



## Personnel Sub-Committee 23 April 2013

### Cost of Living Pay Rise

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#### **Purpose of report**

This report considers implementation of the 2013 cost of living pay rise.

#### **Appendix A – National Joint Council pay offers 2013**

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#### **1.0 Background**

- 1.1 As Councillors will be aware, the Council follows national pay negotiations in respect of all staff groups employed by the Council including Chief Executive, Chief Officer and all other staff who are employed on National Joint Council for Local Government Services (NJC) terms and conditions of employment. This includes Heads of Service and below. The cost of living pay rise proposed in this report relates to all groups of staff.
- 1.2 The last time a cost of living pay rise was awarded by the NJC was in 2010, but that was limited to a £250 increase only awarded to staff earning less than £21,000 per annum. Prior to that, the last award made to all NJC staff was 1% in 2009. For the majority of staff employed by the Council it has, therefore, been four years since they last received a cost of living pay rise.
- 1.3 In addition, since 2009 the Council has also removed or reduced a number of staff benefits including:
- removal of private healthcare
  - removal of life assurance
  - removal of the Council Car Scheme
  - reduced fuel payments to HMRC rates.
- 1.4 It is noted that staff have responded positively to removal of these benefits.

#### **2.0 Position with national pay negotiations**

- 2.1 Negotiations are taking place and being communicated in relation to a cost of living pay rise for individuals employed on NJC terms and conditions of employment. However, there isn't currently any communication about national negotiations in relation to Chief Executive or Chief Officer cost of living rises,
- 2.2 The offers made by National Employers for 2013 are attached at Appendix A. UNISON's NJC Committee met on 27 February 2013 to consider the offers made and unanimously decided to reject both options and seek to re-open negotiations.
- 2.3 It is likely that, as in previous years, negotiations will continue well into the year, delaying payment of any cost of living pay award. It should also be noted that a number of the changes proposed by National Employers, such as using HMRC mileage rates, have already been implemented by this Council.

### 3.0 Proposed cost of living pay rise

3.1 The Council already has £61k built into the 2013/14 budget which represents a 1% pay rise for all staff. Whilst the Council wants to remain part of national negotiations for the time being, Councillors are asked to consider whether to award a 1% cost of living pay rise to all staff in advance of conclusion of national pay negotiations. Early local agreement in anticipation of the conclusion of any national agreement was previously done in 2010, when staff agreed **not** to apply any nationally agreed pay rise in order to help the Council deliver financial savings.

3.2 The benefit of applying the increase now would be to recognise the continued hard work of staff and enable the Council to be competitive in the employment market to ensure that it can recruit and retain knowledgeable and skilled staff. It is noted that some difficulties have recently been experienced when recruiting to jobs within the Council including Head of Finance, together with posts in ICT and Planning Services.

3.3 If Councillors agree to a 1% cost of living pay rise for 2013, this will be paid to staff backdated to 1 April 2013 and will be subject to the Council abiding by any other changes to Green Book terms and conditions that are agreed as part of any national pay deal.

### 4.0 Financial implications

4.1 A 1% cost of living pay rise is already built into the Council's Medium Term Financial Strategy.

### 5.0 Legal implications

5.1 There are no known legal implications.

### 6.0 Risk implications

6.1 There is a risk that national negotiations result in either a lower cost of living pay rise being agreed, or National Employers and Unison's NJC Committee failing to reach a settlement.

### 7.0 Equality implications

7.1 There are no known equality implications.

### 8.0 Recommendation

8.1 Councillors are asked to approve a 1% cost of living pay rise for 2013, backdated to 1 April 2013 (subject to the Council abiding by any other changes to Green Book terms and conditions that are agreed as part of any national pay deal).

[Reason: to ensure the Council can successfully recruit and retain knowledgeable and skilled employees]

<b>Legal</b>	Power: Local Government Act 1972.				
	Other considerations:				
<b>Background Papers:</b>					
<b>Person Originating Report:</b> David Oliver – Chief Executive					
<b>Date:</b> 10 April 2013					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

**To: Chief Executives in England, Wales and N Ireland  
(additional copies for HR Director and Finance Director)  
Members of the National Employers' Side  
Regional Directors**

21 February 2013

Dear Chief Executive,

### **LOCAL GOVERNMENT PAY 2013**

I am writing to inform you of developments in the local government services national pay negotiations.

At a meeting last week of the National Joint Secretaries we indicated to the unions again that the National Employers were still committed to trying to reach a collective agreement with the unions. Therefore, we asked them to reconsider, even at this late stage, their stance of being unable to discuss changes to terms and conditions in return for a 1% across-the-board offer. We also told them that if they could not move from their current position that any pay offer would be likely to consist of two elements applying to different parts of the pay spine, rather than a single figure applied across-the-board.

Consequently, at a meeting today of the National Joint Council Executive the National Employers asked the Trade Union Side to consider two options with a view to securing an eventual agreement. These are set out below:

#### **Option 1**

- 1.0% on all pay points from 1 April 2013
- NJC mileage rates replaced by HMRC Approved Mileage Rates (<http://www.hmrc.gov.uk/rates/travel.htm>) for those councils currently applying NJC rates, from a date to be agreed (*Green Book Part 2 Para 12 and Part 3 Para 6 refers*)
- Unilateral arbitration clause replaced by bilateral reference, from date to be agreed (*Green Book Constitution Para 17 refers*)
- An increase in the minimum paid annual leave entitlement from 21 days to 22 days, from a date to be agreed (*Green Book Part 2 Para 7.2 refers*)
- Increase in continuous service entitlement for the purposes of calculation of entitlements to annual leave, occupational maternity leave / pay and occupational sick pay from return to service within five years to within ten years of the original transfer, from a date to be agreed (*Green Book Part 2 Para 14.2 and 14.3 refers*)
- Joint statement providing a list of the issues on which both Sides agree to commence immediate serious discussions.

(NB: all dates for implementation of changes to be agreed as part of final deal)

**Option 2**

- 1.0% on pay points 4 to 10 from 1 April 2013
- 0.6% on pay points 11 and above from 1 April 2013

Today's meeting was adjourned and the unions have undertaken to consider the options before them and to give us their response in the next few weeks.

I shall keep you informed of developments.

Yours faithfully,

**Sarah Messenger**  
**Employers' Secretary**