

FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE

WEDNESDAY, 8 MARCH 2023

Report of the Interim Director of Organisation Development & Policy

**Ratification of the NJC, Chief Officer & Chief Executive pay agreement
and approve the DACES pay agreement**

1. Purpose

- 1.1 For the Committee to note the local implementation of national pay awards to the Council's pay structure as follows;
 - A one year pay agreement for National Joint Council (NJC) Local Government Services Grades 1/2 to 16, Degree and Higher Apprentices, the Joint Negotiating Committee (JNC), for chief officers Grades 17 to 20 and chief executives (Grade 21) (effective 1 April 2022).
- 1.2 For the Committee to note the ongoing local consultations with Joint Trade Unions in respect of the increased annual leave entitlement and future deletion of pay point 1 with effect from 1 April 2023 within the NJC pay agreement.
- 1.3 For the Committee to note the position on the national Soulbury Committee pay negotiations (effective 1 September 2022).
- 1.4 For the Committee to consider and approve a one year pay agreement for Derbyshire Adult Community Education Service (DACES) employees for 2022-23, in line with the NJC agreement for other local government service workers.

2.0 NJC pay agreement for Local Government Service employees

2.01 The NJC pay agreement for Local Government Service employees with effect from 1 April 2022 is attached at Appendix 2 and the main points of the pay agreement are:

- A one year pay deal effective from 1 April 2022
- £1,925 full time equivalent (fte) pay award uplift on all pay point (grade 1/2 to grade 16)
- 4.04% uplift on all allowances (including Standby, Seep-in, Recall to Work, Tool & First Aid allowances)
- Increase in annual leave for 1 day for employees on green book terms and conditions effective from 2023
- Deletion of pay point 1 NJC pay scales effective from 1 April 2023, increasing the bottom pay point hourly rate to £10.60 per

All employees covered under the NJC national pay agreement received backdated pay to 1 April 2022 in November 2022. In line with advice from the Local Government Association as outlined within the national pay agreement for local government workers, the Council will provide backdated payments for leavers upon request.

2.02 Annual leave

2.03 As outlined above, the NJC national pay agreement for 2022/23 agreed to increase the annual leave entitlement for the local government NJC workforce. With effect from 1 April 2023, the NJC offer will provide 23 days (plus 2 extra statutory days) increasing by 3 days after 5 years' service. Previously the leave entitlement under the Green Book terms and conditions was 22 days with an increase of 3 days after 5 years' service.

2.04 As part of the implementation of Single Status the Council negotiated changes to its terms and condition which included changes to annual leave entitlements. As the Council has its own Derbyshire Package terms and conditions, changes to nationally negotiated Green Book terms and conditions do not automatically apply however should the council wish to adjust their annual leave this would need to be done through Joint Trade Union consultation locally.

2.05 The Council's basic annual leave entitlement is subject to the grade of the employee, however the minimum annual leave entitlement is 25 day pro-rata plus 8 days bank holiday entitlement, increasing by 5 days after 5 years' service. The addition of 1 day annual leave cited within the pay agreement brings NJC Green Book employees in line with our currently

more favourable terms as shown in the annual leave comparison table shown in Appendix 7. Joint Trade Unions were engaged on this at the Reward and Resourcing Workstream meeting on 15th December 2022 and 9th February 2023. The Council have outlined their position to the Joint Trade Unions that the annual leave entitlement will not be reviewed to further enhance annual leave terms and conditions at this time.

2.06 Joint Trade Unions strongly opposed the proposals citing that when Trade Unions ballot their members they do it on the basis of the full NJC offer and therefore employees will have accepted the pay offer with the expectation that they would get the additional day. The Council remains in local consultation with Joint Trade Unions on this matter.

2.07 Deletion of pay points

2.08 In addition to the pay award and increase in annual leave entitlement, the NJC national pay agreement for 2022/23 has agreed to delete the bottom pay point within the NJC pay scales with effect from 1 April 2023. This would mean that the bottom pay point as a result of the pay agreement would be £10.60 per hour in line with Derbyshire's new pay point 2, grade 3, which will be subject to the 2023/24 pay national pay award.

2.09 As the Council are not on NJC payscales there is no requirement for us to apply a deletion of pay points. The Council recognises if it does not adjust the bottom pay point it will fall behind other local authorities in terms of bottom pay levels. The Council is currently considering options as to how it intends to address the proposed change to NJC pay scales considering the implications for Derbyshire Pay Scales and affected employees. The Council remains in local consultation with Joint Trade Unions on this matter and any changes to Derbyshire pay scales will be considered and consulted on with the Joint Trade Unions and will be subject to agreement at Full Council.

