

**JOINT STAFF CONSULTATIVE COMMITTEE  
28 JUNE 2017**

\*PART 1 – PUBLIC DOCUMENT

AGENDA ITEM No.

**7**

**TITLE OF INFORMATION NOTE - A ROUND UP OF CURRENT GOVERNMENT CONSULTATIONS AND UPDATE ON THE NJC PAY SCALES NATIONAL REVIEW.**

**INFORMATION NOTE OF THE CORPORATE HUMAN RESOURCES MANAGER**

**1. SUMMARY**

- 1.1 This is a round up of the latest position on government consultations that will mean changes to pay, benefits and other HR employee policy and practices.

**2. STEPS TO DATE**

- 2.1 There is regularly an update to the Joint Staff Consultative Committee to inform the committee of the progress of any national pay negotiations, pay claims, pay awards and any changes in relation to pay and pensions that may be coming up. This paper is to show the latest position on a number of government consultations and to update JSCC on the work going on between the LG Employers and the Trade unions to review the national pay scales.

**3. INFORMATION TO NOTE**

**3.1 NJC Review of the national pay scales.**

As part of the 2016 -18 pay deal, the NJC agreed to conduct a review of the NJC pay spine. The latest communication on the project is set out below this was received on 5<sup>th</sup> April 2017.

*Dear Colleague,*

*We are writing to you to let you know about the current review of the national pay spine, which has now started, but is still in its early stages. The requirement to implement the National Living Wage (NLW) in 2020 and how this impacts on pay agreements for 2018-2020 is a big factor to consider*

*The review of the national pay spine remains in the technical stages and as yet neither the National Employers nor the Trade Unions have adopted a formal negotiating position. The joint technical review group has been meeting monthly. The key drivers in discussions to date have been for the NJC to devise a reformed pay spine that meets the following criteria:*

- *is legally compliant with the National Living Wage and that will be 'future proofed' to absorb yearly increases in the rate*
- *has equal differentials between each spinal column pay point*
- *does not cause equal pay / 'Single Status MkII' problems for employers*

- *requires the minimum amount of time and effort for employers to implement and assimilate staff onto a new spine*
- *can be the basis for an agreement between the National Employers and the Trade Unions*

*It is clear from the modelling that has taken place that the cost of meeting the NLW in 2020 and the other criteria cannot be achieved at a total cost of a 3% cumulative increase in national pay bill over the settlements for 2018, 2019 and 2020. For illustrative purposes only the review group has calculated the range of costs over the three years are likely to be at least 4.5%-6.0% increase on the national pay bill, but with the lower end of that cost estimate resulting in significant future problems with regard to the maintenance of differentials and therefore proving to be something of a false economy. As always, whatever emerges from the NJC discussions will be subject to a full and comprehensive consultation with all councils.*

### **3.2 Exit Payment Cap**

The planned Exit Payment Regulations 2016 have been delayed and there is some evidence that the government might be rethinking the policy and there is no definite date for its implementation.

### **3.3 Off Payroll Workers**

This is the new legislation from April 2017 that makes public sector employers responsible for assessing the tax liability of contractors, who work through personal service companies. It took a great deal of time for HR and Finance to prepare for these complex changes but the work was completed on time. Fears remain that interims and contractors provide short term capability or capacity for the public sector without building up employer liabilities. These arrangements allow a very agile approach to resourcing allowing the public sector to utilise talent for only so long as it is needed. For contractors it may be enough to discourage them from choosing to work in the public sector leading to a potential lack of talented resource being available. One such contractor has withdrawn from working for the Council due to the new tax liability.

### **3.4 Apprentice Levy**

The preparations for the Apprentice Levy have resulted in the Councils on-line account being active and ready Government has now published some further guidance on the changes to apprenticeship funding, this includes proposed funding bands for existing apprenticeship frameworks and standards. They have also updated the existing online guidance, which gives employers a clear explanation of how to pay the levy, manage and use their funds in the new system.

### **3.5 Mandatory Gender Pay Gap Reporting**

On 18th August the Government issued a consultation on gender pay reporting. It runs up to 30 September 2016. Public bodies that are subject to these regulations are those with 250 or more employees and will have to calculate their mean and median gender pay gap, and information on the proportions of male and female employees in each salary quartile. Work will start in readiness to prepare any standard reports that will be needed for this.

### **3.6 Salary Sacrifice Cars**

In his Autumn Statement the Chancellor announced changes to salary sacrifice car leasing schemes which mean that from 6th April 2017 the tax and national insurance contributions savings for employees and employers will be reduced. The new rules however do not apply to ULEVs (Ultra Low Emissions Vehicles).

All salary sacrifice vehicles currently being driven by employees under the scheme, or ordered before the new tax year, were unaffected by the changes, and all current agreements will be honoured for the duration of their term up to a maximum of April 2021. From 6th April 2017 the Council's Justdrive Scheme was amended so that only ULEVs cars are now available to order. To date no orders have been received under the new scheme.

A survey of staff opinion in respect of the Scheme received a good response with over a 100 members of staff expressing their views. The comments received showed the expense of the scheme is a strong negative factor with almost 50% (11/24) of commentators thinking the scheme was expensive or not a good deal. There was some support for electric cars promoting the Council's green agenda (3/24), but very few comments gave a positive indication that the individual would be interested in joining the scheme (3/24). The current contract with the provider of the scheme is due for re-tender at the end of November 2018 and it has been decided to continue running the scheme on the revised basis described above until mid 2018 before reviewing whether the contract should be re-tendered.

It was agreed to carry out a survey of staff given the changes to salary sacrifice car schemes. The survey showed that very few members of staff who replied are in the scheme (3) which is what we expected, the expense of the scheme is a strong factor with commentators thinking the scheme was expensive or not a good deal. There was some support for electric cars promoting the Council's green agenda (3/24) The interest in ECO cars was noted but the fact that take up hasn't been of this type of car was also acknowledged. Very few comments gave a positive indication that the individual would be interested in joining the scheme (3/24). The scheme will stay open until a contract review date of 30/11/18.

### **3.7 Local Government Pension Scheme**

A consultation on changes to the LGPS regulations took place in August 2016. The LGA responded but to date the government response has not been published.

## **4. NEXT STEPS**

Developments on these matters and any other new proposals will be followed and reported to each JSCC.

## **5. APPENDICES**

5.1 None.

## 6. CONTACT OFFICERS

- 6.1 Kerry Shorrocks – Corporate Human Resources Manager 01462 474224  
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## 7. BACKGROUND PAPERS

7.1

<https://www.gov.uk/government/consultations/local-government-pension-scheme-regulations>

Apprentice Levy [further guidance](#)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/545135/Simplification\\_of\\_the\\_tax\\_and\\_National\\_Insurance\\_treatment\\_of\\_termination\\_payments-government\\_response\\_and\\_consultation\\_on\\_draft\\_legislation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/545135/Simplification_of_the_tax_and_National_Insurance_treatment_of_termination_payments-government_response_and_consultation_on_draft_legislation.pdf)

<https://consult.education.gov.uk/equality-framework-team/gender-pay-gap-reporting-public-sector>

<https://www.gov.uk/government/consultations/salary-sacrifice-for-the-provision-of-benefits-in-kind>