

WEST DUNBARTONSHIRE COUNCIL**Report by the Chief Executive****Council Meeting: 28 January 2009****Subject: National Pay Award - Local Government Employees****1. Purpose**

1.1 The purpose of this report is to seek Council approval to implement the National Pay Award with effect from 1st April 2009, as recommended by the Employer's Secretary of the Scottish Joint Council (SJC) for Local Government Employees.

1.2 The effect of the award is:

- 2.5% increase on all SJC points and all SJC scales for the year 1st April 2009 – 31st March 2010

2. Background

2.1 A report was submitted by the Chief Executive in December 2008 seeking the Council's approval to implement the National Pay Award, as recommended by the Employer's Secretary of the Scottish Joint Council for Local Government Employees. The Employer's offer was the subject of a Trade Union membership ballot and was accepted by Unison.

The recommendation was:

- 3% increase on all SJC points and on all SJC scales for the year 1st April 2008 – 31st March 2009
- 2.5% increase on all SJC points and all SJC scales for the year 1st April 2009 – 31st March 2010

2.2 In response to the report the Council decision was as follows:

Council notes that there is as yet no collective agreement with the Joint Trade Unions for the 2008/09 National Pay Award. We agree the process at National level between employers and the Joint Trade Unions should continue in search of a collective agreement.

However, in recognition that the award was due to staff in April 2008, and the current financial difficulties for everyone, the Council agrees to pay the offered 3% increase as an interim payment on all SJC points and on all SJC scales for the year 1/4/08 - 31/3/09 pending further discussions.

- 2.3** Arrangements are currently in place to effect implementation of the interim 3% pay award backdated to April 2008.

3. Main Issues

- 3.1** The key issue for Council in reaching this decision is that there is still no agreement on the implementation of the National Pay Award with effect from 1st April 2009 in common with other Local Authorities across Scotland. This places the Council at significant disadvantage in terms of comparable salary scales, however of even greater concern is the immediate impact on staff take home pay given the impact of changes to the local government Pension Scheme and implementation of the Single Status Agreement.
- 3.2** The new pay and grading framework associated with single status implementation comes into effect on 1st March 2009 and the number of individuals red-circled through this process would immediately reduce one month later on implementation of the pay award. The effects of the red-circling would therefore be unnecessarily prolonged if there was no agreement on the uplift with effect from 1st April 2009. In addition there are significant changes to the pension scheme with effect from 1st April which will see an increase in employee contributions for anyone who earns more than £23,500 per annum. This increased level of contribution would not be offset by the effect of any uplift to salary associated with the pay award and therefore individuals will see an immediate reduction in their take-home pay. It is appreciated that both of these situations could eventually be rectified in the event of a national agreement with all the Trade Unions on the uplift. However given that Unison, the largest Trade Union have already agreed to the Employer's proposal it would be preferable to allay unnecessary anxiety and proceed with implementation of the recommended award at this time to avoid any undue angst in the present financial climate.
- 3.3** The Council is therefore asked for approval to make an interim payment to our workforce on the basis of the Employer's Side offer with effect from 1st April 2009. This would be in line the procedure adopted for the 2008/09 award.

4. Personnel Issues

- 4.1** This decision affects all Single Status local government employees (former APT&C and Manual Workers) whose pay rates are determined by the Scottish Joint Council.

5. Financial Implications

- 5.1** Budgets have already been determined on the basis of the Employer's Offer of 2.5% for the period 2009/10. There are no further financial implications associated with this decision.

6. Risk Analysis

- 6.1 The risk associated with no agreement on implementation of the national pay award as recommended by the Employer's function is as outlined under issues.

7. Conclusions

- 7.1 The majority of Council's across Scotland have now acted on the recommendation of the Employer's Secretary with regard to the percentage uplift to national pay rates for SJC staff for 2008/9 and 2009/10. West Dunbartonshire Council has however only agreed to the first part of this recommendation on an interim basis which continues uncertainty for staff in relation to the pay award with effect from 1st April 2009. Given the issues associated with implementation of the Single Status Agreement and changes to the Local Government Pension Scheme and the effect on pay at a time of financial uncertainty Council is asked to approve an interim payment in relation to the 2009/10 Pay Award.
- 7.2 As the report in December 2008 considered the proposal to award 2.5% from 1st April 2009, it is considered necessary to suspend Standing Order 16 to consider this report.

8. Recommendations

- 8.1 Council are asked to approve implementation of the National Pay Award as recommended by the Employers Secretary of the Scottish Joint Council (SJC) on an interim basis. The effect of the award is:
- 2.5% increase on all SJC points and all SJC scales for the year 1st April 2009 – 31st March 2010.

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David McMillan
Chief Executive
Date: 21st January 2009

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Appendices: None

Background Papers: None

Wards Affected: No wards are affected