

## MEDWAY COUNCIL

## PROTOCOL FOR ANNUAL LOCAL PAY AND CONDITIONS NEGOTIATIONS

ACTION		TIMEFRAME
1.	Chief Executive updates trade unions on the budget and financial situation.	Early September
2.	Corporate Consultative Committee with Chief Finance Officer	Mid September
3.	The Assistant Director, Organisational Services will invite the trade unions to submit their claim on pay and conditions of service effective from the following 1 <sup>st</sup> April. The trade unions will be provided with an analysis of the Council's financial position.	By end of September
4.	The trade unions will first submit their Joint claim to the Assistant Director, Organisational Services	By end of October
5.	The Chief Executive and the Assistant Director, Organisational Services will meet the trade unions to discuss and respond to the claim(s).	During November
6.	Further meetings will take place as necessary during November/ December, including a Joint Consultative Committee (JCC)	November/ December
7.	(a) Subject to 8 below, if agreement is reached, approval to recommend the agreement to full Council will be sought from the first Employment Matters Committee before the annual budget setting meeting of full Council.	3 February 2016
	(b) If agreement cannot be reached, the matter will be referred to Joint Consultative Committee (JCC) at which officers will outline the negotiations and the trade unions can respond.	18 January 2016
	(c) Recommendation(s) from the JCC will be reported to the Employment Matters Committee where a decision will be made for recommendation to full Council	3 February 2016
8.	Decision made and Budget approved by full Council.	25 March 2016
9.	Any agreed pay award and/or changes to any terms and conditions implemented.	1 April 2016

The Council will allow the opportunity for Employee/Trade Union meetings throughout this process



**Extract from the minutes of the Corporate Consultative Committee  
Tuesday 15 September 2015  
Room 8, Level 3, Gun Wharf  
10:00 – 12:00**

**Present:** Tricia Palmer (Assistant Director, Organisational Services), Tim Silver (ER Manager), Nick Day (GMB), Tania Earnshaw (Unison), Margaret Gallagher (AEP), Michael Barton (VOICE), Lauraine McManus (NUT), Claire Dent (Aspect) - Part, John Chance (Head of Finance Strategy), Lorraine Crawley (Occupational Health Service - East Kent Hospitals University NHS Foundation Trust)

**Apologies:** Mark Hammond (Unison), Julia Harris (NASUWT)

**2. Review of mid-term financial position – John Chance**

JC outlined the pressures in the current financial year and those that will be faced in the next 4 years. A 4.7 million overspend in Social Care was forecast throughout this period with escalating pressures in adult services and looked-after children placements.

Round 2 budget monitoring is being embarked upon now but similar figures in the October/November report are expected. It was further anticipated that the budget will develop a gap due to the government funding revenue support grant reducing by an expected 25-30% by 2016/17, with a further decrease from £13 ml to £7 ml by 2020.

It was confirmed that the council's medium term financial plan had been approved at the Leaders' meeting with a budget of 1% being set aside for pay increases, this being in line with Government expectations. The committee were advised that the budget paper would be available on the Internet next week.

TP stated that with regards to impact on staff, the council's approach had always been to minimise redundancies but it was recognised that this was difficult to meet in all circumstances. TP informed the committee that the cost to the council of its obligations in meeting the National Minimum Wage increase in October 2015 and the National Living Wage in April 2016 would be in the region of £70K and that this would need to be drawn down from the "pay pot". ND noted that some contractors are struggling with costs associated with the NMW increase and asked TP about the anticipated impact on the council. TP clarified that the council would not be subsidising any increase to contractors' costs.

TS reminded the committee that any pay claim from the TU's is due to be received by the end of October 2015. TP asked that any questions related to the Medium Term Financial Plan be sent as soon as possible with a meeting then being organised ahead of the JCC in December 2015.



