
Implementing the 2019 Pay Award– Supporting Information

1. Introduction/Background

- 1.1 The NJC two year pay agreement for 2018 and 2019 includes the introduction of a new pay spine on 1 April 2019 that is based on the following:
- (1) A bottom rate of £9.00 per hour (£17,364) on new Spinal Column Point (SCP) 1 (equivalent to old SCPs 6 & 7)
 - (2) ‘Pairing off’ old SCPs 6-17 incl. to create new SCPs 1-6 incl.
 - (3) Equal steps of 2.0% between each new SCPs 1 to 22 incl. (equivalent to old SCPs 6-28 incl.).
 - (4) By creating equal steps between these pay points, new SCPs 10, 13, 16, 18 and 21 are generated to which no old SCPs will assimilate.
 - (5) On new SCPs 23 and above (equivalent to old SCPs 29 and above), 2.0% increase on 2018 rate.
- 1.2 The NJC agreement is silent on the approach to be taken with regard to the chronology of assimilation and increments when moving to the new pay spine on 1 April 2019. There are two options: assimilate first and then increment (Option A) or increment first and then assimilate (Option B).
- 1.1 The two potential approaches produce different outcomes at some pay points – Finance has modelled the costs of the two approaches (Option A and Option B) and Option A is slightly less expensive for corporate and school employees.
- 1.2 Either of the approaches is acceptable but the Council must use the same approach for the entire workforce covered by the agreement including support staff in schools.
- 1.3 The two pay spines for 2018 and 2019 are set out at Appendix D to illustrate the issue.

2. The “West Berkshire Living Wage Supplement”

- 2.1 The two year pay deal anticipates the increase in the national living wage (NLW) to £9 per hour by 2020 as set out in government policy. This is a good opportunity to review the current “West Berkshire Living Wage Supplement” which was introduced in 2015. The current pay deal addresses the same issue of low pay grades by ‘bottom loading’ the percentage pay increase. The need for the supplement has therefore diminished.
- 2.2 The amount paid under the “West Berkshire Council Living Wage Supplement” varies depending on the spinal column point of the employee and takes relevant

employees up to £8.75 per hour. The supplement increases when the Living Wage Foundation increases the Living Wage hourly rate each November.

- 2.3 The “West Berkshire Living Wage Supplement” is a discretionary payment made by the Council to relevant employees. It does not form part of the employees' contract of employment and can be withdrawn or frozen by the Personnel Committee.
- 2.4 The cost of the supplement is absorbed by the relevant services. 15 employees are currently receiving the supplement to increase their hourly rate to £8.75 (excluding three employees who have remained on Berkshire County Council terms who would be paid above £8.75 per hour if they come onto WBC terms). All of the 15 will be paid £9 per hour or more on 1st April 2019. Of the 15 employees nine currently receive an extra 1p per hour; one receives 7p; four receive 13p; and one receives 20p per hour because of the supplement.
- 2.5 Schools which are not maintained by West Berkshire Council are free to pay whatever rates of pay they wish to support staff (e.g. academies, aided schools, foundation schools). However, schools which are maintained by WBC must use the Council's pay and grading structure to pay their support staff.
- 2.6 Schools have more employees paid on spinal column point 10 or below (Grade A or B) than the corporate services. In autumn 2015 schools were commended to join the Council in paying the “West Berkshire Living Wage Supplement”. However, none did so, which has created a potential equal pay problem for the Council because employees on the same grade in maintained schools are currently being paid less than employees on the same grade in corporate positions.
- 2.7 The “West Berkshire Living Wage Supplement” is a non-contractual supplement that would have been paid at the discretion of the governing body (GB) as part of the school's pay policy. However, individual governing bodies decided, in light of budget pressures, that their schools could not afford to implement the supplement.
- 2.8 If the proposal to freeze the supplement is approved, the 15 affected employees currently paid the “West Berkshire Living Wage Supplement” will continue to receive £8.75 per hour until the 31st March 2019 and on 1st April 2019 ten of them will receive £9.36 per hour and five will receive £9.18 per hour.

