

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources	DATE	17 June 2010
CORPORATE DIRECTOR	Stewart Carruth		
TITLE OF REPORT	Review of existing pay protection arrangements		
REPORT NUMBER	CG/10/129		

1. PURPOSE OF REPORT

This report proposes a revised policy on the application of pay protection. Currently arrangements are in place for protection which lack clarity and can at times be ambiguous. This reports aims to provide one standard set of arrangements which will apply in the future.

2. RECOMMENDATION(S)

It is recommended that the Committee approves the revision of current pay protection arrangements so that:

- a) the existing EP&M arrangements remain unaltered
- b) the authority to agree the on-going provisions of pay protection is delegated to the Chief Executive and the Director of Corporate Governance in consultation with the Convener for Finance and Resources.
- c) all employees job matched into lower paid positions resulting from the recent re-structuring will be subject to the protection arrangements as approved in (b) above.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the revised policy.

4. SERVICE & COMMUNITY IMPACT

This policy will enable us to comply with our obligations under Equal Pay Legislation

5. OTHER IMPLICATIONS

This policy will assist with the implementation of new working arrangements aimed at balancing the budget.

6. REPORT

The Council currently has a number of pay protection arrangements in place which are aimed at protecting the earnings to employees where the pay level for their job has changed. The list below is a summary of these arrangements:

- a) Re-deployment due to risk of redundancy
- b) Re-deployment due to medical condition
- c) Job matching
- d) Implementation of EP&M arrangements, the Red Book.
- e) Errors protocol arising from EP&M arrangements

Of the above, only re-deployment due to medical condition currently has no provision for the protection of pay. The re-deployment of employees in these circumstances is considered a reasonable adjustment, the alternative being a dismissal on capability grounds.

There is no legal requirement to provide pay protection arrangements to employees. However from an employee relations perspective, it is considered good practice to at least provide some protection so that employees can make necessary lifestyle changes to avoid any possible hardship.

The implementation of EP&M meant that Aberdeen City Council had implemented the Single Status agreement. The Red Book (which is a National agreement), defined that protection arrangements of three years on a cash conservation basis (i.e. the actual amount of cash would be protected and no pay awards would be applied) would be applied to those facing a reduction in pay as a result of implementing these arrangements. It is recommended that the Council does not re-visit these arrangements as generally they form part of the national agreement and they are currently providing protection to large numbers of employees.

Where clarification is required is the ongoing protection arrangements applied to redeployment as a result of the job matching process applied following re-structuring of services.

There is a need to quickly clarify the position on pay protection because a number of services are moving ahead with re-structuring proposals and to wait any longer would mean generally applying different arrangements depending on when the new structures are implemented.

Directorate	Re-structure approved
Education Culture and Sport	15 April 2010
Social Care and Wellbeing	22 May 2010
Enterprise, Planning and Infrastructure	31 May 2010
Corporate Governance	17 June 2010
Housing and Environment	24 August 2010
Office of the Chief Executive	17 June 2010

All Directorates in the first instance are proposing structures to senior manager level with authority delegated to the Director to make further changes below this level where existing budget provision is sufficient.

It is recommended that any employee job matched into a lower paid position as a result of any of the above re-structures does not assume three years pay protection but is subject to the provisions of pay protection which will be agreed in due course. This will ensure that no employee will be dis-advantaged by any change in the arrangements.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

None