



General Purposes Committee

18 February 2019

Report from the Strategic Director of Resources

Greater London Provincial Council Pay Spine for 2019/20

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	One: <ul style="list-style-type: none">GLPC Pay Spines for 2019/20
Background Papers:	None
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1.0 Purpose of the report

- 1.1 This report sets out the background to proposed changes to the Greater London Provincial (GLPC) pay spine which the Council is required to implement from 1 April 2019. It provides Councillors with the details of the two options available in respect of implementation and recommends a course of action.

2.0 Recommendation

- 2.1 To agree the implementation of the proposed changes set out as Option A in the Appendix to this report.

3.0 Detail

- 3.1 Under the current GLPC pay scales, the majority of councils in London no longer use spine points 2 to 5 due to the fact that the associated salary would be lower than London Living Wage (LLW). The LLW has risen from £9.80 to £10.55 per hour for 2018/19, and the lowest spine point which complies with the new LLW rate has consequently risen from point 6 to point 10. This effectively also renders the current

points 6 to 9 unusable.

- 3.2 Detailed work in relation to amending the GLPC Pay Spine has been underway through national negotiation and agreement was reached between the Employers and Union sides of the Greater London Provincial Council in 2018. The aim of the revised GLPC pay scales is to remove those points which do not comply with LLW, and re-number the remaining points so that they logically start at point 1.
- 3.3 The effect of the changes is that for the lowest paid employees, the cost of living rise will be 2.8%, whereas for all other employees on GLPC the rise will be 2%. The proportionally higher increase for those lowest paid employees will result in all spine points on the new scales complying with the increased London Living Wage of £10.55 per hour. As an annual salary, the new LLW rate would be £19,804, whereas the salary on the new spine point 1 will be £20,103 per annum.
- 3.4 GLPC Circular 1/2018 stipulates that employees will be assimilated onto the new pay spines, and a clear table is provided in that circular detailing which current points assimilate to which new points.
- 3.5 The circular provides only the spine points, the corresponding salary figures and the assimilation tables. It is left down to the discretion of each individual council to determine where the grade boundaries should lie and so the scope for progression in a job at a particular grade. Individual councils also need to decide whether to assimilate employees to the new scale and then award increments or to award increments and then do the assimilation. For some employees this will make a financial difference. These two Options have been modelled in the Appendix. The Appendix also covers the impact on the council's evaluation scheme.
- 3.6 Of the two Options set out in the Appendix, Option B is the more straightforward as it doesn't generate anomalies that require a review of the grade boundaries in the pay scale. However, it would mean that a number of scale points in the new pay scale would not be used and would leave some big gaps between grades.
- 3.7 Option A is less straightforward to implement but is more beneficial to employees on lower grades. The complexity arises, as set out in the Appendix, because to avoid anomalies it is necessary to review grade boundaries and decide upon adjustments to the structure of the pay scale. Implementing Option A and making the adjustments suggested in the Appendix attracts an overall additional cost of implementation estimated to be approximately £60,988.
- 3.8 The Council Management Team has considered the detail set out in the Appendix and took the view that as Option A was the most beneficial for lower paid employees and the cost of implementing that option was marginal it was the most appropriate to implement and would have the best impact on staff motivation and retention.
- 3.9 The Council's Trade Unions have been consulted on the two options and are unanimous in their support for Option A.

4.0 Financial Implications

- 4.1 With no amendments to the grade boundaries, the total estimated costs for each option would be as follows:
Option A: £67,811,336
Option B: £67,797,917
Difference: £13,419
- 4.2 With the above detailed amendments to the grade boundaries and raising the spine point of the 72 affected employees referenced in the appendix, the effects on the cost would be as follows:
Option A: £67,841,480
Option B: £67,797,917
Difference: £43,563
- 4.3 In summary, the above proposals to amend the grade boundaries (which are all linked to Option A) would be an estimated £43,563 more expensive than using option B. Taking into account an average of 40% in on-costs (which are variable depending on whether or not the employee is a member of the pension scheme), this would rise to approximately £60,988.

5.0 Legal Implications

- 5.1 The NJC and therefore the GLPC London Agreement bargaining arrangements are written into every employees' contract of employment where they are covered by the NJC Green Book. This means the council is part of national bargaining arrangements and bound by the outcomes of any national negotiations.
- 5.2 Under the Constitution the General Purposes Committee is responsible for determining the overall framework of terms and conditions of service for employees. The GLPC pay scale has been adopted by the council and in most years the pay increase negotiated by London employers is implemented under officer's delegated powers. As implementing Option A requires a number of discretionary decisions to be made as to the structure of the new pay scale the approval of the General Purposes Committee is requested prior to implementation.

6.0 Equality Implications

- 6.1 An Equality Impact Assessment has been undertaken. There is no adverse impact from the proposal and the information will be available for members of the committee.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 None.

8.0 Human resources / Property Implications (if appropriate)

- 8.1 The HR implications are integral to the main body of the report. There are no property implications.

Report sign off:

ALTHEA LODERICK
Strategic Director of Resources