

Report for: *ACTION*



Contains Confidential or Exempt Information	<i>NO - Part I</i>
Title	UNISON and GMB Pay Claim for 2016/17
Responsible Officer(s)	Terry Baldwin, Head of HR
Contact officer, job title and phone number	Terry Baldwin, Head of HR 01628 796992
Member reporting	Councillor L Targowska
For Consideration By	Employment Panel
Date to be Considered	CMT – 5 October 2016. EP – 18 October 2016
Implementation Date if Not Called In	1 April 2017
Affected Wards	None

REPORT SUMMARY

1. This report deals with the annual pay claim submitted by UNISON and GMB trade unions. It covers all staff on local terms and conditions, including Heads of Service, Directors and Managing Director.
2. It recommends that Employment Panel reviews and considers the information provided by UNISON and GMB in relation to any pay award to be applied from April 2017.
3. These recommendations are being made because the Council has a local agreement with the trade unions to determine the annual pay award for non school based staff.
4. In the event that a pay award is made, the financial implications for the Council are set out in section 4.1.

If recommendations are adopted, how will residents benefit?

Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
Local control over salary costs means that the Council can respond to local needs and manage its salary budgets more effectively.	Ongoing

1. DETAILS OF RECOMMENDATIONS

RECOMMENDATION: That Employment Panel:

- i. Review the information supplied in this report and appendices as part of the consideration of the annual pay review for eligible staff for 2016/17.
- ii. Identify any additional option(s) that it wishes HR to explore or develop further for its consideration.
- iii. Inform the trade unions of the pay award and pay reward decision in February 2017, after the February Cabinet meeting.

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

Local pay, terms and conditions framework agreement

- 2.1 The local pay determination framework covers all non school based staff. Under the framework, the trade unions are able to submit their pay and reward claim each year for consideration by Employment Panel.
- 2.2 In accordance with the framework, following Cabinet's approval of budgets, Employment Panel should advise trade unions of the pay and reward settlement for 2017/18.

Trade Union pay claim

- 2.3 The trade unions are able to submit a claim for a pay award (movement of salary scales), pay reward (pay for performance) or mixture of both. The trade unions have chosen to only submit a claim for a pay award.
- 2.4 UNISON and GMB have submitted a joint claim; see Appendix A, as follows:
 - A 5% across the board increase on all salary points and allowances, or a flat rate increase on all salary points of £500 whichever is the greater
 - A commitment to abide by the outcome of the review of term time working called for by the NJC trade union side.

Initial response to the pay claim

- 2.5 The cost of their pay claim has been modelled, see Appendix B. The cost equates to an additional cost to salary budgets of £2,005,832.
- 2.6 The majority of staff who work term time working hours are in schools and not covered by local terms and conditions and are therefore unaffected by this claim. There are currently 45 members of staff on local pay terms who are paid less than a full year's weeks (52.143). Of those, 24 employees work 44.1 hours per year, which are generally seen as term time weeks.
- 2.7 Clarification was requested and UNISON have provided the following response:

The terms of the Term Time working review are still being discussed between the parties on the NJC, but may include:

1. *To collect data on the use of term time contracts in schools and the methods used to calculate the pay of term time only staff.*

2. *To research and review inconsistencies and produce joint advice to ensure fair consistent and transparent contracts on issues such as pay, annual leave, time off in lieu of bank holidays, maternity, paternity and adoption leave and pay, sick pay, pensions, special leave, school closures and redundancy payments.*
3. *Look at all aspects of term-time working in schools, including differences between support staff and teaching colleagues.*
4. *Review any relevant work initiated by the Schools Support Staff Negotiating Body*
5. *Commend jointly agreed advice to all employers including academies and opted out councils*

The justification for this is that the joint unions believe that school support staff should be treated in the same way as teachers and employed on full year contracts. The current division in practice causes unnecessary divisions and penalises a low paid predominantly female workforce.

The use of term time contracts across the country is inconsistent, both between different employers and in places by different schools within them. Employees are also often confused about their own entitlements due to the complexities in term-time contracts and formulas. Holiday entitlement suffers from a lack of legal clarity - term-timers are in continuous employment, unable to claim out-of-work benefits but able to claim in-work benefits, yet in some places do not accrue full years leave.

There are many variations and inconsistencies in the formulas used for calculating the pay of term time only employees and a lack of clarity on the entitlement to paid annual leave. . Employers, even within a single authority, have a variety of term-time contract pay calculations, which makes it difficult to identify who is being paid what, and for how many weeks.

- 2.8 The unions have not yet stated whether they will attend Employment Panel to present the details of their claim.

Further Employment Panel Pay Award/Pay Reward decisions

- 2.9 Once the salary increase budget is formalised following the Cabinet meeting in February 2017, HR will model a range of options and ratios. Any agreed pay ratios will be confirmed at Employment Panel in March 2017.

Local and economic information

- 2.10 Appendix C sets out background information on recent RBWM annual pay settlements, the level of pay awards nationally and some economic information.