**Joint pay claim from UNISON and GMB**

**From:** Hammond, Mark [<mailto:M.Hammond@unison.co.uk>]  
**Sent:** 19 November 2015 10:06  
**To:** silver, tim  
**Cc:** [Nick.Day@gmb.org.uk](mailto:Nick.Day@gmb.org.uk); parsons, joe; west, victoria  
**Subject:** Unison & GMB Joint Pay Claim 2016/2017

Hi Tim

The joint pay claim from Unison and the GMB for 2016/17 mirrors the national NJC pay claim and is as follows:

- (1) The removal of all pay points below the UK Living Wage (i.e. 7.85 per hour).
- (2) A flat rate increase of £1 per hour on all other pay points.
- (3) Retention and protection of Green Book Part 2 terms and conditions.
- (4) Fair treatment for school support staff through a joint review of term time working.

And in addition to this, a full joint review of the Medpay scheme.

Regards

*Mark*

Mark Hammond  
Regional Organiser

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**Medway Council**  
**Meeting of Joint Consultative Committee**  
**Wednesday, 2 December 2015**  
**6.00pm to 6.30pm**

**Record of the meeting**

Subject to approval as an accurate record at the next meeting of this committee

**Present:** **Employer's Representatives**

Councillors: Avey, Fearn, Godwin, Hicks and Wicks

**Employees' Representatives**

Nick Day, GMB  
Julia Harris, NASUWT  
Lauraine McManus, NUT  
Joe Parsons, Unison  
Sharon Smith, NAHT

**In Attendance:** Wayne Hemingway, Democratic Services Officer  
Carrie McKenzie, Head of HR and Organisational Change  
Tricia Palmer, Assistant Director, Organisational Services  
Tim Silver, Employee Relations Manager

**1 Record of meeting**

The record of the meeting held on 28 January 2015 was agreed and signed by the Chairman as a correct record.

**2 Apologies for absence**

Apologies for absence were received from Councillors Murray and Saroy, Michael Barton (Voice the Union), Tania Earnshaw (Unison), Vicky West (GMB) and Karen White (NAHT).

**3 Declarations of disclosable pecuniary interests and other interests**

Disclosable pecuniary interests

There were none.

Other interests

There were none.

#### **4 Pay Negotiations**

##### **Discussion:**

The Assistant Director, Organisational Services, reported verbally on the joint pay claim from Unison and GMB for 2016/2017 which mirrored the national NJC pay claim as follows:

- (1) The removal of all pay points below the UK Living Wage (i.e. 7.85 per hour).
- (2) A flat rate increase of £1 per hour on all other pay points.
- (3) Retention and protection of Green Book Part 2 terms and conditions.
- (4) Fair treatment for school support staff through a joint review of term time working.

And in addition to this, a full joint review of the Medpay scheme.

The timetable/protocol for dealing with the pay claim was set out in the Agenda papers.

The Assistant Director explained the background to the pay negotiations in that Medway had left national conditions 18 months ago, therefore, this would be the second occasion for dealing with the pay claim on a local basis. She also explained that any pay award needed to be set in the context of the Council currently facing a budget shortfall of £13.8m for 2016/2017. As an example, a pay award of 1% would cost the Council approximately £700,000 and this would consist of both a cost of living element and a performance element.

The Assistant Director referred to the timetable set out in the agenda papers noting that an additional JCC meeting may need to be held before the JCC meeting scheduled for 3 February 2016. She noted that the final decision on the pay claim would be a matter for Full Council (budget meeting) on 25 February 2016.

The Assistant Director referred to the pay claim from GMB and Unison as set out above and stated that the UK Living Wage had been set at £8.25 for 2016/2017 (point 1 of the pay claim from GMB and Unison refers). She stated that it would cost the Council £5m to meet points 1 and 2 of the pay claim. She referred to point 3 of the pay claim and stated that there were currently no plans to review the Green Book part 2 terms and conditions.

The Assistant Director also referred to the Review of the Pay Progression Scheme which was included on the Employment Matters Committee Agenda later the same evening. She stated that a review of the Scheme had taken place which had led to some proposed changes which were detailed in the report.



