

Council – 11 July 2011

Implementation of Pay and Grading

1. Summary of Report

The 1997 national Single Status agreement required all local authorities to implement a single pay structure for its employees covered by that agreement. To achieve this, officers have evaluated all unique posts against the nationally agreed job evaluation structure. A nationally recognised pay modelling package, called Link Pay modeller has been used to build a proposed pay structure. It is this pay structure that gives a financial value to the job evaluation score. In addition to this work, some pay related allowances have been reviewed with a view to simplifying the Council's pay structure. All these proposals have been the subject of extensive negotiations with trade union colleagues. However, a collective agreement has not been possible and the report recommends imposing the revised pay structure.

The implementation of a revised pay structure is linked to protecting the Council against successful future equal pay claims.

2. Recommendations

- 2.1** That Council agree the revised pay structure and conditions of service set out in this report and its attachments for implementation.
- 2.2** That Council delegate authority to the Chief Executive to implement pay and grading as explained in section 7 of this report.

3. Background Information

3.1 Single Status Agreement

The 1997 Single Status Agreement requires all local authorities to implement a single pay structure for all employees covered by that agreement. In short, this is all staff except teachers, youth workers, craft workers and chief officers. These staff are employed on separate terms and conditions. Schools support staff are also included for Community and Voluntary Controlled schools.

A key principle of the single status agreement is equality. By objectively evaluating jobs and creating a pay structure based on this objective measurement, any pay inequality that existed in a previous structure will be removed. This is measured by the gender pay gap.

Since late 2008 the Council and joint trade unions have worked constructively to seek to achieve an agreed resolution. This joint work has covered:

- Joint job evaluation panels for all jobs
- Joint job evaluation quality checks for all jobs
- Joint communications and staff briefings
- Negotiations on revised pay structure and allowance proposals.

3.2 Job Evaluation Process

The Council has followed the nationally agreed NJC job evaluation process and used the nationally agreed job evaluation forms. The NJC job evaluation scheme has 13 factors to measure job tasks and responsibilities against. Post holders were asked to complete a job description questionnaire which collates relevant information to enable a post to be scored against the job evaluation factors. The outcome of a job evaluation is an objective job evaluation score. This score ranks the responsibility and scope of the job in the hierarchy of jobs. It does not score the competence of the person filling the job role. All quality checks of job evaluation scores were also managed as per the nationally agreed process.

There is an agreed appeal process for reviewing job evaluation scores.

The job evaluation process has been audited by internal audit and classed as “significant assurance”

3.3 Pay Modelling

Pay modelling is the process of assigning a salary value to the job evaluation score. The Council, like other Councils used specialist pay modelling software. The Council's pay structure has evolved over many years, as a result, there is inconsistency in grades across different services. The distribution and evaluation of job evaluation scores shows that some posts that have a broad span of control and high responsibility are not paid the commensurate salary level and that other jobs, with narrow spans of control and low responsibility are being paid above what would be a reasonable salary.

The pay modelling process seeks to remedy these anomalies so that all jobs with a similar job evaluation score and therefore similar job span and responsibility level receive the same level of pay. This process creates an outcome where some staff will be in posts that will be downgraded. The pay modeller refers to these posts as “red circles”. (Posts that see no change in grade are referred to as “white circles” and posts which see an increase in grade are referred to as “green circles”) It is stressed that the downgrading of the post in no way reflects on the competence of the officer occupying the post. Once a post has been evaluated and is required to be downgraded, if it is not then downgraded, this creates an environment of inequality and leaves the Council open to equal pay claims.

4. Negotiations

The management side objectives were to create a pay structure with the following characteristics:

- Fair affordable pay structure
- Reduction in gender pay gap
- Flexibility to develop pay systems to support future service delivery
- Simplified conditions of service
- Minimise legal challenge

Joint negotiating and consultation (JNCC) meetings were held regularly with the joint trade unions. The law requires that where an employer may dismiss employees and offer re-engagement (where collective agreement to introduce the changes cannot be reached) for a formal statutory consultation period, a section 188 letter is required to be issued. This was issued on 6th September 2010 and formally set out the statutory minimum consultation period of 90 days. So in other words, the Council has consulted significantly longer than the minimum period as it sought to persuade the Unions to accept the required changes. Negotiations with trade union colleagues have been constructive, however, it has not been possible to reach a collective agreement. The proposal set out below represents the Council's best negotiated position.

5 Proposal

This section of the report explains the proposal on which negotiations have taken place and which Council is being recommended to approve. The detail of these proposals are set out in Appendix 1 of this report.

5.1 Pay Structure

Under the current pay structure, Principal Officer (PO) grades are simply 4 incremental points. The existing pay structure allows for over 200 different combination of grades. The proposed structure has only 16 grades of 4 or 5 incremental points. All NJC staff up to, but excluding Assistant Director level will be paid according to this pay structure.

5.1.2 Proposed Pay Structure

	LABEL	GRADELINE	SCP Min	Min Salary	SCP max	Max Salary
NJC JE Score	G1	291	5	12312	9	13589
	G2	315	8	13189	13	15444
	G3	343	12	15039	17	16830
	G4	386	16	16440	21	19126
	G5	421	20	18453	25	21519
	G6	462	24	20858	29	24646
	G7	494	28	23708	33	27849
	G8	532	32	27052	37	30851
	G9	572	36	30011	41	34549
	G10	606	40	33661	45	38042
	G11	645	44	37206	49	41616

	G12	675	48	40741	53	45587
	G13	738	52	44515	56	48828
HAY JE Score	G14	687	61	54415	64	60212
	G15	787	63	57344	67	68937
	G16	-----	66	66067	68	71803

19.2% of staff will see their basic pay reduced as a result of this pay structure. 30.4% of staff will see their basic pay increase and 50.36% of staff will see no impact on their pay at the point of implementation. Support that will be given to staff that lose salary is detailed in paragraph 5.1.3.

The types of post that have mainly seen decreases in basic pay are transactional, administrative, some middle managerial, specialist professional and higher level schools support staff. This trend is common across authorities that have implemented single status.

5.1.3 Pay Protection

The package proposes that those staff who are in red circle posts and will therefore see a reduction in salary will be given 12 months pay protection to adjust to the lower grade. This is the same duration of pay protection that exists within the Council for staff subject to redeployment. In addition, staff will be given support to apply for higher graded jobs.

