



Proposal to increase the Cambridge Weighting (minimum £10.00 per hour) for employees and agency workers.

To:

Civic Affairs Committee 21 September 2022

Report by:

Deborah Simpson, Head of Human Resources

Tel: 01223 458101 Email: deborah.simpson@cambridge.gov.uk

Wards affected:

All

OPEN

1. Introduction

1.1 This report sets out a proposal to increase the Cambridge Weighting (minimum £10.00 per hour) for employees and agency workers to £11.00 with effect from April 2023.

2. Recommendations

Civic Affairs Committee is asked to:

2.1 consider and recommend to Council the proposal to increase the Cambridge Weighting to be paid to employees and agency workers to a minimum of £11.00 per hour, with effect from April 2023.

- 2.2 recommend to Council to delegate authority to the Head of Human Resources to update the weightings on each relevant pay point, subject to the limit of £11.00 per hour, depending upon the current hourly rate and the Real Living Wage supplement payable at that time.
- 2.3 note the position on the National Joint Council (NJC) pay offer for 2022 which relates to Bands 1-11 of the City Council's pay scales, and to receive an update at the meeting.
- 2.4 note the position on the Real Living Wage, the announcement of the 2022/23 rate is expected on 22 September 2022. If available, to receive an update at the meeting.

3. Background

- 3.1 A Cambridge Weighting pay supplement was introduced with effect from 1 April in 2018. It brings the minimum hourly pay rate up to £10.00 per hour where the hourly rate and Real Living Wage (currently £9.90) supplement do not achieve the £10.00 minimum. This pay policy also applies to agency workers once they qualify for the Real Living Wage supplement.
- 3.2 The Cambridge Weighting was introduced as part of the Pay Policy considered in the Draft Pay Policy Statement 2018/19 reported to Civic Affairs on 14 February 2018 and Council on 22 February 2018.

Living Wage

- 3.3 The Council is an accredited Living Wage Employer and has a Living Wage policy, paying the minimum of the Real Living Wage, currently £9.90 per hour to employees, and agency workers after four weeks. The living wage equivalent is paid by way of a supplement to posts currently within Band 1 where the hourly rate is less than £9.90. At present this supplement applies to hourly rates of £9.60 and £9.79. The Cambridge Weighting applies in addition to this to achieve a pay rate of £10.00. There is one pay point of £9.99 where only the Cambridge Weighting applies.
- 3.4 We pay the Real Living Wage rate and Cambridge Weighting as supplements to retain our Living Wage Employer accreditation and the pay structure where the relevant Band of a post is determined by the

Council's job evaluation system and staff are eligible for incremental progression within a pay band.

- 3.5 Currently the Real Living Wage and Cambridge Weighting only apply to Band 1 roles, where the current top of scale pay point is £10.60 per hour. The bottom pay point on Band 2 is currently £10.81, the next is £11.02. These rates increase in line with nationally agreed pay awards.
- 3.6 The Real Living Wage is usually reviewed every November but for 2022/23 the review date has been brought forward to 22 September in light of increases in cost of living and inflation rates.
- 3.7 When the new RLW rate is announced in September we will increase to this rate immediately, it will be above £10.00 as increases are always more than 10p an hour and last year it was 40p an hour. This will give an increase in hourly rates from September.

National Pay Awards

- 3.8 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. The pay awards with effect from 1 April 2022 to 31 March 2023 are currently being negotiated.
- 3.9 On 25 July 2022 an NJC pay offer was made by the National Employers for staff covered by Bands 1 to 11 of Cambridge City Council's pay scales. At the time of drafting this report the offer is being considered at a national level by the trade unions; Unison, GMB and Unite who are consulting their members. The outcome of the trade unions considerations are expected by late October/early November.
- 3.10 This pay offer comprises of:
- a one-year deal with effect from 1 April 2022,
 - an increase of £1,925 on all NJC pay points 1 and above
 - with effect from 1 April 2022, an increase of 4.04 per cent on all allowances (as listed in the 2021 NJC pay agreement circular dated 28 February 2022) (Please note: These allowances do not apply at Cambridge City)
 - with effect from 1 April 2023, an increase of one day to all employees' annual leave entitlement (Please note: For Cambridge City this will be up from 24 days or 29 days after 5 years service)

- with effect from 1 April 2023, the deletion of pay point 1 from the NJC pay spine (Please note: This pay point does not apply at Cambridge City)

3.11 Pay offers have also been made for Chief Executives and Chief Officer (Directors and Heads of Service). These are also for a flat rate of £1925.