2.1 National pay agreement for Chief Officers and Chief Executives

2.11 The JNC national pay agreement for Chief Officers with effect from 1 April 2022 is attached at Appendix 3 and the main points are:

- A one year pay deal effective from 1 April 2022
- £1925 FTE pay uplift on all pay points (Grade 17 to Grade 20)

2.12 The national pay agreement for Chief Executives with effect from 1 April 2022 is attached at Appendix 4 and the main points of the pay agreement are:

- A one year pay deal effective from 1 April 2022
 - £1925 FTE pay uplift on all pay points
- 2.13 All employees covered under the JNC national pay agreement for Chief Officers received backdated pay to 1 April 2022 in November 2022. The Managing Director received backdated pay to 1 April 2022 in December 2022 following the Chief Executives payment agreement. The Council will provide backdated payments for leavers upon request.

2.2 National pay negotiations for Soulbury employees

- 2.21 The national pay negotiations for Soulbury employees continue and therefore a further report will be submitted at the next Appointments and Conditions of Service Committee to ratify this pending pay agreement. The current pay offer is attached at Appendix 5.

2.3 DACES pay agreement

- 2.31 DACES employees are the only group of employees not covered by national pay bargaining arrangements, therefore, pay agreements are required to be agreed locally. As a result, the decision made as part of Single Status implementation in 2010 was that Derbyshire Pay Scales would be adjusted by any 'cost of living' increase agreed nationally by the relevant National Joint Committee is not applicable to DACES pay scales.
- 2.32 The proposed pay scales effective from 1 September 2022 are attached at Appendix 6 and the main points are:
- The local trade unions have accepted the Council's one year pay offer of £1,925 uplift on all pay points with effect from 1 September 2022.
 - The one-year offer relates to the period 1 September 2022 to 31 August 2023. This is in line with the recently agreed NJC Local Government Services pay agreement.
- 2.34 The ACOS Committee are asked to consider and approve the proposed pay agreement for DACES employee in line with the National Pay Agreement for Local Government Service Worker at a flat rate uplift of £1,925 (fte) on all DACES pay points effective from 1 September 2022 to 31 August 2023.
- 2.35 In line with national pay agreements, pay for DACES employees should be backdated to 1 September 2022 and will include backdated payments on additional hours, overtime and allowances. Should the ACOS Committee approve the locally negotiated pay agreement,

backdated payments and the new salary rates will be applied in March 2023 pay for this group of employees.

3. Consultation

- 3.1 It was agreed as part of Single Status implementation in 2010 that the Derbyshire pay and grading structure would be adjusted by any 'cost of living' increase agreed nationally by the relevant National Joint Committee. The Council has engaged with Joint Trade Unions regarding the revised Derbyshire Pay Scales for 2022/23 reflecting the national pay agreement to all pay points for grade 1/2 to 16, and the higher level apprentice salary rates (Appendix 8) and allowances (Appendix 9).
- 3.2 The Trade Unions have been engaged and consulted on the DACES pay offer through Children's Services DJC on 25 November 2022 and they are supportive of the Council's one year pay offer.

4. Alternative Options Considered

- 4.1 An alternative consideration could be to not apply the pay agreement for 2022/23, however, the requirement for employees to receive a pay agreement is detailed within employee's terms and conditions and therefore this is not a viable alternative.
- 4.2 In addition the Council could negotiate the pay agreements for those on Derbyshire package terms and conditions locally, however the Council has previously agreed to reflect the national pay agreements of the relevant national negotiating bodies for Local Government Services, Soulbury, Chief Officers and Chief Executives.