5.2 Conditions of Service

The negotiations also covered a range of conditions of service which were broadly related to enhancements to pay for work outside of “normal office hours”. These are summarised below. Full detail of the changes are set out in Appendix 1 of this report

As the pay structure has evolved, seventeen different allowances have developed to recompense staff for different activities and different working times. All tasks that had an additional allowance that are part of the core job will be stopped as part of this proposal as this would be reflected in the job evaluation score and therefore their basic salary. Payment of additional allowances or bonuses without objective justification could lead to equal pay claims and this proposal seeks to stop those payments.

The proposal simplifies payment for work in unsocial hours. Five different shift allowance rates, rates for night work and for weekend work are proposed to be replaced by one standard payment which will only change if the working hours change such that the percentage of working time spent in the “unsocial window” changes.

As part of the negotiations, the Council has redefined what is classed as unsocial hours working to work between 22.00 hours and 06.00 hours and all 24 hours on a Sunday.

The enhancement rates will be:

Percentage of standard 37 hour working week worked in unsocial hours window	Enhancement to basic pay
41%+	15%
21% - 40%	10%
1 -20%	5%

Overtime will only be payable at time plus half for hours worked over 37 and only payable to staff on or below grade 6.

6 Schools

The revised pay structure will also apply to Community Schools and Voluntary controlled schools as the Council remains the statutory employer. There have been regular meetings with Headteacher forums to advise of progress on pay and grading implementation. In Foundation and Voluntary Aided schools, the Governing Body is the statutory employer so they will not be legally obliged to implement the revised changes.

7. Implementation

7.1 Process of Implementation

Implementation of pay and grading can be by one of three ways. Firstly, via a collective agreement with trade unions, secondly via a process known as dismissal and reengagement which imposes the change, or thirdly by creating a two tier workforce.

A collective agreement is joint agreement between the Council and the signature unions following a ballot of their members. This would be the ideal method of implementation, however, given the nature of single status, very few Authorities have achieved this.

At the time of writing, it has not been possible to reach a collective agreement and if that remains the case, it is recommended that the revised structure is implemented by dismissal and reengagement. Officers can continue to negotiate with trade unions with a view to reaching a collective agreement ahead of the proposed implementation date. If an agreement is subsequently reached, the dismissal and reengagement process can be halted with no detriment to staff.

The third option is to create a two tier workforce of those that accept the new changes and those that do not. It is not practical nor desirable to run a two tier workforce, especially where those staff who have agreed changes may be “worse off” than colleagues who have not helped the Council move forward by agreeing the changes. Neither does this option give protection to the Council against successful equal pay claims. This option is not recommended.

The Council has held meaningful negotiations with the joint trade unions since early 2010 with a view to reaching agreement regarding the implementation of pay and grading. Unfortunately, we have not yet been able to reach a position that the joint trade unions can recommend to their members to accept. The Council therefore needs to decide if it wishes to implement the offer set out in this report and its attachments.

This process to implement is known as dismissal and reengagement. This requires that all staff are sent an initial letter asking them to accept the revised contractual terms. For those that do not accept the offer, a further letter will be sent giving notice of dismissal and in the same letter they are offered a new contract on the new terms and conditions. If this offer is not accepted, the employee is then dismissed from the date of implementation. The Council has been consulting with the joint trade unions with a view to avoiding any dismissals (that is by reaching agreement with the unions). There is a statutory minimum timescale for collective consultation of 90 days before the first dismissal takes effect. Given that the Council started the consultation process in September 2010, the Council has done more consultation than is strictly required.

If this process is followed, a notice period of 12 weeks is required to be given to staff. Further safeguards (so that employees have a clear choice to accept the new terms) will be built into the process to reduce the likelihood of successful unfair dismissal claims against the Council. This would mean that the implementation date for pay and grading will be 1st November 2011.

The proposal outlined in this report and in the attached appendix 1, represents the Council's best affordable position.

7.2 Communications during implementation

The pay and grading team have set up a range of communication channels to ensure that staff can access clear factual information about the proposed pay structure to inform their decision making. Managers and Headteacher briefings have been arranged. Staff briefings will begin week beginning 18th July. In addition there will be a dedicated pay and grading helpline that staff or managers can phone for information. There will be specialist events to advise on job evaluation appeals process and to give dedicated support to staff who will lose pay. This will be in addition to the existing communication channels.

8 Resource Considerations

8.1 Financial

The cost to the council of the new pay structure on implementation is £104.708 million per annum, compared to the cost of the current pay structure of £104.268 million, a modest increase of 0.42%. Including schools, this reduces to 0.20%,

Staff progress through incremental points within their grades (in both the current structure and in the proposed structure). This means that paybill costs gradually increase over time. At the end of six years, by which time the new structure will be settled, the total additional cost will be £45.603 million. But even if the current structure were retained the cost of this incremental progression would be approximately £25.5 million. Therefore the net cumulative cost of the proposed pay structure is £20.103m.

However these estimates assume no staff turnover. In reality there will be staff who leave the council at the top of their grades and others who join at the bottom of theirs, thereby reducing these costs.

Additionally one-off transitional pay costs for 12 months (protection) amount to £3.851 million for the council and £1.068 million for schools.

The council's costs are included within the 2011/12 budget and ongoing incremental costs are included within the medium term financial plan. Budget realignments will be undertaken between services to ensure services have the correct budgets to match the cost on implementation.

Schools have been advised of the cost to them of the new pay and grading structure and protection costs

8.2 Legal

The Council is obliged to implement single status. Not to do so, broadly, increases the risk of successful equal pay claims. Implementing single status protects the Council against the risk of future equal pay claims. The Council has tried to introduce single status by agreement with the unions. It has consulted a great deal (more than the minimum) and negotiated with the unions on introducing single status.

8.3 Staffing

The process of dismissal and reengagement is administratively burdensome and will require temporary additional capacity within the pay and grading team to manage the process.

9. Performance and Risk Management

9.1 Risk

There is a risk of imposing pay and grading through a dismissal and reengagement process that some staff choose not to accept the revised offers of employment. These staff will be dismissed and those with one or more years service could claim unfair dismissal. This risk is, in reality, confined to those staff who "lose" in the new structure, are unhappy with any pay protection and who cannot obtain work elsewhere. The risk is reduced by the procedure followed before dismissal. Depending on numbers this could impact on service delivery. However, anecdotal evidence from other local authorities that have implemented through this process is that take up of the offer is 90% - 100%.

