

Item

DRAFT PAY POLICY STATEMENT 2019/20 AND IMPLEMENTATION OF 2019 PAY AWARD



To:

Civic Affairs Committee 30.01.2019

Report by:

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Wards affected:

All

1. Introduction

- 1.1 This report sets out a draft pay policy statement as required under the Localism Act. The Localism Act requires the Council to have considered, approved and published a pay policy statement for each financial year. This must be approved by Full Council and be in place by 31st March each year.
- 1.2 The pay policy statement covers posts designated 'chief officer'. For Cambridge City Council this includes the chief executive, strategic directors and heads of service. The areas to be covered in the statement are: salary, expenses, bonuses, performance-related pay, severance payments, how election fees are paid and the pay policy on re-engagement of ex-employees. The Localism Act also requires the statement to define the lowest paid employees and the ratio to the highest earning employee.

- 1.3 In 2018 two year national pay awards (1 April 2018 to 31 March 2020) were agreed for Chief Executive's and for Chief Officers (relating to Strategic Directors and Heads of Service). Both awards were for 2% in 2018 and 2% in 2019. The pay scales shown in the Pay Policy Statement 2019 show salary levels following these two pay awards.
- 1.4 In April 2018 a two year national pay award (1 April 2018 to 31 March 2020) was also agreed for employees covered by the National Joint Council for Local Government Services (NJC), affecting pay Bands 1-11 at Cambridge City. The award was also for 2% from 1 April 2018 and 2% from 1 April 2019, and included changes to the national pay scale with effect from 1 April 2019, to be implemented locally by each council.
- 1.5 It has been necessary to redesign the Council's pay scale to enable the introduction of the NJC pay scale changes. This report includes proposed changes to the Council's pay scale affecting Bands 1 to 11, to take with effect from 1 April 2019, to enable the introduction of the amended NJC pay scale. The pay scale changes include the 2% pay award which has already been nationally agreed.
- 1.6 The Council is an accredited real Living Wage employer (currently £9.00 per hour) and pays a Cambridge Weighting supplement in addition to salary and the real Living Wage supplement, to bring the hourly rate to an equivalent of £10.00 per hour. These arrangements for employees and agency workers are unchanged by the proposed pay scale as there are still pay points of less than £10 per hour on the national pay scale.
- 1.7 This report presents the Council's Pay Policy Statement 2019/20 for consideration by Civic Affairs and Council and recommends changes to the Council's pay scale.

2. Recommendations

The Civic Affairs Committee is asked to:

- 2.1 Consider and recommend to Council the draft Pay Policy Statement 2019/20 attached as Appendix 1.
- 2.2 To note the position on the consultation with Unison members on the proposed pay scale changes, and to receive an update at the Civic Affairs meeting.
- 2.3 Consider and recommend to Council the proposal to introduce the proposed changes to the Council's pay scale with effect from April 2019, attached in Appendix 2 and to delegate authority to the Head of Human Resources to implement the changes to the Council's pay scale.
- 2.4 To agree the renaming of the previous grade of JNC1 as 'Head of Service'.

3. Background and Proposals

National Pay Awards

- 3.1 Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives, the Joint Negotiating Committee (JNC) for Chief Officers and the National Joint Council for Local Government Services (NJC) for staff on Bands 1-11.
- 3.2 With effect from 1 April 2018 there were nationally negotiated two year pay awards affecting staff on Bands 1-11, Directors, Heads of Service and Chief Executives. The pay awards cover the period 1 April 2018 to 31 March 2020 and include for 2% on basic salary with effect from 1 April 2018 and 2% on basic salary with effect from 1 April 2019. The NJC pay award included implementation of a revised national pay scale.
- 3.3 The NJC award was complex, comprising of:
 - a two year deal over the period 1 April 2018 to 31 March 2020
 - higher percentage pay awards at the lower points on the national pay scale and 2% for most staff.
 - a pay award designed to increase the lower points on the scale in line with future national minimum wage rates and the proposed increases in the national living wage
 - in the second year (2019) redesign of the lower part of the national pay scale by consolidating some of the pay points through merging

groups of two points into one new point, up to what is currently pay point 28, and creating some new pay points.

- the national pay scale for 2019 has new numbered pay points.
- with its potentially wide spread impact across all local authorities who are part of the national negotiations, the pay award was made over two years to allow time for individual authorities to redesign their pay structures and to introduce the new national pay points.

3.4 The second year of the pay offer has led to a redesign of the Council's pay scales as pay points are consolidated or created. Detailed pay modeling has taken place in 2018 to redesign the Council's pay structure, to clarify the costs and to work with the trade unions on the changes.

3.5 This report to Civic Affairs and Full Council proposes the changes to the pay scale in time for the 1 April 2019 implementation date.

