

DUNDEE CITY COUNCIL

REPORT TO: Policy and Resources Committee - 27 August 2007

REPORT ON: Implementation of Single Status

REPORT BY: Assistant Chief Executive (Management)

REPORT NO: 425-2007

1 PURPOSE OF REPORT

- 1.1 To seek Committee approval for a number of measures to facilitate the implementation of Single Status.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee notes and approves the proposals outlined in sections 7, 8 and 9 of this report.

3 FINANCIAL IMPLICATIONS

- 3.1 The Depute Chief Executive (Finance) confirms that the Council has a specific contingency provision of £2.8 million in the Provisional Revenue Budget 2008/09 for the additional cost of implementing Single Status. The financial model indicates that the net additional cost of the revised grading structure as set out in this report is estimated to be £2.3m in the financial year 2008/09.
- 3.2 In addition to the direct costs that will be met by the City Council, the Council will also have to meet its share of the cost of single status within Tayside Contracts. The projection the Council has received from Tayside Contracts on this additional cost is £0.5m in 2008/09.
- 3.3 The above figures reflect the additional cost of Single Status to all departments of the City Council, except Housing and Dundee Contract Services, which will meet the cost from additional income generated within their separate accounts.
- 3.4 The Depute Chief Executive (Finance) advises that while the combined estimated cost in 2008/09 of £2.8m can be funded from the specific contingency provision for that financial year, the incremental growth of the new pay structure in the years 2009/10 to 2010/11 will be greater than normal incremental growth. This will require Departments to increase efficiency savings in those years or will have to be funded from an increased level of Council Taxes.

4 SUSTAINABILITY POLICY IMPLICATIONS

- 4.1 None.

5 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 Successful implementation of Single Status will assist in ensuring that the Council meets its equality obligations.

6 BACKGROUND

- 6.1 Single Status is a collective agreement designed to promote equality and the elimination of discriminatory practices in employment which also supports a flexible approach to providing services to our communities. Compliance with equal pay legislation, in respect of pay and other conditions of employment, is a major component of this.
- 6.2 The implementation of Single Status encompasses a broad range of issues which go beyond the requirements of addressing equal pay.
- 6.3 The Committee will be aware that, for the past few months, trade unions and management have been involved in detailed discussions and negotiations to move this project forward. Some of the issues under discussion are as follows:-
- impact on employees
 - job evaluation data
 - pay and grading design
 - timescales
 - job hierarchies
 - conditions of service
 - financial implications
- 6.4 A number of issues have still to be resolved and the trade unions and Assistant Chief Executive (Management) will continue to work jointly to arrive at solutions.
- 6.5 Considerable progress has been made and the Assistant Chief Executive (Management) considers that it is now appropriate for the Committee to consider a number of proposals.
- 6.6 The Single Status Agreement will affect all Departments of the City Council and while the cost of all General Services departments has been provided for by a general contingency in the provisional 2008/09 Revenue Budget, the other departments namely Housing and Dundee Contract Services will have to meet the additional cost of Single Status from the generation of additional income from within their separate accounts. These costs will be included in the Housing and Dundee Contract Services budgets for 2008-2009 and future years.

7 PROPOSALS

- 7.1 At present, there are over 120 grades applying in the Council. In future, there will be 13 grades: these will cover the vast majority of SJC employees. The grading structure which is based on the new SJC spinal column points and which will apply from 1 April 2008 is outlined in Appendix A.

- 7.2 Employees who are currently on grades above PO15-18 will be assimilated to the equivalent new grades: these do not appear in Appendix A. Second tier officers who are on SJC conditions will be offered the opportunity to transfer to SNJC (Chief Officials and Deputes) conditions at no cost to the Council; this is in line with previous decisions. Employees currently on grades above PO15-18 will have the same right of appeal as other SJC employees.
- 7.3 These grades will subsume all local (ie departmental) payments, allowances and plusages eg 'dirty money', 'key money', etc.
- 7.4 The interim starting spinal column points will be used only for assimilation of basic pay green circle employees (ie grade gainers) to the grading structure on 1 April 2008.
- 7.5 An employee assimilated to an equivalent grade will still receive an increase of at least the value of any increment expected previously to be paid at 1 April 2008.
- 7.6 Together with other employees, basic grade red circle employees (ie grade losers) will receive the national annual pay award due on 1 April 2008. However, basic grade red circle employees will not receive any increments on 1 April 2008.
- 7.7 Red circle employees' 3 years' cash conservation (as provided for in the national agreement and calculated on contractual annual earnings to the year end of 31 March 2008) will start on 1 April 2008 and end no later than 31 March 2011. With the exception of the national annual pay award due on 1 April 2008 (see paragraph 7.6 above), no national annual pay awards will be paid to red circle employees in the period to 31 March 2011 unless the new salary exceeds the cash conserved salary.
- 7.8 Some months ago, the Assistant Chief Executive (Management) proposed a number of (former national) conditions of service changes to the trade unions. Having considered the situation, and having regard to the number of employees who would have been adversely affected financially as a result of these changes, the Assistant Chief Executive (Management) has decided to withdraw some of the proposals.
- 7.9 However, the Assistant Chief Executive (Management) has advised the trade unions that one change which the Council intends to make is the introduction of a 37 hour working week (exclusive of meal breaks) for all full time employees. At present, manual workers work 37 hours while APT&C (ie white collar) work 36¼ hours and are paid for 37. Employees who currently work 36¼ hours will be permitted to continue working these hours if they so wish and will be paid for 36¼ hours. Employees who work other reduced hours as part of the Council's flexible working arrangements will be paid for the actual hours worked.
- 7.10 Other changes which the Council intends to make are in relation to incremental progression: the 'smallest increment' rule which was contained in the former APT&C national agreement will end; and any increments due will only be paid on 1 April each year, subject to the employee having 6 months' service in the grade.
- 7.11 Another change which the Council intends to implement is that, without exception, from 1 April 2008 all employees will be paid monthly by BACS. The trade unions have been advised that it will be employees' responsibility to provide bank/building society details to their departments well in advance of that date. The Council is happy to discuss transitional short term loan arrangements with the trade unions and/or individual employees.

