



GLASGOW CITY COUNCIL

Item 3

13th October 2006

Report to: Executive Committee

Date: 13 October 2006

Report by: George Black, Chief Executive

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Subject of Report

WORKFORCE PAY & BENEFITS REVIEW

Purpose of Report

The purpose of this report is to advise the Executive Committee of the outcome of the Workforce Pay & Benefits Review and to seek approval for the implementation of the proposed new Pay, Grading & Benefits Package for around 28,500 employees effective from 1 April 2006.

Recommendation

The Committee is asked to instruct the Chief Executive to -

- (1) Implement the new pay, grading and benefits package.
- (2) Make additional payments for the period between January and March 2006 to those staff who accepted compensation arrangements in December 2005.
- (3) Arrange a pro rata backdated payment by December 2006 to staff where their salary has increased from 1 April 2006, and they have accepted the revised pay and conditions of employment.
- (4) Issue a formal notification of consultation to the Trade Unions.

Ward No(s):

Citywide:

Local member(s) advised: Yes No

Consulted: Yes No

1. Background

Intensive work has been ongoing since January 2006 to develop a Pay & Grading Structure which would address equal pay issues within the Council and which would modernise and deliver high quality services provided by a well trained, highly motivated and appropriately paid workforce.

This work has now been concluded and a package of proposals developed which has been the subject of consultation with the Trade Unions.

2. Pay, Grading & Benefits Package

The Pay, Grading & Benefits Package has been developed following:-

- a) The creation of job families (13 in total with the Leadership Family to be finalised).
- b) The creation of 112 role profiles which have been evaluated using the Greater London Provincial Council (GLPC) Job Evaluation Scheme.

These role profiles describe a generic role for each level with a family, and will replace traditional job descriptions. Work is described more comprehensively and includes accountability, skills, qualifications and competencies. This provides a robust, flexible and modern approach to defining what and how work is done.

- c) The development of a new Pay & Grading Structure with salary values derived from the SJC Spinal Column of Hourly Rates, expressed as an annual salary based on a 35 hour calculator.

10 pay bands/grades have been established which include entry, interim and proven points. This provides core pay. It is the intention to implement Grades 1-7 inclusive as a first phase of implementation.

- d) The development of non-core payments in respect of Non Standard Working Pattern/Hours, Working Context & Demands and Recruitment & Retention. These will replace the majority of allowances currently in place.

Details in respect of the Key Principles of the proposed Pay, Grading & Benefits Package and other associated changes including, annual leave, are attached to this report.

3. Protection Arrangements/Employee Development Commitment

Protection Arrangements have been developed which will apply to those employees in a loss of earnings position as a result of the Review. Any difference in contractual earnings will be protected for a period of 3 years (commencing 1 April 2006) and will be known as the "transitional payment".

During the transitional period, there is a clear commitment to assist all employees to develop the skills that will provide them with the opportunity to move to a higher level post, thus allowing maintenance of earnings in the longer term.

4. Review/Appeal Process

A Review and Appeal mechanism will also be put in place and will operate when the Pay & Grading implications have been notified to individual employees.

This will allow employees to seek a review and to appeal if they disagree with the outcome of the Review.

5. Outcome of the Review

Following the detailed work which has been carried out and the allocation of existing posts to a job family and role profile, it is the intention to implement the outcome of the Review for Grades 1-7 inclusive.

This involves some 28,500 employees. The broad percentages are that 58% of staff are gaining more than £500, 10% of staff are reducing more than £500 and 32% are either gaining or losing less than £500.

Work in respect of Grades 8-10 and the Leadership Family is ongoing and it is anticipated that implementation for this group of approximately 1,000 employees will be in early 2007.

6. Additional Compensation Payments

It is also proposed that a payment be made to those employees who accepted a compensation payment in December 2005 to cover the gap between January 2006 and 31 March 2006 i.e. the period between the payment of compensation and the effective date of the new Pay & Grading Structure. This will be based on a proportion of the compensation payment made and will result in a cost of approximately £2.5 million.

7. Arrangements for Backdated Payments

As the new pay grading and benefits package is effective from 1 April 2006, for those staff whose salaries increase from that date it is proposed that a pro rata backdated payment is made to them by the end of December this year. Such payments can only be made to those employees that both qualify and have accepted the revised pay and conditions of employment. Some 24,000 employees are in this category.

8. Financial Implications

The current budget for salaries is £550 million (excluding Teachers) and the effect of introducing the new Pay & Grading Structure is currently estimated at £35 million equivalent to 6.4% on payroll. In addition, provision will be required for protection arrangements of £13.7million. Similar to the situation with previous compensation payments the Director of Finance will require to make full use of the Council's financial resources to put in place the necessary treasury management arrangements to allow these payments to be made in this calendar year.

9. Trade Union Consultation

Consultation has taken place with the relevant Trade Unions and this will continue throughout implementation, particularly in respect of the Review & Appeal process and the Employee Development Commitment.

In accordance with the Trade Union and Labour Relations (Consolidation) Act 1992, Section 188 in relation to collective consultation there is a requirement to issue formal notification of consultation to the Trade Unions.

