

TRAFFORD COUNCIL

Report to: Employment Committee
Date: 25th March 2019
Report for: Decision
Report of: Corporate Director of People

Report Title

Revised implementation arrangements regarding the national two year pay deal for 2019/20 and proposed new pay structure following regional trade union negotiations.

Summary

The purpose of this report is to seek approval following trade union negotiations at regional level for a variation to the proposal considered and agreed by this committee in December 2018 relating to implementation of year 2 (2019-20) of the NJC Pay Agreement.

These proposals have been developed in consultation with the Head of Financial Management and the Corporate Director People.

There is support at UNISON and GMB regional and local levels for the proposals contained in this report for a collective local agreement.

The constitution requires that this is approved by Council. This report seeks the approval of the Employment Committee to the proposed revised arrangements and agreement that the recommendation to full Council is that it should be approved

Recommendation(s)

1. Agree the adoption of the new grade structure and spinal column points, as set out in Appendix 1 to be applied across staff employed by the Council on Grades 1 – SM4 with effect from 1 April 2019.
2. Agree that the bar for enhanced overtime payments will remain at the top of band 5 new scp 22.
3. Recommend the new pay structure is formally endorsed by full Council in March as part of the Pay Policy Statement.

Contact person for access to background papers and further information:

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Relationship to Policy Framework/Corporate Priorities	These proposals align with the council's Corporate Priorities in respect to 'Low Council Tax and Value for Money' and 'Reshaping Trafford
Financial	The financial impact on the Council will be contained within the Revenue Budget and Schools will be required to manage the increase within their individual DSG allocations Minimal
Legal Implications:	The implementation process will be fully compliant with employment and equalities legislation.
Equality/Diversity Implications	An Equality Impact Assessment is being undertaken in line with the Equality Framework.
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	The introduction of the new minimum hourly rate of £9.19. This is a really positive step for those entering on the pay ladder and will better support our recruitment offer.
Risk Management Implications	See impact on catering & cleaning A review of Catering and Cleaning Service contracts will be undertaken to ensure we have a robust contractual position in advance of the implementation of the pay award, to mitigate risk of redundancy costs following potential TUPE exercises.
Health & Wellbeing Implications	N/A
Health and Safety Implications	N/A

1.0 Background

1.1 Agreement was reached between the National Employers and the NJC Trade Union Side on rates of pay applicable from **1 April 2018** and **1 April 2019**. This was a 2 year pay deal which included the introduction of a new pay spine from 1 April 2019 that is based on the following:

- A bottom rate of £9.00 per hour (£17,364) on new Spinal Column Point (SCP)1 (equivalent to old SCPs 6 & 7) based on a 37 hour week and for Trafford this equates to **£9.19** per hour on a 36.25 working week;
- Recognition of the future changes to the minimum wage;
- Renumbering of spinal column points in recognition of amalgamated old SCPs 6-17 incl. to create new SCPs 1-6 inclusive;
- Equal steps of 2.0% between each of the new SCPs 1-22 inclusive (equivalent to old SCPs 6-28 incl.)

1.2 In 2014, the pay structure in Trafford was revised into a more linear structure, removing all overlapping grades. A new pay grade of Band 12 was introduced at the top of the pay structure in recognition of the gap to senior management grade SM4C.

- 1.3 The Council's current entry level is Band 1, SCP 6 which has an hourly rate currently of £8.67 and SCP7 has an hourly rate of £8.73. Both entry level points are below the current Real Living Wage rate of £8.75 but above the National Minimum wage of £7.38 and National Living Wage of £7.83 per hour.
- 1.4 In April 2019, following the implementation of the NJC pay award, the Council's lowest hourly rate and entry level will be **£9.19** per hr which means we will be above the Real Living Wage set to rise to **£9.00** per hour and National Minimum Wage rates as they currently stand.
- 1.5 The age rates for employees is attached below for information and for those under age 25 they will attract national minimum wage rates and for those over 25 it's called the national living wage rate which will be £8.21 from April 2019.

