



POLICY AND RESOURCES SCRUTINY COMMITTEE - 19TH JANUARY 2010

SUBJECT: UPDATE ON SINGLE STATUS

REPORT BY: DIRECTOR OF CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 Members of Policy and Resources Scrutiny Committee have requested an update in relation to the implementation of the Councils Job Evaluation Exercise.

2. SUMMARY

- 2.1 The Job Evaluation Exercise is now nearing completion with the significant milestone of implementing a new Pay and Grading Structure from the 1st of April 2009. It should be recognised that whilst there will be an ongoing requirement to evaluate posts in the future, that the process is now nearing completion.

3. LINKS TO STRATEGY

- 3.1 The Councils Obligations under the Single Status agreements of 1997 and 2004 are discharged as part of this project.
- 3.2 It must also be recognised that this project is also discharging potential historical liabilities for claims against the council under the Equal Pay Act 1974.

4. THE REPORT

- 4.1 Members will be aware that this process has been a long and complex exercise that was first initiated in 2003, with a pilot kicked off in 2004. It was originally anticipated that the implementation of the arrangements would take place in April 2006, but due to the sheer complexity and the changing legal background this process took longer than anticipated.
- 4.2 In July of 2007, the council was faced with a raft of equal pay claims from predominantly female members of staff, which served to make the legal processes more complex.
- 4.3 The council adopted a strategy of dealing with the equal pay claims (which is also a requirement within the Single Status agreement) at the same time as the introduction of the new pay & grading structure. Given members desire to honour the intention to adopt the new scheme as if this were implemented on the 1st of April 2006, this caused complexities with managing the overlap between the new pay and grading structures and the historic equal pay claims.
- 4.4 It should be noted that Caerphilly was the first authority in Wales to adopt this approach, and was subsequently the first to achieve both parts of the Single Status agreement – i.e. introducing the new pay and grading structure and making offers to staff to settle the equal pay claims.

- 4.5 Following 12 months of negotiations with the Trades Unions no agreement could be reached. The council tabled its final position in December 2008, and entered into a period of staff consultation. This included joint roadshows with the Trades Unions where both parties explained their positions to the workforce. In excess of 5000 staff attended various sessions held around the borough.
- 4.6 In March 2009 the Trades Unions conducted a ballot of their members under our collective recognition agreement. The result of this ballot saw an acceptance of the new Pay & Grading proposals. At the end of March, a new collective agreement was signed by the Council and its recognised Trades Unions for NJC staff – Unison, GMB and Unite.
- 4.7 Staff from the HR, Finance and IT teams worked tirelessly behind the scenes to ensure that the new pay arrangements were introduced from the 1st of April 2009.
- 4.8 It should be noted that because of scheduling issues all NJC staff who were governing body appointed staff transferred onto the new pay arrangements, with their individual grade results not being available to them until July (in the interim all staff were protected until results known). These were then addressed as part of Phase 2 of the project.
- 4.9 The principle of the agreement was that we implemented the arrangements from 1st of April 2009, but a compensation scheme was introduced to reflect the intention to have achieved this on the 1st of April 2006. Individual employees were placed on the Incremental point in the structure to reflect this and a monetary compensation offer was made to those who gained from the process.
- 4.10 Those staff who the council was prepared to make offers to resolve any historical equal pay liabilities, also received these offers at the same time. Due to the legal complexities it was important that in making decisions as to whether to accept the councils offer of payments, that the full and true value of the offer (which could include payments under both processes) was fully understood by staff.
- 4.11 Those staff who had already made claims against the council were required via their solicitors to sign an agreement to accept the offers, which also withdraws the claim from the Tribunal. Those employees who had not registered a claim to date (but could potentially do so) were required to attend a session with ACAS at which they signed an agreement not to lay a claim in exchange for the payments being made by the Council.
- 4.12 As referred to in 4.8 above, NJC employees in schools were initially a little behind the main process, but we have been able to accommodate these employees as they have caught up in the process.
- 4.13 There still remain a small number of staff who have yet to be evaluated or allotted to a result, who are the focus of attention.
- 4.14 Members may wish to note that to date we have evaluated 1810 posts in the exercise, and of those 286 are the subject of an appeal. We have prioritised the appeals for those in protection scenarios (i.e. those that went down in salary terms, and were receiving protection), and to date 86 are complete leaving a balance of 200 posts to go through the process. Of the 86 posts completed under the appeal process, 15% resulted in a successful appeal (there were 14 staff in total covered by these posts) and 85% saw no change to the original evaluation outcome (there were 410 staff in total covered by these posts).

5. FINANCIAL IMPLICATIONS

- 5.1 Council agreed to funding the project, by utilising reserves set aside for this purpose. Based on the financial modelling of the data available (remembering that this had to reflect the position at 1st of April 2006) it was estimated that the payments made to staff in compensation payments would amount to £20m.

5.2 Whilst the process is not yet complete, this estimate still remains valid. Until the outcome of all the appeals are known, and the outcome of the acceptance of compensation payments is complete a detailed analysis cannot be established. Once we are able to ascertain the true financial picture a further report to members will outline the position.

6. PERSONNEL IMPLICATIONS

6.1 The ongoing implementation of the new arrangements, not least the resource constraints placed upon the HR service have meant that resources have been diverted to the project to achieve the outcome. This has had an effect on service timelines, and this is acknowledged.

6.2 It is important to recognise the efforts of all the staff from HR, Finance and IT who have worked jointly to achieve this process. The joint working between these service areas has meant the project has been delivered. HR could not have delivered this without the support from IT and Finance, and this is fully recognised and appreciated.

7. CONSULTATIONS

7.1 Director Of Corporate Services, Head of Finance, Head Of IT & Corporate Property, Deputy Leaders and portfolio holders for HR and Resources.

8. RECOMMENDATIONS

8.1 Members note the contents of the report.

8.2 Further reports be presented to update on the final position once this is available.

9. REASONS FOR THE RECOMMENDATIONS

9.1 To provide members with a full picture of the outcomes of this complex process.

10. STATUTORY POWER

10.1 Equal Pay Act 1974, Single Status Agreements 1997 & 2004.

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