

ABERDEEN CITY COUNCIL

Town House,
ABERDEEN, 7th January, 2008

MINUTE OF SPECIAL MEETING OF ABERDEEN CITY COUNCIL

S e d e r u n t :

Lord Provost Peter Stephen, Chairperson;
Depute Provost John West; and

COUNCILLORS

GEORGE ADAM
YVONNE ALLAN
MARIE BOULTON
SCOTT CASSIE
RONALD CLARK
NORMAN COLLIE
NEIL COONEY
JOHN CORALL
IRENE CORMACK
WILLIAM CORMIE
BARNEY CROCKETT
KATHARINE DEAN
ALAN DONNELLY
JACQUELINE DUNBAR
NEIL FLETCHER
GORDON GRAHAM
MARTIN GREIG
JAMES HUNTER
LEONARD IRONSIDE

MURIEL JAFFREY
JENNIFER LAING
GORDON LESLIE
ANDREW MAY
CALLUM McCAIG
MARK McDONALD
ALAN MILNE
JAMES NOBLE
GEORGE PENNY
JOHN REYNOLDS
RICHARD ROBERTSON
JENNIFER STEWART
JOHN STEWART
KEVIN STEWART
WENDY STUART
KIRSTY WEST
WILLIAM YOUNG
and
IAN YUILL

Lord Provost Peter Stephen, in the Chair

EXEMPT INFORMATION

The Council resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the press and public from the meeting so as to avoid disclosure of exempt information of the class described in paragraphs 1 and 11 of Schedule 7(A) to the Act.

MATTER OF URGENCY

Lord Provost Stephen intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that Part 2 of the equal pay and modernisation programme, proposed payline, be considered as a matter of urgency to enable the Council to consider this information and enable it to reach a decision in respect of the equal pay and modernisation package.

DECLARATIONS OF INTEREST

The following Councillors declared interests in the subject matter being discussed at the meeting by virtue of the reasons stated. None of those declaring interests considered the nature of their interest required them to withdraw from the meeting or prevented them in participating in the Council's deliberations thereon:

Councillor Crockett as a member of the trade union Unite and having friends and relatives in the Council's employment;

Councillor Dunbar by virtue of a friend's employment by the Council;

Councillor Graham as a member of Unite and having a relative in the employment of the Council;

Councillor Hunter as a member of the T&G Union, now Unite;

Councillor Laing as a member of Unite with friends in the employment of the Council;

Councillor McDonald by virtue of a friend and relative being employed by the Council;

Councillor May by virtue of a relative's employment by the Council;

Councillor Noble as a member of Unite;

Councillor Penny by virtue of a relative's employment by the Council;

Councillor Reynolds by virtue of a relative's employment by the Council;

Councillor Kevin Stewart as a member of Unison trade union;

Councillor Young as a member of Unite; and

Councillor Yuill as a member of Unison.

EQUAL PAY AND MODERNISATION – MANAGEMENT PROPOSALS

The Council had before it a report by the Corporate Director for Resources Management presenting the management's proposals for the implementation of equal pay and modernisation in respect of Council employees.

The report explained that the equal pay and modernisation package, previously referred to as single status, had been the subject of informal consultation with trades unions but it had not been put to them for approval or otherwise. Part 1 of the report dealt primarily with the proposed revised terms and conditions of employment and the job evaluation appeals process. Part 2 of the report provided details of the proposed pay and grading structure associated with the equal pay and modernisation proposals.

The report stated that elected members had received background papers separate from the Council agenda comprising relevant reports and documents which explained the process towards equal pay and modernisation to date. As part of the dispute resolution agreement relating to disputes raised in 2005 by trades unions around provisional job evaluation outcomes at that time, it had been agreed that there would be no separation of job evaluation from the revision of terms and conditions in the final proposals and that the modernisation programme of the Council would be an integral part of the proposal. The report provided information on the key elements of the equal pay and modernisation package:

