



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Pay Request from BCC Trade Union Group
Date:	19 October 2012
Reporting Officer:	Jill Minne, Head of Human Resources
Contact Officer:	Jill Minne, Head of Human Resources, ext 3220

Relevant Background Information

Belfast City Council's Trade Unions wrote to the Council (attached as appendix 1), seeking the intervention of elected members in the pay arrangements of Council officers earning less than £21,000 per year and in cases where part-time employees of the Council have been adversely affected by recent changes to the HMRC Working Tax Credit system.

Specifically, the BCC Trade Union group has asked that the Council make a payment of £250 to employees earning less than £21,000 per year, in the same way as payment was recently made by Lisburn City Council to such employees.

In respect of part-time employees adversely affected by changes to the Working Tax Credit system, the Trade Union Group has asked that the Council analyse the circumstances of part-time employees who have been disadvantaged by these changes and facilitate an increase in their hours of work where they request it.

Key Issues

Payment of £250 to employees earning less than £21,000 per year

The Trade Union group letter appears to link to a June 2010 budget statement which announced "a two-year pay freeze for public sector workforces, except for workers earning less than £21,000 a year who will receive an increase of at least £250 per year in these years," to a recent payment by Lisburn City Council to its officers earning less than £21,000 per year.

The pay awards referred to in the June 2010 budget statement were not, however, made by local government, and the Government's proposals in this regard were set aside by the Employers' Side of the National Joint Council (NJC).

Lisburn City Council made a one-off, consolidated payment of £250 to any member of

staff who was remunerated at or below the NJC pay point Spinal Column Point (SCP) 24. (This did not take into account overtime, weekend or shift enhancement).

While the decision whether or not to make one-off, additional payments of this kind is for individual councils, Belfast City Council legal advice is that under the Local Government Act (NI) 1972 an officer of the Council shall not, under colour of his office or employment, exact or accept (whether directly or indirectly for himself or through another) any fee or reward whatsoever other than his proper remuneration. In addition, the fixing of wages and salaries is conducted through the joint negotiating machinery of the NJC. Wages are deemed to be the reasonable pecuniary equivalent of the service rendered and anything beyond that is an addition to wages and is a gratuity. The payment of gratuities to officers is *ultra vires* and therefore unlawful so that the suggested payments to employees would be considered unlawful.

Employees adversely affected by changes to the Working Tax Credit system

Working tax credits can be claimed from HMRC by employees on low incomes. Eligibility for tax credits, however, depends very much on individual circumstances (eg the employee's age, whether they are part of a couple and whether they have children). HMRC made a number of changes to tax credits which took effect in April 2012, including new working hours rules for couples with children.

The Council currently employs 378 employees who are contracted to work fewer than 24 hours per week. The majority of these are employed on part-time contracts, with others working reduced hours at their request, on the basis of the Council's Work-Life Balance arrangements.

The Council has no access to information about which employees are in receipt of tax credits or about the impact of the changes to the tax credit system on their entitlements, as tax credits are administered by HMRC, separately from the Council's administrative and payroll processes. It is not possible, therefore, to undertake a corporate analysis of the circumstances of part-time employees who have been affected by these changes, as the Trade Union Group has requested.

In respect however, of the request that the Council facilitates requests for increases in the hours of work of employees disadvantaged by Working Tax Credit changes, the Council has in place comprehensive Work-Life Balance arrangements that allow individual employees to request a change to their working hours; such requests are considered on a case by case basis giving appropriate consideration to the operational and business needs of the Council.

Other industrial relations matters

Update on 2013/14 Pay Negotiations

Both sides of NJC have been engaged in pay negotiations for 2013/14 since June 2012. Employers' Side has indicated that they, like the Trade Union Side, are keen to avoid any pay freeze in 2013/14. It is therefore possible that a pay award for Council officers may be agreed for April 2013, although details of this and any other agreements reached as part of these negotiations are unlikely to be finalised until much nearer the end of this financial year. Members will be updated on this matter.

Industrial Action short of strike by NIPSA

On the basis of a ballot in November 2011 in relation to pension scheme changes, pay and job cuts, NIPSA has instructed its members to engage in industrial action, short of

a strike, with effect from 16 July 2012.

Specifically, this action is that NIPSA members "...*should not cover any vacant posts.*" To this end, NIPSA has advised its members not to cover vacant posts such as those vacancies trawled as "temporary cover" posts, or to engage in new additional duties or acting up arrangements, with effect from 16 July 2012.

There has been no discernable impact of this action in BCC but this matter will remain under review and members will be notified of any adverse impact of this action should it arise.

Resource Implications

N/A

Equality Implications

N/A

Recommendations

Members are asked to :

1. Note the legal advice in respect of the payments requested by the BCC Trade Union group and authorise the Head of HR to advise the Trade Union Group that such payments cannot be made by Belfast City Council
2. to advise the Trade Union Group that all requests for a change in working hours by part-time employees who have been disadvantaged by Working Tax Credit changes will be facilitated through the council's existing arrangements for all requests to change working hours.
3. Note this report's updates on other ongoing industrial relations matters.

Decision Tracking

Update reports about industrial relations matters will be brought to Strategic Policy & Resources Committee as appropriate.

Key to Abbreviations

HMRC – Her Majesty's Revenue and Customs

NJC – National Joint Council for Local Government Services

Documents Attached

Appendix 1: BCC's Trade Union Group letter to members, 2 July 2012