## Joint Consultative Committee, 2 December 2015

Nick Day (GMB) explained the background and rationale for the pay claim from GMB and Unison. In particular, he referred to a meeting with officers held the previous day where the Unions and officers had discussed the details of the pay claim. He stated that the basis of the pay claim was to mirror the national pay claim on the basis that there should be consistency between staff locally and nationally. He also referred to the UK Living Wage of £8.25 for 2016/2017 and reminded Members that this was not the same as the national minimum wage but rather was based on academic studies (Centre for Research in Social Policy). He also explained the rationale for point 2 of the pay claim which was an attempt to bridge the gap of the previous pay freeze. He referred to point 3 of the pay claim and stated that this was to ensure consistency between staff locally and staff on national conditions.

Nick Day stated that the request for a full joint review of the Pay Progression Scheme (MedPay) was partly as a result of only 21 people being awarded level 1 under the scheme, it was considered that only certain types of jobs would enable employees to achieve level 1 status, however, a number of employees were unlikely to ever achieve Level 1 owing to the types of duties they undertook.

Members discussed a number of issues in relation to the pay claim including the following:

- The breakdown of costings for points 1 and 2 of the pay claim.

The Assistant Director stated that it would cost the Council approximately £1m to meet point 1 of the pay claim (UK Living Wage).

- Whether the Council had any plans to make changes to the Green Book Part 2 terms and conditions (point 3 of the pay claim).

The Assistant Director stated that there were no current plans to review the Green Book Part 2 terms and conditions.

- Whether point 4 of the claim (school support staff) was a matter for the Council given that these staff would be on national conditions.

Nick Day (GMB) stated that this point had been included in the pay claim to ensure that the Council would implement any changes to school support staff's terms and conditions. He stated that it would be possible to leave this part of the pay claim for reference only.

The Assistant Director confirmed that the Council had no discretion on its part and that it was a matter for Schools Governing Bodies to honour any such changes given that they were on national terms and conditions. She also confirmed that any changes to terms and conditions would be met from schools' budgets rather than the Council's budgets.

- The impact of splitting Level 1 of the Pay Progression Scheme into Level 1A or Level 1B.

## **Joint Consultative Committee, 2 December 2015**

Nick Day (GMB) stated that the unions were not in favour of the Scheme although he accepted it had helped increase appraisal rates. He considered that splitting Level 1 may help mitigate problems, however, he would like to know how managers would differentiate between the levels and that the Unions would like to meet officers to discuss the implementation of the revisions to the Scheme.

The Chairman concluded the meeting by making some closing remarks noting that the joint pay claim from GMB and Unison would require further discussions in the run up to the final decision being made at Full Council in February 2016.

**Chairman**

**Date:**

**Wayne Hemingway, Democratic Services Officer**

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**Extract from the minutes of a Corporate Consultative Committee  
Tuesday 15 December 2015  
Room 8, Level 3, Gun Wharf  
10:00 – 12:00**

**Present:** Tricia Palmer (Assistant Director, Organisational Services), Cllr. Mackness, Tim Silver (Employee Relations Manager), Nick Day (GMB), Margaret Gallagher (AEP), Michael Barton (VOICE), Lauraine McManus (NUT), Mark Hammond (Unison), Julia Harris (NASUWT)

**Apologies:** Claire Dent (Aspect), Tania Earnshaw (Unison), Vicky West (GMB)

**2. Pay Claim 2016/17**

TP informed the committee that the pay claim had been discussed at the December JCC. A number of key points had been shared including the gap of £13.8 ml funding strain. It was expected that a 1% of the budget would be set aside for all pay increases, including a statutory increase to the national living wage and any negotiated increase to cohorts of staff engaged on non-MedPay terms

ND shared the TU pay claim on a move to recognise the Living Wage (as set by the Living Wage Foundation), a £1 per hour increase for all staff who were not positively impacted by the move to the Living Wage, a commitment not to change any of the terms as stated in Section 2 of the NJC Green Book, a review of schools support staff, and a commitment to a full review of the current MedPay pay progression scheme.