As pay protection is being included in the package, there is a risk that staff claim equal pay with those getting pay protection. All pay protection carries an element of risk but pay protection is aimed at cushioning the blow for staff who lose out in the new structure and it would be unaffordable to give pay protection more widely.

The Council has to balance legal risks and consider the effect of large reductions in pay for staff. Also, the Council's pay protection is limited to 12 months after implementation, which is less than many of those arrangements which have been challenged and means that the risk is contained to that 12 months.

If there is any delay in implementing pay and grading there is a risk that legal agreements, which have settled the current equal pay claims, could expire. The agreements only provide the Council with protection until 31st December 2011. Liability for the settled equal pay claims could start again on 1st January 2012.

9.2 Performance Management

Whilst the process of implementing pay and grading has no direct impact on performance management, it may cause some upset to staff which may impact on the quality of service delivery and therefore performance levels.

10. Equality Implications

A full independent equality report was conducted on the pay proposal by Andrew Worth, Senior Reward Consultant, NorthgateArinso Reward Solutions. A copy of his full report is available in the Members' rooms. The management summary of his report is attached as appendix 2 to this report. His full report concludes:

- *The proposed pay structure improves the gender pay gap on a grade by grade basis and narrows the overall pay gap when comparing total contractual pay. As employees progress through the structure with annual increments the gap will narrow even further on a grade by grade basis.*
- *The application of the JE process and design of the grading structure is acceptable and demonstrates a robust approach to the development and implementation of the new structure*
- *The grading structure and development of a pay model was a joint exercise with the trade unions with understanding of the organisational hierarchies and placement of grade lines.*
- *The proposed changes to terms and conditions bring a more consistent and simplified approach to any enhancements to pay this should lead to a more fair and equitable system.*

The current pay structure has led to a number of equal pay claims being submitted, citing the pay structure and its associated allowances as discriminatory. Whilst those claims are not the subject of this report, a key objective of the negotiations was to create a pay structure which did not create an environment for equal pay claims to be made. The independent equality report, plus the trade unions own equality assessments of the proposals, support that the proposals are not discriminatory.

11. Consultation

Trade union consultation has been extensive throughout the life of the pay and grading project.

Council delegated on 22nd February 2010, the power to enter into negotiations with the unions and employee representatives to the Chief Executive in consultation with the Leader and Portfolio holder for Finance and Personnel. The Leader and Portfolio Holder for Finance and Personnel have been regularly consulted on the direction of the consultations. A series of workshops with the corporate management team (CMT) were also held. A programme board, chaired by the Executive Director for Neighbourhood services and with senior management representatives of all Directorates led the programme.

A handwritten signature in black ink, appearing to read 'Jamie Morris', with a stylized flourish at the end.

Jamie Morris
Executive Director

11th July 2011

Appendix 1

Proposed Pay Structure Regarding Pay and Grading and other matters

1 Introduction

This document sets out the basis on which such single status and pay and grading procedures are to be implemented by the Council.

This Document consists of the following sections:

- Scope: Defines the groups of staff covered by the document (paragraph 2)
- Pay Structure: Sets out the Pay Structure as at the date of this Document (“Pay Structure”) (paragraph 3)
- Pay Protection: Sets out the pay protection for the implementation of the Pay Structure. (paragraph 4)
- Section 1 Template Core Contract
- Section 2 Appeals
- Section 3 Assimilation to the pay structure
- Section 4 Pay Progression
- Section 5 Allowances
- Section 6 Annual Leave entitlement
- Section 7 Miscellaneous
- Section 8 Future Issues

In this Document, the “Implementation Date” means 1st November 2011 or such other later date as the Council decides.

2 Scope

1. The terms of this Document apply to all employees of the Council covered by the National Joint Council for local government services national document on pay and conditions of service (NJC).
2. This Document applies to all staff subject to the terms and conditions of the NJC employed by the Council and those in schools maintained or voluntarily controlled by the Council provided that the governing body of the relevant school has provided such approval to

Appendix 1

the Council. The Council enters into this Document on behalf of the schools concerned.

3. The Council recommend adoption of this Document in respect of staff subject to NJC but employed in voluntary aided or foundation schools, but the parties recognise that, ultimately, terms and conditions of such staff are a matter for the employing body. Where the employing body of such staff adopts this Document it shall have effect on the same basis as referred to in the paragraph immediate above.
4. For the avoidance of doubt any employees of groups or employees not referred to above are outside the scope of this Document.
5. The provisions of paragraphs 4,5,6, Appendix 1,2,3,4,5,6, and 7 of this Document are from the Implementation Date incorporated into the contracts of employment of the in scope employees and shall be binding on the employees and the Council accordingly. All of the contents of this Document supersede all previous documents or arrangements (whether express or implied, written or oral) in respect of the subject matter. The provisions of this Document shall continue to apply unless and until varied by agreement between the Council and Unison, GMB and Unite the Union referred to as the Unions or, in respect of any specific employee, the termination of their employment with the Council.
6. The Council will be entitled to adopt the core contract attached at Appendix 1, in relation to employees of the Council as at the Implementation Date and/or employees whose employment commences from or after the Implementation Date. The contract may be amended by the Council to reflect individual or group circumstances or any changes in law or best practice from time to time.

4 Pay Structure

Subject to paragraph 2.6, the Pay Structure, and associated provisions shall continue to apply unless and until varied by document between the Council and the Unions or, in respect of any specific employees, the termination of his/her employment with the Council.

Appendix 1

The points range for each grade and the range of increments that apply to each grade is shown in the table below. The grade line shows the highest Job Evaluation score in that grade. Subject to any statutory or governance obligations/considerations from time to time, the classification of posts which are politically restricted shall not be affected by this Document.

The pay scale used for the incremental range is the nationally agreed scale which ranges from spinal column point ("SCP/scp") 4 to scp 49. The remaining scps are locally agreed.