Year	25 and over	21 to 24	18 to 20	Under 18	Apprentice
April 2018 (current rate)	£7.83	£7.38	£5.90	£4.20	£3.70
April 2019	£8.21	£7.70	£6.15	£4.35	£3.90

- 1.5 Having a linear and equal pay compliant pay structure will assist with a fairly straight forward transition to the new pay spine along with incremental progression for most staff in January 2019. The new pay spine introduces a new numbering system corresponding to the new pay rates implementation recommendations are outlined below.

2.0 Design Principles & Scope

- 2.1 The principles outlined below guided the design of the new pay structure;
- Minimise impact on pay for staff;
 - 5 spinal column points as a maximum per band;
 - No overlapping bands;
 - Increment first then assimilate to new pay spine where appropriate;
 - No job re-evaluations;
 - Equality compliant;
 - Minimum impact to budgets.
- 2.2 All staff employed by Trafford Council and Schools in our control who are on NJC terms and conditions will be included in the implementation of the new national pay spine. As discussed at the last Employment Committee we have been updating Schools to alert them to these changes and a series of meetings have taken place with Head teachers and Business and Finance Managers so they are fully prepared and can factor the new proposals into their financial planning.

- 2.3 Trafford's Schools Finance and HR teams offer advice and guidance for those Schools who buy back our services. It is anticipated that those Trafford Schools who do not buy back will receive assistance from their own advisers.

3.0 Pay Structure Design - amendment

- 3.1 As previously discussed at the last Employment Committee there is a degree of local flexibility for implementation of the new pay spine and this proposal sets out Trafford's *revised* recommended approach following further negotiations with UNISON at regional level.
- 3.2 To recap on the process undertaken to arrive at the new pay structure - a pay modelling exercise was undertaken to identify cost impact to the Council's salary budgets for staff on Bands 1 to 5 who are in the main affected by the changes proposed to the introduction of the year 2 pay award and a new pay spine. A range of options were developed utilising the above design principles and presented to Employment Committee in December 2018.
- 3.3 Benchmarking was carried out to identify how other Councils across GM are approaching implementation and there is a varied approach consistent with their local pay scales and grading structures. One issue that Trafford will not have to grapple with is the principle of whether to pay annual increments first then implement the pay award as in the main our incremental progression occurs in January. For roles where this does not apply, in the main in schools, we will adopt the position currently negotiated with GM Trade Unions of increment first.
- 3.4 In line with the Government's pledge to increase the National Living Wage to £9.00 per hour from 2020, this exercise enables us to achieve this sooner and based on our 36.25 hrs per week, the new hourly rate for entry level and the bottom point from 1st April 2019 will be **£9.19** per hour.
- 3.5 This is a really positive step for those entering on the pay ladder and will better support our recruitment offer, as well as enabling a better standard of living for people working in and for Trafford.

4.0 Pay Structure Revised Recommendation

- 4.1 As referenced in Paragraph 3, a number of options were considered and an option was agreed at the last Employment Committee for the preferred implementation approach that saw a range of changes to the numbers of grade levels in each band, introduced as part of year 2 of the pay award.
- 4.2 Since the last Employment Committee, further discussions have been held with UNISON Regional Officers who raised concerns over the implementation arrangements that introduced new scps in some

grades. Their concerns centred around the increased length of time it would take employees to reach the top of the grade.

4.3 Following discussions a revised approach has been proposed and they are in agreement to this proposal and willing to enter into a collective agreement based on the revised pay structure as outlined in Appendix 1.

4.4 There is no change to the overall costs to the council including Schools of adopting the new pay structure highlighted, will be in the region of £2.8m and includes the additional costs to the Catering & Cleaning Service of £274k included in the MTFP for 2019/20.

5.0 Recommended changes to implementation of part 2 of the NJC pay award

51 The recommended changes as discussed and agreed with UNISON are as follows:

- Agree that the mapping of old scp to new scp follows the NJC principles outlined in the 2018/19 agreement;
- Retain the entry level point for band 3 at new scp 6 £19,171;
- Those new scps proposed in the option discussed in December (scp 10, 13, 16, 18 and 21 highlighted in Appendix 1) to be deemed inactive and not to be used for any staff to assimilate to or progress onto.
- The overtime threshold scp 28 will remain at the equivalent top of grade band 5 that will be renamed scp 22 in the new pay spine.