3. KEY IMPLICATIONS

- 3.1 The details of the UNISON and GMB claim are attached in Appendix A. The agreed pay settlement will be developed once Employment Panel has identified its preferred option for the 2017/18 pay settlement.

4. FINANCIAL DETAILS

Financial impact on the budget

- 4.1 The maximum cost of the increase, based on the UNISON pay claim is broken down as follows:

	Annual salary	5% or £500 increase, whichever is the greater.	Increase plus 24% on-costs
Permanent staff remuneration	38,702,779	1,935,298	40,638,077
Casual	575,714	28,786	604,499
Overtime	834,963	41,748	876,711
Total	40,113,455	2,005,832	42,119,288

	2015/16	2016/17	2017/18
	Revenue £'000	Revenue £'000	Revenue £'000
Addition	£0	£0	£2,006
Reduction	£0	£0	£0

b) Financial Background

- 4.2 Financial data is modelled on existing staffing numbers and does not take into account any reductions in staff following the delivering differently initiative.

5. LEGAL IMPLICATIONS

- 5.1 None. The Council has a local pay, terms and conditions agreement between it and its recognised trades unions being Unison and the GMB which was entered into in December 2014. The framework is for the determination and ongoing local pay and reward on a year by year basis with the intention of resolving all disputes through ongoing dialogue. Both parties will endeavour to always enter into discussions with a view to reaching a mutually acceptable agreement. The agreement incorporates an annual consultation and negotiation meeting schedule.

6. VALUE FOR MONEY

- 6.1 The final costs will be modelled and developed once the Employment Panel has identified its preferred pay settlement options in February 2017.

7. SUSTAINABILITY IMPACT APPRAISAL

- 7.1 None.

8. RISK MANAGEMENT

- 8.1 The details of the risks will be developed once Employment Panel has identified its preferred options.

9. LINKS TO STRATEGIC OBJECTIVES

9.1 Local management of RBWM pay costs enables us to reflect our local needs and employ the staff required to deliver our objectives.

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

10.1 An EQIA will be undertaken on the options to be considered further as identified by EP.

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS

11.1 None.

12. PROPERTY AND ASSETS

12.1 None.

13. ANY OTHER IMPLICATIONS

13.1 None.

14. CONSULTATION

14.1 The Head of HR or nominated deputies consult regularly with the Trade Unions, and this process has followed the agreed timetable.

15. TIMETABLE FOR IMPLEMENTATION

15.1 In accordance with the Local Pay Framework, the timetable is set out below:

Month	Pay and reward cycle
July	<p>Process starts</p> <ul style="list-style-type: none">• Officers and trade unions enter into informal discussions on the potential scope and settlement of pay and reward for the implementation on the following 1 April.• The purpose of these discussions is to enable the Council to assist the trade unions in the preparation of their claim.• This is an informal phase and is aimed at ensuring that both sides can have an early view of each others expectations and constraints
August	<ul style="list-style-type: none">• Trade unions may request initial/informal pay modelling to be undertaken or additional information provided to support their claim
September	<ul style="list-style-type: none">• Trade unions submit their formal pay and reward claim so that management can incorporate it into a report for Employment Panel• Management side (Officers) undertakes the pay modelling of the formal proposals and share this with the trade unions, including EIA

October	<ul style="list-style-type: none"> Trade Unions make formal presentation of pay and reward claim to Employment Panel Trade unions may attend Employment Panel, if they require.
December	<ul style="list-style-type: none"> The Council's annual budget setting process takes place
February	<ul style="list-style-type: none"> RBWM Cabinet approves budget for the new financial year Employment Panel advise trade unions of pay and reward settlement for implementation on the following 1 June, backdated to 1 April Employment Panel advise affected staff of pay and reward settlement for implementation on the following 1 June, backdated to 1 April Trade unions may ballot their members on proposed pay settlement
March	<ul style="list-style-type: none"> Staff appraisal process takes place
April	<ul style="list-style-type: none"> Staff appraisal process to be concluded by 30 April
May	<ul style="list-style-type: none"> Pay award is linked to appraisal scores Trade unions advise management of outcome of ballot
June	<ul style="list-style-type: none"> Agreed pay award and reward is implemented for all staff on local pay, terms and conditions and backdated to April <p>Process ends</p>

16. APPENDICES

Appendix A – trade union claim overview

Appendix B – modelled pay claim data

Appendix C – background information on previous pay awards and labour market data

17. BACKGROUND INFORMATION

17.1 None.

18. CONSULTATION (MANDATORY)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
	Leader of the Council			
Cllr Lisa Targowska	Principal Member			
Russell O'Keefe	Strategic Director Corporate and Community	05.10.16		

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
	Services			
Alison Alexander	Managing Director/ Strategic Director Adults, Children and Health	05.10.16		
Simon Fletcher	Strategic Director Operations and Customer Services	05.10.16		
Richard Bunn	Deputy Head of Finance			
	Cabinet Policy Officer			

REPORT HISTORY

Decision type:	Urgency item?
Non-key decision	No

Full name of report author	Job title	Full contact no:
Vanessa Faulkner	HR Manager – Strategy and Development	01628 685622