	LABEL	GRADELINE	SCP Min	Salary	SCP max	Salary
NJC JE Score	G1	291	5	12312	9	13589
	G2	315	8	13189	13	15444
	G3	343	12	15039	17	16830
	G4	386	16	16440	21	19126
	G5	421	20	18453	25	21519
	G6	462	24	20858	29	24646
	G7	494	28	23708	33	27849
	G8	532	32	27052	37	30851
	G9	572	36	30011	41	34549
	G10	606	40	33661	45	38042
	G11	645	44	37206	49	41616
	G12	675	48	40741	53	45587
	G13	738	52	44515	56	48828
HAY JE Score	G14	687	61	54415	64	60212
	G15	787	63	57344	67	68937
	G16	-----	66	66067	68	71803

Appendix 1

Progression through the grade is through April increments until such time the post holder is at the top of the grade or competency based progression scheme is agreed. (See Appendix 4)

5 Pay Protection

The Council recognises that the implementation of single status will, for some staff, mean a decrease in their take home pay. The Council wishes to provide a reasonable minimum time for staff to make adjustments to their expenditure to match their new income whilst balancing affordability and equality issues.

1. The Council will protect 100% of salary package (excluding any bonus and PRP) for all staff who lose salary on the Implementation Date for 12 months, subject always to the staff concerned continuing to suffer actual net loss for the duration of the pay protection.
2. The Council will, in its discretion, protect the salary package to include (where changes are made and there is a detrimental impact on take home pay) contractual shift allowances and night work allowances.
3. The Council will pay the above pay protection to relevant staff for a maximum of 12 months from the Implementation Date.

Appendix 1

Section 1 – Template core contract

Employment Rights Act 1996

Statement of Particulars

STANDARD [NB: Need to make specific changes for certain groups eg Temporary, Fixed Term etc]

Name					
Date of commencement of employment with this Council					
Date of commencement of employment in this post					
Date of commencement of continuous Local Government Service					
Date of birth		Date on which particulars given			
Criminal Disclosure Check	Yes	No	Enhanced	Standard	

1 Terms and Conditions of Employment

Your employment with this Council will be in accordance with the National Joint Council for Local Government Services, National Document on Pay and Conditions of Service (the Green Book, under local negotiation) and other collective documents including the Pay and Grading Document negotiated within Walsall Metropolitan Borough Council from time to time. The detail of the agreements provide flexibility for local determination of terms and conditions of employment. Any new agreements will be notified to you accordingly. The terms of this Statement will be effective from 1 November 2011 or any later date which the Council may direct the Council and recognised unions may agree as the date for implementation of single status ("Implementation Date"). To the

Appendix 1

extent that any provision of this Statement conflicts with the provisions of Pay and Grading Document, the latter shall prevail

2 Recognition of Continuous Service

For the purposes of entitlements regarding Annual Leave, the Occupational Sickness Scheme and the Occupational Maternity Scheme continuous service will include continuous previous service with any public authority to which the Redundancy Payments Modification Order (Local Government) 1983 (as amended from time to time) applies.

3 Employment Status

Your appointment is to the post of Post No

Your place of work will initially be XXXX, but you may be required to work at any establishment, anywhere in the Borough.

4 Hours of Work

Your normal working week is one of XX hours, according to the needs of the service. There may be occasions when you are required to work outside your normal working week, for which paid overtime or time off in lieu may be due.

The Council operates both set and flexible working arrangements which are determined by individual service areas. Your particular working arrangements will be detailed in your letter of appointment.

5 Pay

You are appointed on spinal column point XX of the National Pay Spine within the grade XX to. Your current corresponding rate of pay is £ per annum, which, for information only, equates to £XX per hour. You will be paid monthly by bank credit transfer.

Employees appointed to posts graded in accordance with former APT&C scales shall be entitled to progress to the maximum of their pay scale in accordance with the previous arrangements for incremental progression until such time that these arrangements are superseded by local agreement.

Employees who will lose salary on the Implementation Date may be eligible for pay protection up to 12 months from the single status implementation date. Pay protection will be awarded according to the terms of the Pay and Grading Document.

Appendix 1

(Drafting Note: to be deleted for new staff employed with effect from Implementation Date).

Any additional payments to which you are entitled will be calculated according to the National Document on Pay and Conditions of Service and/or any local documents including the Pay and Grading Document. Your particular working arrangements and any additional payments to which you are entitled or other special conditions will be detailed in your letter of appointment. Employees who receive contractual payments for working arrangements other than normal working hours will be entitled to such payments being included for the purpose of calculating normal pay for all paid leave.

6 Probation [delete as appropriate]

Either:

Your appointment will be subject to satisfactory completion of a period of probationary service of 26 weeks or such longer period as the Council may notify you. During your probationary period, you will be expected to demonstrate your suitability for the post. You should ensure you have been issued with a copy of the employee guidelines on probation which may be found on the HRD intranet pages.

Or:

Prior to the implementation of single status, you had satisfactorily completed part of your probation period of 26 weeks or such longer period as the Council may notify you. Your appointment to your role following the implementation of single status will be subject to satisfactory completion of a further probation period. In total your probationary period will last for 26 weeks from commencement of employment or such longer period as the Council may notify. During your probationary period, you will be expected to demonstrate your suitability for the post. You should ensure you have been issued with a copy of the employee guidelines on probation which may be found on the [HRD intranet pages]

Or:

Probation does not apply, since you have already completed a satisfactory probationary period in another post with this Council, with another local authority or an organisation covered by the redundancy modification order and your service is unbroken, i.e. continuous service.

7 Leave

The Council operates a variable annual leave year (unless you are notified of alternative

Appendix 1

arrangements operating in your service area) based on your date of commencement with this authority.

An employee's personal leave year commences on the anniversary of their appointment with the Council.

Those employees leaving employment during their leave year are entitled to leave proportionate to the number of completed months during the year. Annual leave not taken during the leave year may not be carried forward into the next leave year except in special circumstances and at the discretion of the appropriate Manager. Employees leaving the Council's employment should endeavour to take any outstanding entitlement prior to leaving but may be paid for any untaken leave. Similarly, any leave taken in excess of entitlement will be deducted from final salary.

Leave will be approved in accordance with the needs of the service but will not be unreasonably refused.

Leave entitlement varies according to salary scale and length of continuous service as set out below.

