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| SUBJECT: | Pay award update for staff on harmonised contracts and pay award offer for Heads of Services. |
| REPORT OF: | Bob Smith, Chief Executive |
| RESPONSIBLE OFFICER | Bob Smith, Chief Executive |
| REPORT AUTHOR | Louise Cole, HR Manager, 01494 732015, lcollection@chiltern.gov.uk , louise.cole@southbucks.gov.uk |
| WARD/S AFFECTED | N/A |

1. Purpose of Report

- 1.1 To approve the final pay award for staff on harmonised contracts with effect from 1st April 2018 and 1st April 2019.
- 1.2 To agree the pay award offer to be made to Heads of Services whose pay is determined locally to be effective from 1st April 2018 and 1st April 2019 which is in line with the pay offer for staff on harmonised contracts.

RECOMMENDATIONS

Members are asked to consider this report and to:

1. **Approve the final pay award for staff on harmonised contracts for 2018/19 and 2019/20 with the following terms:-**
 1. **A 2 year pay award of 2% with effect from 1st April 18 and 2% from 1st April 19;**
 2. **Removal of 1A and 1B from the Harmonised Pay Spine (staff paid below that to move to 1C including those at the Golf Club on the VLW);**
 3. **A commitment to go back to the negotiating table, within 3 months, if the NJC Agreement is higher in 2018 and/or 2019;**
 4. **The Councils reserve the right to determine pay locally. The local pay mechanism is to come in to effect immediately;**
 5. **The Councils' make the commitment to seek to pay the minimum of the NJC offer when determining future pay awards and would expect to at least match the NJC award in all likely and foreseeable circumstances. If there were exceptional circumstances at play and the pay award offer could not match the NJC award the Councils would commit to resolve this in discussion and negotiation with UNISON locally. If this could not be resolved locally a resolution would be sought through arbitration.**
 6. **Future pay rises will be determined taking in to account inflation, local market conditions and the prevailing financial context.**

- 2. Approve the recommendation to make a pay award offer to Heads of Services of a 2% pay uplift with effect from 1st April 2018 and a 2% pay uplift with effect from 1st April 2019.**
- 3. Approve delegation of authority to the Chief Executive, in consultation with the 2 chairmen of the committee, the final terms of the pay award for staff on harmonised contracts and the final terms of the agreement for Heads of Services.**
- 4. The Committee notes that the draft Council budgets for 2018/19 have been amended to reflect the 2% pay uplift for staff on harmonised contracts and Heads of Services.**

2. Reasons for Recommendations

- 2.1 The Joint Staffing Committee agreed a pay award offer to staff on harmonised contracts. That offer was communicated to staff and UNISON. UNISON has responded with a counter offer. Subsequent negotiations with UNISON have resulted in a final position which Management Team support and it is recommended to the committee that this is approved and implemented.
- 2.2 Every year the Councils are required to consider a pay award for Heads of Services whose pay is determined locally. It is recommended Heads of Services be awarded a 2% pay uplift in April 2018 and 2% April 2019 in line with the pay offer made to all staff on the Harmonised Contract as detailed in 3.1.

3 Content of Report

3.1 Staff on Harmonised Contracts

- 3.1.1 At its meeting on the 18th January 2018 the Joint Staffing Committee approved a recommendation comprising 3 parts regarding the pay award for staff on the Harmonised Contract. It was agreed to make an offer as follows:-
 - Spinal points 1A and 1B are removed from the pay spine begins at 1C in order to ensure the lowest paid staff are paid at or above the predicted National Living Wage level;
 - To move the staff at the Golf Course on the Voluntary Living Wage to 1C of the harmonised pay spine to ensure these staff are paid at or above the predicted National Living Wage level;
 - To make an offer of an increase of 2% in April 2018 and 2% in April 2019 to staff on the harmonised pay spine. This matches the national offer.
- 3.1.2 It was further agreed that this offer could be subject to further review should the finally agreed national award be greater than the current proposed award of 2% in 2018/19 and 2% in 2019/20.
- 3.1.3 Following the JSC meeting this offer was communicated to staff and UNISON.

