

## **Town and Parish Councils update on National Joint Council (NJC) Pay Award 2022.**

**Provided by Shropshire HR, Shropshire Council – September 2022**

Some of you may be thinking about the above impending national changes to your pay and grading structure from April 2022 onwards. Shropshire HR thought it would be beneficial to provide you with an overview and update on the current position, including some considerations to future awards that you need to be aware of.

### **Background**

The three local government unions (UNISON, GMB and Unite) have lodged their NJC pay claim for 2022-23, which was almost two months beyond the usual pay award implementation date of 1 April. In 2020/21 we experienced long and protracted negotiations which didn't benefit Employers or members of staff and whilst it is hoped 2022/23 won't be a repeat on previous year, it is likely to be the same.

### **2021/22 Pay Claim**

Unions would like JNC (Chief Officer and Chief Executive Pay) to be a direct link to NJC, therefore not needing a separate negotiation. The pay claim for 2021/22 is as follows.

- 1) *A substantial increase with a minimum of £2,000 or the current rate of RPI (whichever is greater) on all pay points*
- 2) *COVID-19 recognition payment*
- 3) *A national minimum agreement on homeworking policies for all councils and the introduction of a homeworking allowance*
- 4) *An urgent review of all mileage rates currently applying*
- 5) *A review and update of NJC terms for family leave and pay*
- 6) *A review of term-time only contracts and consideration of retainers*
- 7) *A reduction in the working week (without loss of pay) to 35 hours (34 in London)*
- 8) *One additional day of annual leave.*

Unions rationale for their claim is

- Council and school workers have endured a decade of pay freezes and below average pay awards
- Local government workers have lost on average 27.5% from the value of their pay spine since 2010
- The new cost of living crisis plus a standstill on NJC conditions has devalued low pay even further
- Just over half (51%) the cost of meeting this pay claim would be recouped by the government
- Further calls to central government for new funding for pay are needed
- The TU side urges local government employers to join them in making those renewed calls

- 90% rise in Unison members seeking support via “There for you” for financial hardship.

Employer challenges based on claim:

- How to deal with the relentless pressure from the proximity of the National Living Wage (NLW) on the bottom of the NJC pay spine. Current forecasts could increase by almost **20** per cent by April 2024.
- NJC bottom Spinal Column Point (SCP), Grade 1, SCP1 in 2021 is £9.50 per hour, £18,333 per annum. National Living Wage (NLW) in April 2022 is £9.50 per hour. Forecast NLW (Statutory Living wage only) for April 2023 is projected to be £10.32 and April 2024 at £10.95 per hour. The Chancellor will confirm April 2023 NLW rate in October/ /November and is a challenge for pay negotiations.
- Unprecedented backdrop of the wider economic situation: inflation (CPI) is at 9.4 per cent and likely to rise further; and the continuing increases to fuel, food and energy that are impacting employees and employers

**Current Position**

During July, National Employers made the following one-year (1 April 2022 to 31 March 2023), final offer to the unions representing the main local government NJC workforce:

01 April 2022	01 April 2023
an increase of <b>£1,925</b> on <b>all</b> NJC pay points 1 and above	an increase of <b>one day</b> to all employees’ annual leave entitlement
increase of <b>4.04 per cent</b> on all allowances	deletion of pay <b>point 1</b> from the NJC pay spine

This offer would achieve a bottom rate of pay of £10.50 per hour with effect from 1 April 2022 (which equates to a pay increase of 10.50 per cent for employees on pay point 1); everyone on the NJC pay spine would receive a minimum 4.04 per cent pay increase.

The deletion of pay point 1 on 1 April 2023, would increase the bottom rate to £10.60 per hour (providing 10p headroom above the current upper-end forecast for the NLW on that date), pending agreement being reached on a 2023 pay award.

**What does this mean for you?**

- 1) **Budgeting 2% for future** pay award is not sufficient anymore. Projecting over 5% increase would accommodate any changes to pay structure from removal of lower pay points in the structure.
- 2) **Removal of the bottom SCP from April 2023** and the impact on your workforce – if the majority of our workforce are on the lower pay grades this can be an issue.
- 3) **Contracts and Service Level Agreements fees and charges** will need to consider the additional resource costs.

### **Need further help and advice**

We are aware you are coming up to budget setting and might be starting to think about future pay awards and the potential changes from April 2023. Shropshire HR are available to provide bespoke advice and guidance in how you can seek to address the pay changes within your council. For further information please email [shropshirehr@shropshire.gov.uk](mailto:shropshirehr@shropshire.gov.uk)