With effect from Implementation Date– 31st March 2012, annual leave entitlement for staff will be as follows

Grade	Holidays	5 years continuous local government service
Grade 1 - 4	21 + pro rata bank holiday Tuesdays	+5
Grade 5 - 6	22+ pro rata bank holiday Tuesdays	+5
Grade 7 - 9	24+ pro rata bank holiday Tuesdays	+5
Grade 10 +	25+ pro rata bank holiday Tuesdays	+5

Appendix 1

With effect from 1st April 2012 annual leave entitlement for staff will be as follows

SCP/Grade	Holidays	5 years continuous local government service
Grade 1 - 4	24	29
Grade 5 - 6	25	30
Grade 7 - 9	27	32
Grade 10+	28	33

Part time employees will receive a pro-rata entitlement to these holidays.

8 Bank Holidays

There are normally 9 public/statutory holidays each year to which employees are entitled to as detailed in clause 7. Part time employees will receive a pro-rata entitlement to these holidays. Employees who are required to work Bank Holidays will receive payment in accordance with the Pay and Grading Document. Employees on Maternity leave when the public/statutory holidays fall will be entitled to accrue time off in lieu which must be taken in the same leave year.

9 Sickness

The Council's Sickness Scheme is intended to supplement Statutory Sick Pay and Incapacity Benefit. There are certain notification requirements in relation to the Sickness Scheme which will be provided to you separately. The detail of the Sickness Scheme is set out within the National Document on Pay and Conditions of Service.

10 Pension

You will be automatically entered into the Local Government Pension Scheme unless you formally elect not to join. However, if this contract is for less than 3 months duration or you are aged over 75 you cannot join the scheme.

If you do become a member of The Local Government Pension Scheme the benefits of membership are contained in the scheme booklet and the Council's Policy Document on the discretionary treatment of certain pensionable rights. The Local Government Pension Scheme is a contracted-out scheme. The contracted-out certificate in force is numbered S2700178F. Contracting out means that the Local Government Pension

Appendix 1

Scheme has been approved by the HMRC. It therefore applies in place of the “S2P” Scheme. Information relating to the Scheme is included in the Information for New Employees pack. Further information is available from the Payroll & Pensions Control Team within Employee Services, Human Resources and Development. It is particularly important to read this section if you have previously been in pensionable employment.

11 Membership of Trades Unions

The Council, as your employer, supports the system of collective bargaining and believes in the principle of solving employment relations' issues by discussion and document. For practical purposes, this can only be conducted by representatives of the employer and of the employees. If collective bargaining of this kind is to continue and improve for the benefit of both, it is essential that employees' organisations should be fully representative. The Council is associated with other Local Authorities represented on the National Joint Council dealing with Local Government Services Terms and Conditions of Employment.

It is possible for you to be in membership of a trade union representing you on the appropriate negotiating body, and you are encouraged to do so. You have the right to join trade unions and to take part in their activities, equally you have a right not to. Details of the specified trade unions on the appropriate negotiating body are available for you to refer to at Employee Services or Operational Services within Human Resources & Development.

12 Health, Safety and Welfare

As your employer the Council has a legal obligation to take all reasonable steps to ensure your health, safety and welfare whilst you are at work.

As an employee you also have a duty to take care of yourself and others affected by your activity at work and to co-operate with employer's actions taken to comply with the relevant regulations.

The Council has comprehensive Health, Safety and Welfare Policies which comply with legal requirements and you must familiarise yourself with the policies, rules and regulations which apply to your Service Area and to the Council generally such policies and rules may be amended by the Council from time to time. The policies, rules and regulations are available from [he HRD Intranet]. Breaches of these policies are likely to lead disciplinary proceedings. Breaches of any legal requirements could lead to criminal action against employee and/or the council.

If you are, or become, pregnant you should notify your line manager at the earliest

Appendix 1

opportunity so that the Council may fulfil its legal obligations in respect of pregnant employees.

The Council has a number of 'family friendly' policies such as Voluntary Reduced Time, Carers Leave, Career Break Scheme and Job Share Scheme. If you would like to know more about any of these or any other policies please contact Employee Services or Operational Services within Human Resources & Development.

You should note that the Council operates a 'smoking policy' (as amended by the Council from time to time) which imposes restrictions on smoking at work. You are required to familiarise yourself with this policy and comply with it. Breaches of this policy (and other policies) may lead to disciplinary proceedings.

13 Dual Employment

You are required to notify your Manager if you are undertaking or intend to undertake any additional paid work or any other role which may affect your ability to carry out your duties.

14 Maternity Provisions

The Council's Maternity provisions (as amended by the Council from time to time) are detailed separately and set out the Council's and the employees obligations. These will be provided to you on request.

15 Employee Learning and Development

The Council is committed to providing learning and development opportunities to its employees and the Organisational Learning and Development Policy (as amended by the Council from time to time) supports this principle.

16 Equal Opportunities

The Council is committed to providing equal and fair treatment for all of its employees and customers and the Equal Opportunities Policy (as amended by the Council from time to time) addresses all related issues. Breaches of this policy are likely to lead to disciplinary proceedings. It is therefore important that you familiarise yourself with this document which is available from the HRD Intranet.

17 Code of Conduct

As Council employees we all serve the public, directly or indirectly. We have a

Appendix 1

particular responsibility therefore to give of our best and to remain fair and impartial in all of our actions.

The Code of Conduct (which may be amended by the Council from time to time) applies to all Council employees and gives advice to enable employees to carry out their duties. Breaches of the Code are likely to lead to disciplinary proceedings. It is therefore important that you make yourself familiar with the Code which is available from the HRD Intranet.

18 Discipline and Grievance Procedures

The Council's Discipline and Grievance procedures (which may be amended by the Council from time to time) are detailed in separate documents which will be provided to you upon your appointment.

19 Notice Periods To Terminate Employment

The minimum period of notice to which you are entitled from the Council is

Continuous service

minimum notice

Up to 5 years

4 weeks

5 to 12 yrs

1 week for each year of continuous employment

12 yrs or more

12 weeks notice.

Where your actions amount to gross misconduct or gross negligence or otherwise entitle the Council to terminate your employment summarily, the above notice periods will not apply.

Notice Periods to Resign Your Employment

The minimum period of notice to which you are required to give the Council is

Grade	Notice Period
Grade 1 - 6	4 working weeks
Grade 7 – 9	8 working weeks

Appendix 1

Grade 10 and above	12 working weeks
--------------------	------------------

20 Retirement

If you have been served notification up to and including 30 March 2011 of your retirement date, you will retire on the date as set out in that notification. You will have the right to request to go on working beyond your retirement date and the Council has a duty to consider this request. However, the Council is entitled to refuse this request.

