

Report Title: **Equal Pay Review Agreement**

Forward Plan reference number (if applicable):

Report of: **Assistant Chief Executive, People & OD**

Wards(s) affected: **[All / Some (Specify)]** | Report for: **[Key / Non-Key Decision]**

1. Purpose

1.1 To approve the package of conditions agreed with the unions for implementing 'Single Status' in the council in accordance with the NJC for Local Authorities Staff National Pay Settlement. This will achieve equality of pay and conditions for staff.

2. Introduction by Cabinet Member (if necessary)

2.1 I concur with the contents of the report and would like to thank all those involved officers and the trade union in reaching this agreement.

3. Recommendations

3.1 That the terms of employment as described in the appended papers be implemented.

Report Authorised by: **Stuart Young, Assistant Chief Executive, People & OD**



Contact Officer: **Steve Davies, Head of Human Resources 020 8489 3172**

4. Chief Financial Officer Comments

4.1 The Chief Financial Officer confirms that the impact of the additional on-going revenue costs arising out of the equal pay review agreement as set out in paragraph 8.1 have been addressed in previous budget setting. A central contingency has been set aside to address the general fund pressure; schools have a provision to cover back dated pay and are committed to building in budget to cover the increased on-going costs whilst the catering costs will be met through the overall trading account.

4.2 It is unlikely that the final phases of evaluation will produce any significant additional budget pressures.

5. Head of Legal Services Comments

- 5.1 The Head of Legal Services has been consulted on the content of this report. The package recommended for agreement has been designed to provide justifiable grades and conditions of service for Council staff in relation to considerations of general gender equality and the impact of the Equal Pay Act 1970 and related legislation.
- 5.2 A collective agreement between the Council and relevant trades unions, within the framework of the Council and Employee Joint Consultative Committee, will have the effect of producing a lawful variation in the contracts of employment of all Council staff within the scope of that committee, whose contracts allow for the incorporation of such locally determined terms and conditions of employment.

6. Local Government (Access to Information) Act 1985

7. Strategic Implications

- 7.1 The proposed package of employment terms aim to enable the Council to operate within the terms of the NJC for Local Authorities Staff and the relevant employment legislation.

8. Financial Implications

- 8.1 The recurring revenue costs of the grade changes arising out of the agreed package are estimated at £2.77 million. This cost is shared as follows:
- General fund £1.75 million
 - Schools £0.51 million
 - Catering £0.51 million
- 8.2 The estimate of these ongoing costs has been considered as part of the budget process. The costs assume that savings are made in allowances and overtime, both of which feature in the appended package. There are number of other unknowns in terms of the evaluation process that may impact on the final figures, but these should not be significant.

9. Legal Implications

- 9.1 As described at paragraph 5

10. Equalities Implications

- 10.1 The package ensures that equality of employment conditions is free from gender bias. In developing the package an Equality Impact Assessment has been

undertaken to ensure that the proposals do not adversely affect any of the council's equality themes.

11. Background

- 11.1 The national pay 'Single Status' agreement 2004 for Local Government Service workers (former manual and officer staff) stated that Local Pay Reviews should be undertaken to harmonise the pay and conditions of manual workers and officers.
- 11.2 In addition to harmonisation another key aspect of the agreement is to make pay and conditions fair and equal for all, especially with regard to pay for women and men.

12. Consultation and Agreement with the Unions

- 12.1 Following lengthy discussions over more than 2 years with union officers at a local, regional and national level we reached agreement on a package with the UNISON and UNITE (T&G) unions and they balloted their members pushing for a 'Yes' vote in favour of the package. .
- 12.2 The Unison ballot closed on 2 July and 91% voted Yes for the new package.
- 12.3 The Unite (T&G) ballot closed on the 25 July and they voted Yes by a ratio of 3 to 1 for the new package.
- 12.4 The GMB union also recently concluded a ballot on the package and 73% of those who voted were in favour of the package.
- 12.5 Therefore a special meeting of the Council & Employee Joint Consultative Committee was convened on 11 September 2008. The meeting unanimously agreed the package and this constitutes a collective agreement to vary the contract of employment in respect of all proposed changes to terms and conditions of employment.

13. Consultation with other stake holders

- 13.1 Members have been consulted at points throughout the development of the package and the council's service Directorates have been actively involved.
- 13.2 A staff communications and engagement exercise has taken place to ensure that employees are aware of the proposals. The activities include: letters to staff in payslips, staff newsletter and team brief articles, roadshows run jointly with the unions at various Council locations, and a letter detailing the individual implications for staff.

14. The Package

14.1 The full package is attached as Appendix A. However, a summary of key elements in the package is outlined below.

14.2 Annual Leave

Manual workers will get an annual leave increase of 1 day each.

All staff will be able to acquire long service annual leave sooner. So, instead of having to work 10 years to get 3 extra days, after 6 years service they will get 1 extra day, after 8 years service an additional day, and after 10 years service a further days annual leave.

The extra leave is effective from 1 April 2007. Any additional leave will be added to this years leave. If staff work in a school any extra leave will be reflected in the rate of pay.

