

HR COMMITTEE – 19 SEPTEMBER 2019

PAY ADJUSTMENT 2019

1. INTRODUCTION

- 1.1 The purpose of this report is to provide a basis for the council to consider its' local pay arrangements.

2. BACKGROUND

- 2.1 NFDC moved to local pay scale and structure in April 1990, the structure over this time has been modified to take account of our local market and the pay scales have been regularly reviewed and amended accordingly.
- 2.2 In 2017 the council implemented a two-phase approach to bands 1-4. This was focussed at our employees on the lowest pay to improve their terms. This included introducing a lowest hourly rate of £8 during the first phase.
- 2.3 The second phase of this took effect from 1 April 2018. This meant having three spine points within each band and the increase between each spine point was set at a consistent 3%.
- 2.4 Over the same two-year period the NJC pay award has been largely bottom loaded with those employees earning less than 25k being awarded much greater % increases. Overall the % increase between spine points on the NJC scale is now 2%.
- 2.5 Currently the only spine point value at NFDC which matches the NJC spine point value is the bottom one which is now £9 per hour.
- 2.6 Because of the difference in the spine point values it becomes increasingly difficult to match the increase in values between the two pay scales.

3. PROPOSED CHANGES -see appendix 1

- 3.1 Although the Council does believe that it has done much work to increase the terms for our lowest paid employees, we have had discussions with the union regarding the NJC award.
- 3.2 As a result of those discussion the council is proposing the following backdated changes to be implemented with effect from 1 April 2019.
 - 3.2.1 Employees currently paid on band 2 SCP 15 will be reviewed. If it transpires that they have not received the appropriate level of pay award since 1/4/17, they will be placed on SCP 16.
 - 3.2.2 The top of Band 3, SCP 19 will be increased by £94. This is the figure required to keep the pay gap between the NFDC point and the best fit NJC point the same as it was pre-pay award (i.e. gap 1/4/17 was £116 (NFDC 19 Vs NJC 20), gap based on current scale is £22, therefore pay point to increase by £94 to keep gap at £116).

- 3.2.3 The top of band 4, SCP 22 will be increased by £329. This is the figure required to keep the pay gap between the NFDC point and the best fit NJC point the same as it was pre-pay award (i.e. gap 1/4/17 was £131 (NFDC 22 Vs NJC 23), gap based on current scale is -£198, therefore NFDC pay point to increase by £329 to keep gap at £131).
- 3.2.4 Scale points 23 to 26 within band 5 will be adjusted to allow for 5.11% pay award over the 2 years; the current percentage that has been applied is 4.04%. 5.11% is the average NJC pay award across the NJC pay points equivalent to NFDC band 5, i.e. NJC points 24 to 28 (28 being included which pushes the average up, even though nearest fit ends at NJC 27). Using the average saves distortion of the NFDC spine throughout band 5, considering the NJC award ranges from 4.32% to 5.99% across this pay range (the NJC percentages are incidental in order to accommodate the revised 2% incremental pay spine).

4. FINANCIAL IMPLICATIONS

- 4.1 The full year cost of the changes as outlined in paragraphs 3.2.1 – 3.2.4 is in the region of £80,000-100,000 per annum, including on-costs (Pension and NI).
- 4.2 The Council set aside £100,000 for pay reviews in its 2019/20 budget, including the change to the £9.00 minimum pay point. A further £90,000 has also been set aside in the latest Medium Term Financial Plan in recognition of further work required on the Council's overall pay scales. The costs of the proposed changes included within this report are therefore matched within existing budgetary provision.

5. CRIME & DISORDER IMPLICATIONS

- 5.1 None

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 None

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1 The changes would apply to those currently employed in bands 2-5. The number of employees in Bands 2 – 5 (including all H&L instructors) = 823 people. This can be broken down by gender as follows:
- 332 males 40.34%
 - 491 females 59.66%

8. EMPLOYEE SIDE COMMENTS

- 8.1 Unison welcomed the proposed changes to the pay structure. They would like to continue discussions on this point. They would not object to the changes being implemented but see this as an interim measure.

9. EMPLOYEE SIDE LIAISON PANEL COMMENTS.

- 9.1 The panel were happy to support the proposal and agreed that further negotiation would be entered into with Employee Side relating to adjusting the NFDC pay points to mirror those of the NJC in the future.

10. RECOMMENDATIONS

- 10.1 That the HR Cttee supports and recommends to Council the implementation of the proposed changes to the local pay arrangements from April 2019.

For Further Information:

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