[From 1 October 2011 the law regarding retirement ages will change. The Council will review its position but, in the meantime, you will retire on your 65th birthday subject to your request to work or after that date being accepted by the Council].

21 Memberships and Clearances

If your job requires membership or clearance from a statutory body, it is your responsibility to make sure you renew or register your membership. Accordingly, it is a contractual requirement for you to renew such clearances or reregister with statutory bodies as required by the council and/or the statutory body. You may be subject to disciplinary action should you fail to do so.

1) Criminal Disclosure

Where your post is one that, prior to appointment, required you to undertake a Criminal Disclosure Check at the appropriate level, it is a contractual requirement that you be subject to a recheck every three years (or such other period as legislation or best practice may from time to time require). You will be notified when a recheck falls due. Failure to obtain a renewed Check may result in disciplinary action being taken against you.

You must inform the council in writing, outlining the details and circumstances, if you commit any criminal offence resulting in a caution, reprimand, warning or conviction during your employment. Failure to disclose may result in disciplinary action being taken and your removal from your duties until such time as disciplinary enquiries are completed.

2) Membership of a Registered Body

Where your post requires you to be a member of a registered body, registration is a contractual requirement and failure to register or de-registration may result in the

Appendix 1

council taking disciplinary action against you and/or terminating your employment.

22 Overpayment of Wages

It is an employee's responsibility to check all payments made through their salary to ensure that they have a lawful right to receive the payment. The current Code of Conduct states "if an employee is overpaid with respect to their salary, wages, allowances etc, the employee is obliged to advise their manager and/or the payroll service. In addition, the council has an obligation to recoup any overpayment, following consultation with the employee concerned".

In accordance with the Employment Rights Act 1996, an employer usually has the right to recover overpayments from employees.

You must review your pay slips and you must notify the Council immediately of any potential overpayment or underpayment.

The documents referred to in this Statement of Particulars should be provided to you on appointment, at your induction or they are available from your Manager, Employee Services or Operational Services within Human Resources & Development. Requests for additional information should be made, in the first instance, to your Manager.

Appendix 1

Section 2 - Pay and Grading Appeals process

The Council will follow the principles of the NJC technical guidance note number 9 on job evaluation appeals.

Stage 1 – Informal Appeal/Review

The Job evaluation score can be informally reviewed by the employee, their representative, a manager and if necessary a job analyst. This stage allows for:

- Errors of scoring, blatant evaluation errors or obvious errors of allocation to the wrong job group to be immediately corrected
- Appeals arising from lack of understanding or misunderstanding of the scheme or outcome to be resolved through provision of the required information without resort to a formal appeal.
- Advice to be provided on the scope for appeal which may assist the potential appellant to decide whether it is worthwhile going through the formal appeal procedure

Stage 2 – Formal Appeal

Subject to there being legitimate grounds of appeal, a job evaluation panel consisting of a trained trade union steward (1 officer) and trained management representatives (2 officers) supported by a job analyst, will review and check the factors under appeal. In exceptional cases only, will a full re-evaluation be undertaken

Appendix 1

Section 3

Assimilation into the Pay Structure

The following defines how individual salaries will be treated in moving from the current pay structure to the Pay Structure.

1. All jobs will be assimilated to one of the new grades. The grade of the job will then be the grade on which the job holders salary will be based
2. All assimilations will be based on current FTE salary and then adjusted on a pro rata basis to reflect any part time hours
3. All salaries that are below the Implementation Date allocated grade (green circles) will be assimilated to the minimum of the grade.
4. All salaries that are above the Implementation Date allocated grade (red circles) will be assimilated to the maximum of the grade (Basic)
5. All salaries that are within the Implementation Date allocated grade (white circles) will be assimilated on their existing spinal column point
6. Where jobs are redesigned and are evaluated, the postholder will, subject to the final paragraph in paragraph 4 of the Document] be assimilated on the same basis as points 3 – 5 above.
7. Salaries of employees who currently have their pay protected under other arrangements will be assimilated in to the Implementation Date Pay Structure in accordance with paragraphs 2 -5 (inclusive).
8. Staff in receipt of an honoraria will be assimilated using their basic salary.

Appendix 1

Section 4

Pay Progression

1. New appointments will normally be appointed to the minimum point of the grade. In certain circumstances, appointment to a higher point within the grade may be justified.
2. Progression up the salary range will normally be on an annual basis until the top of the grade is reached. This will remain the case unless a new process such as competency based pay progression is developed and agreed.
3. Increments will normally be awarded from 1st April each year provided the individual has been in post for a minimum of 6 months
4. Management reserves the right to withhold an increment where an employee's performance has been inadequate. Any such withholding will be effected only where the employee has been advised of his/her performance levels in the performance management process.
5. Accelerated increments up to the maximum of the grade can be paid in recognition of exceptional performance in the role subject to the document of the relevant authorised manager
6. For posts that are grouped as a career grade, progression to the next graded role, ie through the bar point, will be subject to the progression assessment required by the particular scheme related to those posts

Appendix 1

Section 5

Allowances

Eligibility for allowances

Officers paid on or below grade 6 of the 2011 pay structure will be entitled to receive any relevant allowance to their basic pay.

Allowances paid will be contractual payments.

Only allowances specified in this document will be paid. The new allowances will begin at the start of the employees working day/shift on the implementation date. For the sake of clarity, the following allowances will no longer be paid.

- A Caretaker's shift allowance 23%
- B Bonus (and PRP)
- C Lead in payment
- D Holiday Planning
- E Container bonus
- F Christmas package (will be replaced for appropriate rates for time worked)

Allowances paid as additional elements will not be paid where the task has been scored in the JDQ. For clarity, these are

1. Key Holding allowance.
2. Lab Technician allowance
3. In Service Training allowance
4. Swimming Pool allowance
5. Vehicle Maintenance Allowance
6. Vehicle Preparation allowance
7. Social Service Competency
8. Clerk to Governors
9. Lettings
10. Lunchtime protection

Appendix 1

11.SEN allowance

Pay Protection will not apply to any of the above allowances, that is, A-F and 1-11 (inclusive).

2 Unsociable Hours Payment

This allowance replaces all existing payments for working shifts, weekend and/or night working.

