



Report to Cabinet

09 January 2019

Subject:	Implementing the 2019 Pay Award
Presenting Cabinet Member:	Councillor Steve Trow - Cabinet Member for Culture and Core Council Services
Director:	Executive Director – Resources – Darren Carter
Contribution towards Vision 2030:	 
Key Decision:	Yes
Forward Plan (28-day notice) Reference:	SMBC5/01/2019
Cabinet Member Approval and Date:	Councillor Steve Trow – 29/11/2018
Director Approval:	Darren Carter
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Ward councillors have not been consulted
Scrutiny Consultation Considered?	Scrutiny have not been consulted
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DECISION RECOMMENDATIONS

That Cabinet:

1. agree for the Council to implement a revised National Joint Council (NJC) pay structure and spine from 1 April 2019 in accordance with the details contained within this report.

1 PURPOSE OF THE REPORT

- 1.1 This report makes recommendations to Cabinet to consider the implementation of a revised pay structure to comply with the National Joint Council for Local Government Services nationally negotiated pay spine from 1 April 2019.

2 IMPLICATIONS FOR THE COUNCIL'S AMBITION

- 2.1 Ambition 3 - Our workforce is skilled and talented, geared up to respond to changing business needs and to win rewarding jobs in a growing economy.
- 2.2 Ambition 10 - Sandwell now has a national reputation for getting things done, where all local partners are focused on what really matters in people's lives and communities.

3 BACKGROUND AND MAIN CONSIDERATIONS

3.1. Background

- 3.1.1 On 5 December 2017, the National Joint Council for Local Government Services (NJC), communicated a final pay offer covering the period 1 April 2018 to 31 March 2020.
- 3.1.2 The first year of this, effective 1 April 2018 was a percentage increase to all spinal column points, at 2% for the majority and bottom loading up to SCP 19.
- 3.1.3 The offer also included the introduction of a '**new national pay spine**' on 1 April 2019.
- 3.1.4 The Council has been working towards the implementation of the new NJC national pay spine since then, in readiness for its implementation on 1 April 2019. The new pay spine is based on the following:

- A bottom rate of £9.00 per hour on new Spinal point 1 (equivalent to the old Spinal point 6)
- 'Pairing off' old spinal points 6 to 17 inc. to create new spinal points 1 to 6 inclusive.
- Equal steps of 2% between each new spinal point 1 to 22 inclusive. (equivalent to old spinal points 6 – 28).
- The introduction of 5 new spinal points to allow for the equal steps.
- On new Spinal points 23 and above (equivalent to old spinal points 29 and above), a 2% increase will be applied.

3.2. Considerations

3.2.1 National Joint Council Technical Advice

NJC advice makes it clear that the process adopted for the implementation of the new spine is to be decided by individual employers.

Therefore, each Council should develop proposals around which there should be local negotiation with a view to reaching agreement.

An equality impact assessment (EIA) will need to be carried out on these proposals, and that this data should be shared during these negotiations. The Council has a legal obligation under the Equalities Act 2010 to ensure that its pay and grading structure is fair and not discriminatory.

3.2.2 Schools

It is essential that the new pay structure is applied consistently across the Council to all Council and school based (non- teaching employees). Therefore, all local authority community schools will need to implement the new pay structure to ensure that any potential Equal Pay risks are mitigated.

Financial provisions need to be made by schools in their budget plans to fund the pay offer for 2019, therefore school bursars have also been thoroughly briefed during these negotiations.

The Governing Bodies of Voluntary Aided and Trust schools will be given the option of adopting the new pay structure once this has been approved by Cabinet.

3.2.3 Terms and Conditions of Employment

Agreements reached by the NJC are collective agreements and the Council are obliged to consult with its recognised Trade Unions to achieve a collective agreement.

The introduction of a new pay spine will be classed as a variation to the employee's terms and conditions of employment and will therefore need to be incorporated into employee's contracts of employment.

In order for the Council to continue to justify and defend challenges to its current Job Evaluation Scheme, it is essential that the new pay scales are equally matched to the current job evaluation scores, which were locally negotiated as part of the Single Status Agreement in 2010.

4 THE CURRENT POSITION

4.1 The new proposed pay structure, has been developed in accordance with the NJC pay agreement and its accompanying technical advice, is attached at appendix 1.

4.2 Sandwell has been fortunate in that when applying the new pay spine to its current pay and grading structure, that in the majority of instances, assimilation was relatively straightforward. However, for the purposes of this report, it is felt that the following points are worthy of note.

4.2.1 Overlapping Grade – The new spinal point 2, cuts across old spinal points 8 and 9, which are in different grades. This was resolved by using an overlapping grade that covers both the top of the grade A and the bottom of grade B, an acceptable approach according to the NJC guidelines and is clearly indicated on the new pay structure.

