

National Joint Council for Local Government Services

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**To: Chief Executives in England, Wales and N Ireland
(copies for HR and Finance Directors)
Members of the National Joint Council**

22 August 2016

Dear Chief Executive,

Review of the NJC 'Green Book' Pay Spine

You will recall that as part of the 2016-18 pay deal, the NJC agreed to conduct a review of the NJC pay spine. The primary reason for this review is the introduction of the National Living Wage. The agreed Terms of Reference for the review are **overleaf**.

The Joint Secretaries do not underestimate the challenge we face in designing a restructured pay spine that is capable of withstanding annual changes to the National Living Wage rate (without the need for regular fundamental reviews) whilst retaining its current flexibility for local employers to apply local pay and grading structures. It is important to state from the outset that a restructured pay spine will not be possible without some additional cost for councils. However, both Sides will endeavour to achieve an outcome that is financially viable for employers and fair to employees.

We have scheduled regular meetings for the foreseeable future and would aim to conclude our review by 30 June 2017. Both Sides will liaise with colleagues who have practical and technical expertise in the design and use of pay and grading structures and who will advise the Joint Secretaries during the review process.

Throughout the course of the review the Joint Secretaries will keep their respective constituents updated on developments. However, for obvious reasons we will not be able to give a 'running commentary' on our discussions. Before any final agreement is reached, the proposed restructured pay spine will be subject to full consultation with councils and union members.

Yours sincerely,



Sarah Messenger



Rehana Azam



Fiona Farmer



Heather Wakefield

Joint Secretaries

NJC Pay Spine Review: Terms of Reference

The NJC needs to meet the challenge of ensuring that a restructured pay spine is capable of withstanding annual changes to the National Living Wage rate without the need for regular and fundamental reviews of pay structures. The spine is a valuable foundation on which individual councils build the detail of their local grading structures, which in themselves need adapting to new forms of service integration and devolution.

To take forward this review, the Joint Secretaries have set up a working group with the following aims:

To ensure the restructured NJC pay spine is capable of:

- Accommodating changes to the National Living Wage rate
- Adapting to differentials in levels of pay and responsibility
- Accommodating all local government services roles within scope of the NJC
- Managing the assimilation of other roles, including health, craft, youth and Soubury that are transferred to Green Book pay structures
- Being used locally to recognise contribution and progression

To ensure the NJC pay spine remains:

- Compliant with the requirements of the Equality Act 2010
- Consistent with single status principles

To ensure review outcomes:

- Have firm timescales for completion
- Take into account the potential impact on pay arrangements in London
- Are financially viable for employers and fair to employees

Additional input:

- To support the review, the Joint Secretaries will be advised by colleagues who have practical and technical expertise in the design and use of pay and grading structures