There will be one Unsocial Hours Payment Scheme and how much an employee will receive will depend on how much of a standard contractual 37 hour working week that the person spends working in the 'unsocial window' of time. (This will mean that some staff in the same job group but working different patterns may receive different unsocial working allowance payments).

The unsocial windows are set out in the table below:

Nights	22.00 hours – 06.00 hours
Sunday	All 24 hours

And enhancement rates are set out in the second table:

Percentage of standard 37hr working week worked in Unsocal Window on average	Band	Enhancement to Basic Pay
41%+	A	15%
21-40%	B	10%
1-20%	C	5%

If the needs of the service change such that the amount of unsociable hours required changes, up or down, then a person's payment banding will be adjusted to reflect the revised amount of hours working in the unsocial window of time.

Appendix 1

3 Overtime

Any hours worked over 37 hours, for staff paid on or below grade 6, will be paid at time + ½ regardless of when these hours are worked.

3.1 Contractual Overtime

Where contractual overtime arrangements currently exist, these will continue but the rate of pay will be as per this Document, ie time + ½

3.2 Bank Holiday working

For staff contractually required to work on a bank holiday, payment will be paid at basic rate (time) + ½ + time off in lieu

For staff who voluntarily work on a bank holiday, payment will be at time + ½

4 Honoraria payments

Subject to Appendices 3 and 7, Honoraria payments are not classed as an allowance for this Document and will continue to be paid where agreed. Subject to Appendices 3 and 7, staff who take on temporary additional duties will receive relevant payment for the additional duties and responsibilities for the duration the duties were covered.

Appendix 1

Section 6

Annual leave entitlement

Annual Leave

With effect from the 1st July 2011 – 31st March 2012, annual leave entitlement for staff will be as follows (pro rata to the employee's leave year within this period)

Grade	Holidays	5 years continuous local government service
Grade 1 - 4	21 + pro rata bank holiday tuesdays	+5
Grade 5 - 6	22+ pro rata bank holiday tuesdays	+5
Grade 7 - 9	24+ pro rata bank holiday tuesdays	+5
Grade 10 +	25+ pro rata bank holiday tuesdays	+5

With effect from 1st April 2012 annual leave entitlement for staff will be as follows

SCP/Grade	Holidays	5 years continuous local government service
Grade 1 - 4	24	29
Grade 5 - 6	25	30
Grade 7 - 9	27	32
Grade 10+	28	33

Appendix 1

For staff with personal leave the above will be pro rata'd

Annual leave calculation for term time only staff will be:

No. of weeks of term (including Inset days if required)/52.143 x full time
equivalent holiday

DRAFT

Appendix 1

Section 7 Miscellaneous provisions

Honoraria

For staff in receipt of an honoraria as part of the grading moratorium this will cease at midnight on the date before the Implementation Date and the new grade for the post will be paid with effect from the Implementation Date.

Acting Up

For staff acting up into a post, the honoraria will be recalculated based on the new grades for the substantive post and the acting up post.

Secondments

For staff on internal secondment, the salary will be adjusted to reflect the new grades of the post to which the employee is seconded. If as a result the postholder on secondment would see a reduction in their salary they will be protected in accordance with any pay protection referred to above.

Redeployment

Staff who are in receipt of pay protection as a result of redeployment in accordance with the Redeployment Procedure as amended from time to time will continue to receive such pay protection for the remainder of the applicable period. Such pay protection will take precedence over any pay protection related to the implementation of single status in this Document. For the avoidance of doubt, where the end of the redeployment protection period is within the 12 months following the Implementation Date the pay protection related to the implementation of single status under this Document shall then be payable for up to the date which is 12 months after the Implementation Date.

Notice periods (of termination of employment)

From the employee to the Council:

Grade	Notice Period
Grade 1 - 6	4 working weeks
Grade 7 – 9	8 working weeks
Grade 10 and above	12 working weeks

Appendix 1

From the Council to the employee (other than in circumstances of gross misconduct or gross negligence or otherwise, in accordance with the contract of employment, where the Council is entitled to give summary notice):

continuous service

minimum notice

Up to 5 years

4 weeks

5 to 12 yrs
employment

1 week for each year of continuous

12 yrs or more

12 weeks notice.

DRAFT

Appendix 1

Section 8 Future issues

Although no relevant changes have been agreed under this Document, the parties acknowledge that Council wishes to negotiate changes at the earliest practicable opportunity to the following:

1. Competency based pay progression
2. Standby schemes
3. Short time and lay off procedures

DRAFT

Report to Council – Implementation of Pay and Grading – Appendix 2

Walsall Metropolitan Borough Council

Gender Equality Impact Assessment

Summary Report

Andrew Worth

Senior Reward Consultant

NorthgateArinso Reward Solutions

January 2011.

Client Confidential

- 1 -

1. Purpose of Summary Report

1.1 The following report is a summary of the detailed Equality Impact Assessment carried out for Walsall Council in January 2011.

2. Executive Summary

- 2.1 The proposed pay structure improves the gender pay gap on a grade by grade basis and contributes to pay equity.
- 2.2 The application of abutted and overlapping grades is acceptable for reducing red circles.
- 2.3 The Councils proposed pay protection of 100% for 6 months and 50% for 6 months could be considered to be a reasonable period over which to move to the new pay structure, however this is always a contentious issue and frequently subject to developments in case law. The decision may warrant further Legal advice in light of Court of Appeal decisions.

3. Job Evaluation

- 3.1 Walsall Council has used the NJC job evaluation scheme for all jobs covered by the review up to proposed grade 13 and the Hay scheme for roles above this with a clear policy for the breakpoint between the two schemes.
- 3.2 It is evident that the local procedures have been developed jointly with the trades unions based on the guidance and principles incorporated into the NJC scheme.
- 3.3 Prior to starting the full review a pilot exercise was undertaken. The purpose of this stage was to test the application of the NJC scheme across roles at all levels and the processes that had been developed and agreed locally with the Trade Unions were appropriate.
- 3.4 There has been a joint and on-going communications process throughout the review using a variety of different methods to communicate with employees and managers.

4. Proposed Pay and Grading Structure

- 4.1 The principal features of the proposed structure are as follows:

Client Confidential

- Sixteen grades of between 5 and 6 incremental points or 4 to 5 incremental steps to reach the grade maximum replacing approximately 200 different combinations of grades incorporating both spot and incremental grades.
- The proposed grading structure applies to all employees up to and including Council grade CO1.