- 3.1.4 On 1st March UNISON submitted a counter offer. This expressed strong objections to the move to local pay, requested a 3% pay award in 2018 and 3% in 2019 and requested a guarantee that the future pay awards would track the NJC award as a minimum and any deviation from that would require UNISON's agreement.
- 3.1.5 Management Team and the HR Manager have undergone negotiations with UNISON and have reached a position which has both UNISON's and Management Team support. The wording of this agreement is as follows:-
1. A 2 year pay award agreement of an uplift of 2% with effect from 1st April 18 and 2% from 1st April 19 (see Appendix 1 for the Pay Spines);
 2. Removal of 1A and 1B from the Harmonised Pay Spine (staff paid below that to move to 1C including those at the Golf Club on the VLW);
 3. The Councils make the commitment to go back to the negotiating table, within 3 months, if the NJC Agreement is higher in 2018 and/or 2019;
 4. The Councils reserve the right to determine pay locally. The local pay mechanism is to come in to effect immediately;
 5. The Councils make the commitment to seek to pay the minimum of the NJC offer when determining future pay awards and would expect to at least match the NJC award in all likely and foreseeable circumstances. If there were exceptional circumstances at play and the pay award offer could not match the NJC award management would commit to resolve this in discussion and negotiation with UNISON locally. If this could not be resolved locally a resolution would be sought through arbitration.
 6. Future pay rises will be determined taking in to account inflation, local market conditions and the prevailing financial context.
- 3.1.6 UNISON have moved from their original counter offer in agreeing to move to local pay, accepting the 2% and removed their requirement that we "guarantee" to pay at the NJC level as a minimum.
- 3.1.7 Management Team are in support of proceeding with the agreement on these terms. The change from the original offer are the explicit commitments made in point 3. and point 5. above to seek to at least match the NJC award and to spell out the process to follow should there be an offer below the NJC offer. It is recommended these commitments are reasonable ones to make. It has always been recognised that it is important to maintain parity with neighbouring authorities who pay the NJC award when making a local pay offer in order to attract and retain the best staff and this would be an intrinsic part of any pay offer.
- 3.1.8 The Joint Staffing Committee is asked to approve the pay award as set out in 3.1.5 above.

3.2 Pay Award for Heads of Services

- 3.2.1 Heads of Service pay levels are locally agreed in April each year.

- 3.2.2 When considering the pay award for Heads of Services it is advisable to understand what is agreed nationally. Heads of Service pay closely matches the pay bands covered by the JNC agreement for Chief Officers. The JNC agreement is still subject to negotiation at the time of writing this report. It is likely however that the pay award offer for these senior officers will match the proposal in this paper. The GMB Pay Claim 2018/19 asks for "parity across all of the local government bargaining groups and which takes into account the erosion of real terms pay over the last nine years." i.e. 2% with effect from April 2018 and 2% with effect from April 2019.
- 3.2.3 Previous pay awards for Heads of Services have been a 1% pay increase from 1st April 2016 and 1% pay increase from 1st April 2017. This was in line with the JNC agreement for Chief Officers and matched the pay uplift award to staff on the Harmonised Contract.
- 3.2.4 The pay awards for the Chief Executive and Directors are out of scope of this paper but are subject to the NJC inflationary pay agreement for Chief Executives and Chief Officers respectively. These agreements are still subject to negotiation at the time of writing this report and will be paid in accordance with their contracts of employment. It is likely however that the pay award offer for these senior officers will match the NJC offer for officers. In fact the pay claim for Chief Executives from ALACE (Association of Local Authority Chief Executives and Senior Managers) seeks to match the offer of 2% in April 2018 and 2% in April 2019
- 3.2.5 Local government is undergoing a period of unprecedented change and against this background we must ensure we:-
- Reward employees fairly in order to attract and retain the best staff;
 - Ensure motivation and high performance to meeting the challenges of the future;
 - Remain competitive in the local employment market.
- 3.2.6 It is recommended that Heads of Services receive the same pay award as that awarded to staff on the Harmonised Contract which is 2 % from 1st April 2018 and 2% from 1st April 2019 (see Appendix 2 for revised Pay Spines).

4 Consultation

N/A

5 Options

N/A

6. Corporate Implications

- 6.1 Financial: The total budget impact of a 2% pay uplift for Heads of Services, Directors and the Chief Executive over two years would be £30,801.

7. Links to Council Policy Objectives

Recruiting and retaining the best staff is critical to the delivery of services to our customers and the success of both Councils.

8. Next Steps

Implement the pay award for staff on the Harmonised Contract from 1st April 2018 and 1st April 2019.

Implement the pay award for Heads of Services backdated to 1ST April 2018 and 1st April 2019.

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| Background Papers: | None other than those referred to in this report and appendix. |
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