This document is to update the Branch committee and members on the current pay offer and associated negotiations.

## The Offer

The offer is summarised as;

* 3% increase to all steps up to top of Band D
* 2% increase to all steps in Band A-C
* 6.5% increase to the following allowances
	+ Islands allowance (£1524.44 up to £1623.53, increase of £99.09 per annum)
	+ Out of hours on call allowance (£105 up to £112.80, increase of £7.80 per week, daily rate as per disturbance allowance)
	+ Out of hours disturbance allowance (£15.00 up to £15.98, increase of 98p per disturbance)
	+ Survey vessel on board allowance (£74.65 up to £79.50, increase of £4.85 per night)
	+ First aider allowance (£244.09 up to £259.96, an increase of £15.87 per annum)
	+ Site safety auditor allowance (£388.32 up to £413.5, Increase of £25.24 per annum)

N.B. All allowances are taxable at the individual’s highest rate of tax.

## Analysis

We have spent some time considering the offer, this is a brief summary of the main issues.

### Inflation April 2018

* + CPI 2.4%
	+ RPI 3.3%

While the UK Government uses CPI as its preferred rate for addressing pay, we have traditionally used RPI. The proposed 3% increase is below RPI but above CPI, the 2% rate is below both RPI and CPI. Any increase below CPI must count for a real terms pay cut and is therefore a continuation of pay restraint. Our policy is not to accept any offer which is below CPI. The offer is therefore unacceptable on that basis.

### The pay structure

Our pay structure was constructed in steps each being 2.4% higher than the one below. Pay points were placed on the structure according to job evaluation scores. The structure has been corrupted at the bottom end within the grade and across the structure between the grades by the previous settlements giving lump sum payments across more than one grade rather than percentage increases.

This pay offer gives differential payments to the higher and lower bands which will further corrupt the pay structure. If we are to ensure that we have equal pay for equal work we can’t accept pay offers which further corrupt that structure. Having 3% for some and 2% for others corrupts the structure and is unacceptable.

### Increases to allowances

While any increase is welcome and long overdue, the increase doesn’t compensate for the reduction in real terms over the years and isn’t enough to make the offer acceptable.

## Other issues

### Flexitime payments

The flexitime scheme that we agreed with SEPA in January 2015 has never been fully implemented in relation to work carried out over the 14 hour limit. The policy clearly lays out that for full time workers any hours worked over the 14 hour limit in any one period should be paid as overtime

This hasn’t been done in most cases and we have been trying to resolve the issue for some time. We included resolution of the issue as a part of our pay claim. We are hopeful that we have reached a solution to the issue. When it is finalised we will inform members and will remove that from the pay claim.

### Holiday pay and overtime

In last year’s imposed pay settlement SEPA addressed the issue of holiday pay and overtime. In short legislation says that holiday pay should reflect normal pay. If you work overtime normally, being on holiday shouldn’t reduce that normal pay. This only applies to the 20 days annual leave you are guaranteed under EU legislation.

SEPA restricted that to overtime payments to the following categories

* Out of hours on call
* Out of hours disturbance
* Out of hours overtime
* Survey vessel on board allowance

Our opinion, based on the most recent case law, is that it should not be restricted to those categories and should include all overtime. Our pay claim asked for resolution of the issue. We are in discussion but there are no clear signs of resolution as yet.

## Negotiations

We have given our assessment of the offer to SEPA both at JNCC and in the JNCC sub-group on pay. We are focussing on ways to ensure that no member receives an uplift below the rate of inflation in April this year and that we gat as large an increase as possible. As a part of these discussions we are looking to repair the pay structure to ensure that there is a robust system for ensuring that all members are paid equally for equal work.

Alan Fleming

Branch Chair