The pay structure has been developed using the agreed existing national pay spine and existing locally agreed spinal column points

4.2 The principal findings of the review of proposed pay and grading structure are as follows:

- In overall terms, 19.2% of the workforce included will be 'red circled' based on basic pay. In terms of gender 18.1% of female and 23.6% of male employees will be affected in this way. When allowances changes are included 24.8% of the workforce will be red circled and 25.36% with the removal of bonus.
- 30.44% of the workforce will be 'green circled' and will receive an immediate increase in their basic pay as a result of the proposed structure being implemented. 27.56% of female employees and 41.93% of male employees will be affected in this way.

5. Headroom Analysis

- 5.1 From the total employee complement of 7,307, 1,403 are red circled. Of the remaining 5,904 employees, 3,689 employees will gain headroom as a result of the proposed structure. A further 934 employees, predominantly white circles, will ultimately lose headroom. To some extent this reflects the significant reduction in the number of grades and the removal of linked and review of career grades which are often not supported by job evaluation at every level of the existing grade. A further 1281 employees are unaffected by the overall proposal.

6. Allowances

- 6.1 Walsall Council have taken the approach similar to a number of other Local Authorities and proposed the implementation of paying a fixed percentage of basic pay as a banding payment allowance based on the number of unsocial hours worked. This allowance replaces seventeen different payments for working shifts, weekend and/or night working. This simplified approach replaces a number of allowances currently paid across the Authority. Unsocial hours have

been defined as weekdays from 10pm to 6am and any hours worked on a Sunday

- 6.2 The revised approach to banding allowances provides clearer guidance for managers and a more harmonised approach across the council. This should lead to a fair and equitable approach to enhancements.

7 Gender Pay Gap

- 7.1 In terms of current basic pay against the proposed structure it is clear that male employee earnings would be considered 'significantly' (i.e. more than 3%) higher than female earnings in Grades 1,2,3,4,5,6,9,10,13 and 16. Whereas in proposed structure only Grades 6,10 and 16 are over 3%. Each of these grades has narrowed the pay gap through the proposed structure. Grade 6 demonstrates female pay currently being 115% of male pay reducing to 103.9%. In grade 10 female pay has moved from 86.69% of male pay to 96.87% and in grade 13 the gap has narrowed from 89.8% to 92.23%
- 7.2 Based on the proposed structure and the agreed assimilation process it is clear that the differences in pay on a grade by grade basis have been reduced.
- 7.3 When analysing the pay gap based on basic pay there is a 1.69% increase in the basic pay gap to female pay overall being 78.12% of male pay. This is as a result of the makeup of the workforce with a greater proportion of men in higher grades. The total pay gap excluding any pay protection is narrowed from 76.19% to 77.64%.
- 7.4 In the proposed structure excluding pay protection only grade 16 will have a significant pay gap (over 5%) following implementation with female pay being 92.23% this will reduce as employee's progress through the grade.

8. Proximity Analysis

- 8.1 An analysis has been undertaken to assess the impact of the proposed grade boundaries used to determine each grade. This analysis has been based on all jobs that are either 13 points below the grade above or above the grade below based on the value of factor levels in the NJC scheme. The purpose of this is to identify if the grade lines have been set in such a way that they potentially discriminate in favour or against specific groups of employees.
- 8.2 It is evident from the overall rank order that there very few obvious places to set grade lines. The NJC scheme like many others also creates a continuum of scores whereby there is never more than 4 points between one job and the one above it in the rank order. Inevitably this leads to some jobs being in close proximity to the

proposed grade line but should not be interpreted as there being any issue with the evaluation outcome.

Upward Proximity Analysis

- At the upper end of the structure there are fewer jobs within 13 points of the grade above when compared with those at the lower end of the proposed grading structure.
- There are no jobs with 15 or more job holders within 13 points of the grade above at grades 11, 12, 13, 14, 15, and 16.
- The concentration of jobs within 13 points of the grade above is at the lower level of the proposed structure grade 1, 2, 3, 4 and 5. This principally affects female employees but reflects the proportion of the overall composition of the workforce. The level 3 teaching and behavioural support assistant roles are significantly large groups comprising of predominantly female employees.
- It is evident the grade lines have been placed to ensure the hierarchies and levels of key frontline service job families has been maintained and ensure the continuation of career progression within those job families. This is evident for high population groups' e.g. Professional Social Worker, school support staff and day care roles.

Downward Proximity Analysis

- There are few jobs within the structure that are within 13 points of the grade below in grades 8 to 16.
- At the lower end of the structure there are a number of predominantly female jobs that are within 13 points of the grade below.
- There is only one predominantly male role within 13 points of a grade boundary below which significantly reduces the risk of any comparator being identified for equal pay and would suggest the grade lines have been placed with a fair and justifiable approach.

9. Pay Protection

- 9.1 The principal issue usually associated with pay protection for those employees whose pay, as a result of the change in pay structure or allowances pay will be reduced. The Council has proposed pay protection for 12 months at a rate of 100% for 6 months and 50% for the following 6 months. Protected employees will receive the difference in pay between their current and proposed contractual packages (excluding bonus, performance related pay and job evaluated allowances).

- 9.2 It is clear that the new pay and grading structure will apply to all new employees from the date of their appointment. Although existing employees undertaking the same role may be in receipt of pay protection in a limited number of cases it is important that the former pay arrangements will not be applied to new employees.

10. Future Monitoring

- 10.1 The gender pay gap is likely to reduce further as employees move through the proposed pay grade for their job.

10.2 As part of its future arrangements Walsall Council should undertake regular equal pay audits in conjunction with the trade unions to ensure that the new pay and grading and job evaluation arrangements are maintained. This process should also identify further changes in the gender pay gap and recommend further action if required.

11. Conclusions

- 11.1 The proposed pay structure improves the gender pay gap on a grade by grade basis and narrows the overall pay gap when comparing total contractual pay. As employees progress through the structure with annual increments the gap will narrow even further on a grade by grade basis.
- 11.2 The application of the JE process and design of the grading structure is acceptable and demonstrates a robust approach to the development and implementation of the new structure.
- 11.3 The proposed changes to terms and conditions bring a more consistent and simplified approach to any enhancements to pay should lead to a more fair and equitable system.