

FALKIRK COUNCIL

Subject: NATIONAL PAY AWARD FOR SJC & SJNC EMPLOYEES
Meeting: FALKIRK COUNCIL
Date: 8th December 2010
Author: DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

1. INTRODUCTION

1.1 This report explains the current position in respect of the national pay negotiations for Scottish Joint Council (SJC) employees and Scottish Joint Negotiating Committee (SJNC) for Craft Operatives and seeks agreement on a pay award for these groups.

2. BACKGROUND

2.1 Members will be aware that national collective bargaining mechanisms exist for pay negotiations for the above employee groups. In this respect, discussions and negotiations have been on-going for some months with the aim of reaching agreement on a pay award for the period effective from 1st April 2010.

2.2 As a result of negotiations, the Employers' side made a final offer to the Trade Unions in April 2010 for a multi-year deal as follows:

- April 2010 – 1%
- April 2011 – 0%
- April 2012 – 0.5%

2.3 It was made clear to the Trade Unions by the Employers' side that the offer was set at the extremity of what Councils could agree. Indeed, they were advised that for some Councils, this was beyond the realms of affordability but was being offered with a means to secure an agreement.

2.4 Trade Unions subsequently discussed the offer with their membership; one of the respective Unions also conducted a ballot of their members to which c80% of those who voted/c25% of their membership, voted against the offer. As a result, no agreement has to date, been reached with Trade Unions nationally. The matter was reconsidered by the Employers' side, taking into account the financial position of Councils and the budgetary challenges which lie ahead for the public sector. With this in mind, Employers' Circulars for both SJC and SJNC employees have now been issued requesting implementation of the following pay award:

- April 2010 – 0.65%
- April 2011 – Nil
- April 2012 – Nil

2.5 In response to the Circulars, Trade Unions requested a meeting of the SJC to further discuss the matter and have intimated a formal dispute, requesting a move to arbitration. Whilst it is important to maintain dialogue, the Employers' Side Secretary clarified that he

would be happy to convene a meeting, but this would not be for the purpose of re-opening negotiations on pay. The Employers' Side has also indicated that a referral to arbitration to negotiate a collective agreement is not appropriate as it does not meet the objectives of the jointly agreed arbitration clause. Concern was highlighted that the Employers' Side would be unable to submit to arbitration where Councils may not be able to afford the outcome.

- 2.6 In this regard, it has been intimated by the Employers' side that this is the end of the collective negotiations at national level for the period of the pay award which Councils have been asked to implement.

3. OPTIONS.

- 3.1 In considering the above, Council has a number of options available:

Implement the national proposed award as outlined in 2.2 above

- 3.2 Implementation of an award of 0.65% would generate a saving of c£0.5m this year and in the subsequent years covered by the award. It is worth noting that all Authorities have implemented or plan to implement the SJC and SJNC Employers' circulars and the award of 0.65%. If Council were to agree implementation, the earliest that this could practically be implemented for all affected groups would now be January 2011.

Implement a different pay award/no pay award

- 3.3 Given no national agreement exists, Council is not bound to implement the proposed pay award. As an alternative, Council could impose a different level of award or choose to withhold payment, either in the short term or indefinitely. In taking any decision, Council should be mindful of the current budgeted position and the impact on industrial and employee relations.

- 3.4 It is understood nationally that Trade Unions will not challenge implementation and have received enquiries from local Trade Unions on when the award will be implemented.

4. RECOMMENDATION

- 4.1 Members are asked to consider the above and agree the pay award which should be implemented for SJC and SJNC employees covering the period 2010/11 to 2012/13.

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DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

Date: October 2010
Ref: KA/TG
Contact Name: Tracey Gillespie

LIST OF BACKGROUND PAPERS

Cosla Personnel Services Circular, Industrial Relations: 04/10, 10 September 2010