

# Subject: GLA Pay Award

**Report to: GLA Oversight Committee**

**Report of: Head of Paid Service**

**Date: 11 December 2014**

**This report will be considered in public**

## 1. Summary

1.1 This report consults the GLA Oversight Committee on the pay award for 2014-15 and 2015-16.

## 2. Recommendation

2.1 **That the Committee notes the report and responds to the Head of Paid Service consultation on the pay award.**

## 3. Background

3.1 The GLA negotiates its annual pay award following the submission of a pay claim by the GLA's recognised union, UNISON. In the past, the GLA aligned itself to the national joint council (NJC) pay award for local government. When determining the annual pay award the GLA takes account of the awards agreed by the NJC but we also look across to Central Government and elsewhere.

3.2 Against this background, the pay award position over recent years has been as follows:

	<b>Standard all staff</b>	<b>Directors</b>	<b>Senior Managers</b>	<b>Exceptions</b>	<b>Mayoral Advisers</b>
<b>2010/11</b>	Nil	Nil	Nil	n/a	Nil
<b>2011/12</b>	Nil	Nil	Nil	4% at Grade 2	Nil
<b>2012/13</b>	Nil	Nil	Nil	n/a	Nil
<b>2013/14</b>	1%	1%	1%	Non-consolidated awards of 0.5% - 1.5% for G10-G1	1%

3.3 As can be seen from this table, last year was the first for four years in which all staff received a consolidated 1% pay increase (in line with local government staff). However in two of the last four years we have given greater increases to lower graded staff.

3.4 UNISON has submitted a pay claim for 2014-15. This is attached as **Appendix 1** but in summary requests:

- 3% consolidated increase or £1380 whichever is the greater;
- A long service award of £500;
- 1 additional day's annual leave; and
- Three day closedown between Christmas and New Year.

## 4. Issues for Consideration

4.1 Looking at our normal external comparators, the current picture is as follows:

Local Government	Agreement to 2.2% across most of the local government payscale, but payable from 1 January 2015 to 31 March 2016. This offer makes no payments for the period 1 April 2014 to 31 December 2014.
Central Government	1% increase agreed. Some discretion across different departments in how the 1 % is deployed, including a mixture of PRP payments and modest salary increases.
NHS	No increase above standard incremental progression. For those not entitled to incremental increases, a 1% uplift will apply.

### Option 1

4.2 One option is to make a 1% pay award for 2014-15, broadly in line with central Government. We would then take a decision in 2015-16 about the award for that year.

### Option 2

4.3 The second option is to award a pay rise which would be broadly in line with the overall local government position; a consolidated increase of 2.2%, but payable from 1 January 2015 to 31 March 2016. This offer makes no payment for the period 1 April 2014 to 31 December 2014.

4.4 Some further points to have in mind in considering the pay claim:

- Within the GLA, the current budget round is still underway with budget proposals being considered and prioritised alongside an aim to identify 2.5% p.a savings in 2015-16 and 2016-17 to help meet budget pressures. A 1% pay increase has previously been assumed for planning purposes. This is worth circa £0.5 million on the pay bill. Any increase in this figure may need to be addressed by further savings.
- UK inflation fell to 1.2% in September, its lowest rate for 5 years, pushed down by lower energy and food prices. Since 2011-12, both RPI and CPI have continued to fall. Latest figures show RPI was down to 2.3%.

- The GLA operates incremental salary ranges, with staff moving through the increments on 1 April each year until they reach the top of the scale. The percentage increase between each increment is between 2-3%. Over 60% of GLA staff are currently below the top point of their salary scale and therefore receiving incremental increases each year. That will happen again for 2014-15 regardless of the pay claim.

4.5 The pay claim covers other fringe benefits as noted in paragraph 3.4. On these:

- The request for a long service reward will be considered as part of the work we are doing on a reward and recognition strategy.
- We do not think that the GLA annual leave allowance should be increased from its present 30 days. For the last two years GLA staff have, on average, carried over 3 days from their 30 day allowance to the following year; and we operate flexible working patterns during the working week if staff want to use them.
- We would not agree an automatic 3 day office closedown between Christmas and New Year. Apart from giving the appearance that the GLA is closed for business for an extended period, it would mean forcing staff to take annual leave during this period- when not all want to. Rather, we should continue to be flexible about shutting the office for one additional day depending on the timing of Boxing Day and New Year's Day.

4.6 Within the GLA annual pay settlements are decided as follows:

<b>Pay settlements in respect of:</b>	<b>Approver:</b>
The Mayor and Assembly Members	The Mayor and Assembly jointly
Statutory officers (Head of Paid Service, Chief Finance Officer and Monitoring Officer)	The Mayor and Assembly jointly
Staff appointed by the Mayor	The Mayor
Staff appointed by the Head of Paid Service	The Head of Paid Services after consultation with the Mayor and Assembly

## **5. Legal Implications**

- 5.1 Under section 70(2) of the GLA Act 1999 (as amended) the Head of Paid Service may employ staff appointed under section 67 (2) on such terms and conditions (including as to remuneration) as he, after consultation with the Mayor and the Assembly, thinks fit.
- 5.2 The Mayor and the Assembly acting jointly have the power to determine the terms and conditions (including as to remuneration) of the Authority's statutory officers.
- 5.3 The Mayor has the power to determine the terms and conditions (including as to remuneration) of staff appointed by him under section 67(1) of the GLA Act (as amended)

## 6. Financial Implications

- 6.1 The cost of the UNISON pay claim of 3% or £1,380 (whichever is the higher), on the pay bill would be approximately £1.5 million per annum. The cost of applying 1% would be circa £0.5 million.
- 6.2 The proposal to award a 2.2% pay increase to all staff for the period 1 January 2015 to 31 March 2016 would cost the Authority an estimated £1.2 million for this period £0.96 million per annum.
- 6.3 It is envisaged that these costs can be met from the current budget allocation. In the event of an under-spend not becoming apparent at year-end, the Authority's reserves could be utilised to cover the expense.

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### List of appendices to this report:

#### Appendix 1 Unison Pay Claim

<b>Local Government (Access to Information) Act 1985</b>
List of Background Papers: None
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