- (1) The process of job evaluation to determine the relative worth of jobs against a common set of factors using the COSLA Consortium approved Job Evaluation Scheme. This process had included training for managers, the submission and evaluation of documents, consistency checking and the current element of notification and implementation, all conducted openly and transparently with each stage being reviewed with trade union colleagues before progressing to the next stage.
- (2) Revised terms and conditions of employment, attached as Appendix B to the report, which had been subject to detailed discussion and consultation with the trade unions and made available to employees for comment and consultation. The modernisation of conditions sought to provide a flexible workforce to allow the Council to meet the needs of citizens at times convenient to the citizen, to simplify allowances paid, rationalise overtime working, promote best employment practices and work life balance. Also included were revised arrangements for staff who provide a car for business purposes, proposed changes to annual leave and public holiday entitlement including the conversion of five of the twelve public holidays to be added to annual leave entitlement, harmonisation of notice periods to four weeks minimum and a move from weekly to monthly pay for former manual worker staff with a "smoothing payment" of £125, to ease financial hardship associated with this change. It was proposed that salaries/wages would be protected for three years and would include basic pay, average bonus earnings over a twelve month period and shift allowance but not nationally negotiated pay awards or annual increments. The report listed a number of

Council Meeting, 7th January, 2008

issues in the review of terms and conditions where agreement had not been reached the trade unions.

- (3) The linkage of the modernisation of Council services and organisational structure with equal pay and the review of terms and conditions.
- (4) Employee support arrangements which included salary protection, a one-off transitional payment to employees whose posts were evaluated at a lower level than present of an amount matching the extent of detriment if below £500 per annum, £500 for those with a level of detriment between £500 and £5,000 per annum, and 10% of the value of detriment where it exceeded £5,000 per annum.

Services would be asked to assess the impact of the proposed evaluations on jobs where the Council found difficulty in recruiting and retaining staff and if necessary make a case for a "market forces" supplementary remuneration. A market forces policy would be the subject of a further report to Council. Considerable work was being undertaken to link the reviews associated with the Transformation Programme to job redesign required as a result of potential equal pay and modernisation detriment. The options for staff still in detriment after three years of pay protection were being considered.

A risk analysis of the implementation of equal pay and modernisation had been undertaken by staff and an equality impact assessment had been undertaken by an external consultant, a copy of the summary report of which was attached as Appendix C to the report. Reference was also made to compromise agreements, reached in 2006, with the vast majority of catering, cleaning and care staff which absolved the Council from any further claims until 30th November, 2006. Discussions were being held with trade unions on how to compromise the potential legal liability from that date.

Trade unions would ballot their members on the proposals after their members had received their letters. If there was agreement to the Council's proposals, the Council would then enter into a collective agreement with recognised trade unions on the package. Staff would be issued with new contracts of employment reflecting their new pay and terms and conditions. It was proposed that the implementation date be the date employees were notified of proposals, that is the date of the letter issued in January, 2008. Catering, cleaning and care staff who received compromise payments in 2006, however, had a legal agreement to back-date job evaluation outcomes to 1 June 2006. The terms and conditions would be introduced on an incremental basis. Should the trade unions reject the proposals the strategy for implementation would require to be reviewed by the Council. It was proposed that if any relatively minor amendments were required to resolve the situation that authority be delegated to officers to approve the changes. If the reasons for rejection were more fundamental the matter would require to be reconsidered by Council.

The report concluded by outlining the communications efforts which had been made in this matter and the significant trade union engagement and consultation which had taken place over the last two years.

Council Meeting, 7th January, 2008

The report had attached to it as Appendix A the Job Evaluation Appeals Procedure and as Appendix B the Revised Local Terms and Conditions for Employment. The report also outlined the financial implications of weekly to monthly smoothing payments, transitional payments, anticipated savings on terms and conditions and the legal implications of the proposed protection arrangements.

The report recommended:-

that the Council –

- (a) approve, as the formal position of the Council as “the employer”, a formal offer be made to the trade unions enabling notification to employees of equal pay and modernisation outcomes in respect of the following:-
 - (i) the Job Evaluation Appeals Procedure as outlined in Appendix A; and
 - (ii) the Local Terms and Conditions of Service as outlined in Appendix B;
- (b) note the potential risks associated with including protection of basic pay, bonus and shift allowances as part of the package;
- (c) note and endorse the management support arrangements outlined in the report;
- (d) approve one-off payments in respect of implementing the proposals of a transitional payment for employees in detriment and a smoothing payment in respect of weekly to monthly pay as detailed in the report;
- (e) delegate authority to the Corporate Director for Resources Management, in consultation with the Convener of Resources Management, to put in place appropriate further compromise agreements for catering, cleaning and care employees following discussions with trade unions within the parameters of compromise agreements previously approved by Resources Management Committee in March, 2006;
- (f) delegate authority to the Chief Executive and the Corporate Director for Resources Management, in consultation with the Convener of Resources Management Committee to make minor amendments to any provision contained in the Job Evaluation Appeals Procedure and the Local Terms and Conditions of Service, both attached to the report, that arise from representations or negotiations with trade unions on the package with a view to securing collective agreement;
- (g) authorise implementation of the package at the earliest opportunity including the back-dating of job evaluation outcomes to the date of the notification letter, that is January, 2008, or earlier where there is a registered job evaluation regrading claim or this is required by compromise agreement, providing that the package is approved by all trade unions following their first ballot; and
- (h) instructs the Corporate Director for Resources Management to report back to Council immediately with a report outlining the options for delivering equal pay and modernisation should one or more of the trade unions reject the package after ballot.

