

Report by: Head of Human Resources

To: Joint Staff Employer Forum – 6 April 2004

Executive Councillor (Commercial and Human Resources):
Councillor Sian Reid

Wards: None directly affected

| |
|---|
| NATIONAL JOINT COUNCIL 2004 PAY NEGOTIATIONS |
|---|

1.0 DECISION TO BE MADE

- 1.1 For the Joint Staff Employer Forum to note the progress on the NJC pay negotiations for 2004.

| |
|----------------------------|
| 2.0 RECOMMENDATIONS |
|----------------------------|

- | |
|---|
| <p>2.1 There are no recommendations- this paper is for information only. As the national negotiations progress, future updates will highlight the emerging issues for Cambridge City Council.</p> |
|---|

3.0 BACKGROUND

- 3.1 The terms and conditions for over 1.4 million local government workers is determined by the national Joint Council (NJC) for local government services. The NJC itself has 70 members: 12 on the employers side and 58 on the Trades Union side.
- 3.2 The context for the 2004 NJC pay negotiations is complex and includes:
- The 1997 National Single Status Agreement has still not been implemented in nearly 80% of authorities, although a further third have made good progress;
 - Equal pay claims are increasing in those areas where pay reviews have stalled;
 - The recommendations of the Pay Commission report of 2003, which need to be interpreted for implementation at local level;
 - Ongoing pressure on local government finances, affordability and low levels of inflation, all support realistic public sector pay settlements; and
 - The local government improvement agenda.

- 3.3 The NJC discussions on the 2004 pay round started in January. Both sides have now exchanged their opening positions and negotiations are expected to be both difficult and protracted during 2004.
- 3.4 A further issue is that a number of local authorities are now being targeted with claims for equal pay, orchestrated by solicitors operating on a 'no win no fee basis' independently of the Trades Unions. Those authorities who have not yet completed job evaluation are most at risk of claims, which if successful, could mean pay increases backdated for up to 6 years based on comparator posts. This could leave authorities at risk of distorted and unworkable pay structures as a result. For Cambridge City Council the risks of successful equal pay claims are considerably reduced because the grading review has been based on an agreed process using a recommended job evaluation system. In principle, the local Trades Unions would not support such equal pay claims.
- 3.5 The Trades Unions (UNISON and GMB) have been consulted during the drafting of this report and any comments have been incorporated.

4.0 Summary of the employers position

- 4.1 On Thursday 11 March, the Employers tabled a proposed 7% pay increase on all spinal column points to cover the period until April 2007. The Employers are looking for a three-year pay deal to provide a stable, sustainable platform for reforms. A copy of the Employer's position is attached as **Appendix 1**. The Council's current position is summarised below.

4.2

| Employer's position | Cambridge City Council's Position |
|--|---|
| A new approach to local pay reviews: to reach local agreement on comprehensive proposals for modernised pay and rewards policies in all authorities by 31 March 2007. | Agreed in 2003 but implemented from 1 January 2004, Cambridge City Council's pay structure will provide the basis for more modern approaches to pay and reward in the future. |
| Equal pay audits. | Job evaluation has provided the basis for pay equality in Cambridge City Council but the system needs to be monitored on an ongoing basis to ensure its ongoing integrity. |
| A joint review of conditions of service within the national agreement to look specifically at car allowances, annual leave, sickness pay and leave, and maternity and paternity pay and leave. | Cambridge City Council has already reduced car allowances from the local scheme to NJC rates. No changes have been made by Cambridge City Council to the other Part 2 items. |
| Local workforce development plans. | Cambridge City Council already have a commitment to developing a workforce plan by March 2005. Learning and development for all staff is also a key element of the City's |

| | |
|--|--|
| 2003 Single Status Agreement. | |
| Replacing prescriptive premium rates (for shift, evening, overtime and weekend working) in the national agreement with a set of principles as recommended by the 2003 Pay Commission report. | Cambridge City Council have negotiated revised rates under the Single Status Agreement from 1 January 2004. The application of these will help to ensure greater consistency in approach across the Council. |
| A new agreement on shared principles for modernisation and improvement. | Broad principles and objectives were agreed to underpin the City's 2003 Single Status Agreement. Whatever is agreed nationally will need to be assessed for application for Cambridge City Council. |

- 4.3 The City Council has responded to consultation from the Employer's Organisation - this has been copied to the Trades Unions for information. In general terms, the response supports the employers' position and also reminds the NJC that local Councils need flexibility to respond to local/national labour markets and cost of living pressures. Locally the Trades Unions fully support the national staff side negotiating position.