3.6 Proposals for the redesign of the pay scales have been drawn up and Unison and GMB have been consulted on these, please see Appendix 2. One proposal has been considered as suitable for implementation on the basis of:

- It introduces the new national pay points
- It includes the national pay award
- It allows for assimilation onto the new pay scales
- It allows for continued incremental progression (where possible)
- The pay bands are no longer than 7 points
- The overlap between any band is no more than one point
- It maintains our accredited real Living Wage Employer status and Cambridge Weighting.
- It is affordable within the Council's budgeting for pay inflation, incremental progression and pay provision
- The equal pay considerations have been assessed and it maintains the Council's equal pay arrangements
- The proposals include changes to all pay bands that will assist with recruitment and retention; either by increasing starting salary or by allowing for additional incremental progression.
- For existing staff on Bands 6,8,9 and 10 there is the opportunity for one more increment, subject to performance. This should aid retention in these grades.

3.7 Discussions have been held with Unison and GMB on the proposed changes to the pay scales to enable local implementation of the new national scales. Cambridge City Council uses the points on the national pay scale as the basis for pay arrangements but the structure and position of the Council's pay bands is locally determined under a collective agreement with the trade unions.

- GMB have confirmed acceptance of the proposed option and have stated a further ballot of GMB members is not required. The GMB membership has already been balloted on the two year pay deal and they believe the intended assimilation proposal would not warrant a further ballot.
- Unison has confirmed the proposal meets the criteria for proposed implementation of the national pay scales and will consult Unison members in January 2019.

3.8 Briefing sessions are being held for staff in January 2019 to outline the changes to the pay scale and assimilation arrangements. The briefings will be for information on transfer from the existing pay scales to the new salary points and arrangements for incremental progression where new incremental progression will be possible. The briefings will be taking place around the same time as Unison consult members.

3.9 An update from the trade unions and feedback from the briefing sessions with staff will be reported verbally to the Civic Affairs Committee.

3.10 The intended outcome of the above is agreement on the proposed pay scale and agreement to implement with effect from 1 April 2019. Subject to approval at Full Council we will write to each member of staff to confirm their individual position on the new pay scales.

3.11 It is proposed that the previous grade of JNC1 is renamed as 'Head of Service'. The term JNC1 had relevance when there were two heads of service grade: JNC1 and JNC2, but JNC2 was re-designated as Band 11 in 2018. All posts on JNC1 are heads of service level posts. The re-designation of the grade will give more transparency to our pay arrangements.

4. Implications

(a) Financial Implications

The Council made budget provision in the Medium Term Financial Strategy for 2% pay inflation in 2018 and 2019. The impact of the pay offer for 2019 has been assessed.

The proposed changes to the pay scales are affordable within the Council's budgeting for pay inflation, incremental progression and pay provision.

(b) Staffing Implications

This report relates to the pay, terms and conditions of staff.

(c) Equality and Poverty Implications

An equality impact assessment was undertaken for the proposed pay scale changes and an EQIA is attached as Appendix 3.

Equality information by grade is reported annually to the Equalities Panel and is available on the Council's website.

(d) Environmental Implications

The proposal has no climate change impact.

(e) Procurement Implications

The real Living Wage Policy as it relates to contractors is included in the Pay Policy Statement.

(f) Community Safety Implications

This report relates to the pay, terms and conditions of staff and does not impact directly on community safety matters.

5. Consultation and communication considerations

- 5.1 The Chief Executive, Strategic Directors, Head of Legal Practice, Head of Finance, Support Services Manager, Democratic Services Manager, Equality and Anti-Poverty Officer and Strategic Procurement Manager have been consulted on this report and the attached draft Pay Policy Statement.
- 5.2 The trade unions have been consulted on the proposed implementation of the revised pay scales.

- 5.3 This pay policy statement once approved by Full Council will be published on the Councils website. The Pay Policy Statement will be updated following agreed changes to the pay scales.
- 5.4 The changes to the pay scales affecting Bands1-11, once agreed will be communicated to all staff individually, to enable them to see where they have been assimilated to on the new pay scale. The new pay scales will be communicated to all staff.

6. Background papers

Background papers used in the preparation of this report:

- Pay Policy Statement 2018/19
- Provisions of the Localism Act relating to chief officer pay statements
- Communities and Local Government Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012 and Supplementary Guidance February 2013.
- Local Government Association Localism Act: Pay Policy Statements Guidance (November 2011) and Supplementary Notes 1 and 2.
- City Council Pay scales
- Notification by circular from the National Joint Council for Local Government Services dated 10 April 2018 of NJC pay award.
- Notification by circular from the Joint Negotiating Committee for Chief Executives of Local Authorities dated 8 June 2018 of chief executive's pay award.
- Notification by circular from the Joint Negotiating Committee for Chief Officers of Local Authorities dated 12 July 2018 of chief officer pay award.

7. Appendices

- Appendix 1- Pay Policy Statement 2019/20
- Appendix 2- Cambridge City Pay Bands 2018 and proposed for 2019
- Appendix 3- EQIA – Proposed changes to pay scales (Bands1-11)

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Deborah Simpson, Head of Human Resources, tel: 01223 - 458101, email: deborah.simpson@cambridge.gov.uk.