



EMPLOYMENT MATTERS COMMITTEE

4 DECEMBER 2019

PAY NEGOTIATIONS 2020/2021

Report from: Carrie McKenzie, Assistant Director - Transformation

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Summary

To present Members with a report on the progress of the pay negotiations for the financial year 2020/2021.

1. Budget and Policy Framework

1.1 This report covers the progress on the annual pay negotiations with the Trade Unions (TU) for the financial year 2020/2021.

2. Background

2.1 The Council came out of the national agreement in April 2013 and this is the fifth year of formal negotiations on pay awards with the TU's.

2.2 The procedure for pay negotiations was agreed by the TU's and this Committee in February 2013 and is set out in the attached Protocol for annual local pay and conditions negotiations document (Appendix 1); the Council has followed this procedure in its discussion with the TU's.

2.3 A Diversity Impact Assessment has been carried out on the pay negotiations, and is attached to the report (Appendix 4).

3. Pay Negotiations Protocol 2020/2021

3.1 Progress to date:

Action 1: Completed - The Head of HR Services met with the TUs on 24th September 2019 (an extract of the minutes are attached at Appendix 2). At this meeting, the Head of Finance Strategy gave the TUs an overview of the Council's Medium Term Financial Strategy, and informed them that in line with previous years, the MTFs assumed a 1% increase to staff pay effective from April 2020 with a reminder that in addition to any increase resulting from negotiations under the Pay

Protocol, that this budget also includes any statutory increases to the National Living Wage and National Minimum Wage, as well as increases negotiated nationally to cohorts of staff employed on non-MedPay terms and conditions.

Action 2: Completed – The Acting Head of HR Services on behalf of the Assistant Director – Transformation, invited the TU's (Unison and GMB) to submit their joint pay claim by no later than 31st October 2018.

Action 3: Completed - The joint pay claim was not received. A pay claim from Unison was received on 30th October 2019 and the details of the claim are set out at Section 4 of this report.

Action 4: Completed - A meeting with the Chief Executive, Assistant Director – Transformation, Head of HR Services and representatives from Unison was held on 6th November 2019 and the minutes of that meeting are at Appendix 3.

Action 5: Meetings of the Joint Consultative Committee and the Employment Matters Committee are scheduled for 4th December 2019.

Action 6 a), b), c): Meetings of the Joint Consultative Committee and the Employment Matters Committee are scheduled for 29th January 2020.

Action 7: A meeting of Full Council is scheduled for 20th February 2020.

4. The Unison pay claim

4.1 The Unison pay claim consists of four elements:

- A 7% increase on all pay points over 2 years (3.5% per year).
- A 35 hour working week (no decrease to salary)
- A commitment to reassess job profiles
- A return to National Pay Bargaining.

5. Analysis of the Unison pay claim

5.1 The pay claim relates to MedPay pay arrangements only. Members are reminded that MedPay is not based on a pay point system but on staff being paid in accordance with their respective pay range.

5.2 No cost analysis has been completed on the second, third or fourth element of the pay claim.

5.3 The impact of applying the 3.5% increase would raise the minimum full-time equivalent salary to £14,277 excluding on-costs. There are currently 67 colleagues who would benefit from this change.

5.4 The financial implications of applying a 3.5% increase to the salary bill equates to c£2,132,356.53

6. Analysis of Statutory Increases

6.1 Typically in October each year, the Government announces statutory increases to both the National Minimum Wage (NMW) and National Living Wage (NLW) to be applied from the following April. The details of these statutory increases have been delayed this year so we have used the Low Pay Commission consultation report (June 2018) target of 8.67% per hour for the NLW.

6.2 The estimate of applying this assumed NLW statutory increases equates to c£221,111. Please note this is an estimate only, and subject to change depending on the outcome of the election. We are therefore at this stage unable to provide further analysis of statutory increases.

6.3 654 colleagues will benefit from these assumed statutory increases

7. Exceptions

7.1 There are 278 employees who are engaged under nationally negotiated terms and conditions of employment who are entitled to receive pay increases and automatic incremental pay progression i.e. those engaged under Soulbury, LNFA and NHS (Public and Mental Health) terms. They are therefore not covered by this local arrangement.

8. Financial and legal implications

8.1 The financial and legal implications of the Unison pay claim and the statutory wage increases are shown at paragraphs 5 and 6.

8.2 The financial implications of applying a 1% increase to the salary bill equates to c£610,000.

8.3 It is important that negotiations and decision-making relating to these negotiations follow the Council's processes to minimise the risks of any legal challenges.

9. Risk Management

9.1 The risks arising from this report relate to the morale and satisfaction of employees. In these times of austerity it is extremely difficult for the Council to allocate significant funds to pay rises. However, we wish to remain a good employer and ensure that employees are committed to the Council and continue to enjoy working here. However, the procedural or legal risks will be minimised as all decisions will be made

in accordance with the Council's processes and protocol for managing the annual local pay and conditions negotiations.

10. Recommendation

- 10.1 That the Employment Matters Committee notes the report, including progress made to date under the Pay Negotiations Protocol.

Lead officer contact

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Appendices:

Appendix 1 - The Protocol for annual local pay and conditions negotiations 2020/2021

Appendix 2 - An extract from the minutes of the Corporate Consultative Committee

Appendix 3 - Minutes of a meeting with the Chief Executive, Assistant Director – Transformation, Head of HR Services and representative from Unison trade unions.

Appendix 4 - Diversity Impact Assessment

Background papers:

None