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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 21.1**

**25 September 2013**

#### **Cabinet**

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<b>Subject:</b>	<b>Local Government Pay Offer for 2013/14</b>
<b>Purpose:</b>	To seek Cabinet approval to implement the pay offer for 2013/14.
<b>Recommendation:</b>	That Cabinet approves implementation of the pay offer for 2013/14 and for this to be made at the earliest practical date.

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#### **1. Introduction**

1.1 In November 2012, the Leadership Board at COSLA agreed a mandate for the Employers' negotiating team to offer a recommended option on pay for all local government employees. The various elements of the offer were:

- Pay on all spinal points across all bargaining groups to be increased by 1% from 1 April 2013, in a one year settlement;
- After the application of the percentage increase, any council employee remaining below an hourly basic pay rate of £7.50 per hour will be up-rated to that figure (Local Government Living Wage);

The Trade Union Side agrees to participate in a Joint Working Group with the Employers (and Scottish Government in relation to the SNCT), to examine the scope and potential of:

- more flexible and adaptable working practices in the provision of council services,
- a pay award in 2014/15.

1.2 This mandate was presented to the representative Trade Unions in a formal offer, to apply across the board, to all employees as the best that can be afforded by Scottish Councils within an extremely challenging financial climate.

1.3 The Trade Union response to this offer varied, and whilst most welcomed the introduction of the Scottish Local Government Living Wage, they were less receptive to the proposed 1% pay offer. After months of negotiations, Unison, Unite and GMB conducted restricted ballots of their memberships. Collectively, the SJC unions advised

COSLA that they rejected the offer and submitted written notice of a 'formal dispute'. By June 2013, Unison gave notice of its intention to conduct a ballot of its members to gain a mandate for a programme of industrial action. Unite advised that it also intended to follow suit thereafter. Negotiations were therefore deemed to have reached an impasse at this point.

- 1.4 In order to generate a new dynamic into the stalled negotiations, the Employers Team at COSLA confirmed with Directors of Finance that financial provision had been made for a 1% pay award in 2014/15 and that this was regarded as affordable and sustainable. A new two year proposal was then put to the Scottish Joint Council and Teachers Side Trade Unions in early July for their consideration. The revised offer therefore extends the original offer by one year and increases pay on all spinal points for all employees by 1% from April 2014.
- 1.5 The 1% uplift for 2014 will include the Living Wage, which then is uplifted to £7.58 p/h from 1 April 2014. However, prior to this, it is expected that the Living Wage Foundation will review and revise the national recommended level for the Living Wage in November 2013, and COSLA Leaders have now agreed to match this new figure if it is above £7.58 p/h, with application from 1 April 2014.

## **2. Current Position**

- 2.1 In summary, the current position is that there has generally been a positive response to the revised 2 year pay offer, with Unite, GMB and the Teachers Unions expressing support and Craft and Chief Official bargaining groups anticipated to do likewise. However, Unison have stated that they will not agree to a 2 year deal and that they intend to campaign "vigorously" this autumn to achieve an improved pay deal.
- 2.2 Whilst there has been broad support from most unions which indicates their acceptance of the revised 2 year pay deal, there has not yet been formal confirmation of this acceptance through the collective bargaining framework, i.e. this would normally be confirmed through a COSLA circular on application of the pay award. Given Unison's current position on the 2 year proposal, it is unlikely that there will be confirmed agreement from all representative Trades Unions.
- 2.3 Despite the lack of formal agreement through all unions, It is anticipated that the revised 2 year pay deal will be applied by 25th October 2013 through confirmation at the national COSLA convention, followed thereafter by release of the formal COSLA circulars on pay application. Councils will then be able to apply the pay deal in the next available pay cycle, expected to be from November/December 2013.

- 2.4 It should also be noted that North Ayrshire Council have already implemented the increase in the Living Wage to £7.50 from April 2013, whilst other Councils' have delayed this to await formal confirmation from COSLA on all elements of the original 2013/14 pay offer, including the Living Wage increase.
- 2.5 North Ayrshire Council has already implemented the proposed increase in Living Wage rate as set out at Par 1.1., therefore a written communication will be sent out to all 507 employees who receive the Living Wage supplement, to confirm this position.

### **3. Proposals**

- 3.1 It is proposed that given broad agreement on the position of the pay offer for 2013/14 and anticipated confirmed settlement by 25th October 2013, that North Ayrshire Council now moves to implement pay on all spinal points across all bargaining groups to be increased by 1% from 1 April 2013, in a one year settlement and that all associated back-pay and increases are implemented as soon as operationally practicable from October pay cycles.
- 3.2 That following final confirmation of the 2 year pay offer from COSLA, that North Ayrshire Council also applies the terms of this revised agreement.

### **4. Implications**

#### Financial Implications

- 4.1 North Ayrshire Council has already made full budget provision for the proposed 2 year pay offer from 2013 to 2015.

#### Human Resource Implications

- 4.2 That North Ayrshire Council will be implementing a pay award prior to expected formal confirmation through the agreed collective bargaining processes.

#### Legal Implications

- 4.3 None.

#### Equality Implications

- 4.4 The anticipated cumulative increases in the Living Wage hourly rates will require consideration and review in terms of the Council's overall pay structure.

#### Environmental Implications

4.5 None.

#### Implications for Key Priorities

4.6 None.

#### Community Benefit Implications

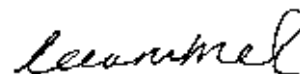
4.7 Economic benefit for North Ayrshire through early application of the pay award and back-pay of accrued earnings.

### 5. Consultations

5.1 As identified in the report through the Employer side and Trade Union consultation framework.

### 6. Conclusion

6.1 That North Ayrshire Council confirms application of the pay award offer for 2013/14.



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#### Reference :

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#### Background Papers

None