

## EMPLOYMENT CONDITIONS COMMITTEE

27 JULY 2005

Present: Councillor Berman (Chairperson);  
Councillors English, Neale, Percy and Stephens

Apologies: Councillors Jones and Sheppard

### 1 : ELECTION OF CHAIRPERSON

It was noted that the County Council at its annual meeting on 19 May, 2005 elected Councillor Berman as Chairperson of this Committee.

### 2 : ESTABLISHMENT OF COMMITTEE

#### Membership

The Committee noted that the Council on 19 May 2005 appointed the following Members to this Committee:

Councillors Berman, English, Jones, Neale, Percy, Sheppard, Stephens and Walsh.

#### Terms of Reference

The Committee noted the terms of reference as follows:

- (a) To consider and determine policies and issues arising from the organisation, terms and conditions of the Council's employees, and to agree the introduction of new or amended employment procedures, following consultation with trade unions or employees as appropriate.
- (b) To decide proposals for reorganisation of the Council's employee establishment which involves the creation of new posts, the deletion or regrading of existing posts, and redundancy.
- (c) To decide requests for regrading of posts, whether by way of appeal by an employee against the decision to refuse a regrading application or to decide applications for regrading which are supported.

3 : MINUTES

The minutes of the meeting held on 23 March, 2005 were approved as a correct record and signed by the Chairperson.

4 : SINGLE STATUS AND JOB EVALUATION PRESENTATION

Lynne David, Operational Manager, Planning, Development & Improvements, had been invited to the Committee to make a presentation on the current position with regard to job evaluation, and the way forward with Council.

In 1997 a key agreement was signed between Trade Unions and employers in Local Government at a national level. This Single Status Agreement committed both sides to working to bring together the former APT&C and Manual Worker employee groups into a single set of terms and conditions. The Agreement secured some quick changes, namely the harmonisation of hours to 37 hours, but also required Local Authorities to review their pay and grading systems to ensure that all conditions were fair and equitable. This would require an audit of the pay system, a huge task for any Local Authority. Until recently, Cardiff had made little progress on this issue.

As part of the 2004 pay deal, there was a condition that Local Authorities enter into negotiations with the TUs, with a view of reaching an agreement on new pay structures and systems by April, 2006, and completing and implementing pay reviews by 31 March 2007.

The Council fully supports the principle of Equal Pay for work of Equal Value. Job Evaluation is a way of assessing jobs against a number of factors. The Council has decided to use the factors from the Greater London Provincial Council Scheme (GLPC), with the agreement of the Trade Unions. Each job will be broken down into factors and a points rating given for each factor. The factors include:

- supervision/management of people – this measures the degree of responsibility for the supervisory management of employees, and takes into account numbers, dispersal and the responsibility for allocation and output, etc.;

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- creativity and innovation – this measures the extent to which the work required innovative and imaginative responses to issues and problems;
- contacts and relationships – this measures the degree of personal contact, and appraises the nature of the relationship;
- decisions – this deals with the requirements to make decisions, and the consequences of those decisions;
- resources – assesses personal accountability for physical and financial resources;
- work environment – work demands and the impact of deadlines, changes and assessing priorities;
- physical demands – effort, dexterity etc.
- working conditions and work context.
- knowledge and skill – required for the competent performance of the full duties and responsibilities of the job.

The Officer outlined the process to be adopted:

- (i) Job description questionnaires for unique jobs, which would be completed by the job analyst with the support of the employee, his/her manager and a trade union representative. This will involve sample interviews for heavily populated jobs. It is estimated that between 1,500 and 2,000 jobs will need to be done. This is an essential part of the process, because if this is wrong then the jobs will not be evaluated correctly.
- (ii) Analyse the job details against the factors to provide a score.
- (iii) Job Evaluation Panel will then undertake the validation and moderation of job scores and will be able to compare with other jobs on a factor-by-factor basis to ensure consistency.
- (iv) Pay modelling – All jobs will be evaluated by entering data into a pay modelling system to gain estimated costs and whether or not the job should be upgraded or downgraded, etc. No scores will be

released until the exercise is completed.

- (v) Appeals process – This process is yet to be agreed.

The review of terms and conditions must deal with proposals for bonus and other performance payments. The challenge is to come up with a grading structure that will avoid problems and improve recruitment and retention. It was important that proposals for any cost savings, or productivity improvements will be required to offset the cost of implementation.

In keeping with the Single Status Agreement, the NJC encourages a joint approach to reviews. Joint working arrangements have been established in Cardiff to ensure and sustain involvement of the Trade Unions and service areas. Two working groups have been set up:

- (i) a Joint Steering Group on job evaluation which was looking at issues of the timetable, process, appeals process, pay protection, back pay, benchmarking jobs, validation and moderation, and time-off arrangements;
- (ii) Terms and Conditions Joint Working Group which was yet to meet, but will be tasked with progressing work relating to terms and conditions, in particular on bonus and productivity issues, and proposals for pay and grading.

