

REPORT TO: POLICY AND RESOURCES COMMITTEE – 8 MARCH 2021

REPORT ON: CONSOLIDATION OF THE SCOTTISH LOCAL GOVERNMENT LIVING WAGE

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 107-2021

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to inform the Committee on work undertaken in conjunction with the trade unions, to redesign the Council Pay and Grading structure and to seek the agreement of the Committee to work with the trades unions to implement the revised Pay and Grading structure, which fully embeds the Scottish Local Government Living Wage (SLGLW).

2.0 RECOMMENDATIONS

It is recommended that the Committee –

- Agree to implement the revised Pay and Grading Structure detailed in Appendix 1, with effect from 1 April 2021
- Agree to authorise the Head of People (formally the Head of Human Resources and Business Support, to reach agreement with the trade unions on appropriate assimilation arrangements to map employees across the revised structure
- Note the financial implications for the Council outlined in section 3 of this report
- Note that an independent Equality Impact Assessment has been undertaken by an equality specialist and is published and available separately (see Section 5 of this report).
- Note that the annual review of the Living Wage rate and its implications for the new pay and grading structure will be applied from 1 April each year but implemented at the same time as any new pay award.

3.0 FINANCIAL IMPLICATIONS

The estimated annual cost of these recommendations for the City Council is £807,000, (£779,000 for General Fund Services and £28,000 for the Housing Revenue Account). Provision has been made for this expenditure in the Revenue Budget for 2021/22 and subsequent years.

4.0 BACKGROUND

4.1 The pay negotiations for 2017/18 resulted in agreement being reached which included the in the following in relation to the Living Wage:

- The SLGLW rate will be used as a guide to ensure our lowest spinal column point (SCP) on our pay and grading structure is equal to or above that rate
- Each employer will decide whether to consolidate the difference between the SCP rate and the SLGLW rate into basic pay or whether to pay it as an allowance. Regardless of whether it is consolidated or paid as an allowance, the SLGLW will be pensionable for hours worked up to the notional working week

4.2 The erosion of pay differentials at the bottom end of the current pay and grading structure is one of the key issues that the revised model seeks to address. Currently, all employees between SCP 1-19 are paid at the same hourly rate (£9.34), which negates the differentials in salaries agreed as part of Single Status, Job Evaluation review.

4.3 Working with the trade unions, the Head of People has considered a number of different pay and models considering workforce, financial implications and ensuring that any model proposed met with the agreed Principles issued by Cosla on behalf of the Scottish Joint Council – See Appendix 2

- 4.4 The consolidation of the living wage is a key objective of the trade unions nationally and locally. Positive discussions have taken place on the proposals outlined in this report with the trade unions undertaking consultation with their members, with a recommendation to accept the model as outlined. Assimilation discussions for individuals affected are ongoing as the next stage of this exercise.

5.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. A copy of the independent Equality Impact Assessment is available on the Council's website at www.dundee.gov.uk.

6.0 CONSULTATIONS

The Council Management Team and the SJC Trade Unions were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None

Robert Emmott
Executive Director of Corporate Services

Date: 26 February 2021

DUNDEE CITY COUNCIL
 CONSOLIDATION OF THE SCOTTISH LOCAL GOVERNMENT LIVING WAGE
 FINAL PROPOSAL

Grades start at SCP21 and after G1, which has 2 SCPs, grades have three points with overlaps for the first 5 grades, to achieve consolidation of the Scottish Local Government Living Wage. There are no changes to any allowances, no reductions in pay, only gains.

Grade	Current SCPs	Current Salary Ranges	Proposed SCPs	Proposed Salary Ranges
G1	2,4,6,8 – subsumed by Living Wage	£18,020	21,22	£18,791 - £19,100
G2	8,10,12,14 – subsumed by Living Wage	£18,020	22,23,24	£19,100 - £19,659
G3	14,16,18,21 – SCPs 14-18 subsumed by Living Wage	£18,020 - £18,791	24,25,26	£19,659 - £20,238
G4	21,22,24,25	£18,791-£19,949	26,27,28	£20,238 - £20,817
G5	25,26,28,30	£19,949 - £21,454	28,29,30	£20,817 - £21,454
G6	30,32,34,36	£21,454 - £23,422	30,32,34,36	£21,454 - £23,422
G7	36,38,41,44	£23,422 - £26,354	36,38,41,44	£23,422 - £26,354
G8	44,47,51,55	£26,354 - £30,926	44,47,51,55	£26,354 - £30,926
G9	55,57,59,62	£30,926 - £34,264	55,57,59,62	£30,926 - £34,264
G10	62,64,67,70	£34,264 - £38,605	62,64,67,70	£34,264 - £38,605
G11	70,72,75,78	£38,605 - £43,525	70,72,75,78	£38,605 - £43,525
G12	78,80,83,84	£43,525 - £47,595	78,80,83,84	£43,525 - £47,595
G13	84,86,88,90	£47,595 - £51,975	84,86,88,90	£47,595 - £51,975
G14	92,94,96,98	£53,596 - £58,535	92,94,96,98	£53,596 - £58,535
G15	101,103,105,107	£61,236 - £67,004	101,103,105,107	£61,236 - £67,004
G16	110,112,114,116	£70,033 - £76,593	110,112,114,116	£70,033 - £76,593
G17	123,126,129,132	£84,966 - £95,828	123,126,129,132	£84,966 - £95,828
G18	136,138,140	£101,596 - £107,751	136,138,140	£101,596 - £107,751
G19	144,146,148	£114,233 - £121,140	144,146,148	£114,233 - £121,140

SUMMARY OF THE OUTCOME OF THE PROPOSED PAY AND GRADING
STRUCTURE

Grades start at SCP21 and after G1, which has 2 SCPs, grades have three points with overlaps for the first 5 grades, to achieve consolidation of the Scottish Local Government Living Wage. There are no changes to any allowances, no reductions in pay, only gains.

