

TELFORD & WREKIN COUNCIL

SCRUTINY LEADERSHIP BOARD- 13TH MAY 2010

SINGLE STATUS UPDATE

REPORT OF SINGLE STATUS PROJECT DIRECTOR

1. PURPOSE

To update the board on progress made in meeting the requirement to address Single Status issues and the Council's statutory obligations arising from the Equal Pay legislation.

2. RECOMMENDATIONS

- 2.1 That Scrutiny Leadership Board notes the report and the progress made towards achieving an affordable and acceptable settlement on Single Status.**

3. SUMMARY

3.1 The Council has been engaged on a major and complex item of work which relates to meeting its legislative obligations around equal pay and to meet the requirements of the 1997 "Green Book" agreement which basically harmonised the previously separate manual and administrative and clerical conditions into a single set of terms and conditions of employment.

3.2 It is important that the eventual Single Status settlement is achieved through collective agreement with trade unions and is both affordable and acceptable to the majority of the workforce. The establishment of a fair pay and grading structure meets the concept of equal reward for work judged as of equal value is important in ensuring that the Council continues to recruit, develop and retain a talented and skilled workforce in order that high quality services can be provided for local communities within Telford & Wrekin.

4. PREVIOUS MINUTES

Scrutiny Leadership Board – 14th January, 2010 – SLB-103

5. INFORMATION

- 5.1 The national Single Status agreement was established in 1997 with the harmonisation of the former APTC administrative and clerical conditions of service and the former Manual workers conditions of service into a single set of terms and conditions known as the Green Book.
- 5.2 Harmonisation within the Green Book conditions is considered essential to ensure a fair and equality proofed pay system that rewards employees on the basis of equal pay for work rated as equal value.
- 5.3 The vast majority of local authorities have since the national agreement in 1997 been working hard to evaluate their posts and to modernise terms and conditions of employment. This, however, is a complex task and in keeping with many Councils it has taken some time to achieve this mainly because of the complexity of job evaluation and the need to consider and mitigate considerable legal and financial risks in this field of work. There has been over the past five years a growing volume of litigation around the whole area of equal pay and local authorities and trade unions have needed to take careful note of evolving case law established in Employment Tribunals and the Courts before proceeding with pay and grading review
- 5.4 A rigorous Job Evaluation process conducted by a skilled and trained team of analysts has been in place within Telford & Wrekin Council since Autumn 2005. The choice of the nationally recognised National Joint Council (NJC) job evaluation scheme was approved by Cabinet on 1st August 2005 and has since been applied to over 6000 posts held in the Council by over 4000 employees. Single Status covers the bulk of the authority's workforce but does not cover certain occupational groups such as teachers, youth and community workers, education advisers and psychologists or chief officers. These groups have separate terms and conditions of service
- 5.5 The evaluation process has been conducted jointly with trade unions and been exposed to independent review by nationally recognised experts. Their review both praised the rigour of the process and also suggested a number of amendments to the local interpretation of the national scheme. These amendments were noted and endorsed by Personnel Board on 16th March 2009.
- 5.6 The Personnel Board on 16th March 2009 also considered the application of the main NJC scheme to more senior posts in the Council below that of Chief Officer and following a pilot exercise decided to approve the application of a second job evaluation scheme for certain posts that qualified through a relatively high score in the main NJC scheme. The alternative scheme known as the Hay scheme was deemed to be more relevant to senior posts involving strategic

management and in total around 55 posts have been evaluated within this scheme.

- 5.7 Further checks around job evaluation have been undertaken in the light of significant service area restructurings and this process will be on going to ensure that an employee's pay grade reflects his/her current post. We recently wrote to all Green Book employees asking them whether they agreed with their job group allocation in the light of the time that has elapsed since the start of the project and the considerable recent structural change around the One Council developments.
- 5.8 Following the process described above officers entered into extensive pay modelling negotiations with trade unions in late February 2010 in order to develop a workable and clear pay and grading structure based upon the outcomes of job evaluation. The negotiations have continued in recent weeks with further meetings arranged through the remainder of the current month. These negotiation meetings have also included the need to harmonise the current three separate sets of Green Book terms and conditions arising from the advent of unitary Council status into a single harmonised set which can support both the organisational flexibility needed to serve local communities and residents and the desire for more flexible working patterns.
- 5.9 The overall aim of the Single Status negotiations around pay and grading as well as harmonised terms and conditions is to provide an employment package which
- Meets relevant legislative requirements on equal pay and any equal pay liability falling on the Council
 - Is affordable both in the short and long term and can be contained within the Council's budgetary framework and strategy as set out in the report to Cabinet on 23 February 2010
 - Provides a level of pay protection for those employees where their job is ranked relatively lower as a result of job evaluation
 - Provides a clear and fair pay and grading structure together with harmonised terms and conditions of employment which together will enable the authority to both recruit , retain and develop high quality employees who can serve the Council's residents and communities within the framework of a modern, efficient and effective Council
- 5.10 The outcome of the negotiations will be reported to a future meeting of the Personnel Board with a view to recommending a proposed collective agreement with the trade unions for further consultation with the workforce. The proposed agreement will need to be scrutinised by the national offices of the three signatory Green Book trade unions (UNSION, UNITE and GMB) and this can extend the timescale for finalising the eventual settlement. Trade unions are likely to also ballot their members on the proposed employment package.