The Committee was advised that in order to move things forward there was a need for:

- Training on the GLPC Scheme and the computerised pay modelling system;
- Communication – with Trade Unions, all staff and Elected Members;
- a pilot scheme to identify and evaluate benchmark jobs to review the proposed process prior to the introduction of the full Job Evaluation Scheme;
- work with the Job Evaluation Working Group on pay and protection proposals and back-pay.

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In conclusion, the Committee was advised that there were significant implications in undertaking the introduction of Single Status and Job Evaluation, in particular:

- (i) workloads, both within Human Resources, service areas and for TU representatives;
- (ii) employee relations issues;
- (iii) costs, and how these are to be funded;
- (iv) equal pay system;
- (v) timescales for implementation, which was stringent.

In response to Members' questions, the Officer advised that:

- (i) it was estimated that approximately 2,000 jobs (excluding school teacher posts), would ultimately need to be evaluated against the criteria;
- (ii) the pilot would look at 25 job types from all levels of the organisation and would include heavily populated jobs; e.g. catering, home-carers, cleaners, administrative posts;
- (iii) the Appeal Process had not been considered, but would be looked at by the Joint Steering Group;
- (iv) it was very difficult to assess the cost implications of Single Status and Job Evaluation.

The Committee acknowledged that this was a major issue for the Council, and at this stage it was difficult to assess the cost implications. The Chairperson advised that the matter had been discussed at the WLGA Co-ordinating Committee, which was going to take up the issue of funding with the Welsh Assembly Government. It was recognised that timescales were very demanding, and that the Council was collaborating with other Authorities to share information. It was also suggested by a Member that consideration should be given to involving Council Members in the Appeals process.

RESOLVED – That the presentation be noted and this Committee be updated on this matter at regular intervals.

#### 5 : SINGLE STATUS AND JOB EVALUATION: PAY PROTECTION AND PRIOR CONSIDERATION

As part of the National Single Status Implementation Agreement 2004, Members will be aware that a local pay review must be completed and implemented by 31 March, 2007. The Council and Trade Unions must reach agreement on new local pay and grading structures and systems by April 2006, and that the National Joint Council is encouraging a joint approach to pay reviews.

The 2004 Agreement requires that local pay and grading reviews should include discussions on the following matters:

- (i) a new pay and grading structure;
- (ii) proposals for protection;
- (iii) proposals for premium rates;
- (iv) proposals for back pay;
- (v) proposals for bonus and other performance payments;
- (vi) proposals for any cost savings or productivity improvement required to offset the cost of implementation;
- (vii) a Joint Single Status Job Evaluation Steering Group has been established and is looking at a number of these issues, including the issue of pay and protection and prior consideration;
- (viii) the Steering Group had developed a number of proposals on these two issues;
- (ix) the Job Evaluation process will have different impacts on different occupational groups. This may result in, for example, the removal of anomalies in the current grading system, the potential withdrawal of allowances including bonus schemes; and the potential for the downgrading of jobs. In recognition of this, Local Authorities are required to develop proposals for pay protection, and these details are a matter for local determination. Such arrangements however, must not perpetuate the long-term unequal pay for jobs that have been assessed as being of equal value under

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the Job Evaluation Scheme, as such an outcome could lead to equal pay claims. Consequently, any pay protection arrangements detailing with past anomalies;

- (x) the key elements of the proposed pay protection arrangement developed by the Joint Single Status and Job Evaluation Steering Group include:
- establishing and confirming the principle that where staff remuneration is adversely affected by pay reviews/job evaluation, pay protection will apply;
  - it is the salary that is protected, not the grade or spinal point;
  - paid protection will be the difference between remuneration immediately before and after the reduction;
  - pay additions such as bonus will be protected, whilst non-contractual payment such as occasional overtime, honoraria, etc., will not.
  - protection will be afforded for either three years from the date of reduction, or until the employee's substantive remuneration catches up with protected remuneration, whichever is the lesser period;
  - possibilities of genuinely enhanced duties and responsibilities to make them commensurate with the protected grade, whilst ensuring that such arrangements are applied consistently and fairly;
  - implementation of prior consideration arrangements to those downgraded for posts equivalent to, or lower than the original grade;
  - consideration of genuine hardship cases following the end of the pay protection period.

