

APPOINTMENTS COMMITTEE REPORT

Appointments Committee Date	5 February 2019
Officer	Mandy Quayle, Acting Director, HR & Digital
Purpose of Report	<p>To outline the implications of the national pay agreement and the proposed changes to the Council’s ‘green book’ grading structure and to request the Appointments Committee endorse formal presentation of the enclosed draft collective agreement to the recognised trades unions (UNISON, GMB and Unite).</p>
Recommendations	<p>The committee notes:</p> <ul style="list-style-type: none"> • A two year national pay agreement for green book employees covering 2018/19 and 2019/20 was agreed through national bargaining during 2018. The second year of this agreement involves the implementation of a new pay spine effective from 1 April 2019. • That the Council has considered the impact of these changes and has taken the opportunity to undertake a wider review of the pay and grading arrangements for green book employees. • As a consequence, a revised grading structure is proposed which requires a collective agreement with the recognised trades unions. Should they be agreed, it is proposed to implement these changes with effect from 1 September 2019. • That the cost of these changes is included within the MTFS and therefore included in the proposed budget for 2019/20. <p>It is recommended that, subject to the Council approving the funding of the pay and grading system as part of the Council’s budget setting process for 2019/20 at its meeting on 13 February 2018, the committee approve that:</p> <ul style="list-style-type: none"> • the Council approach the Trade Unions to enter into a collective agreement regarding the new pay and grading system (set out in appendix one) and • should the Unions’ ballots with their members reflect a positive response to the pay and grading proposals, the Council authorises the Chief Executive to enter into a Collective Agreement with the recognised trades unions to implement those changes.

Resource Implications	The cost of the implementing the new national pay spine is c.£2.1 and the additional full year cost associated with the changes to GCC's grading structure is c.£1.6m. These costs are built into the MTFs and therefore subject to approval by Council on 13 February 2019.
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1. Background

A number of factors have recently put pressure on the Council's current pay arrangements; these include the implications of the increasing national living wage, concerns regarding the Council's ability to attract and retain critical staff in a number of professions and the recent national pay agreement. Therefore a review of our green book grading structure has been undertaken. This considered the following factors:

- **Collective Agreement**

The Council is a party to the national agreement on pay for local government staff and as such we are contractually obliged to introduce the new national pay spine for 'Green Book' employees in 2019.

- **Configuration of the Current GCC Pay Spine**

Our current scale of grades features pay grades of differing lengths (three to nine incremental points), and with considerable overlaps between grades. For example, current pay point 19 can be found within grades E, F and G. On a practical level this can lead to situations where a manager or supervisor can earn less than the employees reporting to them, sometimes for a number of years.

There is established employment case law that pay scales that feature annual incremental progression are inherently indirectly discriminatory when, as with ours, it takes six or more years to progress through the grade, as it is assumed that females will not progress as quickly as males, as they are more likely to have career interruptions for family or caring responsibilities. There is also established case law around age discrimination. This leaves the council open to legal challenge and to potential liability for backdated pay awards should such a challenge or challenges be successful.

- **Changing Labour Markets**

Gloucestershire CC has consciously featured as an employer in the 'lower quartile' in respect of comparisons with other local authorities on 'Green Book' pay. Feedback suggests that managers are increasingly appointing new staff above the minimum of the grade, and often toward or on the maximum of the grade in order to attract external candidates of a suitable quality. In areas where the labour market is particularly 'tight' we have needed to resort to further financial inducements to both recruit and retain staff. These challenges are not universal across all services but are a feature for a significant portion of the overall workforce.

- **Affordability**

It perhaps goes without saying that the council is operating in financially challenging circumstances. The requirement to adopt the new national pay spine involves inescapable additional costs, and to avoid exacerbating this we need to ensure that any agreed model is affordable this year and into the future.

2. Impact of the national pay agreement

The revised national pay spine adjusts pay for those on the lower end of the pay spine to take into account the implications of increases to the national living wage. In practice this means that:

- Those currently on scp 6 – 15 receive between 5 – 7.5% increase.
- Those currently on scp 16 to 28 receive between 3.5 – 5% increase.
- Those currently above scp 18 receive a 2% increase.

3. Revised grading structure

As a result of the business drivers outlined above, a revised grading structure is proposed for the Council's green book employees which applies nine new grades of not more than 6 increments with no overlaps. It removes the lower scp of the current grades and employees currently on those scp would be increased to the bottom increment of the new grades.

As a result, 674 (23%) perm or fixed term employees would increase in scp and 2250 (77%) would remain on the same scp. No employee loses as a result of these changes.

Detailed equality analysis has been undertaken and younger employees up to the age of 35 benefit proportionately more than older age groups. There is not a significant difference in terms of impact on men and women. This is also the case for other protected characteristics including ethnicity, disability or sexual orientation.

4. Schools

Any changes to the pay spine and to the local authority grading structure will have direct effect on local authority controlled schools. Local authority schools are bound to select from their local authority range of grades when establishing a post and making an appointment or determining pay progression. Though aided and academy schools do not have the same statutory obligation, most of the schools in Gloucestershire of this type have contractual obligations to do so, for some or most existing 'Green Book' support staff.

5. Recommendations

The committee is asked to endorse for formal presentation to the recognised trade unions (UNISON, GMB and Unite) the enclosed draft collective agreement.

This would enable the unions to commence a ballot of their members seeking a mandate to enter into a collective agreement with the Council to introduce with effect from 1st September 2019 the proposed new grading structure and to incorporate the relevant terms into the contracts of employment of all the council's Green Book employees including schools.