3. Changing the NJC pay body for the post of Chief Executive

- 3.1 The NJC has three levels of negotiation for local government employees under the scope of this report (excluding teachers, Soulbury and craft workers). The three levels are employees, chief officers and chief executives. WBC is not a ‘Green Book’ employer and is not bound by the NJC pay awards. However it shadows the NJC pay award (with a procedure in place to allow divergence if that was deemed in the best interests of the Council).
- 3.2 From the start of the unitary authority all employees, including chief officers, have been paid the general NJC pay award for all employees. However, this has not applied to the Chief Executive where the Council shadows the chief executives’ pay award. This leads to pay awards being agreed at different times. Both negotiating bodies have awarded a 2% pay award for 1st April 2019 so this is an opportune time to end this anomaly. This would mean that all employees including the Chief Executive would be affected by the same main NJC pay award, when the annual

NJC pay award is ‘shadowed’ by WBC. This makes no difference to the Chief Executive’s pay increase in 2019 as both negotiating bodies have agreed a 2% increase as part of a two year deal. The proposed change may make a difference in 2020 but whether to the advantage or disadvantage of the Chief Executive will be unknown until 2020 when negotiations at national level are completed.

4. Proposals

- 4.1 There are two options available to local authorities in implementing the pay award on the new spine. It is recommended that option A is implemented in West Berkshire Council – assimilate first, then increment if necessary.
- 4.2 The Council ‘shadows’ the NJC pay award for all relevant employees with the exception of the position of Chief Executive, where it shadows the national pay award for chief executives. It is recommended that this anomaly is ended and from 1st April 2009 all employees, including the Chief Executive, receive the same pay award which shadows the main NJC pay award (this will be 2% on 1st April 2019).
- 4.3 The Council wished to increase pay rates for its lowest paid employees in October 2015 and introduced the “West Berkshire Living Wage Supplement”. This is a non-contractual, discretionary payment to top up the hourly rate of the lowest spinal column points. The 2018 and 2019 pay awards have addressed the same issue and is recommended that the “West Berkshire Living Wage Supplement” is frozen from 1st October 2019 to avoid unplanned changes to wage differentials in future; and to reduce the equal pay risk caused by the fact that all WBC maintained schools decided not to implement the supplement for their support staff.

5. Conclusion

- 5.1 The proposals in this report will produce the least expensive way for corporate and school support employees to be assimilated to the new pay spine in April 2019. They will also end possible different timescales for the implementation of the Chief Executive’s pay award from 2020 as this post will be treated under the same main NJC pay award as other employees (the award for 2019 has already been agreed as 2%). They will reduce complications from differentials between supervised and supervisors being overturned on 1st November each year when the foundation living wage increase is announced; and end the emerging equal pay risk caused by maintained schools deciding not to implement the “West Berkshire Living Wage Supplement”.

6. Consultation

- 6.1 This report has been subject to consultation with the unions before it goes to the Personnel Committee. Unison’s comments are attached to this report.

Background Papers: n/a

Wards affected: n/a

Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aim:

- BEC – Better educated communities**
- SLE – A stronger local economy**
- P&S – Protect and support those who need it**

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- HQL – Maintain a high quality of life within our communities**
 - MEC – Become an even more effective Council**

The proposals contained in this report will help to achieve the following Council Strategy priority(ies):

- BEC1 – Improve educational attainment**
 - BEC2 – Close the educational attainment gap**
 - SLE1 – Enable the completion of more affordable housing**
 - SLE2 – Deliver or enable key infrastructure improvements in relation to roads, rail, flood prevention, regeneration and the digital economy**
 - P&S1 – Good at safeguarding children and vulnerable adults**
 - HQL1 – Support communities to do more to help themselves**
 - MEC1 – Become an even more effective Council**
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