

## **EMPLOYMENT MATTERS COMMITTEE**

**30 NOVEMBER 2021**

### **PAY NEGOTIATIONS 2022/2023**

Report from: Samantha Beck-Farley, Head of HR

#### Summary

To present Members with a report on the progress of the pay negotiations for the financial year 2021/2022.

#### 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 2022/2023.

#### 2. Background

2.1. The council came out of the national agreement in April 2013 and this is the eighth year of formal negotiations on pay awards with the TUs.

2.2. The procedure for pay negotiations was agreed by the TUs 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 TUs.

2.3. A Diversity Impact Assessment has been carried out on the pay negotiations and is attached to the report (Appendix 2).

#### 3. Pay Negotiations protocol 2022/2023

3.1. Progress to date:

**Action 1:** Completed - The Head of HR Services met with the TUs on 7th September 2021 (an extract of the minutes are attached at Appendix 3). At this meeting, the Head of Finance Strategy gave the TUs an overview of the Council's process to develop the 2022/23 budget, reported to Cabinet in the Financial Outlook 2022/23 report in September. In line with previous years, the budget assumptions included a 1% increase to staff pay effective from April 2022 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 Head of HR Services, invited the TUs (Unison and GMB) to submit their joint pay claim by no later than 22nd October 2021.

**Action 3:** Completed - The joint pay claim was not received. An extension was granted to 25<sup>th</sup> October 2021. A pay claim from Unison was received on 25th October 2021 and the details of the claim are set out at Section 4 of this report. This was confirmed as a joint claim with GMB on 27<sup>th</sup> October 2021.

**Action 4:** Completed - A meeting with the Chief Executive, Head of HR Services and representatives from Unison and GMB was held on 16th November 2021.

**Action 5:** Meetings of the Joint Consultative Committee and Employment Matters Committee are scheduled for 30<sup>th</sup> November 2021.

**Action 6 a), b), c):** Meetings of the Joint Consultative Committee and Employment Matters Committee are scheduled for 2nd February 2022 TBC.

**Action 7:** A meeting of Full Council is scheduled for 24th February 2022.

#### 4. The joint TU pay claim

4.1. The joint TU pay claim for 2022/2023 is as follows:

- A 7.5% increase on all pay bands
- The deletion of all pay points below £10 per hour
- A return to NJC national bargaining power

#### 5. Analysis of the joint TU 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 third element of the pay claim.

5.3 The financial implication of applying a 7.5% COLA increase (including oncosts) to the salary bill equates to c£5,127,138

5.4 The financial implications of the new minimum MedPay salary of £10 per hour increase to the salary bill equates to c£305,246. 804 employees would benefit from a minimum of £10 per hour.

5.5 The impact of applying a 7.5% COLA increase and a new minimum of £10 per hour (including oncosts) increase to the salary bill equates to c£5,528,711

5.6 The financial implications of applying 7.5% COLA increase, a new minimum of £10 per an hour and the statutory increases (increments and NMW/NLW) increase to the salary bill equates to c£5,929,430.

## 6. Analysis of Statuary increase

6.1 Typically in October each year, Government announced 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 are 6.6% per hour for the NLW.

6.2 The cost of applying this NLW statutory increases equates to c£265,010.

6.3 608 colleagues will benefit from these statutory increases

6.4 The new bottom of R2 will be £18,329 up from the current £17,359

6.5 Government have also announced statutory increases to Apprenticeship rate to be applied from the April 2022. The details of these statutory increases are 11.9% per hour.

6.6 Due to the increase at level 2, level 3 and 4 also need to have a new rate.

6.7 The total costs including the proposal and the statutory new apprentice rate are c£34,851.

## 7. Exemptions

7.1 There are 36 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. Risk management

8.1 The risks arising from this report relate to the morale, employee engagement, attraction, and retention. In these times of austerity, it is extremely difficult for the council to allocate significant funds to increase pay. However, we wish to remain a good employer and ensure that employees are committed to the council and continue to enjoy working here.

| Risk                                                                                                                       | Description                                                                                                                                                                                                                                      | Action to avoid or mitigate risk                                                                                                                                      | Risk rating |
|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Without recognising our employees the Council will risk losing their skilled workforce to other work organisations who do. | It is challenged that the removal of increments from pay have meant many people have not had increases to salaries, compared with market average. To do nothing in terms of a pay reward would be detrimental to retaining our skilled workforce | To continue to monitor exit surveys and reasons for leaving.<br><br>To launch our people promise<br><br>Continue to benchmark roles<br><br>Progress the medpay review | B2          |
| Funding: Budget not sufficient to cover increase proposed                                                                  | Often budget constraints mean pay awards are below inflation or RPI.                                                                                                                                                                             | Other methods of reward can be considered to demonstrate how staff are valued.                                                                                        | B2          |

## 9. Consultation

9.1 As detailed in the pay protocol at point 3.

## 10. Climate change implications

10.1 Whilst this has neither a positive or negative climate change/carbon emission implication, it should be noted that any other form of recognition, i.e. mileage costs would need to be considered.

## 11. Financial implications

11.1 The financial implications of the joint TU pay claim and the statutory wage increases are c£5,929,500 this is detailed in paragraphs 5 and 6.

11.2 The financial implications of applying a 1% COLA increase (including oncosts) to the salary bill equates to c£666,200.

11.3 The financial implications of applying statutory increases (increments and NMW/NLW) and a 1% COLA increase to the salary bill equates to c£1,056,000.

11.4 The financial implication of applying statutory increase and proposed increase at level 2 and 3 for the apprenticeship rates to the salary bill equates to c£34,850

11.5 The Financial Outlook 2022/23 included an estimate of £907,125 for a 1% pay award for staff. In addition, the Draft Budget assumed a further £1.1million would be added to the budget to cover the 1.25% Employers National Insurance contribution and the faster than anticipated increase in NML/NLW rates. The statutory increases set out in this report represent a further pressure of £99,742 than the allowance made in the Draft Budget.

## 12. Legal implications

12.1 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.

## 13. Recommendation

13.1 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  
2022/2023

Appendix 2 - Diversity Impact Assessment

Appendix 3 - An extract from the minutes of the Corporate Consultative Committee

## Background papers

None