

PAY AND GRADING REVIEW – PROGRESS REPORT AND PRESENTATION

EXECUTIVE MEMBER: Councillor Norman Williams
LEAD OFFICER: Len Gleed, Human Resources Manager
REPORT AUTHOR: Len Gleed, Human Resources Manager

Summary and Recommendation: This report up-dates the Panel on the Council's progress in relation to the Council's on-going Pay and Grading Review, and outline proposals for the opening of negotiations with the Trades Unions.

1. INTRODUCTION

- 1.1 The Executive decided on 14 March 2006 that up-date reports on progress with activities covered by the national Pay and Workforce Strategy should be presented to the Personnel Panel.
- 1.2 Work in relation to the Strategy has so far been entirely focussed on the Pay and Grading Review aspect, and the Panel was most recently updated on progress by a presentation at its meeting on 1 May 2008.

2. CURRENT POSITION

- 2.1 Over the last two months, further intensive work has been undertaken to develop a preferred model for a revised Council pay and grading structure which meets the main criteria for the project, namely that it:
 - reflects the results of the Job Evaluation exercise by ranking jobs according to the "value" assigned to them by the factors which are the basis of the NJC Job Evaluation Scheme
 - will withstand an Equality Impact Assessment
 - uses the salaries set out in the National Pay Spine
 - will enable the Council to recruit and retain the quality of employees it needs
 - is affordable within the budget provisions already made, including the potential cost of successful appeals, market factor supplements, protection and back pay

- 2.2 Over the last 5 months, more than 100 different pay models have been developed, each with its own advantages and disadvantages.
- 2.3 Consultation has been carried out in relation to progress with pay modelling with the Executive and the People Strategy Group (chaired by the Chief Executive and attended by Cllr Williams), as well as the Corporate Team.

3. NEGOTIATION PROCESS

- 3.1 The Implementation Agreement for the 2004 National 3-year pay award included provisions to the effect that negotiations on local pay reviews should include:
- A new pay and grading structure
 - Details of the approach to be taken to determine the relative sizes of the jobs included
 - Proposals for protection
 - Proposals for premium rates
 - Proposals for progression
 - Proposals for back pay
 - Proposals for appeal against assimilation proposals
 - An Equality Impact Assessment of proposed changes to grading and pay and other conditions.
 - An Equal Pay Audit where local pay reviews have been completed without such an audit.
 - Proposals for bonus and other performance payments
 - Proposals for any cost savings or productivity improvements required to offset the cost of implementation
 - A timetable for implementation by 31 March 2007
 - Resources necessary for the pay review and their estimated cost.
- 3.2 The agreement went on to state that proposals must make clear how they are designed to take account of service improvement and promote better work-life balance for employees.
- 3.3 The Pay and Grading Review joint Steering Group has recently agreed to the formation of a Single Table Negotiating Group to progress the negotiation of the new pay and grading structure. The draft constitution and terms of reference for this body are attached as Appendix A.

4. INITIAL PROPOSALS

- 4.1 The Panel will be consulted at this meeting by way of a Part II presentation on the current thinking in respect of the pay structure model to be tabled as the starting point for the negotiations.

5. CONCLUSION

- 5.1 The Panel is invited to approve the proposals for the pay model to be used as the basis for commencement of the negotiations to arrive at a new pay and grading structure for the Council.

6. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 6.1 Already agreed budgetary provisions, combined with earmarked reserves, are being used to support the pay and grading review project.

7. IMPACT ON CORPORATE PLAN

- 7.1 The effective strategic management of human resources is clearly critical to the successful delivery of the Corporate Plan, given the people-intensive nature of the organisation.

List of Appendices

Appendix A: Draft Constitution & Terms of Reference for Single Table Negotiating Group

List of Background Documents: Circular NJC 404 Annex 4 Implementation Agreement

List of Consultees: Corporate Team, Cllr N Williams