In addition to offering pay protection, the Group thought that there would be positive benefits if the Council could offer practical support to enable such employees to secure jobs nearer to or at their original pay level. The key features of the proposed prior consideration arrangements developed by the Joint Single Status Job Evaluation Steering Group include:

- staff that are downgraded will be allowed to apply for jobs under prior

consideration if they wish;

- such staff will be treated equally, irrespective of the levels of protection they have;
- applications made will only be considered for jobs up to and including their previous level/grades;
- advice and practical support, e.g. interview techniques, help in completing application forms will be made available;
- whilst existing concurrent advertising arrangements will continue, prior consideration application forms will be considered separately and first;
- although no interviews are guaranteed, prior consideration applications that need to be a central criteria should be interviewed in accordance with the Council's recruitment and selection policy and procedures;
- reasons for non-appointment of prior consideration applicants should be recorded. Consideration of other internal applications would be the next step that may in turn release another vacancy for prior consideration candidates;
- if it is not possible to fill the post internally, external applications may be considered;
- Trade Union consultation through the process.

The Committee was advised that the idea for a 3-year pay protection period was suggested by the Steering Group because there was a precedent for that period in recent local government history. Members were reminded that at Local Government Reorganisation in 1996, there had been a Statutory Detriment Scheme with a 3-year pay protection period.

In addition, a number of Local Authorities in Wales had confirmed that they were trying to secure, or had already secured, a similar 3-year pay protection scheme. Other Local Authorities, however, were trying to secure pay protections of less than 3 years and one authority was attempting to link the issue of pay protection and back pay in negotiations in an attempt to reduce overall costs.

The Committee was advised that UNISON representatives on the



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Steering Group had subsequently advised the Steering Group that in 2003 they had secured a mandate from their Members that they should only participate in Job Evaluation if there was a lifetime pay protection for staff whose salary was reduced. UNISON have now recognised that this stance was unsustainable, as it would perpetuate inequalities in pay, and have consequently held a number of Extraordinary General Meetings with its Members to discuss the matter. At the most recent meeting of the Steering Group on 20 July, 2005, UNISON reported that it had secured a new mandate from its Members, that they would now be seeking pay protection for 5 years, and other Trade Unions had then indicated they supported UNISON's position.

Members were advised that representatives for UNISON were present at the meeting and wished to address the Committee on the issue of pay and protection. The Committee made the following comments and observations on the report:

- (i) the Committee accepted the principle of prior consideration.
- (ii) the Committee accepted in principle the need for pay protection in some form.
- (iv) the Committee expressed a need for the pilot to be undertaken as quickly as possible so that Council would be in a better position to estimate the likely cost implications.
- (v) the Council was benchmarking with other local authorities on issues surrounding Job Evaluation and Single Status.
- (vi) Although it would vary between authorities, evidence from elsewhere suggests that typically a  $\frac{1}{3}$  of posts would be upgraded, a  $\frac{1}{3}$  of posts would remain the same, and a  $\frac{1}{3}$  of posts would be downgraded.

The Committee agreed that a representative from UNISON could address the meeting on the matter of pay protection.

Mark Turner, Branch Secretary for UNISON welcomed the opportunity of outlining UNISON's views, and was pleased that the Committee accept the principle of pay protection. Mr Turner detailed the background from a Trade Union perspective, and also highlighted the case in Cumbria NHS Trust where 12,000 ancillary workers and nurses had received £320m in compensation following an Equal Pay Claim. He advised that UNISON locally had held back on Equal Pay Claims in

Cardiff. Mr Turner advised that UNISON was participating in the Joint Steering Group, and reiterated that this was a massive task, not only for the Council but for the Trade Unions also. He advised that from discussions with Trade Union colleagues in other Local Authorities, a more accurate figure of changes in post would be for 20% of posts being upgraded, 20% being downgraded, and approximately 60% remaining the same. UNISON was concerned about any pay cuts and the legality of some of the issues, and believed pay protection was essential. It was recognised that during Local Government Reorganisation that the protection had been for 3 years, and that the issues for the current Job Evaluation process were similar. However, since 1996 there were fewer posts within the Authority, and it would be difficult, even with prior consideration for a downgraded post to catch up in just 3 years. Mr Turner stated that it was important to bring staff along in partnership as part of the process, and that UNISON had recognised that its original mandate for lifetime protection was unsustainable on equal pay grounds, however, it did not believe a 5-year pay protection was unreasonable. The Council has known since 1997 that this issue would need to be addressed, but yet it had not set any money aside to deal with the costs and expense of the implementation of single status and job evaluation. UNISON was hoping that the Welsh Assembly Government would take into account pressures on Councils to implement single status and job evaluation, and that more financial assistance would be forthcoming. It was acknowledged that it was difficult to put a figure on the costs. UNISON was also concerned to ensure that the implementation of equal pay was not at the expense of jobs.