The committee were informed that there is national review of schools support staff related to contract comparisons with teaching staff. Medway Council would need to take note of any recommendation and take action as required.

ND further commented that since 2009 pay is 20% short of when it increased in line with inflation, this is higher at 20%-30% in Medway. It is in Medway Council's interest to be a living wage employer, the living wage is based on research of what is needed to ensure a reasonable standard of living, and by doing so an example will be set to private sector employers in Medway.

The committee were informed that if fully implemented, the TU pay claim would require a budget of c£5Ml. ND informed that committee that the NJC made an offer last week of a two year pay deal of 1% each year.

ND requested information on the impact on Range 1 for the next CCC.

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MH made an additional point that the impact of the living wage, and the example set to local employers would be beneficial to the local economy. Concerns around tax credits may be a factor, but this will be somewhat alleviated by the number of part-time workers.

Cllr Mackness outlined that amidst improvements, there are challenges of budget gaps and the impact on local businesses, how the decline in central government grants and move towards business rate retention develops remains to be seen and work is being done in how we bridge the £11-14 ml budget gap.

- **Action** – *TP/TS to provide costings of the increase to the living wage's impact on Range 1*

**Extract of the Minutes of the Corporate Consultative Committee  
Tuesday 12 January 2016  
Room 11, Level 3, Gun Wharf  
13:00 – 14:30**

**Present:** Tricia Palmer (Assistant Director, Organisational Services), Tim Silver (ER Manager), Nick Day (GMB), Kim West (GMB), Julia Harris (NASUWT), Michael Barton (VOICE), Lauraine McManus (NUT), Joe Parsons (UNISON).

**Apologies:** Mark Hammond (UNISON), Claire Dent (Aspect)

1) Pay Claim

TP welcomed attendees and re-stated that discussions for this years pay award should be considered in the context of on-going budgetary pressures.

TP reminded the committee that pay modelling was on-going but that the starting position was 1% of the current payroll, or £800K as a monetary figure.

ND informed TP that the pay offer made by LGA as part of the national negotiations on NJC terms was 2.4% over a two year period. The offer was bottom loaded with a higher proportion of the increase being applied to the lower end of the incremental scales. ND further advised that it was probable that this offer would be rejected by the Trade Unions.

TP asked ND to send through the detail of the offer.

The committee debated the impact of the forthcoming introduction of the National Living Wage for staff who are aged over 25 on 1 April 2016 and that there would be a further statutory increase to staff under the age of 25 on 1 October 2016.

JP asked for a breakdown of these costs and in particular the cost of moving all staff (regardless of age) to the National Living Wage on 1 April 2016.

ND asked for a breakdown of the number of staff who are currently paid at the top of their pay range and who, therefore, would not receive the performance element of any pay award.



**Medway Council**  
**Meeting of Joint Consultative Committee**  
**Monday, 18 January 2016**  
**6.00pm to 6.35pm**

**Record of the meeting**

Subject to approval as an accurate record at the next meeting of this committee

**Present:**

**Employer Representatives:**

Councillors: Avey, Fearn, Godwin, Hicks, Murray and Wicks  
(Chairman)

**Employee Representatives:**

Michael Barton (Voice the Union), Nick Day (GMB) and Joe  
Parsons (Unison)

**In Attendance:**

Tricia Palmer, Assistant Director, Organisational Services  
Tim Silver, Employee Relations Manager  
Michael Turner, Democratic Services Officer

**5 Record of meeting**

The record of the meeting held on 2 December 2015 was agreed as correct.

**6 Apologies for absence**

Apologies for absence were received from Councillor Asha Saroy, Mark  
Hammond and Tania Earnshaw.

**7 Declarations of disclosable pecuniary interests and other interests**

Disclosable pecuniary interests

There were none.

Other interests

There were none.

