

National Joint Council (NJC) national pay award 2016/17

Purpose of the report

1. The purpose of this report is to provide an update to Staffing Policy Committee on the National Joint Council (NJC) pay award.

Background

2. The annual pay award is negotiated by the National Employers and UNISON, Unite and GMB who together make up the NJC which covers councils in England, Wales and Northern Ireland.
3. The pay award applies to council employees and school support employees on NJC terms and conditions, grades A – O, up to spinal pay point 49 (£43,387).
4. On 9 December 2015 the National Employers made a final two-year pay offer of a 1% increase for 2016 and 2017 for employees on spinal points 18 and above. Over that same two-year period employees on spinal points 6 to 17 would receive increases in pay of between 6.6% and 1.01%. The increase on the bottom spinal point 6 would produce an hourly rate of £7.52 for 2016 which is the new National Living Wage (NLW) of £7.20.
5. This pay offer meant that staff would receive a minimum of 1% increase to their pay depending on which spinal point they are currently on in their grade.

Main considerations

6. After much negotiation GMB and UNISON have agreed to accept the pay offer made by the national employers however, the offer was rejected by Unite.
7. Despite this on the 16 May 2016 the NJC announced that they would be implementing the pay offer for 2016 and 2017 on the understanding that there had been a majority vote. This is the first time that there has not been full agreement on a pay offer by all of the recognised trade unions (UNISON, Unite & GMB).
8. The April 2016 pay award will now be paid in June 2016 salaries, backdated to 1 April 2016 with increases as follows:

Spinal column point	Percentage increase	Hourly rate
6	6.6%	£7.52
7	6.6%	£7.58
8	6.5%	£7.66
9	6.4%	£7.76
10	6.3%	£7.90
11	2.0%	£8.04
12	1.6%	£8.20
13	1.6%	£8.39
14	1.5%	£8.54
15	1.2%	£8.69
16	1.2%	£8.90
17	1.01%	£9.10
18 to 49	1.0%	

9. As this is a 2 year pay deal from April 2017 the lowest spinal points will see a further increase of between 3.4% at spinal point 6 rising to 1.3% at spinal point 17. For spinal points 18- 49 there will be a further 1% increase.
10. The new National Living Wage (NLW) from 1 April 2016 is £7.20, and is below the salary for our lowest spinal point for 2016, which is £7.52 per hour. From April 2017 the NLW will increase to £7.65 and spinal point 6 will increase to £7.78 as part of the two year pay deal.

Financial implications

11. The total increase to the national pay-bill resulting from this offer is 2.4% over two years (covering the period 1st April 2016 to 31st March 2018). Approximately 0.4% of this figure is designed to meet our immediate obligations under the NLW and to start the process of moving towards the expected level of the NLW by 2020 of £9.30.
12. To achieve the government's target of a NLW of over £9.00 by 2020 there will have to be an increase to the bottom pay point by around 30%. This will also necessitate having to increase subsequent pay points in order to maintain differentials. The Local Government Association (LGA) is currently tasked with reviewing the national pay spine due to the impact of the NLW and its future levels of increases between now and 2020.
13. The impact on the councils pay bill is lower than the impact nationally and for 2016/17 the pay award will increase the pay bill by 0.95% and for 2017 it is projected to add 0.94% to the pay bill, so 1.9% over 2 years.

Recommendations

14. It is recommended that Staffing Policy Committee:
 - a. Note the implementation of the two-year pay award for 2016 and 2017.
 - b. Note that current work is being undertaken nationally to review the national pay spine and that the committee will be kept up to date regarding progress on this.

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