Members recognised that there was a need for further discussions on the issue of pay and protection, but that this should not hold up the pilot exercise, which was important in evaluating the costs of the implementation of Single Status and Job Evaluation. There may be some other options that could be investigated, for example, a 5 year protection commencing at 100% but tapering down during future years; linking pay and protection with back pay, etc.

The Officers advised the Committee that it would be difficult to progress the pilot scheme without the support of the Trade Unions, but it was hoped that the Unions would stick with the process if the principles of prior consideration and pay protection are agreed, so that the pilot exercise could get up and running and data evaluated so that costs could be considered.

RESOLVED – That

- (1) the Committee agree the principle of pay protection, and that a further report, which would include proposals for the duration of the pay protection period, be submitted to this Committee once the potential costs have been estimated;
- (2) the prior consideration arrangements as outlined in the report be approved.

#### 6 : REDEPLOYMENT AND REDUNDANCY POLICY AND PROCEDURE FOR SCHOOLS

Since the introduction of Local Financial Management for Schools (LFMS) in 1998, a redundancy procedure had been established to assist schools in achieving the required reductions in the staffing establishment as a result of budget difficulties. The current redundancy procedure provides guidance on the essential stages of consultation and selection, and includes sample letters for governing bodies to use. Since the introduction of the LFMS, schools in Cardiff have relied on this redundancy procedure to achieve staff reductions, which in the main had been achieved through natural wastage or voluntary early retirement. There are also some examples of redeployment across schools to avoid compulsory redundancies.

The Committee was advised that as schools continue to review their staffing requirements and budgets, there is a need to ensure that the employment rights of staff, which have significantly changed since the introduction of the redundancy procedure in 1998, are respected. At the same time greater emphasis needs to be placed on achieving staff reductions through redeployment. In view of this a revised Redeployment and Redundancy Policy and Procedure, with supporting documentation had been prepared in consultation with governing bodies, Head Teachers, Diocese Authorities for voluntary-aided schools, and the Trade Unions. A copy of the revised policy and procedure was attached for Members' information.

RESOLVED – That the Redeployment and Redundancy Policy and Procedure be commended to School Governing bodies for adoption.

## 7 : EMPLOYEE RELATIONS MATTERS

The Committee received for information a copy of the Works Council minutes, 25 May, 2005. The Committee noted the issues discussed at this meeting and were advised by the officer that, in relation to the Disturbance Allowance this matter had now been taken to the Joint National Council, and that the Secretary was looking at the issues, and would be having discussions with both the Trade Union and the Council on 11 August 2005. The dispute was in relation to the Mobility Clause introduced into new employment contracts post 1998, and the Council's interpretation of this in relation to the change of an employee's place of employment. The Officer informed that he would advise the Committee of the outcome of the discussions in due course.

The Officer confirmed that in relation to the Facilities Agreement in respect of time off for Trade Union representatives the dispute was over.

RESOLVED – That

- (1) the minutes of the Works Council, 25 May 2005 be noted;
- (2) outcome of any negotiations or discussions on the Disturbance Allowance be reported back to this Committee when appropriate.

## 8 : SICKNESS ABSENCE

The Committee received a copy of the Policy Review & Performance Scrutiny Committee's Sickness Absence Report, June 2005, which was presented to the Executive Business meeting on 28 June, 2005. As the report related to a HR policy, it was felt appropriate for it to be included on the agenda for this meeting. The report included evidence gathered from internal witnesses, external experts and research commissioned from the Local Government Employees Organisation, and Scrutiny's own internal research facility. The report detailed a number of recommendations. In addition, an internal review of the Sickness Absence Policy facilitated by Human Resources, based on operational experience to date, had produced a number of key amendments and refinements that would strengthen the policy, and these were currently being actioned. It was still recognised that there was a need to provide

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skills training for managers, and these were being organised for August and September 2005, once the policy had been reviewed and amended. In addition, there would be a comprehensive campaign of awareness and communication as part of the re-launch mechanism of the policy. HR Officers recognised the positive recommendations put forward by the Task & Finish Group, and welcomed the report and suggested proposals for policy improvements.

Members of the Committee also endorsed the report and looked forward to receiving a copy of the Executive's response in due course.

RESOLVED – That

- (1) the recommendations of the Policy Review & Performance Scrutiny Committee be noted;
- (2) the proposals put forward by Human Resources to review and amend the Sickness Absence policy in light of its own internal review and recommendations of the Policy Review & Performance Scrutiny Committee be noted;
- (3) the Executive respond to the Scrutiny Committee's report within two cycles and a copy of this be forwarded to members of this Committee;
- (4) a further report be submitted to this Committee in due course on progress achieved.