10. Recommendations

Members are asked to instruct the Chief Executive to

- (1) Implement the new pay, grading and benefits package.
 - (2) Make additional payments for the period between January and March 2006 to those staff who accepted compensation arrangements in December 2005.
 - (3) Arrange a pro rata backdated payment by December 2006 to staff where their salary has increased from 1 April 2006, and they have accepted the revised pay and conditions of employment.
 - (4) Issue a formal notification of consultation to the Trade Unions.
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October 2006

WORKFORCE PAY & BENEFITS REVIEW

EXTENDED KEY PRINCIPLES OF PAY, GRADING & BENEFITS PACKAGE

Introduction

The overall key principle is to deliver a pay, grading and benefits package which delivers equality, is modern and fair.

In the above context, the design will aim to minimise, wherever possible, the numbers of employees who may be affected by loss of earnings and the extent of this. Where this cannot be avoided, due to overall financial constraints, protection arrangements will apply.

The undernoted principles will apply to all employees with the exception of those staff governed by Teachers conditions.

Job Families/Profiles

13 Job Families established – Leadership Family still under development.

There are a maximum of 10 levels within a family. This will vary per family.

To develop a generic role for each level within a family. These will replace traditional job descriptions. Work will be described more comprehensively and will include accountabilities, skills, qualifications, and competencies. This provides a robust, flexible and modern approach to defining *what* and *how* work is done. 112 Generic role profiles currently established.

Whilst the Leadership Family is still under development, it is likely that Grades 9 & 10 will be utilised with a new Grade 11 being established. Role profiles will be designed, established and measured using an extension to the GLPC Scheme. Consideration is currently being given to establishing higher performance and responsibility zones – possibly within Grades 8-11. Specific criteria will be developed to regulate progression into, and use of these zones.

Pay & Grading Structure (Core Pay)

Salary values are derived from the SJC Spinal Column of Hourly Rates, expressed as an annual salary based on a 35 hours calculator. 10 pay bands/grades have been established with 39 pay points. There would be no automatic movement between pay bands/grades.

Within the lower salary pay bands there will be limited scope for progression. This would include an entry point and progression to a proven pay point, probably after one year. In the higher salary pay bands/grades, this principle has been extended to include a maximum of four interim points over and above the entry and proven points.

Progression through the points within the band/grade will not be automatic and will be dependant on evidence derived from the role profile of satisfactory attainment of the skills, qualifications and competencies required however, progression, although not automatic, would ordinarily be expected and supported.

As these arrangements are applied to current employees, placement on the pay bands/grades will be determined by the assimilation and protection rules appended.

New Appointments to Grade

Heads of Service will have discretion to appoint to any point on the new grade.

In due course, guidance will be issued to Heads of Service regarding the relevant considerations e.g. experience, current level of earning.

The current promotion and re-grading arrangements will cease.

Progression through the grade will be effective on 1st April each year.

Acceleration Through The Grade

Heads of Service have the discretion to accelerate employees within the grade on the grounds of competency.

Calculation of a days pay – no change

(The Pay & Grading Structure is appended)

Non-Core Pay

In addition to the Core Pay, which is determined by placement and progression within the 10 bands/grades described above, it is proposed that, where applicable, the following additional pay elements will operate: i.e. Non Core Pay

Non Standard Working Patterns/Hours

The matrix allocates points for any combination of Non-Standard Working Patterns/Hours. These points are aggregated and an annual payment made in addition to the Core Pay.

Payment would then be made in accordance with pay frequency.

This payment will be pensionable.

Working Context & Demands

The matrix allocates points for any combination of working context/demands e.g. physical demand, working outdoors/unpleasant conditions; hazardous environment. These points would be aggregated and an annual payment made in addition to the Core Pay.

Payment would be made in accordance with pay frequency.

This payment will be pensionable.

Recruitment & Retention Payments

The proposal would be to have two distinct payments i.e. one short term and one long term.

In order to be eligible for a longer term payment, some independent validation and benchmarking would be required before the payment is authorised. This process would also inform the level of payment.

A principal is that any long term payment would be reviewed at least annually.

The above will require the development of a Council framework for local implementation.

It is envisaged that this type of payment would not be widely used and would be by exception and where the need was clearly demonstrated.

Payments would be made in accordance with pay frequency, unless it was a short term payment which could be a lump sum.

Any long term payment would be pensionable.

Non-Core Pay – Sickness Allowance

Sickness allowance will be based on the calculation of a days salary/pay which will include any applicable non-core payment.

Other Pay Related Matters

The above Core Pay and Non-Core payments i.e. Non-Standard Working Patterns/Hours, Working Context & Demands, Recruitment & Retention Payments will replace every other contractual pay element currently received, including productivity bonus, spot bonus payments, various allowances and enhancements.

There will also only be two overtime premia available based on a 35 hour calculator, i.e. time and a half for contractual hours worked outwith those taken account of within the Non-Standard Working Pattern/Hours matrix and double time for designated public holidays (no time off in lieu). Additional hours which are non-contractual will be paid at plain time. The pay/salary calculator will be the pay point of the grade which the employee is on. Any WCD non-core payment applicable, should also be included for calculation purposes.

