

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

PERSONNEL COMMITTEE

12th October 2015

REPORT OF THE HEAD OF HUMAN RESOURCES – S.REES

Matter for Information

Wards Affected: all wards

National Pay Negotiations

1. Purpose of Report

To provide Members with information in relation to the National Pay Negotiations for LGS “Green Book” employees.

2. Trade Union Pay Claim

Members will be aware that national agreement was reached in November 2014, in relation to a two year pay deal, to 31st March 2016, following tough and lengthy negotiations.

The Trade Union Side of the National Joint Council for Local Government Services have now submitted a pay claim for 2016 – 2017 as follows:

- Deletion of NJC and all local pay points which fall below the level of the UK Living Wage and a flat rate increase of £1.00 per hour on all other pay points

- Retention and protection of Green Book Part 2 terms and conditions
- Fair treatment for school support staff through a joint review of term time working.

3. Background Information

UK employers are currently required to pay no lower than the **National Minimum Wage**. In April 2016, the UK Government are introducing the **National Living Wage** (NLW). Members should note that the NLW is different to the **UK Living Wage**, as set out in the Union Pay Claim.

The **National Minimum Wage** is a rate calculated by the Low Pay Commission. Employers are required by law to pay at this rate or above. The rates which currently apply (w.e.f. 1st October 2015) are as follows:

21 & Over	Age 18 – 20	Under 18	Apprentice 16 - 18
£6.70	£5.30	£3.87	£3.30

The **UK Living Wage** is an hourly rate set independently by the Living Wage Foundation and updated annually. It is calculated according to the cost of living, whereas the Low Pay commission, which calculates the National Minimum Wage, calculates a rate according to what the market can bear. The current UK Living Wage is set at £7.85 (£9.15 in London).

The **National Living Wage**, which is effectively a re-branding by Westminster Government of the National Minimum Wage

will be introduced on 1st April 2016 for employees aged 25 and above, beginning at £7.20 per hour in 2016 and projected to rise to at least £9.00 per hour by 2020. The National Minimum Wage will continue to apply for workers aged 24 and under.

4. Impact of the NLW

To determine the potential impact of the NLW, an illustrated example is set out in Appendix 1. The table assumes a 1% pay award each year, and a minimum 45 pence increase each year in the NLW rate, a logical progression from £7.20 in 2016, to £9.00 per hour in 2020.

In the illustrated example, highlighting shows where salary scale points fall below the NLW each year:

- In 2016 the NLW will overtake salary scale points 6 and 7.
- From 2017 the NLW will overtake SCP 10.
- By 2020, the NLW rate will have overtaken salary scale points in NPT pay grades 1 – 3, up to SCP 14.

5. LGA Pay Consultation

The Deputy Leader, and Head of HR attended a regional employer's side consultation meeting on 1st October 2015 to consider the Trade Union Pay Claim, and the impact of the NLW.

Feedback from the consultation meeting will be provided at Committee.

6. Recommendation

It is RECOMMENDED that Members NOTE the update in relation to the National Pay Negotiations and receive further updates as the negotiations progress.

7. Officer contact

Sheenagh Rees, Head of Human Resources, Email – s.rees5@npt.gov.uk or tel. 01639 763315

8. Appendices

NLW Illustrated Example – Appendix 1

9. List of Background Papers

None

Appendix 1

National Living Wage Illustrated Example

NLW = £7.20 per hour from 1st April 2016

NLW = £9.00 per hour from 1st April 2020

☐ = pay rate falls below NLW

Living Wage progression assumption					£7.20	£7.65	£8.10	£8.55	£9.00
JE Range	Grade	SCP	Annual Pay	Hourly Pay	1% Annual Pay Award				
			1 st January 2015	1 st January 2015	1 st April 2016	1 st April 2017	1 st April 2018	1 st April 2019	1 st April 2020
0 – 237	GR 1	5	£13,500	£7.00	Deleted w.e.f. 1 st October 2015				
		6	£13,614	£7.06	£7.13	£7.20	£7.27	£7.34	£7.41
		7	£13,715	£7.11	£7.18	£7.25	£7.32	£7.39	£7.46
		8	£13,871	£7.19	£7.26	£7.33	£7.40	£7.47	£7.54
238 – 279	GR 2	8	£13,871	£7.19	£7.26	£7.33	£7.40	£7.47	£7.54
		9	£14,075	£7.30	£7.37	£7.44	£7.51	£7.59	£7.67
		10	£14,338	£7.43	£7.50	£7.58	£7.66	£7.74	£7.81
		11	£15,207	£7.88	£7.96	£8.04	£8.12	£8.20	£8.28
280 – 327	GR 3	11	£15,207	£7.88	£7.96	£8.04	£8.12	£8.20	£8.28
		12	£15,523	£8.05	£8.13	£8.21	£8.29	£8.37	£8.45
		13	£15,941	£8.26	£8.34	£8.42	£8.50	£8.59	£8.68
		14	£16,231	£8.41	£8.49	£8.57	£8.66	£8.75	£8.84
		15	£16,572	£8.59	£8.68	£8.77	£8.86	£8.95	£9.03
328 – 359	GR 4	15	£16,572	£8.59	£8.68	£8.77	£8.86	£8.95	£9.03
		16	£16,969	£8.80	£8.89	£8.98	£9.07	£9.16	£9.25
		17	£17,372	£9.00	£9.09	£9.18	£9.27	£9.36	£9.45
		18	£17,714	£9.18					
		19	£18,376	£9.52					
		20	£19,048	£9.87					