

## TRAFFORD COUNCIL

**Report to:** Council  
**Date:** 20<sup>th</sup> March 2019  
**Report for:** Approval  
**Report of:** Sarah Saleh, 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 for the new NJC pay structure which is as a result of the requirement to implement year 2 (2019-20) of the NJC Pay Agreement. This is further to Employment Committee approving a proposed new pay structure in December 2018 and then following trade union negotiations at regional level there was a variation to the initial proposal, which led to a revised pay structure which was agreed by Employment Committee in March 2019.

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 revised pay structure has been approved by Employment Committee, however the constitution requires that this is approved by Council. This report seeks the approval of Council.

### Recommendation(s)

Further to approval at Employment Committee on 11<sup>th</sup> March 2019.

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. Approve the new pay structure as part of the Pay Policy Statement.

Contact person for access to background papers and further information:

Name: Sara Saleh  
Extension: 4007

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. 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. 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. 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 1<sup>st</sup> 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. 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. Recommended changes to implementation of part 2 of the NJC pay award**

- 5.1 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. 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 1<sup>st</sup> April our entry level will be £9.19 per hour in Trafford based on a 36.25 working week.

## **7. Recommendation**

Council is recommended to note and approve the new NJC pay structure as detailed in this report.

## 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	
17	£18,672						
18	£18,870	7	£19,554	7		£19,554	
19	£19,446						8
20	£19,819	9	£20,344	9		£20,344	
					10		£20,751
21	£20,541	11	£21,166	11		£21,166	
22	£21,074				12		£21,589
		13	£22,021	13		£22,021	
23	£21,693				14		£22,462
24	£22,401	15	£22,911	15		£22,911	
					16		£23,369
25	£23,111	17	£23,836	17		£23,836	
					18		£24,313
26	£23,866	19	£24,799	BAND 4		19	
27	£24,657				20		£25,295
		21	£25,801			21	
28	£25,463				22		£26,317
29	£26,470	23	£26,999			23	
30	£27,358			24	£27,905		BAND 5
31	£28,221	25	£28,785			25	
32	£29,055			26	£29,636		
33	£29,909	27	£30,507			27	
34	£30,756			28	£31,371		
35	£31,401	29	£32,029			BAND 6	29
36	£32,233			30	£32,878		
37	£33,136	31	£33,799				31
38	£34,106			32	£34,788		
39	£35,229	33	£35,934				33
40	£36,153			34	£36,876	BAND 7	
41	£37,107	35	£37,849				35
42	£38,052			36	£38,813		
43	£39,002	37	£39,782				37
44	£39,961			38	£40,760		
45	£40,858	39	£41,675			BAND 8	39
46	£41,846			40	£42,683		
47	£42,806	41	£43,662				41
48	£43,757			42	£44,632		
49	£44,697	43	£45,591				43
50	£45,659			44	£46,572	44	
51	£46,623	45	£47,555				45
52	£47,585			46	£48,537	46	
53	£48,558	47	£49,529				47