5.0 Summary of the Trades Unions position

- 5.1 The Trades Unions claim pushed hard for the promises of the 1997 Single Status Agreement to be delivered in all authorities. A copy of the Trades Union position is attached at **Appendix 2**. The City Council's current position is summarised below.

5.2

| Trades Unions position | Cambridge City Council's position |
|---|--|
| The abolition of spinal column pay points 4, 5 and 6 | The new City Pay Bands start at SCP 6 so SCPs 4 and 5 have effectively already been deleted from local use. |
| An increase of 4% plus £200 on all remaining pay points | Cambridge City Council have budgeted 3.5% for 2004/5 pay increases – the impact of a higher settlement would therefore add to the projected pay bill. |
| An increase of 4% on all allowances | Cambridge City Council have already revised allowances from 1 January 2004. Affordability and local flexibility will continue to be an issue. |
| Completion of equal pay audits and pay and degrading reviews in every council, in accordance with the Single Status Agreement, within two years and with additional ring-fenced funding to enable councils to carry them out. | Cambridge City Council have completed job evaluation and negotiated and implemented a local Single Status Agreement. Equal pay remains a priority for the Council and the Trades Unions will need to be carefully monitored on an ongoing basis. |

| | |
|--|---|
| The urgent completion of the training and workforce development agreement with targets and deadlines for implementation, and additional ring-fenced funding | Cambridge City Council have ring fenced funding of £50K per annum within the Single Status cash envelope for learning and development. A joint working group is due to start addressing the issues from May 2004. In addition, the Council will work with the Trades Unions to secure whatever external funding is available, including via joint bids. |
| An increase to the basic annual leave entitlement to 25 days per year <i>(NB: not clear whether local extra statutory days should be added to the proposed basic leave)</i> | Cambridge City Council provides a basic entitlement of 24 days, which includes 3 extra statutory days. Any an extra days would need to be funded. |
| An increase in paid maternity leave to 8 weeks full pay and 14 weeks half pay and a reduction in the qualifying period from 52 weeks to 26 weeks | Cambridge City Council's scheme allows either 26 weeks on full pay OR 6 weeks on full pay plus 24 weeks on half pay after 12 months in service. |
| Two weeks paid maternity support leave | Cambridge City Council provides 5 days maternity support leave after 6 months service, on normal pay plus one weeks' statutory paternity pay at SPP rate. |
| In respect of a premature birth, additional paid maternity leave for a specified number of weeks to be calculated as equivalent to the period dating from the actual date of the child's birth to the due date | No additional leave provided after a premature birth. |
| Paid adoption leave (in line with paid maternity leave) for all adoptions of children under 18 | Already in place in Cambridge City Council |

IMPLICATIONS

- (a) **Financial Implications** – These will need to be assessed as the final position is negotiated.
- (b) **Staffing Implications** – None at present, although should the finally agreed pay award exceed the Council's financial provision for 2004/5 the impact of this on affordability will have to be assessed.
- (c) **Equal Opportunities Implications** – None at present. The Council has already implemented a pay review and so will not be at a high risk of equal pay claims from employees or the trades unions. The pay review has ensured that all jobs are ranked in the same way (via the NJC job evaluation scheme) but this will

need to be regularly monitored and tightly controlled to ensure future consistency.

- (d) **Environmental Implications**—There are no environmental implications contained in this report.
- (e) **Community Safety Implications** – There are no community safety implications contained in this report.

| | |
|---|---|
| If you have a query on the report please contact: | Author: Louise Harrington |
| | Telephone: 01223 458101 |
| | Email: Louise.Harrington@cambridge.gov.uk |

Date of first draft: 19 March 2004

Date of final report: 29 March 2004

File name: O:\person\JSEF\NJC pay 2004.doc