

PAY SETTLEMENT 2017-18

1. EXECUTIVE SUMMARY

- 1.1 Agreement has now been reached on pay awards for employees whose terms and conditions of service come within the framework of the Scottish Joint Council for Local Government Employees and the Scottish Joint Council for Chief Officials. The negotiations are ongoing in respect of Teachers.
- 1.2 The finalised agreements will cost council services, excluding the Health and Social Care Partnership an additional £0.117m. There will also be additional apprenticeship levy of £0.006m as a result of the increase (0.5% of pay).
- 1.3 The additional cost for council employees working for the Health and Social Care Partnership is £0.033m plus £0.002m apprenticeship levy. It is assumed that this will be met from within existing resources delegated to the Health and Social Care Partnership.
- 1.4 The Policy and Resources Committee are asked to recommend to Council the approval of a supplementary estimate of £0.123m from unallocated reserves and note this increase has been added to the projected budget gap for 2018-19.

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2. INTRODUCTION

- 2.1 Agreement has now been reached on pay awards for employees whose terms and conditions of service come within the framework of the Scottish Joint Council for Local Government Employees and the Scottish Joint Council for Chief Officials. The negotiations are ongoing in respect of Teachers.
- 2.2 This report advises Members of the additional cost of the pay award over and above the budgeted provision in 2017-18 and seeks a supplementary estimate in order to fund the full pay award in 2017-18.

3. RECOMMENDATIONS

- 3.1 The Policy and Resources Committee are asked to recommend to Council the approval of a supplementary estimate of £0.123m from unallocated reserves and note that this increase has been added to the projected budget gap for 2018-19.

4. DETAIL

- 4.1 Agreement has now been reached on pay awards for employees whose terms and conditions of service come within the framework of the Scottish Joint Council Local Government Employees. These negotiations are carried out at a national level as part of collective bargaining arrangements.
- 4.2 The agreement covers the period from 1 April 2017 to 31 March 2018 and provides for a flat rate increase of £350 per annum to be paid to all SJC employees remunerated up to £35,000 per annum (based on a 37 hour working week) and a 1% increase for those employees currently paid above £35,000.
- 4.3 The Scottish Local Government Living Wage (SLGLW) of £8.33 per hour will be increased to £8.51 per hour from 1 April 2017. This is equivalent to a flat-rate increase of £350 on an annualised salary (based on a 37 hour working week).
- 4.4 Agreement has also been reached to increase the salaries of employees whose terms and conditions of service come within the framework of the SJNC for Chief Officials by 1% for the year 1 April 2017 to 31 March 2018.

- 4.5 The negotiation for teachers is currently ongoing and it is not anticipated that this will be concluded in the short term.
- 4.6 The 2017-18 budget approved in February was based on the negotiations at that time: a flat rate increase of £300 per annum for all employees remunerated up to £30,000 per annum and a 1% increase for those employees paid above £30,000.
- 4.7 The finalised agreements will cost council services, excluding the Health and Social Care Partnership an additional £0.117m. There will also be additional apprenticeship levy of £0.006m as a result of the increase (0.5% of pay). The Policy and Resources Committee are asked to recommend to Council the approval of a supplementary estimate of £0.123m from unallocated reserves. This increase has also been reflected in the projected budget gap for 2018-19.
- 4.8 The additional cost for council employees working for the Health and Social Care Partnership is £0.033m plus £0.002m apprenticeship levy. It is assumed that this will be met from within existing resources delegated to the Health and Social Care Partnership.
- 4.9 The payroll team will arrange for all affected staff to be paid additional monies due and backdated to 1 April 2017 as soon as possible.

5. CONCLUSION

- 5.1 Agreement has been reached on pay awards for employees whose terms and conditions of service come within the framework of the Scottish Joint Council for Local Government Employees and the Scottish Joint Council for Chief Officials. The additional cost over and above the amount budgeted in 2017-18 for council services is £0.123m and it is requested that approval is granted for this amount to be paid from unallocated reserves.

6. IMPLICATIONS

- 6.1 Policy - Advises of the pay agreements for SJC employees. The teachers negotiations are ongoing.
- 6.2 Financial - There is an additional cost of £0.123m over and above the approved budget. This has also increased the projected budget gap for 2018-19 and onwards.
- 6.3 Legal - Pay award to be paid to employees as per agreements reached.
- 6.4 HR - All SJC employees will receive additional pay.
- 6.5 Equalities - None.
- 6.6 Risk - There is a risk that the Council budget will be overspent by £0.123m if there is no agreement to allocate the increased sum from general unallocated reserves.
- 6.7 Customer Service - None.

**Policy Lead for Strategic Finance and Capital Regeneration Projects - Councillor
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7 August 2017**