14.3 Job evaluation and re-grading

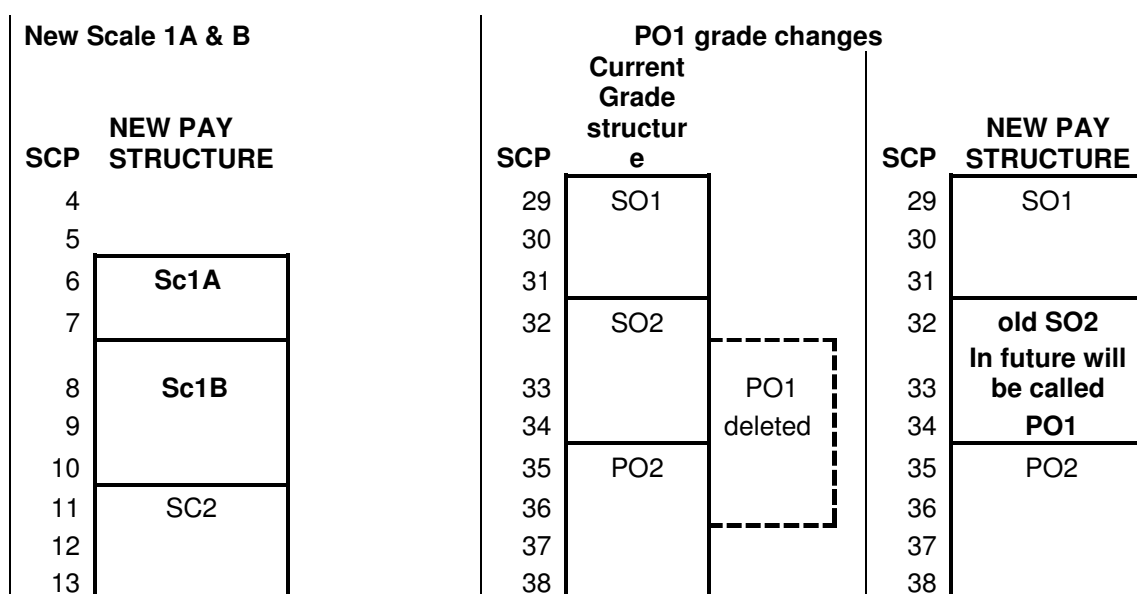
We have agreed to use the Greater London Provincial Council job evaluation scheme to evaluate all jobs. We will evaluate job descriptions to determine the grade staff should be on. We have already jointly evaluated many jobs with union representatives and this shows that

- All manual graded workers get a pay grade increase. This will be backdated to 1 April 2007.
- Approx 80% of staff on other grades in manual type jobs get a grade increase. Again any increase will be backdated to 1 April 2007.
- Other staff such as Care Managers, Benefits & local taxation jobs, Site Managers, Classroom and Learning support assistants, Learning Mentors, Residential Care staff, Library staff, Nursery Nurses, Playworkers, Social workers, Customer Services officers, Community Support Workers will be evaluated soon. Most (over 80%) will not see any change in grade but if you do it will be backdated to 1 April 2007.

Of the remaining staff – other staff on PO2 grades or below will be evaluated during this year and any grade changes will be backdated to 1 April 2008. For staff graded PO3 and above the evaluations and changes will take effect from 1 April 2009. Note - approx 15% will get a grade increase and potentially less than 5% may see their grade go down but will get pay protection for a period of years until their new pay catches up

14.4 Grade Changes

At the bottom of the pay scale two new grades will be introduced - Sc1A and Sc1B. This will benefit the lowest paid staff. Also we have agreed to delete the PO1 grade because of equal pay difficulties with the degree of overlap. Current PO1 staff will be protected until we re-evaluate the job and determine whether the job should be SO2 (new PO1) or PO2. If the grade is SO2 pay protection will apply.



14.5 Notice

Staff will need to give notice of leaving to the end of the next month after resignation, and they will need to notify both their manager and Human Resources. For example, a leaver on 18 June needs to give notice until 31 July. An earlier termination date can be agreed with Human Resources and the manager.

14.6 Other changes

- Bonus payments and low pay supplements for manual workers will cease, although some productivity schemes will remain where these can be justified in equal pay terms.
- Contractual overtime remains unchanged. But voluntary overtime rates (where no set extra hours are written into your contract) for grades Sc1 - 6 will change from time and a half (1½) to time and a third (1.33) and double time to time and a half. This will affect less than 4% of staff.
- Recruitment and retention payments may be introduced for those staff where market and recruitment conditions justify this.

15. Timetable for Implementation

15.1 Our proposed timetable for implementing the changes is

September 2008	Agreement signed by council and unions
October 2008	Implement staff regrades for manual workers already job evaluated by unions and management. Note – payments backdated to 1 April 2007.
October 2008 – January 2009	Undertake job evaluation of key staff groups including Classroom & Learning support assts, Learning mentors, Childrens Centre staff, Nursery Nurses. Note – any grade changes backdated to 1 April 2007.
January – March 2009	Continue with job evaluation for other jobs graded PO2 or below. Any grade changes backdated to 1 April 2008.
April – September 2009	Continue job evaluation for all PO3 and above jobs. Any grade changes backdated to 1 April 2009.