



# Northumberland

## County Council

### CABINET

Date: 29 April 2019

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### **CHANGES TO THE SALARY STRUCTURE FOR NJC STAFF WITHIN NORTHUMBERLAND COUNTY COUNCIL**

Report of the Executive Director of HR/OD and Deputy Chief Executive

Cabinet Member: Councillor Nick Oliver, Corporate Services Portfolio & Cabinet Secretary

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#### **1. Purpose of report**

- 1.1 During 2018, the National Joint Council (NJC) for England and Wales, consulted on proposed changes with trade union colleagues at a national level for the introduction of a new pay spine with effect from 1st April 2019 as part of a two year pay agreement for staff on NJC terms and conditions.
- 1.2 This report requests endorsement for the approach taken by Northumberland County Council in respect of seeking and reaching agreement locally for staff in respect of the proposed introduction of the new pay spine. The NJC guidance did not set out a specific approach to adopting the new pay spine and local employers were advised that they should consider various options and present formal proposals around which there would be local negotiations with a view to reaching an agreement.
- 1.3 This report sets out the agreement which has been reached with trade unions and that is proposed to be implemented in April 2019.

## **2. Recommendations**

**Members are recommended to:**

**2.1 Endorse the Council's approach to introducing the new NJC guidance for Spinal Column Point Changes as outlined in Appendix A.**

**2.2 Receive further updates as required.**

## **3. Background**

- 3.1 During 2018, the National Joint Council for England and Wales, consulted on proposed changes with trade union colleagues at a national level for the introduction of a new pay spine with effect from 1st April 2019 as part of a two year pay agreement.
- 3.2 During the latter part of 2018 and 2019, work has taken place between Human Resources and trade union colleagues to reach a local agreement on the proposed approach and method adopted to the introduction of the new pay spine for NJC staff within the Council.
- 3.3 In addition, in 2018 it was agreed nationally that additional Spinal Column Points (SCP) will be added to the current salary Spinal Column Points, to provide consistency with other Local Authorities across the country and this is reflected in Appendix A.
- 3.4 SCPs are a set of salary levels which make up the national pay spine. The intention is that the bottom rate of the new pay spine should 'get ahead' of the National Living Wage and the proposal "pairs off" SCP's 6-17 for all staff and introduces a new pay band structure.
- 3.5 In seeking and reaching agreement locally for staff as the NJC guidance did not set out a specific approach and local employers were advised that they should consider various options and present formal proposals around which there would be local negotiations with a view to reaching an agreement.
- 3.6. The only obligation on employers was to "lift and shift" employees onto the new pay structure but it was to be determined locally whether Council's chose option A or option B as a method.
- 3.7 It was also confirmed that there is to be no combination of option A or option B for employees, the agreement to implement has to be one option or the other.

## 4. Options for Implementation

4.1 Two options were available for implementation and these are broadly described as:

### Option A

- New SCP if “assimilate first and then increment”
- This means a transfer over to the new pay spine on the employees existing salary and then offer an increment.

### Option B

- New SCP if “increment first and then assimilate”
- This means offer an increment first to the employee and then assimilate to the new pay spine on the next spine point up.

4.2 Following an analysis undertaken by HR and in conjunction with the parameters requested by trade union colleagues, e.g. number of staff, gender, existing pay point positions, mapping to option A and option B, trade union colleagues were offered the choice to accept option A or option B. The mapping exercise also included employees of community maintained schools at the request of trade union colleagues.

4.3 The differences between option A and option B were:

- Option B to increment and then assimilate gave additional benefits those in the middle bands;
- Option B had additional estimated costs for all NCC employees (including schools) of approximately £100k per annum.

4.4 Negotiations concluded that option B was the preferred option for trade union colleagues and this has been drafted into a local agreement for approval and endorsed by the Council’s Joint Consultative Committee (JCC) for NCC employees.

4.5 The options were modelled to facilitate the consultation discussions and the funding for Option B was approved as part of the 2019/20 budget for the Council.

## 5. Conclusions

5.1 All council staff (On NCC terms and conditions and paid on NCC pay bands) will receive a minimum of a 2% pay increase from April 2019.

5.2 There is a proposed revised pay structure in place which will see staff on NJC terms and conditions being assimilated into a lower SCP however they will see an increase to their full time equivalent salary.

- 5.3 No member of staff will receive a salary reduction.
- 5.4 As outlined in Appendix A, some staff will receive a significant annual increase in line with the aims that the bottom rate of the new pay spine should 'get ahead' of the National Living Wage and the County Council will have a minimum hourly pay rate of £9.00 per hour and £17,364 per annum for all employees.
- 5.5 The implementation of the new revised pay structure will make the “Northumberland Living Wage” supplement introduced in 2015 to increase hourly salaries to a minimum of £7.85 per hour obsolete going forward.

**Implications:**

<b>Policy:</b>	The Council has adopted national pay policy in relation to this proposal with local policy determination on approach.
<b>Finance and value for money:</b>	The additional costs associated with Option B have been included in the Council’s budget for 2019/20.
<b>Legal:</b>	The proposals and adoption of the NJC guidance and its associated implementation are contractual for all employees on NJC terms and conditions.
<b>Procurement:</b>	N/A.
<b>Human Resources:</b>	Contractual changes and communication of the new pay structure will be implemented for all staff.
<b>Property:</b>	Not applicable
<b>Equalities:</b>	An EIA has been completed to ensure that all staff are considered accordingly.
<b>Risk Assessment:</b>	N/A.
<b>Crime and Disorder:</b>	N/A
<b>Customer Consideration:</b>	It is vital that our staff are engaged and remunerated appropriately for the services that they provide to residents.
<b>Carbon Reduction:</b>	Not applicable
<b>Wards:</b>	Not applicable

**Background papers:**

NJC Circulars  
Green Book terms and conditions for NJC staff

**Report sign off:**

*Authors must ensure that officers and members have agreed the content of the report:*

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