3.12 The pay offer means a higher percentage pay award at the lower pay points on the national pay scale ranging from 10.5% to 1.4% at the top point of the Chief Executive pay scale.

3.13 The pay offer is designed to increase the lower points on the scale in line with anticipated increases in the national living wage with effect from April 2023 to £10.50. This offer would achieve a bottom rate of pay of £10.50 with effect from 1 April 2022 and to £10.60 with effect from 1 April 2023.

3.14 The final outcome of the negotiations will not be known by the time this report is presented to Full Council in October 2022 but Members will be verbally updated on any progress at Civic Affairs and in writing at Full Council.

4. Proposal

4.1 It is necessary to consider the payment of a minimum of £11.00 per hour not as a flat rate but as a package of measures of which one element is the Cambridge Weighting. The current rate of £10.00 per hour has worked with the Real Living Wage and national pay awards since its introduction in April 2018. However, the position will change this year due to likely increases to the Real Living Wage (currently £9.90) and the national pay offer which has been made for staff on Bands 1-11 and is currently the subject of trade union ballots and consideration. The pay offer for the bottom point of our pay scale is £1925 per annum, 10.4%. This will take the hourly rate to £10.60 per hour backdated to 1 April 2022.

4.2 The posts within scope of Band 1 are Venue Assistants in Cultural Services and Macebearers. These posts are predominantly zero hours contracts, working as and when required, and there are approximately 70 people.

4.3 The Real Living Wage will increase pay rates above £10.00 in September and the pay offer, if accepted will increase the hourly rate to £10.60,

backdated to 1 April 2022. It is time to review the Cambridge Weighting and an increase to £11.00 with effect from 1 April 2023 is proposed.

- 4.4 As each element of the pay making up a minimum rate of £10.00/£11.00 per hour can change each year, continuing approval is being sought to enable the Head of Human Resources to update the weightings on each relevant pay point, subject to the limit of £11.00 per hour, depending upon the current hourly rate and the Real Living Wage supplement payable at that time.
- 4.5 The payment and level of the Cambridge Weighting will continue to be kept under review as part of the annual review of the Pay Policy Statement reported to Civic Affairs and Full Council.

5. Implications

a) Financial Implications

The Council makes provision for national pay awards as part of its medium term financial planning. The proposed increase in the Cambridge Weighting will be included as part of the provision for the national pay award which will be considered in the 2022 Medium Term Financial Strategy. The current estimated cost of the increase in the Cambridge Weighting is an additional £17k when applied to the increased pay rates which will arise from the national pay award and Real Living Wage increases.

b) Staffing Implications

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

c) Equality and Poverty Implications

This report contains a proposal to increase the Cambridge Weighting so that the minimum pay rate will be £11.00 an hour with effect from 1 April 2023. This impacts in a positive way on the lowest paid staff at a time when the cost of living is increasing at an unprecedented rate.

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

d) Net Zero Carbon, Climate Change and Environmental Implications

The proposal has no climate change impact.

e) Procurement Implications

The 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

6. Consultation and communication considerations

The Chief Executive, Directors, Head of Finance and Support Services Manager and have been consulted on this report.

The trade unions – GMB and Unison have been consulted on the proposed increase of the Cambridge Weighting.

Once approved by Full Council the pay policy statement will be updated on the Councils website.

Approval of the Cambridge Weighting will be communicated to all staff and individually to applicable staff.

7. Background papers

- Pay Policy Statement 2021/22
- City Council Pay scales
- Report to Civic Affairs 14 February 2018 – Draft Pay Policy Statement 2018/19

8. Appendices

None

9. 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 .