Rest Day & Free Day

Shift workers required to work on non working days (rest or free day) will be paid @ x 1½.

Overtime (Employees in profiles in Grade 8 or above)

Employees who are in Grades 8 and above will not ordinarily receive overtime payments unless the Head of Service considers the circumstances to be exceptional. Where overtime is paid, the entry point of Grade 7 will be used.

Responsibility Payments

Where the Head of Service requires/authorises the need for an employee to undertake the responsibilities of a profile in a higher grade, then the pay points within that higher grade should be utilised. Assuming full ability and competency to undertake the role profile - the proven point should be utilised.

If the responsibility is limited, partial or shared, then the Head of Service has the discretion to utilise the other pay points within the grade. This should not be exercised for short periods of less than 1 month. Heads of Service should not authorise payments for periods of longer than 1 year.

If an employee is sick during the period of responsibility, then the sickness allowance will be paid using the individuals substantive pay.

Political Restrictions

As is substitute SCP44 for Grade 8 and above.

Annual Leave

Current annual leave, flexible working hours and public holiday arrangements remain unchanged. Overtime worked on a public holiday will be paid at double time.

The offer made in April 2005 to former SRC APT&C employees who held an applicable SRC Statement of Particulars issued prior to March 1997 – will be applied as amended.

In order to address any and all other legacy issues in respect of annual leave, all employees will receive an additional 3 days annual leave for leave year 1 January 2007 to 31 December 2007.

This will be implemented conditional on acceptance that this concludes all outstanding issues and that engagement will take place with the Trade Unions during 2007 to have revised arrangements in place by January 2008.

Car & Motor Cycle Allowance

In order to allow more detailed consideration and negotiation on this matter, it is proposed that the current arrangements are maintained subject to an inflationary increase of 19% in all rates. This is conditional on a modernised arrangement being introduced by April 2008.

Pay Frequency

Current frequencies will remain in place.

Additional Information

Additional information/detail in respect of the above can be obtained from Corporate HR or from the intranet site.

KEY TO JOB FAMILIES

BS	Business Support
CA	Clerical Admin
CAT	Catering
CFUS	Community Facility User Support
CRM	Construction Repairs & Maintenance
CSE	Community Standards & Enforcement
IPI	Infrastructure Planning
PCS	People Care & Support
PES	Physical & Environmental Services
SEC	Security
SRLP	Social Renewal Learning & People Development
TS	Technical Services
VEH	Vehicle

Pay values as at 1st April 2006 (excluding non-core payments)

		No	BS	CA	CAT	CFUS	CRM	CSE	IPI	PCS	PES	SEC	SRLP	TS	VEH
£67,270.51	P	10	BS7						IPI8				SR9	TS9	
£66,286.62	I4														
£64,338.15	I3														
£61,540.84	I2														
£57,971.86	I1														
£54,615.09	E														
£52,242.19	P	9	BS6			CFUS9	CRM 7	CSE 7	IPI7	PCS8			SR8	TS8	
£50,679.56	I3														
£48,480.29	I2														
£46,358.20	I1														
£43,695.93	E														
£41,786.04	P	8	BS5	CA7	CAT6	CFUS8	CRM6	CSE 6	IPI6	PCS7	PES7	SEC6	SR7	TS7	
£40,551.36	I3														
£38,776.52	I2														
£37,098.13	I1														
£34,937.45	E														
£33,394.11	P	7	BS4	CA6	CAT5	CFUS7	CRM5	CSE 5A 5B 5C	IPI5	PCS6	PES6	SEC5	SR6	TS6	
£31,947.22	I2														
£30,114.50	I1														
£28,378.24	E														
£27,104.98	P	6	BS 3A 3B	CA5	CAT4B	CFUS6	CRM 4A 4B	CSE 4A 4B	IPI4	PCS5	PES5A		SR5	TS5	
£25,966.76	I2														
£24,423.42	I1														
£23,015.15	E														
£22,031.24	P	5	BS 2B 2C	CA 4A 4B	CAT4A	CFUS 5A 5B	CRM 3C		IPI3	PCS4	PES 5B 4A	SEC4	SR4	TS4	VEH 5
£21,085.94	I2														
£19,851.26	I1														
£18,693.75	E														
£17,883.50	P	4	BS 2A	CA3	CAT3	CFUS4	CRM 3A 3B	CSE 3B 2	IPI2	PCS3	PES 4B 3A		SR3	TS3	VEH4
£17,111.83	I														
£16,359.45	E														
£15,645.65	P	3	BS1	CA2	CAT2B	CFUS3	CRM 2	CSE 3A 1	IPI1	PCS2	PES3B	SEC 3 2	SR2	TS2	VEH3
£14,970.44	I														
£14,295.22	E														
£13,890.10	P	2			CAT2A	CFUS2					PES2		SR1	TS1	VEH 2 1
£13,272.76	I														
£12,694.00	E														
£12,327.46	P	1		CA1	CAT1	CFUS1	CRM1			PCS1	PES1	SEC1			
£11,266.41	E														