Report title: Employee Offer, Pay Model and Collective Agreement

Decision designation: AMBER
Cabinet member with lead responsibility: Councillor Val Gibson, Governance
Key decision: Yes
In forward plan: Yes
Wards affected: All Wards
Accountable director: Tim Johnson, Managing Director
Originating service: Human Resources
Accountable employee: Denise Pearce  Head of Human Resources
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Report to be/has been considered by: Strategic Executive Board  26 February 2019

Recommendations for decision:

The Cabinet is recommended to:

1. Approve the proposed amendments to the NJC pay Model as detailed in the Collective Agreement March 2019.

2. Approve the amendments to terms and conditions as detailed in the Collective Agreement March 2019.

3. Approve the implementation of above with an effective date of 1 April 2019.
1.0 Purpose

1.1 To refer to Cabinet for approval the amendments to terms and conditions of employment and the implementation of a new NJC pay model.

2.0 Background

2.1 In April 2019 a new national NJC pay model will be introduced. The pay model in appendix 1 incorporates the nationally agreed pay award to the City of Wolverhampton pay model whilst maintaining the equality and the look and feel of the current pay model.

2.2 All NJC employees will receive the national agreed pay award of a minimum of 2%.

2.3 Those employees that have transferred to City of Wolverhampton under a TUPE arrangement that have differing terms and conditions will receive a 2% cost of living pay award on 1 April 2019.

2.4 Over the last eight years the Council has identified budget reductions in excess of £220 million due to Government cuts, rising cost pressures and increased need for services. When the 2018-2019 budget was approved by Full Council in March 2018, it was projected that further budget reductions and income generation proposals totalling £19.5 million for 2019-2020 were required.

2.5 Work has been ongoing to identify ways in which the Council can meet the budget challenge for 2019-2020. In October 2018, the Council had identified budget efficiencies and budget reduction proposals to reduce the deficit, leaving a gap in the region of £6 million to find for 2019-2020.

2.6 The estimated total payroll costs for the Council for 2019-2020 is in the region of £150 million. This includes the NJC pay award which must be implemented in April 2019. The Council is seeking to achieve savings of £2 million from amendments to the terms and conditions of employment in 2019-2020.

Mandatory unpaid leave

2.7 With effect from 1 April 2019 all employees within scope will be required to take three days leave without pay, or equivalent for part time workers.

2.8 This represents a pay deduction equivalent to 1.15% of gross salary, which will be deducted in 12 amounts each month.

Christmas Closure

2.9 It is proposed to introduce a Christmas closure, with the exception of “essential” and “emergency” services for all employees the period of unpaid mandatory leave will be fixed as the three days that fall between Christmas and new year.
Flexi-Leave and Flexible Working Hours

2.10 It is proposed that the Council engages with the trade unions regarding future changes non-contractual terms relating to flexi leave and flexible working hours arrangements.

2.11 Future changes to either flexi leave and/or flexible working hours will only be implemented following appropriate engagement and notice.

3.0 Trade Union Consultation

3.1 The proposals are subject to consultation with the recognised trade unions.

3.2 Formal consultation began with trade unions on 28 January 2019. Unison, Unite, GMB, NUE, Prospect and AEP have been consulted on these changes.

3.3 The Council’s Strategic Executive Board (SEB) supported by Human Resources have held employee drop in sessions to explain proposals and answer queries.

3.4 A following microsite http://www.employee-offer.com/ has been created to share information with employees which includes details of the new pay model, FAQ’s, case studies, pay calculators and consultation documents.

3.5 Senior management and Human Resources have continued to meet throughout the consultation period which closes on 15 March 2019.

3.6 Unison and GMB have undertaken a member ballot regarding the proposals. The outcome of the ballots was 69% and 70%, for Unison and GMB respectively, in favour of the proposals. Other trade unions have acknowledged the proposals and raised no formal objections.

4.0 Evaluation of alternative options

4.1 Alternative options included not making changes to the NJC pay model and terms and conditions of employment. Failure to implement the national negotiated NJC pay award would be outside the national conditions of service (the green book).

4.2 Alternative options included not making changes to the terms and condition of employment this would result in not achieving the projected budget reductions aligned to changes to terms and conditions

5.0 Reasons for decision

5.1 Changes ensure that the national NJC pay model is implemented and cost savings are achieved.
6.0 Financial Implications

6.1 The financial implications of the pay policy have been fully reflected in the Council’s Medium Term Financial Strategy that was presented to Cabinet on 20 February 2019 and approved by Council on 6 March 2019.

6.2 The Medium Term Financial Strategy includes a Budget Reduction proposal of £1.5 million for the changes in terms and conditions.

[AS/12032019/Y]

7.0 Legal Implications

7.1 The national pay model is collectively agreed as part of the National Agreement on Pay and Conditions of Service for Local Government Services (the Green Book).

7.2 The proposed pay model for City of Wolverhampton NJC employees ensure that the nationally agreed pay award is implemented, and equalities are maintained within the pay model.

7.3 The proposed changes to terms and conditions are introduced through collective agreement made in accordance with s.178 of the Trade Unions & Labour Relations (Consolidation) Act 1992 between the Council and the trade unions recognised for the purposes of collective bargaining.

[JB/21022019/J]

8.0 Environmental Implications

8.1 There are no environmental implications arising from this report.

9.0 Equalities Implications

9.1 There are no equalities implications arising from this report. An Equality Impact Assessment has been undertaken on these proposals.

10.0 Human resources implications

10.1 This report has significant direct human resources implications as it proposes a number of changes to current leave provisions which are subject to consultation and appropriate notification.

11.0 Corporate Landlord implications

11.1 There are no Corporate Landlord implications arising from this report.
12.0 **Health and Wellbeing implications**

12.1 There are no health and wellbeing implications arising from this report.

13.0 **Appendices**

Appendix 1 – Pay Model

Appendix 2 – Collective Agreement 2019