

AGENDA ITEM 8

REPORT TO CABINET

7 JUNE 2007

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Corporate and Social Inclusion – Lead Cabinet Member – Councillor Laing

UPDATE ON PROGRESS TOWARDS THE IMPLEMENTATION OF JOB EVALUATION AND SINGLE STATUS

1. Summary

This report updates members on the progress made towards the implementation of Job Evaluation and the Single Status Agreement and to agree a date of implementation of 1st April 2008. The Single Status Agreement took effect from 1st April 1997. It introduced a new national agreement, replacing the separate agreements for APT&C staff and Manual Workers, and merged the existing negotiating machinery.

The grading structure for the two groups of staff remained in effect until superseded by new local arrangements following a review of local grading structures using job evaluation. A job evaluation scheme had been nationally developed and Authorities were strongly advised to use this scheme. The new National Conditions also separated conditions of service into Part 2 conditions, which provided a basic standard and Part 3 conditions, which could be modified by local agreement.

However, the cost, disruption and complexity of undertaking a job evaluation, particularly in larger authorities has meant that progress has been slow, and only a minority of authorities have implemented the agreement to date. However, a number of high profile cases brought by no win no fee solicitors, together with renewed pressure from the Trade Unions has prompted the need to move forward as quickly as possible to ensure that costly and damaging equal pay risks can be minimised for the future. Attached at Annex A is a summary action plan setting out the proposals for implementation.

2. Recommendations

Members are recommended to:-

1. Note the contents of this report.
2. To agree a date of implementation of the Single Status Agreement of 1st April 2008.

3. Reasons for the Recommendations/Decision(s)

In common with many local authorities, the Council is currently maintaining certain historical pay practices, which contravene Equal Pay legislation. We have already dealt with a

number of equal pay claims through legal settlements but these agreements have now expired and until a new, equality proofed pay and grading structure has been implemented a high risk of further legal action remains.

Cases have been brought against local authorities and union officers and as a consequence the Unions are also becoming increasingly sensitive to delays and are pressing for early implementation on new grading structures. At the same time, the collective bargaining process is being further undermined by recent employment tribunal decisions and making agreements increasingly difficult to negotiate. Locally the unions have now indicated that they are unable to enter into a collective agreement with the Council. It is therefore, imperative that the Council implements a fair and no-discriminatory grading structure as soon as possible.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

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**UPDATE ON PROGRESS TOWARDS THE IMPLEMENTATION OF JOB EVALUATION AND
SINGLE STATUS**

SUMMARY

The report updates members on the progress made towards the implementation of Job Evaluation and the Single Status Agreement. The Single Status Agreement took effect from 1st April 1997. It introduced a new national agreement, replacing the separate agreements for APT&C staff and Manual Workers, and merged the existing negotiating machinery.

The grading structure for the two groups of staff, manual workers and APT&C staff remained in effect until superseded by new local arrangements following a review of local grading structures using job evaluation. A job evaluation scheme has been nationally developed and Authorities were strongly advised to use this scheme. The new National Conditions also separated conditions of service into Part 2 conditions, which provided a basic standard and Part 3 conditions, which could be modified by local agreement.

Unfortunately, the cost, disruption and complexity of undertaking job evaluation, particularly, in larger authorities have meant that progress has been slow, and only a minority of authorities have implemented the agreement to date. However, a number of high profile cases brought by no win no fee solicitors, together with renewed pressure from the Trade Unions has prompted the need to move forward as quickly as possible to ensure that costly and damaging equal pay risks can be minimised for the future. Attached at Annex A is a summary action plan setting out the proposals for implementation.

RECOMMENDATIONS

Members are recommended:-

1. To note the contents of this report.
2. To agree an implementation date of 1st April 2008.

DETAIL

1. Because of the complexity of implementing a job evaluation scheme and single status for such a large and diverse workforce, the project has been broken down into three distinct elements:

- a. Phase 1 which includes all posts graded up to SO1
- b. Phase 2 for post graded SO1 and above
- c. The rationalisation of certain conditions of service

2. Phase 1

This phase of the project is almost complete. There are a very small number of evaluations outstanding and consistency checks are now being undertaken to ensure the final results are correct. Within schools where approximately 2,500 employees are affected, the majority are being slotted into nationally agreed job profiles. The few non-generic jobs are being scored in the same way as other posts falling within Phase 1/

3. Phase 2

Although the same job evaluation scheme has been adopted for posts graded on SO1 and above a simplified process has been used in order to move things forward more quickly. A benchmark sample of posts has been selected and evaluated. Profiles of similar posts are being created and the remaining posts evaluated against the benchmark.