4.2.2 The impact of equal steps and the use of additional points - As a consequence of the NJC having to address the impact of the National Living Wage (NLW) and the introduction of equal steps between the first 22 spinal points it was inevitable that the length of some grades would increase and some would decrease. The result of this being that the length of time for some employees to reach the top of their grade can change.

It was always Sandwells intention to participate fully in the National Agreement, and to be as true as possible to the pay offer when applying it to our current pay and grading structure. It was always acknowledged that by using the additional 5 points the number of spinal column points in band D would increase to 9 points and band E to 8 points.

Concerns were raised in relation to the 9 points in new band D. In consultation with trade unions it was agreed to reduce the number of points in this band to 8 points to mirror band E, this was achieved by removing new spine point 10. This approach was deemed acceptable in the technical advice received from the NJC and this is clearly indicated on the new pay structure.

- 4.3 Comprehensive reporting has been carried out to measure the impact of any changes from an equalities point of view. The data does not indicate that our approach to assimilation or the specific remedies detailed above give any concerns in relation to gender inequalities, from either a pay or headroom point of view.
- 4.4 The NJC agreement is silent on the approach to be taken with regards to the chronology of assimilating employee to the new pay spine. Therefore, the same approach that was taken during the implementation of Single Status agreement has been deemed acceptable, which was “increment first and then assimilate”.

Therefore, employees who are due an increment on 1 April 2019 will receive this on the current pay structure, before being assimilated to the new pay structure immediately afterwards. The Council will use the assimilation rules as detailed in the NJC technical advice and will apply them consistently across the entire workforce covered by this agreement

Once assimilation has occurred then normal incremental progression rules will apply in the future.

- 4.5 Any other conditions of service that are directly connected with a spinal column point (SCP), then the assimilation rules will also be applied.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Meaningful consultation between Sandwell Council and its recognised trade unions has been ongoing since the new pay spine was announced in December 2017.
- 5.2 All three signatory trade unions have agreed to the revised pay structure and pay spine.
- 5.3 The proposal to support the implementation of the new pay structure and spine was endorsed by members of the Joint Consultative Panel (JCP) on 13 December 2018.
- 5.4 These proposals were also shared with the school-based unions at a Joint Union Panel (JUP) on 4 December 2018.
- 5.5 Governors and Head teachers of Sandwell Community schools are aware of the Council’s proposals.

6 ALTERNATIVE OPTIONS

- 6.1 There are no alternative options available, the Council has no option but to implement the 2019 nationally negotiated NJC pay offer in accordance with their advice and technical notes for those employees who are engaged on those terms and conditions.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The financial impact of the 2019 pay award is included within existing budget planning and roll forward assumptions for 2019/20.
- 7.2 The corporate risk management strategy has been complied with to identify and assess the risks arising from the decisions being sought. This has concluded that there are no red risks that require reporting. All risks identified have suitable measures in place to mitigate risks to an acceptable level within the council's appetite for risk.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 This report has been considered by legal services, and there are no specific legal issues or implications that appear to arise at this stage.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 An Equality Impact Assessment has indicated that there are not believed to be any negative effects on employees with a protected characteristic.
- 9.2 Comprehensive reporting has been carried out to measure the impact of any changes from an equalities perspective. The data does not indicate that our approach to assimilation or the specific remedies detailed above give any concerns in relation to gender inequalities, from either a pay or headroom point of view.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 There are no specific data protection implications arising from the contents of this report.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 There are no specific crime and disorder implications arising from the contents of this report.

12 SUSTAINABILITY OF PROPOSALS

- 12.1 The new Local Government pay spine recognises the need to have some 'headroom' from the statutory minimum National Living Wage (NLW) rate, and consequently offers some future proofing in this regard, a starting rate of £9.00 per hour was therefore incorporated from 1 April 2019.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 13.1 The proposals contained in this report will enhance the wellbeing of the lowest paid employees within the council's workforce.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 14.1 There are no specific issues affecting the council's managed property or land arising from the contents of this report

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 15.1 The National Joint Council for Local Government Services pay agreement for 2018-2020 includes the introduction of a new pay spine on 1 April 2019
- 15.2 All local authorities are required to implement this agreement locally, and in accordance with the accompanying advice and technical notes.
- 15.3 Details of the new proposed pay structure for Sandwell, is attached at appendix 1. This document also shows a comparison between this and the current pay structure, and details the assimilation rules.
- 15.4 Once agreed by Cabinet, details of the new pay spine will be passed to HR Transactional Services and the payroll programming team in readiness for implementation and inclusion in the April 2019 payroll processing timetable.
- 15.5 Details of the new pay spine will also be communicated to Service Managers, Line Managers and employees as appropriate.

16. BACKGROUND PAPERS

- 16.1 National Joint Council for Local Government Services - bulletins and technical advice regarding the 2018-2020 pay offer and the new pay spine.

17 APPENDICES:

SMBC proposed pay scales and spine 1 April 2019

Darren Carter
Executive Director – Resources