

The Vale of Glamorgan Council

Cabinet Meeting: 18 September, 2017

Report of the Leader

Proposed Refinement of the Single Status Grading Structure

Purpose of the Report

1. To ask Cabinet to consider a refinement to the Council's pay structure for those employees on Single Status terms and conditions of employment.

Recommendations

1. That Cabinet consider a refinement to the Single Status pay structure as set out in paragraphs 11 to 15 of this report.
2. That the matter is referred for consideration by Scrutiny Committee (Corporate Performance & Resources) on the 19 October 2017, the schools budget forum on the 20 September 2017 and continuing consultation with the Single Status trade unions.
3. That, subject to 1 and 2 above a final decision on the matter is taken by Cabinet on the 23rd October with a view to implementation on the 1st December 2017.

Reasons for the Recommendations

1. To help ensure that pay levels are maintained at a sustainably higher level than the National Living Wage and move incrementally closer to the Foundation Living Wage.
2. To ensure that the views of the Scrutiny Committee (Corporate Performance & Resources) and relevant stakeholders are considered prior to progressing any change to the pay structure.
3. To ensure timely arrangements are in place to implement the proposals.

Background

2. Members will be aware that the National Living Wage (NLW) was introduced by the UK Government in April 2016 for those over 25 years of age.
3. The NLW rate was set at the time at £7.20 per hour with the stated intention that the rate would increase to approximately £9.10 by April 2020. This projection has been recently modified to £8.75 by the Office for Budget Responsibility.
4. The projected rise in the NLW will, over the next few years put significant pressure on the lowest pay levels as set out in the current National Joint Council (NJC) pay spine.

5. Details of the current NJC Pay Spine (as it is reflected in the Council's current pay structure) is set out in [Appendix A](#).
6. The current NLW pay rate (as at 1st April 2017) is £7.50 per hour compared with the lowest pay rate within the current NJC pay spine which is £7.78 per hour (spinal column point 6). This differential will be eroded quickly without pay increases for the lowest paid employees significantly above the current public sector pay cap of 1%.
7. The challenge, as set out above will be the main focus for the 2018/19 NJC pay negotiations for Local Government Single Status Employees and is likely to see a remodelling of the national pay spine. Cabinet Members will be kept informed on the progress, outcome and implications of those national negotiations.
8. Cabinet Members will also be aware of my recently announced to review the financial implications of implementing the Foundation Living Wage (FLW) and moving closer to this rate over the next 5 years.
9. Members will be aware that the FLW is a voluntary rate (currently £8.45 per hour) set by the Living Wage Foundation and adopted by a small number of local authorities across Wales and the wider UK.
10. An updated assessment of the implications of the FLW will be subject to a later report to Cabinet in accordance with the above announcement.

Relevant Issues and Options

11. The refinement to the Council's Single Status pay structure as set out in paragraphs 11 and 15 is now suggested in the context of the above issues.
12. If approved, it will serve as a small but immediate step in moving closer towards the FLW in accordance with my ambition as Leader of this Council. It will also help the Council to keep sustainably ahead of the NLW and potentially beyond what may be achieved as part of the NJC pay negotiations.
13. The details of the proposed change to the Single Status pay structure (and the numbers of employees affected) are set out in the table below:-

	EMPLOYEE NUMBERS		PAY GRADE			
			CURRENT		PROPOSED	
GRADE	H/COUNT	FTE	SCP	HOURLY RATE (£)	SCP	HOURLY RATE (£)
A	813	162	6	7.78	8	7.90
B	20	3	6	7.78	-	-
	42	11	7	7.83	8	7.90
	49	8	8	7.90	9	7.97
	270	63	9	7.97	10	8.09
C	90	14	9	7.97	-	-
	37	25	10	8.09	10	8.09
	31	21	11	8.19	11	8.19
	13	9	12	8.35	12	8.35

	177	122	13	8.55	13	8.55
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14. As can be seen the proposed changes include the removal of SCP 6 and 7, and a realignment of the other SCPs within Grades A to C. For example, an employee on Grade B SCP 6 will move to Grade B SCP 8.
15. The proposed change to the pay structure will:-
- Mean that on the 1st December 2017 the Council will have a starting salary of £7.90 per hour compared with the current NLW of £7.50 per hour.
 - Help to ensure some congruence with a number of other Councils across Wales who have taken the lowest pay points out of their pay structures.
 - Protect the integrity of the current Single Status Pay Structure without any significant review at this time or without any need to re-evaluate any jobs.
 - Reduce, but not remove current differentials between job grades (i.e. supervisors will still be paid more than those supervised).
 - Impact positively on approximately 1,300 employees across the Council. Many of these employees are, however in part-time employment. In 'full time equivalent' terms, the proposal will affect some 260 employees. An indication of the types of job holders (and jobs) affected by the above change is set out below:-

GRADE A		
TOP FIVE POSTS	NUMBER	DIRECTORATE
Cleaner	174	E&HS
Breakfast Club Supervisor	173	Schools
Kitchen Assistant	100	L&S
General Labourer	26	E&HS
Domestic/Laundry Assistant	26	SS

GRADE B		
TOP FIVE POSTS	NUMBER	DIRECTORATE
Midday Supervisor	260	Schools
Breakfast Club Supervisor	38	Schools
School Crossing Patrol	19	E&HS
Security Guard/Driver Assistant/Attendant	23	E&HS
Learning Support Assistant 1	17	Schools

Resource Implications (Financial and Employment)

16. A breakdown of the full year costs of the proposal (and part year cost from 1st December 2017) are set out in the following table:

Directorate	Part year costs (£)	Full year cost (£)
Social Services	4,718	14,155
Resources	481	1,445
Learning/Skills	5,260	15,780
Env/Housing	17,936	53,808

Schools	11,947	35,841
TOTAL	40,343	121,029

17. The above summary is based on current pay levels as at September 2017. It includes the direct cost to the Council and Schools in implementing the proposal including that relating to overtime, unsocial hours, agency costs and pension/NI costs. It does not include the cost of any 2018/19 negotiated pay award.
18. The part year costs for the current financial year will have to be met from within existing budgets. Subject to the approval by Cabinet, the funding of the increase for future years will be built into the medium term financial planning exercise.
19. The financial implications for schools will be discussed with headteacher colleagues as part of the Schools Budget Forum on 20 September 2017.

Sustainability and Climate Change Implications

20. There are no sustainability or climate change implications directly arising from the content of this report.

Legal Implications (to include Human Rights Implications)

21. The proposal will require a technical change in terms and conditions of employment for all employees concerned, and as such a collective agreement with the three Single Status trade unions (UNISON, GMB and UNITE). Discussions have already taken place with the unions concerned who are supportive of the changes.

Crime and Disorder Implications

22. There are no crime and disorder implications directly arising from the content of this report.

Equal Opportunities Implications (to include Welsh Language issues)

23. The proposals within this report will have a positive impact on a proportionately higher number of female and part time employees at grades A, B and C within the Single Status Pay Structure and, as such, will help to reduce the gender pay gap. The proposals have been subject to an Equalities Impact Assessment.

Corporate/Service Objectives

24. The proposals set out in this report are congruent with the values as set out in the Corporate Plan.

Policy Framework and Budget

25. This report is a matter for Executive consideration by the Cabinet.

Consultation (including Ward Member Consultation)

26. The proposals set out in this report will be progressed in consultation with the Council's Single Status trade unions and as part of the scheduled trade union Change Forum meetings.

Relevant Scrutiny Committee

27. Corporate Performance & Resources

Background Papers

None

Contact Officer

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Officers Consulted

Corporate Management Team

Responsible Officer

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