## 8 Pay Negotiations

The Assistant Director – Organisational Services introduced a briefing paper which set out the joint pay claim received from Unison and GMB. The cost to the Council of implementing the claim would be just under £5m (7% of the current wage bill) and the Council did not have the resources to meet this in its entirety. With regard to the request to retain and protect Part 2 of the NJC Green Book, the Assistant Director confirmed that the Council had no plans to revisit any elements subject to local resolution.

There was a statutory obligation to meet the new National Living Wage of £7.20 per hour for all employees (excluding Apprentices) who were over 25 years of age on 1 April 2016, and to further maintain contractual commitments for those employees who were not employed under MedPay terms and conditions of employment. These commitments totalled around £200,000. The Council was proposing to set aside 1% of the current pay bill (approximately £800,000) for 2016/17. After taking into account the commitments referred to this left approximately £600,000 for pay increases.

The Council was proposing the following to the trade unions:

- 0.4% paid as a general cost of living increase (COLA).
- 0.6% paid in accordance with the performance arrangements as detailed under MedPay.

The majority of staff would receive a 1% pay rise but around 400 people (approximately 20% of the workforce) were at the top of their pay range and as such would receive the COLA increase only, in accordance with MedPay. In response to a question whether the number of people at the top of their grade would inevitably increase over time the Committee were advised that this was not expected and historically the number had remained fairly constant.

The Assistant Director continued that other points open for discussion with the Unions were:

- An increase to £7.20 per hour for everyone (waiving the statutory age qualifier set at 25) paid less than the new National Living Wage; this would capture about 265 employees of whom around 120 would not otherwise be qualified to receive the increase)
- Increasing the top of Range 1 and the entry level into Range 2; this would enhance the pay of a further 360 employees (approximately).

The Assistant Director asked for the Unions' views on the 0.4%/0.6% balance proposed.

The GMB representative responded that he felt the balance of the offer in terms of the split between a cost of living increase and performance was very divisive and sent the wrong message to staff, particularly those who were at the top of



## Joint Consultative Committee, 18 January 2016

their grade who were likely to be long serving, loyal employees. He pointed out other councils facing the same financial pressures could offer a better deal for staff on pay. For example, Kent County Council offered a maximum of 6% performance pay and even those only classed as adequate received a 2% increase. In terms of the bottom loading proposals he welcomed the move to pay the same rate to under 25s and was happy to explore further the proposals around Range 1 and 2 but wished to see more information about the latter. Another Member of the Committee also asked to see a breakdown of the figures relating to this proposal as well as the financial implications of a minimum pay point of £8.25 per hour. He added that he continued to oppose the performance related pay scheme as it currently operated particularly as the largest element of the pay offer was for performance and around 400 staff would not be eligible to receive this, which was a demotivating factor for them. In addition they would also only receive a 0.4% COLA increase which after several years of pay freezes was negligible and insufficient. He asked for the £800,000 being proposed to be set aside to be clearly broken down into statutory commitments, the cost of living increase, the performance element and the proposed increase to £7.20 per hour for those paid less than the new National Living Wage so it was clear where this overall sum was being allocated.

A Member asked if staff at the top of the range still received a performance review even though they would not receive any performance related pay and also what would happen if they did not meet their targets. The Assistant Director confirmed such staff did receive a performance review and if not performing could potentially be subject to capability proceedings. There was a need for a clear point where a pay graded ended. The new Medpay Scheme did allow for one additional day's leave to be given to staff at the top of their grade where performance was excellent. She also pointed out that some staff at the bottom of a grade performing the same duties and at the same performance level as someone at the top of the grade felt the current system was unfair as they were paid less.

A Member commented that the Council's offer was outlandish given the vast majority of staff shared a relatively small amount of pay set aside for performance in comparison to what the highest paid employees earned. The Assistant Director responded that in recent years the gap between the lowest paid and the highest paid in the Council had narrowed. The costs of administering the PRP scheme were asked for with a request that this be used to increase pay instead. The Assistant Director replied that the costs of administering the scheme were met within existing budgets. The Council was now achieving 100% appraisal levels and it was important these levels were maintained.

