPs 50 to 61 do not receive a lump sum payment (grades PO7 & PO8) number of staff this covers is 144			

Bringing forward the April 2015 lump sum payment to December 14

The unions have asked us to consider bringing forward the lump sum payment that is due to be paid in April 2015 to December (as highlighted in table above). It will be more beneficial to employees to receive one larger lump sum than 2 smaller ones and especially so just before Christmas.

Apart from the minimal potential interest we may accrue with the money being in our bank account there is no additional cost to the council for bringing forward this payment and will actually save time in administering just one payment instead of two.

The qualifying date for entitlement to this lump sum payment is 1 December 2014 even though it is paid in two stages. Therefore even if employees left the Council between 2 December and 31 March 2015 they would still qualify for the second stage lump sum payment in April 2015.

The table below outlines the number of employees entitled to the April 2015 lump sum payment and the associated costs:

The number of employees entitled to the April 15 lump sum payment	2212
The approximate cost of this (inc on-costs)	£122,410
Average payment to employees (inc on-costs)	£55.33
Range of payment to employees (inc on-costs)	28p to £145

Implications of this Pay Award to the London Living Wage report

The report updating this Committee on the increase to the London Living Wage was written before the NJC pay award was agreed.

Implementing the pay award will mean that the salary of employees will increase and will therefore result in a reduction of the number of employees who will need to receive the London Living Wage Allowance to uplift their salary to the London Living Wage which is now £9.15 per hour.

From 1 January 2015, the uplift will only apply to employees on spinal column points 11 and below and not up to SCP 12 as outlined in the report. This will reduce the numbers by 36 .

By applying this uplift to employees at the lower end of the salary scale will mean that they will not see a financial benefit when the pay award is implemented.

