

\*PART 1 – PUBLIC DOCUMENT

AGENDA ITEM No.

**TITLE OF INFORMATION NOTE: Local Government Pay Update**

INFORMATION NOTE OF THE - Corporate Human Resources Manager

**1. SUMMARY**

To update the JSCC on the latest development regarding Local Government pay.

**2. STEPS TO DATE**

To keep the JSCC informed of the latest developments in relation to national pay policy announcements and Local Government National Pay Bargaining.

**3. INFORMATION TO NOTE**

3.1

In June the Unions representing Council workers started off national pay bargaining for 2016 with their call for local authority pay to be brought up to the living wage currently £7.85 for workers outside of London and £9.15 for those in the capital. The claim also included an increase of £1 per hour for all other workers.

3.2

The recent budget saw the announcement that the Government would introduce a new, compulsory living wage from April 2016. It will be paid to workers aged 25 and above. Initially, it will be set at £7.20 an hour, with a target of it reaching more than £9 an hour by 2020. Part-time and full-time workers will get it.

3.3

In the same budget it was announced that public sector pay rises will be capped at 1% a year for the next four years.

3.4

These two proposals will cause some conflict for those at lower grades because a 1% increase each year will be unlikely to keep pace with rises towards a new compulsory living wage rising to £9 by 2020. Applying it only to those aged 25 and over will also prove problematical with pay scales set that don't have age barriers.

3.5

The regional pay briefings dates have been announced with the one for this region taking place on 14 September 2015. These are the questions that have been put to Councils in preparation for the event.

**Views Sought by the National Employers**

- Had you previously made any assumption regarding pay for all NJC staff in 2016? If so, what was that assumption and has the NLW changed it?
- Has your council calculated the cost of introducing the NLW in April 2016?
- Has your council calculated the cost of the NLW reaching **at least** £9 per hour by April 2020?

- Has your council considered the impact on, for example, pay differentials and your pay & grading structure from the introduction of the NLW?
- What do impact do you think the NLW will have on your council with regard to outsourced contracts etc.?

#### **4. NEXT STEPS**

4.1

We are doing the preparation and planning to attend the regional pay briefing on 14<sup>th</sup> September and a further update on events will be prepared for the December JSCC.

#### **5. APPENDICES**

5.1

None

#### **6. CONTACT OFFICERS**

6.1

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#### **7. BACKGROUND PAPERS**

7.1 None