The GMB representative made the point that staff at Kent County Council at the top of their grade received a cash payment to recognise performance rather than an increase in their base salary.

## **Joint Consultative Committee, 18 January 2016**

The meeting concluded with the Trade Unions agreeing to explore further with officers the proposals regarding Ranges 1 and 2 and the Assistant Director undertaking to provide the Committee with the further information requested.

### **9 Date of next meeting**

3 February 2016

**Chairman**

**Date:**

**Michael Turner, Democratic Services Officer**

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# Diversity impact assessment

<b>TITLE</b> <i>Name/description of the issue being assessed</i>	<b>Pay Negotiations 2016/2017</b>
<b>DATE</b> <i>Date the DIA is completed</i>	<b>20 January 2016</b>
<b>LEAD OFFICER</b> <i>Name of person responsible for carrying out the DIA.</i>	<b>Carrie McKenzie Head of HR and Organisational Change</b>
<b>1 Summary description of the proposed change</b> <ul style="list-style-type: none"> <li>• <i>What is the change to policy/service/new project that is being proposed?</i></li> <li>• <i>How does it compare with the current situation?</i></li> </ul>	
<p><b>The report covers the progress on the annual pay negotiations with the trade unions and makes recommendations to full Council for the payment of an annual cost of living award and performance related payments.</b></p>	
<b>2 Summary of evidence used to support this assessment</b> <ul style="list-style-type: none"> <li>• <i>Eg: Feedback from consultation, performance information, service user records etc.</i></li> <li>• <i>Eg: Comparison of service user profile with Medway Community Profile</i></li> </ul>	
<p><b>There have been numerous meetings with Trade Unions progressing pay negotiations since October 2015. There has been no comment or challenge that the proposals in the report will adversely impact on one or more of the protected characteristic groups.</b></p>	
<p><b>The report was shared with both Legal and Finance and there was no comment from either.</b></p>	

# Diversity impact assessment

### 3 What is the likely impact of the proposed change?

Is it likely to :

- Adversely impact on one or more of the protected characteristic groups?
- Advance equality of opportunity for one or more of the protected characteristic groups?
- Foster good relations between people who share a protected characteristic and those who don't?

(insert ✓ in one or more boxes)

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age			X
Disability			X
Gender reassignment			X
Marriage/civil partnership			X
Pregnancy/maternity			X
Race			X
Religion/belief			X
Sex			X
Sexual orientation			X
Other (e.g. low income groups)			X

### 4 Summary of the likely impacts

- Who will be affected?
- How will they be affected?

**There is no impact on any of the protected characteristic groups.**

# Diversity impact assessment

**5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?**

- *Are there alternative providers?*
- *What alternative ways can the Council provide the service?*
- *Can demand for services be managed differently?*

**Not applicable**

**6 Action plan**

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
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**Not applicable**


**7 Recommendation**

*The recommendation by the lead officer should be stated below. This may be:*

- *to proceed with the change implementing action plan if appropriate*
- *consider alternatives*
- *gather further evidence*

*If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.*

**Not applicable**

**8 Authorisation**

*The authorising officer is consenting that:*

- *the recommendation can be implemented*
- *sufficient evidence has been obtained and appropriate mitigation is planned*
- *the Action Plan will be incorporated into service plan and monitored*

**Assistant  
Director**

**Tricia Palmer**

# Diversity impact assessment

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**Date** 20 January 2016

Contact your Performance and Intelligence hub for advice on completing this assessment

RCC: phone 2443 email: [annamarie.lawrence@medway.gov.uk](mailto:annamarie.lawrence@medway.gov.uk)

C&A: phone 1031 email: [paul.clarke@medway.gov.uk](mailto:paul.clarke@medway.gov.uk)

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PH: phone 2636 email: [david.whiting@medway.gov.uk](mailto:david.whiting@medway.gov.uk)

Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication