

Bucks Pay (Schools) Annual Pay Review Consultation for pay year 2018/19

Schools Forum 26th September 2017

1. Role of 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). However, because the budget for pay awards is held by individual schools, they seek input and advice from Schools management via the Schools Forum (SF). SABPAC will make a provisional decision on December 7th which will then go out for formal consultation via the schools bulletin.

2. Background to the Pay Review April 2018- March 2019

In February 2016 the decision was made, in consultation with schools management, to maintain Range 1A as a single point which increases in line with the NLW and to delete the lower points of Range 1B as these are overtaken by the NLW.

The impact of the increase to R1A, which will be required in order to remain compliant with NLW and any consequential impact on the bottom of Range 1B, can only be fully assessed once the rate for Living Wage (NLW) 2018/19 is announced in the autumn budget in late November or early December.

Range 1A is currently £7.50 per hour in line with the NLW 2017/18.

3. Update on National Living Wage

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

The Office for Budget Responsibility ¹(OBR) was created in 2010 to provide independent and authoritative analysis of the UK's public finances. The OBR has said that the increase of the NLW to £9 by 2020 will not happen due to slow earnings growth and have revised their forecasted increases up to 2020- see table below.

2018	2019	2020	2021
£7.90	£8.30	£8.75	£9.10

4. Pay considerations

Bucks Schools may be once more considering a 1% pay increase for Bucks Pay (Schools) staff in 2018/19 in line with the Governments public sector pay cap. For Teachers the model pay policy, currently out to consultation with Unions, includes a provision for schools to uprate salaries for all Teachers on the Main pay range by 2% and for all other salaries and allowances to be uprated by 1%, prior to any uplifts applied as a result of appraisal recommendations. This is based on the School Teachers Pay & Conditions document 2017, published in August, which gives schools discretion to decide appropriate pay levels for Teachers within certain prescribed parameters.

¹ <http://budgetresponsibility.org.uk/faq/where-can-i-find-your-latest-forecasts/>

The Bucks Pay (Schools) Range 1A hourly rate is currently £7.50 per hour and it is possible that it will need to be increased by 5.3% to £7.90 per hour to be in line with the NLW, if the OBR forecasts are correct.

Currently the lowest point on Range 1B is £15,084 per annum/£7.82 per hour. If, for example, a 1% is applied then this would rise to £7.90 per hour. Therefore if the NLW is increased to £7.90, in order to maintain any differential between grades, the increase to R1B ISN6 would need to be a minimum of 1.5%.

The table below illustrates some scenario increases to R1A and demonstrates that it is still possible to maintain R1B ISN6 without intrusion into ISN 7 in 2018/19, if the OBR forecast is accurate.

Range	ISN point	Current Annual Rate	Current Hourly Rate	Living Wage increased to	Impact of increase on Annual Rate	Percentage increase
1A	n/a	£14,468	£7.50	£7.75	£14,945	3.3%
				£7.90	£15,235	5.3%
				£8.00	£15,431	6.66%
Range	ISN Point	Current Annual Rate	Current Hourly Rate	Example % increase	Impact of increase on Annual Rate	Impact of increase on Hourly Rate
1B	6	£15,084	£7.82	1%	£15,235	£7.90
				1.5%	£15,310	£7.94
				2%	£15,386	£7.97
				2.5%	£15,461	£8.01
	7	£15,756	£8.17	1%	£15,914	£8.25
	8	£16,430	£8.52	1%	£16,594	£8.60
	9	£17,093	£8.86	1%	£17,264	£8.95
	10	£17,768	£9.21	1%	£17,946	£9.30

Members will be strongly guided by the views of the Schools Forum when making a decision; therefore the Schools Forum is asked to share their view on the scenarios illustrated in the table above.

1. A view concerning the position of percentage increases to R1B ISN6 in relation to a NLW increase of £7.90 or lower;
2. A view concerning an increase of the NLW of £8.00 or higher and the deletion of ISN6?
3. A view on a percentage increase on Range 1B ISN 7 – Range 12.

There will be a further opportunity for Schools management to share their views during December and January when a consultation with school employees on a proposal for April 2018, will be published via the Schools Bulletin. SABPAC welcome any further feedback over this period and will take it fully into consideration when they make a decision on Bucks Pay (Schools) in February 2018.

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