

Living Wage

Report of the Chief Fire Officer

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1 Purpose of Report

This report explains the Living Wage and the affect and implications this has had on non-uniformed employees and the NJC Green Book pay scales in Shropshire Fire and Rescue Service (SFRS) since it was introduced in 2015.

2 Recommendations

The Committee is asked to note the Service's decision to reconsider the agreement to implement the Living Wage pay increases and to revert back to aligning Shropshire Fire and Rescue Service's pay and grading structure with the NJC pay scales and the National Living Wage.

3 Background

In October 2015 a paper was taken to the Standards and Human Resources Committee to consider implementing the Living Wage as of 1 October 2015. The Living Wage is calculated by the Living Wage Foundation – Centre for Research in Social Policy at Loughborough University. It is calculated on 1 November each year and is an informal benchmark, not a legally enforceable minimum level of pay like the National Minimum Wage.

At the time the Living Wage was set at £7.85 an hour and the paper was agreed by the Fire Authority. Implementing the Living Wage meant the grading structure lost the bottom salary scale point (10) of Grade 3 leaving four spinal column increase points. The Grades above all contained five pay scale points.

Six months later, on 1 April 2016, the Government introduced the National Living Wage. This is calculated annually on 1 April and is a legally enforceable minimum level of pay. At the time it was introduced it was set at £7.20ph which meant the Authority were already paying in excess of that i.e. £7.85ph.

Since the implementation of the Living wage in 2015 it has increased each November at a higher rate than the National Living Wage and more importantly higher than the National Joint Council (NJC) pay scales.

The affect has led to an imbalance in the SFRS grading structure and the further loss of spinal column points at Grade 3.

Following national negotiations, on 1 April 2018, the NJC introduced a two year pay agreement for all employees conditioned to the NJC terms and conditions of employment. Employees on spinal column points 10 – 19 received higher percentage pay increases of up to 16% over a two year period in order to close the significant gap between the current pay grades and the National Living Wage.

From 1 April 2019, there are significant changes to the pay spinal column points including the addition of five new pay scale points which sees an increase in pay way above the Living Wage (see Appendix).

If SFRS continue to follow the Living wage pay increase it would take two years at a predicted 2.8% increase per year to reach parity with the new NJC pay scales. At this point the NJC would re-enter negotiations with the unions with regards to further pay increases.

The NJC pay award is national and applies to terms and conditions of all green book staff and therefore is a negotiated agreement that has to be implemented.

Applying both sets of pay awards causes confusion to employees at the lower level grades and creates imbalance and uncertainty in the pay structure with spinal column points being removed and then re-introduced. Following the NJC alignment would give stability to both the Service and its employees whilst applying a fair and consistent wage increase, with a transparent pay structure.

4 Current Pay and Grading Structure / Pay Award 2019

This can be found at the Appendix to the report.

5 Capacity

There are no capacity impacts arising from this report.

6 Collaboration / Partnership Working

There are no opportunities for collaborative working.

7 Community Safety

There are no community safety impacts arising from this report.

8 Environmental

There are no environmental impacts arising from this report.

9 Equality Impact Assessment

There are no equality or diversity implications arising from this report.
An e-EQIA is not, therefore, required.

10 Financial Implications

The financial implication is that the Authority will be paying significantly higher salaries than the Living Wage. However, as of 1 April 2019 when the NJC pay grades come into force, the Authority would be bound to pay the agreed higher NJC amounts.

11 Health and Safety

There are no health and safety impacts arising from this report.

12 Human Rights (including Data Protection)

There are no human rights impacts arising from this report.

13 ICT

There are no ICT impacts arising from this report.

14 Legal Comment

There are no legal implications arising from this report.

15 Public Value / Service Delivery

There are no public value or service delivery impacts arising from this report.

16 Reputation

There are no reputational impacts arising from this report.

17 Security

There are no security impacts arising from this report.

18 Training

There are no training impacts arising from this report.

19 Appendix

National Joint Council Salary Grades

20 Background Papers

There are no background papers associated with this report.

Grade	Points	LW 01-11-17	NJC 01-04-18	LW 01-11-18	NJC 01-04-19	New Points
3	10		£16,863		£18,065	3
	11		£17,007		£18,426	4
	12		£17,173	£17,362	£18,795	5
	13		£17,391	£17,391	£19,171	6
	14	£16,880	£17,681	£17,681	£19,554	7
4	14	£16,880	£17,681	£17,681	£19,554	7
	15	£17,072	£17,972	£17,972	£19,945	8
	16	£17,419	£18,319	£18,319	£20,344	9
	17	£17,772	£18,672	£18,672	£20,751	10
	18	£18,070	£18,870	£18,870	£21,166	11
5	18	£18,070	£18,870	£18,870	£21,166	11
	19	£18,746	£19,446	£19,446	£21,589	12
	20	£19,430	£19,819	£19,819	£22,021	13
	21	£20,138	£20,541	£20,541	£22,462	14
	22	£20,661	£21,074	£21,074	£22,911	15
6	22	£20,661	£21,074	£21,074	£22,911	15
	23	£21,268	£21,693	£21,693	£23,369	16
	24	£21,962	£22,401	£22,401	£23,836	17
	25	£22,658	£23,111	£23,111	£24,313	18
	26	£23,398	£23,866	£23,866	£24,799	19
7	26	£23,398	£23,866	£23,866	£25,295	20
	27	£24,174	£24,657	£24,657	£25,801	21
	28	£24,964	£25,463	£25,463	£26,317	22
	29	£25,951	£26,470	£26,470	£26,999	23
	30	£26,822	£27,358	£27,358	£27,905	24
8	30	£26,822	£27,358	£27,358	£27,905	24
	31	£27,668	£28,221	£28,221	£28,785	25
	32	£28,485	£29,055	£29,055	£29,636	26
	33	£29,323	£29,909	£29,909	£30,507	27
	34	£30,153	£30,756	£30,756	£31,371	28
9	34	£30,153	£30,756	£30,756	£31,371	28
	35	£30,785	£31,401	£31,401	£32,029	29
	36	£31,601	£32,233	£32,233	£32,878	30
	37	£32,486	£33,136	£33,136	£33,799	31
	38	£33,437	£34,106	£34,106	£34,788	32
10	38	£33,437	£34,106	£34,106	£34,788	32
	39	£34,538	£35,229	£35,229	£35,934	33
	40	£35,444	£36,153	£36,153	£36,876	34
	41	£36,379	£37,107	£37,107	£37,849	35
	42	£37,306	£38,052	£38,052	£38,813	36
11	42	£37,306	£38,052	£38,052	£38,813	36
	43	£38,237	£39,002	£39,002	£39,782	37
	44	£39,177	£39,961	£39,961	£40,760	38
	45	£40,057	£40,858	£40,858	£41,675	39
	46	£41,025	£41,846	£41,846	£42,683	40
12	46	£41,025	£41,846	£41,846	£42,683	40
	47	£41,967	£42,806	£42,806	£43,662	41
	48	£42,899	£43,757	£43,757	£44,632	42
	49	£43,821	£44,697	£44,697	£45,591	43