



## Employment Committee 27<sup>th</sup> October 2022

<b>Report Title</b>	<b>Pay Award 2022/23</b>
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<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974</b>	

### List of Appendices

None.

#### 1. Purpose of Report

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- 1.1. To provide the Employment Committee with a summary of staff terms and conditions at North Northamptonshire Council and seek agreement to apply a pay uplift to staff subject to TUPE protected local terms and conditions.

#### 2. Executive Summary

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- 2.1 The Council has a range of pay and terms and conditions for its employees as a result of local government reorganisation. Staff transferring to North Northamptonshire Council on 1<sup>st</sup> April 2021 transferred on the terms and conditions they were subject to at their predecessor authorities.
- 2.2 Whilst those employees who transferred on nationally agreed pay and terms and conditions, and those who have been appointed to NNC since 1 April 2021 will contractually receive a pay uplift following national pay agreements, those on local terms and conditions will not automatically receive a pay award.
- 2.3 The 2022-23 Pay Award has not yet been agreed nationally. To date, UNISON trade union members have voted to accept the offer. The remaining two unions (GMB and UNITE) will close their ballots by 21<sup>st</sup> October. A formal response from the Trade Unions is expected after 1<sup>st</sup> November 2022.

- 2.4 Pending agreement from the Employment Committee to apply the National pay award to staff on local terms, the preference would be to pay this before the Christmas pay date, ideally in the November pay-run. In order to achieve this, the increase would need to be applied to the payroll system immediately after the pay award is agreed nationally. The Committee is therefore asked to approve, in principle, the payment of this award to employees on local terms and conditions, on the basis that it is agreed. Should the award not be agreed, it would not be applied.
- 2.5 In March 2022, the Employment Committee agreed to apply the 2021-22 national pay award to employees on local terms and conditions. This was well received by employees. In order to continue the Council's ambition to become an employer of choice, remain competitive and ensure fairness across the organisation, it is proposed that all employees receive the 2022-23 pay award as outlined in the recommendations.

### **3. Recommendations**

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- 3.1 It is recommended that the Employment Committee:
- a) Approves the application of the 2022-23 National Pay Agreements which will uplift the pay bands for North Northamptonshire Council employees on local terms and conditions to the same value as the respective national pay award noted in 4.4 of the report.
- 3.2 Reasons for the recommendations –
- a) Following local government reorganisation, employees were transferred under TUPE from predecessor authorities to North Northamptonshire Council on the pay, terms and conditions applicable to them on 31<sup>st</sup> March 2021. Whilst the majority of our workforce (employees from the District and Boroughs) are on nationally agreed pay, terms and conditions, circa 30% are subject to local terms and conditions and do not therefore automatically receive a pay award.
  - b) The pay award supports the Council's goal to attract and retain staff, recognising their ongoing hard work and contribution in the delivery of council services.
  - c) The decision supports the Council's corporate aim to become an employer of choice and a 'one team' approach.
- 3.3 Alternative options considered

The Council could only pay employees who are contractually entitled to the pay uplift, however the impact on morale across the organisation and the Council's ability to recruit and retain talent would likely be hampered by this decision. This decision would not be aligned to the Corporate Plan, which was

agreed by full Council.

## **4. Report Background**

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4.1 When North Northamptonshire Council came into being on 1<sup>st</sup> April 2021, all predecessor authorities were signed up to national pay, terms and conditions, with the exception of Northamptonshire County Council, which had decided that pay and terms and conditions would be determined locally.

4.2 Where local authorities recognise national agreements, pay is determined by a negotiating body; the National Joint Council (NJC) for local government services. The NJC is made up of representatives from trade unions and the employers. Historically, the NJC will seek to agree a pay award to increase local government pay each year. Negotiations for the April 22 pay award have been ongoing for 2022/23 and a final offer was made to the Trade Unions on 25 July 2022. To date UNISON members have voted to accept the offer with the remaining 2 Union ballots ending on 21<sup>st</sup> October 2022. A final decision is expected after 1<sup>st</sup> November 2022.

4.3 The final offer that has been made to the Trade Unions includes:

### NJC for Local Government Services ('Green Book') Grades

- with effect from 1 April 2022, an increase of £1,925 on all NJC pay points (1 and above)
- with effect from 1 April 2022, an increase of 4.04 per cent on certain allowances – this impacts 'sleeping in' payments for our workforce
- with effect from 1 April 2023, an increase of one day to all employees' annual leave entitlement
- with effect from 1 April 2023, the deletion of pay point 1 from the NJC pay spine

4.4 The pay award for Chief Executives/Chief Officers, as well as Soulbury grades is awaiting further agreement, however these awards would not be applicable to any employees on local terms and conditions as all employees under these terms and conditions are employed on NNC terms and conditions.

4.5 Within Local Government, there isn't a single set of nationally agreed pay, terms and conditions, there are several, dependent on job role. The majority of North Northamptonshire Council employees are "Green Book" employees. The terms and conditions that North Northamptonshire Council recognise include.

- a) The National Joint Council for Local Government Services ("Green Book").
- b) The Soulbury Committee ("Blue Book") for posts such as Educational Psychologists and School Improvement professionals.