Council Meeting, 7th January, 2008

The Council also had before it Part 2 of the Corporate Director for Resources Management's report on Equal Pay and Modernisation – Management Proposals which provided details of the proposed pay and grading structure and payline.

The report, presented as Appendix D, proposed a grading structure comprising seventeen grades with four incremental points within most grades, based on a 37 hour working week. Appendix E to the report was a graph showing numbers of staff currently above the payline that would result in employees in detriment, those whose pay would remain around the same and those employees who would receive a pay increase. The report listed the criteria for approving the seventeen grade model which included budgetary considerations, ability to defend the proposals in terms of future legal challenge, maintenance of the Council's competitive position in the jobs market, minimisation of the number of employees facing detriment and the value of that detriment. Assimilation of points to new grades would match employees to the bottom point of the grade except where the employee's existing basic pay was higher than the bottom point of the grade in which case they would be matched to the nearest highest point on the new grade and where the employee's existing pay was higher than the top point of the new grade they would be matched to the top point of the new grade. By way of financial implications, the report advised that the cost of implementing job evaluation had been calculated at around £10.2 million per annum and that, at the end of the three year period of salary protection, savings of around £4 million per annum would partly offset the cost of job evaluation. It was estimated that 12.5% of all employees would suffer a reduction in basic salary/wage compared to 24.2% in 2005.

The report advised that work was progressing to clarify the contractual position in relation to a number of community education workers formerly employed by Community Centre Management Committees. This group would be dealt with separately following the main equal pay and modernisation process. An impact profile of the evaluation process showed that the generic group most adversely affected was the administrative/clerical grouping. This would be looked at as part of the organisational transformation. The report concluded by giving some examples of specific jobs with their current and proposed maximum salaries.

The report recommended:-

that the Council –

- (a) approve the pay and grading structure as described in Appendix D;
- (b) note the payline detailed in Appendix E;
- (c) approve the proposed arrangements for the assimilation of employees to their new grade as outlined in the report;
- (d) delegate authority to the Chief Executive and Corporate Director for Resources Management, in consultation with the Convener for Resources Management Committee, to make minor amendments to any provision contained within Part 2 of the report that arise from representation or negotiations with trade unions with a view to securing collective agreement; and

Council Meeting, 7th January, 2008

- (e) authorise the progression of the generic review of administrative and clerical posts.

Councillor Kevin Stewart moved, seconded by Councillor Dean:-

That the recommendations contained in the report, Parts 1 and 2, be approved subject to the amendment of recommendations (e) and (f) in Part 1 and (d) in Part 2, to include consultation with the Convener of Policy and Strategy Committee after discussion with the members of the Equal Pay and Modernisation Steering Group.

Councillor Milne moved as an amendment, seconded by Councillor Donnelly:-

That the Council notes the recommendations made by Resources Management Service in respect of equal pay and modernisation but totally rejects any implication of discriminatory pay packages based on gender. The Council, however, agrees that the draft proposals be approved subject to the addition of a clause being inserted into the modernisation agreement that future entitlement to annual pay increases will be subject to documented satisfactory individual performance assessments for each member of staff.

On a division, there voted:-

For the motion (37) – Lord Provost Stephen; Depute Provost John West; and Councillors Adam, Allan, Boulton, Cassie, Clark, Collie, Cooney, Corall, Cormack, Cormie, Crockett, Dean, Dunbar, Fletcher, Graham, Greig, Hunter, Ironside, Jaffrey, Laing, Leslie, McCaig, McDonald, May, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West, Young and Yuill.

For the amendment (2) – Councillors Donnelly and Milne.

The Council resolved:-

to adopt the terms of the motion and to thank all those involved in this process including staff, trade unions and the Councillors who had served on the Equal Pay and Modernisation Steering Group, formerly known as the Job Evaluation and Single Status Steering Group.

- **PETER STEPHEN, Chairperson.**