5.11 Personnel Board will then be expected to make a final decision following the consultation period. Once a decision is made implementation in terms of amending the payroll system and issuing over 6000 employee contracts with revised terms and conditions will take between three to six months. There will also be a need to reconcile service area budgets with the outcome of Single Status.

6.0 Background

6.1 Equality and Diversity

6.1.1 The Single Status agreement relates to the requirement for equal pay for men and women engaged in work of equal value. NJC guidance on implementing the agreement draws upon the Equality Standard for local government and provides substantial guidance on the use of Equal Pay audits and Equality Impact Assessments.

6.1.2 The pay and grading structure proposed by the Council will need to have undergone a rigorous equality impact assessment before it can be submitted for formal consultation and approval by Personnel Board. This work is accounted for in the project plan.

6.1.3 A substantial number of Council's have faced equal pay challenges. Risk assessments are ongoing and internal and external specialist legal advice has been and will continue to be sought as appropriate to inform decision making.

6.2 Environmental Impact

There are no direct environmental implications

6.3 Legal Comment

6.3.1 Equal pay between men and women is a binding legal obligation. The Equal Pay Act, 1970 gives women and men the right to equal pay for equal work unless there is a genuine and material reason for the inequality that is not related to sex. The Sex Discrimination Act 1975 covers claims of less favourable treatment on the grounds of sex. On the 8th April 2010 the Equality Bill received Royal Assent and became the Equality Act 2010. It is not yet in force. The Act brings disability, sex, race and other grounds of discrimination within one piece of legislation, and places a statutory requirement on employers to conduct equal pay audits.

6.3.2 The concept of Single Status: equity in and harmonisation of pay and service conditions; was introduced under the NJC Collective Agreement of 1997. In 2004, the NJC introduced an "Implementation Agreement" providing that "Local Pay Reviews must be completed and implemented by all authorities by 31 March 2007". Despite the terms of the Implementation Agreement, many Local Authorities have not

reached a conclusion to Single Status and others have agreed an implementation date after April 2007.

6.3.3 Following the Court of Appeal judgements in the combined appeals in the long running equal pay disputes of Redcar and Cleveland Borough Council v Bainbridge and others and Surtees and others v Middlesbrough Borough Council the legal landscape concerning implementation, back pay and pay protection has been developed significantly. These areas are subject to consultation with trade unions but the Council has to consider the current legal position.

6.3.4 Aside from satisfying the legal requirements set down by equal pay legislation and embodied in the Single Status Agreement, a new pay and grading structure must also be operationally viable and fully complement recent developments around a new One Council organisational structure. It must also comply with the commitment to introduce non-discriminatory practices in all areas of employment within the Council.

6.4 Risks and Opportunities

6.4.1 The Single Status project is registered as a key corporate risk and is under frequent review.

6.4.2 Balancing fairness, equality, affordability and turbulence will be challenging for the organisation. The communication and consultation strategy sets out some key principles for ensuring we communicate these issues to the workforce. To date we have been able to agree and communicate key messages and updates to the workforce on a joint basis with the trade unions and will continue to look to do so as we approach the completion of the project.

6.4.3 The project presents the Council with an opportunity to align a preferred pay and grading structure with key principles of their aspirations for the Council and its future changing needs. This is of particular relevance when considering negotiation proposals about potential changes to terms and conditions of employment.

6.4.4 Single Status presents the Council with the opportunity to address a long-standing problem of different terms and conditions of employment.

7.0 WARD IMPLICATIONS

7.1 Single Status has Council wide implications.

8.0 LINKS WITH COMMUNITY PRIORITIES

- 8.1 The establishment of a package that fairly rewards employees is a key component of the Council's priority to develop an efficient and effective customer focussed Council that delivers value for money.

9.0 BACKGROUND PAPERS

- 1997 NJC for Local Government Services: National Agreement on Pay & Conditions of Service (the 'Green Book')
- Guidance notes 4 and 5 EOC Codes of Practice (The Equality and Human Rights Commission).
- May 2005 NJC for Local Government Services: 2004 Agreement Next Stages
- June 2005 NJC for Local Government Services: Joint guidance on pay and grading reviews
- July 2006 Local Government Employers: Advisory bulletin – Survey of pay structure development

***Report prepared by David Johnson, Single Status Project Director
Tel:(01952)383500***