5. Implications

- 5.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

6. Background Papers

- 6.1 None

7. Appendices

- 7.1 Appendix 1 Implications.
Appendix 2 National Pay Agreement for Local Government Services employees 2022/23

Appendix 3 Chief Officers Pay Agreement 2022/23
Appendix 4 Chief Executives Pay Agreement 2022/23
Appendix 5 Soulbury Pay Offer
Appendix 6 DACES Pay Scales 2022/23
Appendix 7 Annual Leave Comparison Table
Appendix 8 Revised Derbyshire Pay Scales for 2022/23
Appendix 9 Derbyshire Package Allowances 2022/23

8. Recommendation(s)

8.1 That Committee:

- a. notes the pay agreements applied covered under national pay agreements as outlined within the report.
- b. notes that the annual leave entitlement increase and deletion of pay points does not apply to Derbyshire terms and conditions and the Derbyshire Payscales. The Council remains in local consultation with the Joint Trade Unions.
- c. approves the proposed pay agreement for DACES employees in line with the National Pay Agreement for Local Government Service Worker at a flat rate uplift of £1,925 (fte) on all DACES pay points effective from 1 September 2022 to 31 August 2023.

9. Reasons for Recommendation(s)

- 9.1 As application of the pay agreement is a contractual requirement this recommendation fulfils our employer responsibility. In addition, applying an uplift of £1,925 on all pay points for DACES employees will be consistent with the national pay agreements applied for Derbyshire Pay Scales.

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Appendix 1

Implications

Financial

- 1.1 The NJC for Local Government Services and JNC for Chief Officers pay agreement of £1,925 pa represents an average pay increase of 7.3% across the Council's workforce with a cost to the Council of £19.8m, the Council had set aside contingency funding of £6.8m in the 2022-23 Budget, leaving an ongoing budget shortfall of £13,000m, as a result of the 2022-23 pay award,(which has now been included into the base budget proposals as part of the 2023-24 budget process)
- 1.2 The additional costs as a result of the pay increase for DACES employees will be met from the grant provided by the Education and Skills Funding Agency to the Authority for the provision of Adult Education Services.

Legal

- 2.1 Following Single Status Derbyshire County Council moved away from Green Book terms and conditions and adopted the terms and conditions outlined in the Working for Us booklet. The Council did, however, agree to adopt any nationally agreed pay awards. The Pay Award of £1,925 full time equivalent uplift on all pay points grades 1/2 to 20 does not require a formal contract variation as the current wording of the Working For Us booklet refers to any pay awards being added to pay points from 1 April each year. The Pay Policy Statement states that approval of Full Council is required for any amendments to this policy, other than minor updates to reflect the 2022/23 pay agreement. However, there are no national pay agreements in relation to DACES staff and so pay awards are a matter to be determined locally by employing organisations
- 2.2 The terms of reference for the ACOS Committee require the Committee to consider proposals for changes to standard terms and conditions of employment, including the local implementation of national pay awards to the Council's pay structure.
- 2.3 The adoption of additional awards, increased annual leave and amendment to the pay scale, have not been agreed previously as approval was limited to the adopted of the nationally agreed pay award only. Any additional changes would require local negotiation to implement changes by collective agreement.

Human Resources

- 3.1 The Council has engaged the recognised local trade unions on the application of the national pay agreement prior to implementation of the updated 2022/23 Derbyshire Pay Scales. Employees were notified of the national pay agreement through the Our Derbyshire bulletin and payment has been successfully backdated to 1 April 2022 for Employees on Derbyshire Pay Scales 1/2 to G20 along with their normal salary in November 2022. The Managing Director role covered under the JNC chief executive pay agreement reached in November 2022, received their backdated pay in their December pay 2022
- 3.2 The Council has consulted with the recognised trade unions in relation to the DACES pay offer remotely through Children's Services DJC on 25 November 2022 and they are supportive of the Council's one year pay offer. If agreed, employees will receive their increase in pay and backdated pay to 1 September in their March 2023 pay.

Information Technology

- 4.1 None

Equalities Impact

- 5.1 The national pay agreements are applied consistently to all pay grades of the Derbyshire Pay Scales and Soulbury Pay Scales reflective of the relevant national negotiating bodies pay agreements. The Council's job evaluation scheme ensures that all jobs are evaluated and graded consistently to ensure equal pay for work of equal value.
- 5.2 The flat rate monetary increase in pay provides a greater percentage increase to employees who are on the lower grades relative to those on higher grades. This may contribute to a slight reduction to the Council gender pay gap between males and females. As of March 2022, 91% of roles in the lower pay quartile are currently occupied by female workers, significantly higher than the overall workforce gender balance rate of 78%.

Corporate objectives and priorities for change

- 6.1 This proposal aligns with the people priorities outlined within the Council's People Strategy and in particular to 'Promote diversity and inclusion, enable responsive workforce plans and develop credible reward strategies' by applying pay agreements? in a fair and consistent manner.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None