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**PROBATION PAY UPDATE**

**For *all* Napo members**

 **(April 2017)**

**NPS PAY CONTRACTUAL INCREMENT**

NPS have notified the unions that they will be paying the contractual increment in this month’s pay. The payments are due for all staff below the current band maxima from 1st April**.**

The reason for the payment being made earlier than usual is the NPS are concerned by the extent of ongoing payroll and pension administration issues they have been encountering with the SSCL contract. In summary, if the payments were delayed and included as part of the 2017-18 pay negotiations, then the NPS were not confident that back-pay could be implemented without triggering further errors and complications with making accurate tax, NI and pension contributions via PAYE.

Napo have welcomed the new honesty around the scale of the HR problems and welcome any efforts to minimise further errors. We have received guarantees that there will be no adverse impact on the on-going pay reform negotiations and the remit afforded to the MOJ for resolving the structural probation pay problems. ***THE 2017 PAY REFORM NEGOTIATIONS CONTINUE.*** The early payments also provide a concrete recognition of the payroll and pension administration difficulties which we will be raising as a priority with the next Justice Ministers unless they are resolved during the Parliamentary ‘purdah’ period.

**CRCs & PAYMENT OF THE INCREMENT**

As the increments are contractual they should also be paid immediately to all staff below their band maxima in CRCs. Some CRC owners had already approached Napo for advice on paying the increment given that local bargaining arrangements are still being established. We will be re-enforcing the need to make the payments officially over the coming days and are expecting the NPS contracts management team to re-enforce this positive message.

**STAFF ON THE BAND MAXIMA**

Staff at their band maxima are not contractually entitled to an automatic increment. However, members in this position can be assured that Napo are pressing for a substantial increase in all our pay negotiations across probation. [Our pay claim](file:///C%3A%5CUsers%5Ctburke.NAPO%5CDocuments%5Cprobation%20pay%20claim%202017.docx) highlights the impact of the pay freeze on staff who have had no consolidated increase since 2010, and the wider implication on morale, recruitment and retention.

**WHAT ARE THE PAYROLL & PENSION ADMINISTRATION CONCERNS?**

For most staff, most of the time, payments continue as normal. However, where there is any change (e.g. someone changing their hours, temporary payments, pay on promotion, local increases for existing staff where recruitment allowances are made, etc) the system seems to completely break down. When errors occur, the NPS and SSCL seem to have no capacity to quickly rectify the errors – or processes put in place based upon likely problems in the MoJ are ‘automatically’ applied to NPS staff, which then extend the original problem by generating tax and NI problems. For example, if someone receives an emergency payment after having been wrongly paid this seems to trigger tax problems when the monies are recovered; which then results in a new a new mis-payment and the creation of a vicious circle.

These administrative systems errors are amplified by numerous links between the civil service pension scheme and wider terms and conditions (for example exit and compensation payments). Essentially, the civil service scheme is not funded, meaning that there is no actual pot of money being invested to guarantee enough return to meet future pension commitments. This has, for generations, allowed governments to raid the national pension fund for redundancy and compensation payments. If this happened with a funded scheme it would be illegal – it is essentially what Maxwell and Green did at Mirror Group and BHS.

The local government scheme is funded and so these raids are obviously not allowed. However, the SSCL systems assumes these links exist and either apply them wrongly or seize up when told the automatic process for the MoJ can’t be applied.

The strain on the system has got worse since the introduction of the Single Operating Platform SOP – with a number of newly appointed PSOs not even being issued contracts or paid.

As well as causing untold grief and stress for members this incompetence is undermining line managers, stuck with the responsibility of sorting out problems which are systemic and outside their control. Not surprisingly, given this lack of support, some managers are giving poor advice – for example, a new PSO who wasn’t paid was told to chase up SSCL in their own time or on their own phone and ended up with a personal bill of nearly £100 as SSCL then charged at a premium rate for mobile calls!

**PENSIONS**

Napo has uncovered a range of other pension failings that seem to be habitual in the MoJ – probably as a result of the cultures built up around an unfunded scheme. The latest versions of the local government and civil service pension schemes, introduced after the pension disputes in 2012, embed the principle that ALL pay is pensionable and subject to contributions. These pay for the higher pensions in both of the new schemes. If the contributions are not paid then the payments to pensioners will be wrong.

This principle requires that long established bad pension habits that were reasonable in a final salary scheme need to change. For example - temporary payments, non-consolidated payments or overtime were not automatically pensionable in the old models as they would not necessarily be part of someone’s final salary. In the new model, where your pension builds up based on 1/49th of what you earn each year added to what you’ve earned in previous years, these MUST be pensionable.

However, the civil service seem to have been taking short cuts and resisting implementing the principles of their own model. Contributions have not always been increased to recognise the new pension principles meaning some civil servants are being short-changed. Napo is not prepared to allow the pension scheme to be undermined. We have identified numerous such errors which the NPS have had to accept – for example increasing pensions for those who left mid-year but were entitled to an incremental increase from 1st April which was applied late, after they’d exited. They are finding addressing these errors to be painfully difficult and complicated, having not established any systems with SSCL for making such adjustments. These problems also impact in CRCs where staff left prior to share-sale.

Napo specifically warned the MoJ about this prior to the staff split but we were ignored. These are an example of the consequences of rushing through the TR agenda to meet Grayling’s political timetable. Putting them right is proving to be very difficult and expensive. Had it not been for our vigilance and determination to hold NPS officials to account they would have gone unchallenged.

Napo members can continue to get help and support in sorting these problems out. Any member with a concern should contact their local Napo Representatives who will if necessary liaise with Dean Rogers or email info@napo.org.uk for assistance.

All members can also be certain that Napo will continue to hold the employers to account and protect your entitlements under the local government pension scheme.

**Dean Rogers Ian Lawrence Chris Winters Yvonne Pattison**

**Assistant General Secretary General Secretary National Co-Chairs**

**IF YOU KNOW COLLEAGUES WHO ARE NOT MEMBERS OF NAPO PLEASE SHARE THIS BULLETIN WITH THEM AND ASK THEM TO CONSIDER JOINING US. BY JOINING THEY WILL BE ENTITLED TO SUPPORT AND HELP WITH PAYROLL, PENSION AND OTHER POSSIBLE PROBLEMS AS WELL ADDING THEIR VOICE TO THE LARGEST COLLECTIVE AND INDEPENDENT VOICE FOR PROBATION.**