- 7.12 The original view of the Assistant Chief Executive (Management) was that, as a result of this exercise, all career grade structures would be deleted. However, in response to a number of observations from the trade unions and departments, the Assistant Chief Executive (Management) has decided that it would be beneficial to retain these wherever possible. Accordingly, the Assistant Chief Executive (Management) has asked departments to bring current career grade structures into line with the new grading structure on the basis that the value of work undertaken by an employee is the criterion for pay progression. Employees currently on career grades who have not had their jobs evaluated will be assimilated to the grade equivalent to their current grade with effect from 1 April 2008.
- 7.13 Similarly, there are a number of posts which currently have extended grades. Again, on the basis that the value of work undertaken is the determinant of grade, a number of extended grades will be retained.
- 7.14 All personal preservation will be subsumed by Single Status cash conservation.
- 7.15 The Council requires to carry out an equality impact assessment of all of its Single Status proposals. The Assistant Chief Executive (Management) has commissioned a qualified and experienced consultant to do this work, the cost of which will be met from the Single Status budget.
- 7.16 In accordance with the Single Status agreement, each employee has the right of appeal against his/her grade as determined by job evaluation. The Assistant Chief Executive (Management) has had a number of discussions with the trade unions regarding a local grading appeals procedure (which will comply with the Scottish model procedure) and this will be finalised in the near future.
- 7.17 The Assistant Chief Executive (Management) will appoint a number of Appeals Panel Chairs (recently retired City Council employees with appropriate experience proposed by both trade unions and management) and appeals panels will comprise Members from the trade unions and management. Appeals Panel Chairs and Members will receive appropriate training before they participate in appeals.
- 7.18 As the Committee will appreciate, it is difficult to predict how many appeals will be received. However, the trade unions and management have agreed that priority must be given to red circle employees and their appeals will be heard first. Every effort will be made to hear these appeals within 4 months of employees being notified of their factor levels and grades. Every effort will be made to hear appeals by white (ie no change to grade) and green circle employees within 9 months of employees being notified.

8 POSSIBLE LEGAL REQUIREMENTS

- 8.1 Based on an implementation date of 1 April 2008 (which the Council regards as essential to meet), there are 2 key dates in the legal process, if required.
- 8.2 In the absence of a local agreement, by 30 September 2007 the Council would have to start a formal 90 days' redundancy consultation exercise with the trade unions. By 31 December 2007, the Council would have to serve notice on all employees to terminate their contracts of employment. However, the Assistant Chief Executive (Management) wishes to emphasise that no redundancies are anticipated as all employees would be re-engaged on new Single Status contracts with their continuous service safeguarded. These new contracts would take effect on 1 April 2008.

9 **COMMUNICATION WITH EMPLOYEES**

- 9.1 With the exception of the employees referred to in paragraph 7.2, all employees will be provided with full factor level, grade and pay information on a common date in the period from 1 October to 31 December 2007. The employees referred to in paragraph 7.2 will be provided with grade and pay information. This information will be issued by employing departments who will be assisted and advised by the Assistant Chief Executive (Management).
- 9.2 To date, job information pertaining to individual employees has only been the subject of formal consultation with the trade unions and their members: this is in accordance with the agreed consultation arrangements. If this report is approved, the Assistant Chief Executive (Management) proposes that individual employees who are not trade union members may request job information (ie factor levels and future grade) from the Assistant Chief Executive (Management) prior to the formal issue of information (see paragraph 9.1 above): this will be on a 'for information' basis only as the Assistant Chief Executive (Management) wishes to ensure that the appeals process is not compromised ie no queries will be accepted at this stage.

10 **CONSULTATION**

- 10.1 GMB, TGWU and UNISON have been consulted in the preparation of this report, as have the Chief Executive, Depute Chief Executive (Finance) and Depute Chief Executive (Support Services).

11 **BACKGROUND PAPERS**

- 11.1 None.

J C Petrie
Assistant Chief Executive (Management)

(DATE)

APPENDIX A

Grade	SCPs	Salaries (£)				Interim Starting SCP	Salary (£)
1	2, 4, 6, 8	11,390	11,726	12,082	12,438	-	-
2	8, 10, 12, 14	12,438	12,833	13,209	13,605	6	12,082
3	14, 16, 18, 21	13,605	14,020	14,435	15,107	12	13,209
4	21, 22, 24, 25	15,107	15,345	15,780	16,037	19	14,653
5	25, 26, 27, 29	16,037	16,254	16,511	17,006	23	15,542
6	29, 31, 34, 36	17,006	17,540	18,331	18,884	27	16,511
7	36, 38, 41, 44	18,844	19,477	20,348	21,257	34	18,331
8	44, 47, 51, 55	21,257	22,226	23,590	25,034	42	20,624
9	55, 57, 59, 62	25,034	25,805	26,616	27,783	53	24,302
10	62, 64, 67, 70	27,783	28,653	29,958	31,322	60	26,992
11	70, 72, 75, 78	31,322	32,271	33,754	35,297	68	30,413
12	78, 80, 82, 84	35,297	36,345	38,026	38,599	76	34,229
13	84, 86, 88, 90	38,599	39,746	40,952	42,198	82	37,342