

REPORT TO: Council 24 September 2020

LEAD CABINET MEMBER: Cllr John Williams, Finance and Staffing

LEAD OFFICER: Susan Gardner-Craig, Head of HR and Corporate Services

Annual Pay Award 2020 2021

Executive Summary

1. The Local Government Association (LGA) advised local government employers in April 2020, that a final pay offer had been made to Trade Unions and rejected, therefore negotiations would continue. The impact of the COVID19 crisis and lockdown restrictions affected the progress of these discussions.
2. South Cambridgeshire District Council (SCDC) has a local agreement with recognised trade unions which covers negotiation of local terms and conditions, pay scales and pay awards.
3. Local pay discussions and negotiations with the recognised trade unions at SCDC (GMB and Unison) commenced prior to CV19 lockdown. It was agreed by the council and trade unions that formal local negotiations would be suspended until such time that details of the terms of any national pay agreement were available. However, it was agreed that council staff would receive an interim pay increase of 2% in June 2020.
4. Trade Unions and the Local Government Association have confirmed the national pay negotiations have concluded and agreement has been achieved. The council has therefore reviewed its position in relation to the 2020/2021 pay award for staff.

Key Decision

5. No

Recommendations

6. It is recommended that Council approves the additional 0.75% to all spinal column points of the pay grade.

Details

7. The Local Government Association (LGA) advised local government employers in April 2020, that a final pay offer had been made to trade unions and rejected. It was accepted

that agreement was unlikely to be reached at the present time. The impact of the COVID19 crisis and lockdown restrictions has also affected the progress of discussions.

8. South Cambridgeshire District Council has a local agreement with recognised trade unions which covers negotiation of local terms and conditions, pay scales and pay awards. In considering annual pay offers and agreements the council takes account of national pay negotiations, local job market forces and affordability.
9. Local pay discussions and negotiations with the recognised trade unions at SCDC (GMB and Unison) had commenced prior to CV19 lockdown. The trade unions submitted a pay claim which has been taken into account during these discussions.
10. It was agreed by the council and trade unions that formal local negotiations would be suspended, for the reasons highlighted above, until such time that details of the terms of any national pay agreement were available.
11. The Covid19 crisis has meant that trade unions, staff and Members have been focused on delivering support and services to residents and businesses in a way which is safe for all. Employees have been working to maintain services and deliver new ones and Members and Leadership Team felt that staff salaries should be increased by 2%, which was approved in the 2020/2021 budget.
12. Trade Unions were consulted on this and agreed to a 2% increase which was implemented in June 2020. The caveat being that formal discussions resumed once the national pay award position was clear.
13. In early September 2020 the Trade Unions and the LGA confirmed that the national pay negotiation has concluded and, agreement has been achieved.
The headlines of this agreement are:
 - The pay points on the National pay scale be increased by 2.75%
 - The minimum annual leave is 22 days increasing by a further 3 days after 5 years service
 - A comprehensive and joint national review on the causes of workplace stress and mental health

The council has therefore reviewed its position in relation to the 2020/2021 pay award for South Cambs staff.

Considerations

14. Pay Claim

Local Trade Unions submitted a pay claim for 2020/2021 to the Council. The claim included the following:

- A percentage across the board increase on all salary points and allowances that at a bare minimum matches the NJC award.
- A minimum pay point of £10 per hour or similar 'bottom loading'
- A joint review on the causes of workplace stress (using the HSE management Stress Standards)
- Car-loan scheme to compensate staff who travel between sites (old Essential users)
- A one day increase to the minimum paid annual leave entitlement

Cabinet were made aware of this pay claim at the time.

15. Statutory National Minimum Wage and 'Real Living Wage'

- The statutory National Living Wage is currently £8.21ph for 25year-olds and over. This will rise to £8.72.
- The 'Real Living Wage' set by the Living Wage Foundation, at the time of the Council's final pay offer to trade unions and union ballot was £9.30ph (outside of London).
- At present there are no roles, with the exception of apprentices, which are paid below the 'Real Living Wage' rate of £9.30ph
- The 2020/2021 budget was agreed by Council in February 2020, this makes provision for a 2% increase on salaries for this financial year.

16. From April 2020, the Statutory National Minimum Wage is as follows:

- Apprentice - £4.15
- Under 18 - £4.55
- 18-20 - £6.45
- 21-24 £8.20

17. Financial impact

Financial modelling has been undertaken to assess the impact of the NJC pay deal and Living Wage:

- The 2020/2021 budget was agreed by Council in February 2020, this makes provision for a 2% increase on salaries for this financial year.
- The impact of applying the 2% increase on all SCDC pay points is within agreed budgets
- The 'Real Living Wage' set by the Living Wage Foundation, at the time of the writing this report is £9.30ph (outside of London).
- Current policy is that South Cambridgeshire District Council should have regard to the Living Wage when reviewing annual pay awards for Council employees.
- The additional cost of applying an additional 0.75% onto all spinal column points in the pay grade is £200,000 (£160,000 General Fund, £40,000 HRA).

18. The Lead Cabinet Member can only approve a pay award within planned budget levels. Approval for a percentage increase above 2% would need to be considered and approved by Full Council.

It should be noted that Member allowances are increased by the equivalent percentage amount. The cost of this is £2,600.

The additional expenditure in 2020/21 is affordable as there are expected to be some compensating underspends. The additional expenditure going forward will need to be included as part of the update to the medium-term financial strategy.

Options

19. Members could choose not to align with the nationally agreed pay award, and remain at the already agreed local award of 2%.

Implications

20. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:

Financial

21. See paragraphs in body of report for costs.

The Chief Finance Officer comments that whilst the additional expenditure in 2020/21 is affordable in the context of the overall budget for this year, future increases at this level cannot currently be recommended given the significant uncertainty surrounding the future of Local Government finances.

Staffing

22. See paragraphs in body of report.

Risks/Opportunities

23. Recruitment and retention of staff is included as a strategic risk to the organisation and aligning with the national award will support the council's ability to recruit and retain staff successfully.

Equality and Diversity

24. The council's pay policies and grading scheme meet the requirements of the Equality Act.

Consultation responses

25. The GMB and Unison trade unions have been consulted as part of the annual pay negotiations. Both trade unions were part of the negotiation for the NJC pay award.

Alignment with Council Priority Areas

A modern and caring Council

26. Pay and benefits are important as part of the contract of employment with staff. The council's pay and benefits are kept under review to ensure that they reflect a modern organisational environment.

Background Papers

South Cambridgeshire District Council Pay Policy Statement
Bulletins and letters from the Local Government Association

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