Both phase 1 and 2 will be completed by the end of June. However, it is important that both phases are complete to allow pay modelling to take place.

4. Conditions of Service

A number of changes to conditions of service are currently being considered. Some of the current conditions contravene equal pay legislation and will have to be changed or removed. These include the payment of certain bonuses, and the calculation of working time and holiday payments for many support staff in schools. In addition, the opportunity will be taken to rationalise and simplify the multiplicity of premium payments, which are currently in operation.

5. Timescales

Consultations are continuing with the Trade Unions but they have now indicated that in view of the current equal pay case (Allen v GMB) they would not be able to enter into a collective agreement with the Council. Although we will continue to consult with the Unions, the timescales for implementation will have to be adjusted to take account of the requirement for a formal consultation period of 90 days once 'in principle' decisions have been reached on the new pay and grading structure plus a 12 week notice period for all employees. In addition, formal notification will not be issued to the Trade Unions indicating that there is a possibility of collective redundancies following consideration of this report by Cabinet. It is suggested that the earliest date for implementation will therefore be 1st April 2008.

FINANCIAL AND LEGAL IMPLICATIONS

6. Legal

To date, two equal pay settlements have been rolled out, the first covering the period up to 31st March 2004 and the second from 1st April to 31st March 2006. This covered employees in the following groups:-

- Cleaning
- Catering
- Care
- School Crossing Patrol
- Passenger Drivers/Assistants
- Supervisory Assistants

The total of the two settlements was £6million and included an undertaking to backdate the new pay structure to 1st April 2006, but this has meant the Council now have only a very small number of outstanding cases, which are currently stayed pending the outcome of another Tribunal case. However, the Council continues to be at risk until job evaluation is implemented. In addition, Unison has recently written to nearly 3,000 of their members in the Council encouraging them to submit equal pay claims. A similar letter has been sent to all large Authorities in the region and reflects Unison's concern over their own vulnerability to litigation.

Although there are obvious advantages therefore in rolling out a further settlement, it is felt that the time and expense needed to complete the legal processes would impact on our ability to complete job evaluation within proposed timescales. The fact that the current settlement includes backdating of the final award means that we are less likely to receive further claims provided potential claimants are confident of the process being completed without additional delays. A consultation strategy has therefore been devised and monthly job evaluation newsletters will be circulated to keep staff informed of progress, commencing in May. However, further legal advice is being sought, and this strategy will be kept under review if the current position changes.

7. Financial

At this stage it is very difficult to assess the total costs of job evaluation and single status. However, the Council has set aside reserves as part of the budget exercise over the last few years. The Project will seek to deliver the outcomes in line with these resources.

8. RISK ASSESSMENT

Risks relating to Job Evaluation and Single Status have been included within the Council's risk register and the level is high. These are as follows:

Description of Risk	Description of Impact	Description of Likelihood	Risk Category	Existing control measures
Equal Pay claims if new pay and Grading structure not introduced Old fashioned and unhelpful terms and conditions if Part 3 changes not implemented Increased costs for authority leading to possible outsourcing considerations Staff morale issues	Financial impact – costs of compensation for equal pay claims/cost of implementing new pay structure Disruption of services if IR problems	Medium to High	High: Score 16	Single table bargaining process Development and implementation of the single status agreement

9. COMMUNITY STRATEGY IMPLICATIONS

The report impacts on the key policy platform area of Organisational and Operational Effectiveness to improve employment practices.

10. **CONSULTATION INCLUDING WARD/COUNCILLORS**

Consultation with all recognised Trade Unions is being undertaken.

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Background Papers

Action Plan at Annexe A

Ward(s) and Ward Councillors:

Not applicable

Property

Not applicable