SUMMARY OF GAINS BY ALLOWANCE GROUP	Employee Numbers		
	Total	Female	Male
Gains			
Basic salary	1026	744	282
Overtime (includes voluntary overtime)	165	63	102
Festive Public Holidays	131	81	50
Non-festive Public Holidays	114	50	64
Irregular/Unsocial allowance	15	5	10
Shifts	21	8	13
Professional allowance	0	0	0
Weekend payments	149	76	73
Night allowance	18	3	15
Callout/Standby	0	0	0

BANDING OF GAINS	Employee Numbers		
	Total	Female	Male
Summary of Gains			
£1 - £499	501	389	112
£500 - £999	343	241	102
£1,000 - £1,999	182	114	68
£2,000 - £2,999	0	0	0
>£3000	0	0	0
	1,026	744	282

No Movement	3,572	2,505	1,067
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Total	4,598	3,249	1,349
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Scottish Joint Council for Local Government Employees

Verity House
19 Haymarket Yards
Edinburgh, EH12 5BH
0131 474 9200

Scottish Local Government Living Wage Consolidation Reference Group

Guiding Principles for Consolidation

These principles support the achievement of full consolidation of the Scottish Local Government Living Wage (SLGLW) in line with the 2018-21 pay settlement and with due regard to employer obligations under Equal Pay legislation, SJC National Agreement (Red Book) and the SJC Job Evaluation scheme.

All councils are encouraged to use these principles and checklist to implement full consolidation of the SLGLW and review their existing pay models with local trade union representatives. This includes where consolidation has already taken place.

All parties recognise that payment of the SLGLW has made a significant contribution to reducing the gender pay gap. Actions to further reduce this will be set out in a council's mainstreaming reports or similar documents, consistent with local consultation and negotiation frameworks.

Consolidation Principles

1. Consolidation should take account of equal pay legislation and Fair Work principles. It should aim to further reduce the gender pay gap.
2. Consolidation arrangements should take into account operational requirements and affordability but be underpinned by statutory obligations with regard to equal pay.
3. The pay model should be underpinned by a valid job evaluation scheme and consider pay differentials taking account of operational workforce planning needs.
4. Councils should undertake and share with local trade union representatives an Equality Impact Assessment on consolidation proposals before they proceed with implementation, seeking to mitigate any inequalities identified. Assessments should be carried out in accordance with guidance available from the Equality and Human Rights Commission which explains how public authorities can meet the requirements of the Equality Act 2010, see: *Assessing impact and the Public Sector Equality Duty: a guide for public authorities (Scotland)*. This can be found on the EHRC website.

5. Employee communication and engagement on consolidation should be clear and concise and, where possible, done in conjunction with local trade union representatives.
6. Proposals should be discussed with recognised Trade Unions at the earliest opportunity as they are being developed. Implementation should be progressed in accordance with local frameworks for consultation and negotiation.
7. Employees will be notified of variations to pay or conditions in accordance with their Council's workforce change policies and procedures.

**SJC Scottish Local Government Living Wage Consolidation Reference Group
Agreed by SJC Steering Group 5 June 2020**

Joint Checklist for Consolidation

Some principles have been combined for the purposes of the checklist. They do however remain distinct within the original terms of reference.

This checklist should be read in conjunction with the principles

Principles 1 and 4	
a) Carry out an Equality Impact Assessment (EIA) on the proposed pay and grading structure	<input type="checkbox"/>
b) Share and discuss findings from the EIA with relevant Trade Unions	<input type="checkbox"/>
c) Consider recommendations from previous Equality Impact Assessments or Equal Pay audits when developing any new pay proposals and transition arrangements	<input type="checkbox"/>
d) Seek to mitigate any inequalities identified in the EIA	<input type="checkbox"/>
e) Publish findings from EIA on the Council's website	<input type="checkbox"/>
Principle 2	
f) Engage with local Trade Union representatives on detail of the proposals	<input type="checkbox"/>
g) Review and share cost information associated with existing and proposed grading structures	<input type="checkbox"/>
Principle 3	
h) Ensure that all posts have a current evaluation using a valid job evaluation scheme as defined in s131(5)(b) of the Equality Act 2010	<input type="checkbox"/>
Principles 5 and 7	
i) Share draft communication strategy and content in advance with local Trade Union representatives	<input type="checkbox"/>
j) Ensure that employees receive proper, and timely, notification of consolidation plans and how they will be affected by them	<input type="checkbox"/>
k) Share proposals with Trade Unions at the earliest opportunity as they are being developed	<input type="checkbox"/>
Principle 6	
l) Jointly consider any subsequent alternative proposals	<input type="checkbox"/>
m) Formally record approaches at normal consultation/negotiation forum	<input type="checkbox"/>