6.0 Conclusion

6.1 The revised proposal offers a robust and equitable pay structure, where there will be no financial impact on staff and meets our aspirations to pay above the Real Living Wage and National Minimum Wage pay rates. From 1st April our entry level will be £9.19 per hour in Trafford based on a 36.25 working week.

APPENDIX 1

01-Apr-18		Old proposal 01/04/2019			New Proposal following UNISON agreement			
SCP	£ per annum	New SCP	£ per annum	New Proposed Bands	New SCP	£ per annum	New Proposed Bands	
6	£16,394	1	£17,364	BAND 1	1	£17,364	BAND 1	
7	£16,495							
8	£16,626	2	£17,711		2	£17,711		
9	£16,755							
10	£16,863	3	£18,065	3	£18,065			
11	£17,007							
12	£17,173	4	£18,426	BAND 2	4	£18,426	BAND 2	
13	£17,391							
14	£17,681	5	£18,795		5	£18,795		
15	£17,972							
16	£18,319	6	£19,171	BAND 3	6	£19,171	Inactive	
17	£18,672							
18	£18,870	7	£19,554		7	£19,554		
19	£19,446							
20	£19,819	8	£19,945	8	£19,945			
		9	£20,344	9	£20,344			
		10	£20,751	10	£20,751	Inactive		
21	£20,541	11	£21,166	BAND 3	11	£21,166	BAND 3	
22	£21,074							
		12	£21,589		12	£21,589		
		13	£22,021	13	£22,021	Inactive		
23	£21,693	14	£22,462	BAND 4	14	£22,462	BAND 4	
24	£22,401							
		15	£22,911		15	£22,911		
		16	£23,369	16	£23,369	Inactive		
25	£23,111	17	£23,836	BAND 4	17	£23,836	BAND 4	
		18	£24,313		18	£24,313		Inactive
26	£23,866	19	£24,799	BAND 5	19	£24,799	BAND 5	
27	£24,657							
		20	£25,295		20	£25,295		
		21	£25,801	21	£25,801	Inactive		
28	£25,463	22	£26,317	BAND 5	22	£26,317	BAND 5	
29	£26,470							
30	£27,358	23	£26,999		23	£26,999		
31	£28,221							
32	£29,055	24	£27,905	BAND 6	24	£27,905	BAND 6	
33	£29,909							
34	£30,756	25	£28,785		25	£28,785		
35	£31,401							
36	£32,233	26	£29,636	BAND 7	26	£29,636	BAND 7	
37	£33,136							
38	£34,106	27	£30,507		27	£30,507		
39	£35,229							
40	£36,153	28	£31,371	BAND 8	28	£31,371	BAND 8	
41	£37,107							
42	£38,052	29	£32,029		29	£32,029		
43	£39,002							
44	£39,961	30	£32,878	BAND 9	30	£32,878	BAND 9	
45	£40,858							
46	£41,846	31	£33,799		31	£33,799		
47	£42,806							
48	£43,757	32	£34,788	BAND 10	32	£34,788	BAND 10	
49	£44,697							
50	£45,659	33	£35,934		33	£35,934		
51	£46,623							
52	£47,585	34	£36,876	BAND 11	34	£36,876	BAND 11	
53	£48,558							
		35	£37,849		35	£37,849		
		36	£38,813	36	£38,813			
		37	£39,782	37	£39,782			
		38	£40,760	38	£40,760			
		39	£41,675	39	£41,675			
		40	£42,683	40	£42,683			
		41	£43,662	41	£43,662			
		42	£44,632	42	£44,632			
		43	£45,591	43	£45,591			
		44	£46,572	44	£46,572			
		45	£47,555	45	£47,555			
		46	£48,537	46	£48,537			
		47	£49,529	47	£49,529			