

Employment Matters Committee – Supplementary agenda no 1

A meeting of the Employment Matters Committee will be held on:

Date: 30 November 2016

Time: 7.00pm

Venue: Meeting Room 2 - Level 3, Gun Wharf, Dock Road, Chatham ME4
4TR

Items

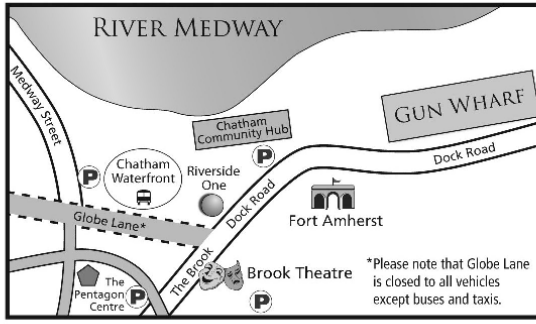
5 Pay Negotiations 2017/18

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This paper presents Members with a supplementary report on the progress of the pay negotiations for the financial year 2017/2018.

**For further information please contact Michael Turner, Democratic Services
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Date: 30 November 2016



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EMPLOYMENT MATTERS COMMITTEE

30 NOVEMBER 2016

PAY NEGOTIATIONS 2017/2018

SUPPLEMENTARY REPORT

Report from: Carrie McKenzie, Chief People Officer

Author: Tim Silver, Employee Relations Manager

Summary

Within the Government Autumn Budget Statement on 23 November 2016, increases were announced with effect from 1 April 2017 to the National Living Wage and National Minimum Wage. This supplementary report provides an update to committee on the impact of these increases on the Pay Negotiations.

1. Budget and Policy Framework

1.1 This report updates Members' on the recently announced increases to the National Living Wage and National Minimum Wage effective 1 April 2017, and the impact on the Pay Negotiations 2017/2018.

2. Background

2.1 As detailed at paragraph 6.1 in the main Pay Negotiations report to Members, an increase to the National Minimum Wage had been applied effective from 1 October 2016 and that the cost to the current pay bill to implement these increases was £9K.

2.2 It was anticipated that there would be an increase to the National Living Wage of £0.40 per hour (making the National Living Wage rate £7.60 per hour). The actual increase to the National Living Wage was announced at £0.30 per hour, making the National Living Wage £7.50 per hour effective from 1 April 2017. Members are reminded that the National Living Wage applies to those aged 25 years and older.

- 2.3 It was further announced that there would be further increases to the National Minimum Wage rates (as detailed below):

Age Band	Current Rate	Increase	New Rate
21 – 24	£6.95	£0.10	£7.05
18 – 20	£5.55	£0.05	£5.60
16 – 17	£4.00	£0.05	£4.05
Apprentice*	£3.40	£0.10	£3.50

*Applied to all in the first year as an apprentice regardless of age.

- 2.4 Government has also announced that it is aligning the dates of any future increases to both the National Living Wage and National Minimum Wage to October each year.

3. Analysis of Statutory Increases

- 3.1 The increase to the National Minimum Wage in April 2017 will add an estimated £200 to the current pay bill.
- 3.2 The increase to the National Living Wage in April 2017 will add an estimated £35.5K to the current pay bill, this is a marginal decrease from the original estimate.

4. Impact on the Unison Pay Claim

- 4.1 Members are reminded that the Unison Pay Claim was in two parts:

Claim 1 – A 3% consolidated increase on all salary points and allowances.

Claim 2 – A £10 per hour minimum wage.

- 4.2 Taking into consideration of the new statutory increase detailed at paragraph 2, the cost to implement Claim 1 are increased by £1K and Claim 2 by £6K.

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