

Bucks Pay-Schools Annual Pay Review Consultation

Schools Forum Funding Group 22nd November 2016

1. Role of the Schools Forum Funding Group and the Schools Forum

The Senior Appointments and Bucks Pay Award Committee (SABPAC) are required each year to make a decision on the pay award to apply to Bucks Pay- Schools (Schools Support Staff). However, because the budget for pay awards is held by individual schools, they seek input and advice from Schools management via the Schools Forum Funding Group (SFFG) and the Schools Forum (SF). SABPAC will make a provisional decision on December 15th which will then go out for formal consultation via the schools bulletin.

2. Background to the Pay Review April 2017- March 2018

Last year two options were discussed by the SFFG and SF with respect to the ***principle of how to address the National Living Wage (NLW)***.

These were:

- 1) Delete Range 1A entirely
- 2) Maintain Range 1A as a single point which increases in line with the NLW and delete the lower points of Range 1B as these are overtaken by the NLW.

Following feedback from SFFG and SF, SABPAC decided that Option 2 is the most cost effective approach.

This means that each year a decision will be required by SAPAC on whether or not to apply a percentage (or other) pay award to all Bucks Pay Schools pay scales (Ranges 1A – 12) and if so how much.

They will also need to review the value of the NLW and decide the impact on both the increase to R1A needed to remain compliant with NLW and any consequential impact on the bottom of Range 1B.

3. Update on National Living Wage

The NLW introduced in April 2016 is currently £7.20 per hour, to apply to all workers age 25 and over.

The stated aim is for the NLW is to reach 60% of median earnings by 2020. When it was announced in July 2015, it was anticipated that this would be a minimum of £9.00 per hour by April 2020.

However a recent publication by the Resolution Foundation (an independent think tank) has stated that as a result of “Brexit” “many forecasters, including the Bank of England, have revised down their earnings growth; therefore the National Living

Wage has also been revised down." It is now expected to increase to £7.50 per hour in April 2017 and reach £8.60 by 2020 based on current forecasts.¹

This is not a confirmed position and further details are expected as part of the Autumn Statement on 23 November.

The Government has placed a cap on public sector pay increases of an average 1%.

This has resulted in a 1% increase to Teachers pay scales in September 2016.

4. Pay considerations

The Bucks Pay-Schools Range 1A hourly rate is currently £7.40 per hour, which is currently 2.8% above the NLW.

The lowest point on Range 1B is £14,935 per annum/£7.74 per hour. It is assumed that for this year (i.e. from April 2017), NLW will not require the deletion of ISN point 6 (i.e. the bottom step of Range 1B), although the differential between Range 1A and the bottom of Range 1B will decrease.

As we do not yet know the value to which the NLW will increase on 1st April 2017, a number of estimated costs have been calculated based on an increase of NLW to £7.50, £7.60 and £7.70 per hour. These rates equate to increases of 1.35%, 2.70% and 4.05% of the current value (£7.40 per hour).

Therefore when making a decision on what pay award to make to Bucks Pay Schools, three possible options have been identified:

- 1) No increase to any range except to meet NLW requirements
- 2) A percentage increase for all ranges, with an additional increase for R1A to meet NLW if required
- 3) A percentage increase for all ranges, with an additional increase to meet and slightly exceed NLW requirements (e.g. if standard increase was agreed at 1%, and the NLW increases to £7.50 per hour, then an increase of 2.7% could be applied to Range 1A to bring the value up to £7.60 per hour).

SABPAC) discussed Pay for School support staff at the recent committee meeting and support Option 2, as this meets our legal obligations (NLW) and can be achieved in line with the governments national guidelines on public sector pay (1%).

Members will be strongly guided by the views of the Schools Forum Funding Group and the School Forum.

¹ <http://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/sept2016>

The SSFG are asked to consider the options above. We recognise that the NLW rate from 1st April 2017, has not yet been announced, therefore a view on the preferred principle (i.e. which option) is sought.

It is expected that the April 2017 NLW rate, will be announced in the Autumn statement (23rd November 2016).

There will be a further opportunity for Schools management to share views at the Schools Forum on 29th November and also later on during December and January when a consultation with school employees on a proposal for April 2017, will be published via the Schools Bulletin. SABPAC welcome any further comment over this period and will take it fully into consideration when they make a decision on Bucks Pay-Schools in February 2017.

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