

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO COUNCIL

6 MARCH 2013

### REPORT OF THE SECTION 151 OFFICER

#### IMPLEMENTATION OF A PAY & GRADING SYSTEM

#### 1 Purpose

- 1.1 The purpose of this report is to advise Council of the outcome of the second ballot in respect of the proposals for the new pay and grading system, and to confirm the financial implications.

#### 2. Connections to the Corporate Plan

- 2.1 Progressing and finalising Job Evaluation is a key priority, improvement objective nine, which aims to improve the way in which we work to ensure effective and efficient use of our financial, technological, physical and human assets.

#### 3. Background

- 3.1 The Council is legally required to carry out a review of its pay and grading structure and Part 3 terms and conditions under the 1997 national Single Status Agreement. The outcome of Job Evaluation must be a sustainable pay and grading structure which removes the pay inequality between male and female employees, and to ensure the Council can robustly defend future equal pay claims.
- 3.2 The first trade union ballot in October 2012 resulted in a “yes” vote from Unison and GMB and a “no” vote from Unite members. Since then the Council has been in further consultation with the trade unions to identify any potential changes that could be made to improve the package of proposals that were published in July 2012.
- 3.3 As a result of these consultations, the proposal was improved as follows:
- 3.3.1 non-contractual overtime will increase from single time to time and a third [in line with contractual overtime]
- 3.3.2 the mileage rate will increase from the HMRC rate of 45p per mile to 47p per mile
- 3.3.3 those employees who will receive an increase in salary under the new proposals will have that increase paid as if the new pay and grading structure had been implement on the original planned date of 1 April 2013

#### **4. Current situation**

- 4.1 The second trade union ballot opened on 21 January 2013 and closed on Sunday 10<sup>th</sup> February 2013, and each of the three recognised trade unions returned a vote in favour of acceptance of the proposals.
- 4.2 Arrangements will now be made to sign off the collective agreement as soon as is reasonably practicable. At the time of writing it is not possible to confirm the date on which this will occur as each trade union will need to liaise with their own legal teams.
- 4.3 The final package of proposals will result in an estimated annual recurring budget requirement of £4.5m in addition to the current annual pay bill. This increase was approved by Council on 09.01.13 and has been accounted for in the budget for future years. This provision does not include the potential impact of any successful appeals, which cannot be quantified at this stage. The estimated additional recurring budget requirement for future years will be factored into the Council's Medium term Financial Strategy and kept under review. This means that additional budget reductions in 2014-15 and 2015-16 may be required to compensate any additional cost.
- 4.4 The non- recurring pay protection costs for those losing is estimated to be £3m and pay protection will commence on the actual implementation date, currently planned for 1 September 2013. Members will recall that it was previously agreed that this amount would be funded from an earmarked reserve established to meet this cost.
- 4.5 Members will recall the points previously made by the Wales Audit Office and KPMG about the importance of progressing with implementation of Job Evaluation and we are now in a position to confirm that Council has reached the position of a Collective Agreement with the recognised trade unions.

#### **5. Effect upon Policy Framework and Procedure Rules**

- 5.1 There is no direct effect upon the Policy Framework or Procedure Rules at this stage.

#### **6. Equality Impact Assessment**

- 6.1 The conclusion of the assessment of impact (EIA) of the Council's proposals undertaken by an independent expert is that:-
- The proposed pay structure improves the gender pay gap on a grade by grade basis. As employees progress through the structure with annual increments the gap will narrow even further.
  - The proposed structure demonstrates a visible narrowing of the gender pay gap in both basic pay and total pay

#### **7. Financial Implications**

- 7.1 The financial implications are reflected in the report.

## **8. Recommendations**

8.1 It is recommended that Council note the content of the report

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**11 February 2013**

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**Background documents:** None