

## **HUMAN RESOURCES STRATEGIC FORUM**

### **LOCAL GOVERNMENT PAY**

#### **DISCUSSION PAPER AND INFORMATION NOTE**

Single Status Agreement 1997 - National Joint Council (NJC) for Local Government Services.

The single status agreement of 1<sup>st</sup> April 1997 saw the launch of the green book, the national pay and conditions for 1.4 million local authority employees. The key objective of this was to achieve single status employment, aimed at harmonised terms and conditions and better pay equality. A specific part of this was that every local authority had to carry out a local pay review to decide whether or not to operate a system of pay scales as opposed to single pay points. The agreement required these pay reviews to be completed and implemented by all Local authorities by 31 March 2007. North Herts District Council completed its pay review in 2004 introducing the Hay job evaluation scheme and pay scales, as opposed to the NJC national pay scales.

#### **10 years of National pay bargaining 2004 to 2014**

Some local authorities have opted out of national pay bargaining that is carried out between the local government employers and trade unions, the largest of which is Unison. North Herts District Council has remained in national pay bargaining in order to maintain pay rises that are nationally agreed and take into account the prevailing economic circumstances.

From 2004 to 2008 this was providing reasonable annual pay rises. In 2005 it was 3%, 2006 3% 2007 2.5% and 2008 2.75%. However with the sudden onset of a recession in 2008, the picture since has been very different.

In 2009 1% was paid to all staff except Chief Officers, in 2010 no increase was paid and the same applied for a 3 year period in total (a national pay freeze)

In 2012 most public sector workers on the lowest rates of pay got a £250, increase but this was not extended to local authorities.

Every year the unions put in a very detailed pay claim. The employers carry out a consultation with local authorities on affordability. For 2012 and 2013 the unanimous response from Local Authorities nationally was no pay increases were affordable with the austerity budget cuts. However in 2013 the pay freeze did end with the award of 1% to all staff other than Chief Officers who were still on their 2008 pay level.

#### **National Pay bargaining 2014**

The Trade Unions put in a pay claim for:-

A minimum increase of £1 an hour on national NJC pay scales, scale point 5 to achieve the Living Wage and the same flat rate increase on all other scale points.

Following the pay claim, the Local Government Employers carried out the usual Regional Pay Briefing workshops this is to set out the details of the pay claim along with data provided by the Employers and to seek views from local authorities about what they have budgeted for or consider is affordable.

At these workshops they set out their concerns about how the pay freeze has drawn the lowest national pay points very close to the minimum wage.

These were some of the points made by the Employers at those pay briefings

Nationally the local authority Basic pay bill was £22.4bn in 2012/13, Down from £23.9bn (-6.3%) in 2011/12. 465,000 posts had been lost since 2010 (-16%) (ONS Sep 13). Median Full Time Equivalent gross pay is £24,311 for local authority staff, 67% of employees earn less than £21,000. No national pay awards for three years, No national industrial action. In 2013 a 1% pay award plus deletion of the National pay point's bottom pay point to avoid breaching National Minimum Wage.

In effect the national pay scales had fallen so low that the lowest point was below the national minimum wage and the employers were very concerned about that. The Employers decided to wait until the minimum wage changes were made in April before they responded to the pay claim and this led to the Trade Unions registering a dispute.

Strike action did follow with one day of industrial action in July 2014, following which talks did recommence between the Employers and the Trade unions.

On 14th November agreement was finally reached for an increase of 2.2 % to apply from 1st January 2015. (With the exception of Chief Officers) This pay increase was also bottom loaded so the lowest paid would get bigger increases. This was done in response to national pay scales falling so low.

These increases have been applied to our pay scales in readiness for the pay increases to come into effect from 1st January 2014.

The offer also includes a one off (non-consolidated) Lump Sum Payment of £100 in December 2014 (pro rata for part time staff and subject to tax and NI) with a further lump sum in April 2015 of 0.45% of the new pay rate (less the £100 paid in December) This will apply to all staff because 0.45% of the new pay rate will be £100 or less for some staff, so they will only get the December payment.

### **Grade 1 (the Council's lowest pay point).**

There were different increases and lump sum payments agreed for Grade 1 because the Trade Unions and the Local Government Employers agreed greater increases for the lowest paid.

For those on Grade 1, Hay Scale Point 11, the increase will be 5.16% from 1st January 2015. There is also a one off (non-consolidated) Lump Sum Payment, to be paid in December 2015 of £240. There will be no payment in April 2014.

The only employees we have on grade one are our apprentices and interns and occasionally a few seasonal play workers (a temporary role often filled by students).

Our grade 1 salary range from January 2015 will look as follows.

Grade 1	Pay point		Hourly
	11	13773	7.13
	12	14012	7.26
	13	14346	7.43
	14	14802	7.67
	15	15275	7.91
	16	15747	8.16

For comparison purposes see the National Minimum Wage rates for 2014

21+	18 – 20	Under 18	Apprentice
£6.50	£5.13	£3.79	£2.73

### **Chief Officer Pay**

Nationally 2013 saw the fifth year of pay freezes for Chief Executives and Chief Officers (Strategic Directors, Heads of Service and Corporate Managers.) A pay claim was submitted by the Trade Unions and an offer of 2% to apply from January 2015 to March 2016 has been made by the Employers.

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