- c) The Joint Negotiating Committee for Chief Executives for the Chief Executive.
- d) The Joint Negotiating Committee for Chief Officers of Local Authorities for all other Chief Officers.
- e) The Secretary of State via the National School Teachers' Pay and Conditions (Burgundy Book) for the teachers employed by the Authority.

4.6 Apprentice rates are also updated each April in accordance with National Apprenticeship Guidance.

### **Issues and Choices**

- 4.7 Upon transition to North Northamptonshire Council, employees were transferred under the Transfer of Undertakings (Protection of Employment) Regulations 2006 "TUPE" to North Northamptonshire Council on the pay, terms and conditions that they were subject to at their previous authorities. North Northamptonshire Council employees are therefore working on different pay, terms and conditions, depending on which authority they transferred from.
- 4.8 New employees appointed from 1 April 2021 and those who have moved into new roles as a result of restructures, have been given new NNC contracts but are on interim spot salary pay arrangements. This protocol was agreed with trade unions at the start of unitary and put in place for any appointments post 1<sup>st</sup> April 2021. The second phase of this work, which is to establish the new pay and grading structure and a full set of terms of conditions for NNC is underway and consultation and negotiation with our recognised Trade Unions is ongoing. Once this work is completed, it will be considered by Full Council.
- 4.9 Whilst this will provide the Council with agreed terms and conditions for North Northamptonshire, it will not automatically follow that all employees will move onto these pay, terms and conditions (harmonisation) and it is likely therefore that the Council will have employees who will be subject to different terms and conditions for an extended period of time.
- 4.10 Prior to transition, North Northamptonshire Council agreed to abide by national agreements on pay reached through the national joint negotiating machinery for any employees appointed after 1 April 2021, which provides greater stability to its workforce and is also attractive to potential talent wanting to join the organisation. The Council considers this to be a key element of its recruitment and retention strategy.
- 4.11 The Council has committed to becoming an employer of choice and recognises the importance of ensuring fairness across the organisation. It is therefore proposed that those employees who are subject to local terms and conditions receive the same pay award as their colleagues who benefit from

national pay agreements. This will ensure that the Council does not have a two-tier workforce and that all employees are treated in an equal way.

- 4.12 Whilst the alternative option is to only pay employees who are contractually entitled to the pay uplift, the impact on the organisation and the Council's ability to recruit and retain talent would likely be hampered by this decision. Such a decision would not accord with the Council Corporate Plan, which was agreed by Full Council.
- 4.13 Budget was built into the 2022/23 budgets in anticipation of the position being agreed nationally, however, the final proposed pay offer from the national employers is significantly above the original figures that had been considered. This is due to the current economic situation and the subsequent demands from the Trade Unions to meet this. The real living wage has also risen sharply in the past year. It is proposed that the additional budget pressure will be met through underspend from the 2021/22 pay award, where the final award was lower than budgeted for, as well as from capacity from the contingency fund.
- 4.14 It should be noted that the Council agreed to apply an early pay award uplift to its lowest pay staff in September 2022 to reflect the Foundation Living Wage. This uplift was inclusive of (and not in addition to) any subsequent award and therefore any employee who has already received an uplift in salary will only receive the difference between the uplift already received and the proposed pay award of £1,925.

## **5 Implications (including financial implications)**

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### **5.1 Resources and Financial**

- 5.1.1 The final proposed pay offer from the national employers is significantly above the original figures that had been considered. The overall cost to implement the pay award for employees on local terms and conditions is c£1,938,000 although it should be noted that c£345,501 of that additional cost has already been paid through the recent uplift to reflect the Foundation Living Wage. Budget has been built into the 2021/22 budget, however, it is proposed that the additional pressure will be met from the underspend from the 2021/22 pay award, where the final award was lower than budgeted for, as well as from capacity from the contingency fund.

### **5.2 Legal and Governance**

- 5.2.1 Full Council has delegated authority to the Employment Committee via the Constitution to agree to implement any pay awards for those employees on local terms and conditions.

### **5.3 Relevant Policies and Plans**

5.3.1 The Council is committed, within its Corporate Plan 2021-2025, approved by full Council on 1 December 2021, to invest in and value its staff to become an employer of choice.

### **5.4 Risk**

5.4.1 There are no significant risks arising from the proposed recommendations in this report. However, it should be noted that there are tight timescales to ensure that payment can be made before Christmas 2023.

### **5.5 Consultation**

5.5.1 The Council continues to hold regular meetings with recognised Trade Unions.

### **5.6 Equality Implications**

5.6.1 By ensuring those employees who are subject to local terms and conditions receive the same pay award as their colleagues who benefit from national pay agreements, this will ensure that the Council does not have a two-tier workforce and that all employees are treated in an equal way.

### **5.7 Climate Impact**

5.7.1 Not applicable

### **5.8 Community Impact**

5.8.1 Not applicable

### **5.9 Crime and Disorder Impact**

5.9.1 Not applicable

## **6 Background Papers**

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6.1.1 [North Northamptonshire Council - Corporate Plan 2021-2025](#)