



Glasgow City Council

City Administration Committee

Report by Councillor Susan Aitken, Leader of the Council & City
Convener for Inclusive Economic Growth

Item 4

28th June 2018

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FUTURE OF CURRENT PAY AND GRADING SYSTEM

Purpose of Report:

To seek Committee approval to confirm that the current pay and grading system will be discontinued and replaced with a suitable alternative pay and grading system.

Recommendations:

It is recommended that Committee:-

- (i) notes the report;
- (ii) confirms that the current pay and grading system is to be discontinued and replaced with a suitable alternative; and
- (iii) instructs officers, working with the Trade Unions, to identify an alternative to the current WPBR Scheme, reporting this to a future Committee.

Ward No(s):

Citywide:

Local member(s) advised: Yes No consulted: Yes No

OFFICIAL - SENSITIVE: Operational

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1 Introduction

- 1.1. The Council adopted the Workforce Pay and Benefit Review (“WPBR”), implementing its job evaluation based pay and grading system, across the Council and a number of its ALEOs in 2006. Protracted litigation, challenging the scheme on equal pay grounds culminated at the Court of Session. In August 2017 the Court of Session ruled that it had not been established that WPBR was a valid job evaluation scheme. The Council decided at a City Administration Committee meeting on 17 January 2018 that it would not appeal the decision of the Court of Session to the Supreme Court and would, instead, commit to settling the outstanding equal pay claims by a process of negotiation with the claimants’ representatives.
- 1.2. These negotiations commenced formally in January of this year and have been continuing approximately fortnightly since then. Settlement is, essentially, a retrospective act and does not necessarily affect the pay and grading of employees going forward. In practice, however, the act of settling claims relating to the past has a very significant impact on the integrity of the pay and grading system that has led directly to those claims being raised in the first place.
- 1.3. The claimants’ representatives have advised that continuing with WPBR will result in continued litigation against the Council.
- 1.4. There are around 11,500 claimants representing both current and past employees of the Council and most of its ALEOs. They are predominantly represented by Action 4 Equality (A4E) although significant numbers are represented by Unison and the GMB.
- 1.5. Adopting a new Job Evaluation Scheme and then developing a new pay and grading scheme, working with the claimants’ representatives to ensure that it is Equality Act compliant, does not guarantee that such a scheme would not be challenged by other parties. No pay and grading system is immune from challenge and, in consequence, no guarantee can be given that a new scheme will not attract challenge.

2 Implications of the Court of Session Decision

- 2.1. The Court of Session found that the Council had failed to evidence that the WPBR scheme was valid, objective, analytical and capable of consistent application. The WPBR scheme, therefore, does not provide the Council with an automatic defence against equal value claims.
- 2.2. Continuing with a scheme that does not provide an automatic defence against equal value claims is unsustainable, as the Council would then be open to continued litigation.

- 2.3. An option open to the Council would be to seek to amend the current scheme in order to make it Equality Act compliant. This would involve considerable work not markedly different from the work involved in implementing a new scheme. The claimants' representatives also hold the view that it would be impracticable, as well as undesirable, to seek to amend WPBR and, as set out in section 2.3, having advised that continuing with WPBR would result in continued litigation against the council.

3 Next Steps

- 3.1. If Committee decides to discontinue the WPBR scheme, the next step would be to identify an alternative means to determine the pay and grading of employees. There are a number of schemes available, for instance, our partners in the NHS use Agenda for Change; CSG have recently implemented a new pay and regrading system using the Hay methodology; and 28 of the other Councils in Scotland use the SJC scheme referred to as the Red Book scheme. Other schemes are also available.
- 3.2. The Job Evaluation Work Stream is composed of officers and representatives from Unison and the GMB with those Trade Unions utilising technical assistance from A4E. Unite has been invited to join. This group has looked at criteria to inform the choice of scheme. Further work needs to be done, but for the information of Committee the following represents the group's initial criteria assessment:-

- **Equalities**

Must be equality tested in design and have evidence of equality in impact. Must be updated to meet all revised equality duties - new protected characteristics and the Public Sector Equality Directive and pay gap reporting obligations. Must have ongoing access to equality updates from verified equality compliant owner.

- **Transparency**

Must be 100% transparent - scoring, weighting, pay modelling etc. and pay gap checking. The scheme cannot reward demands differently under separate matrices such as WCD which is used under WPBR.

- **Joint Working**

Must be fully compatible with established principles and practice of Joint Working. Full TU access to all design, decision making, application and review processes. No "black box" functions or commercially confidential functions (factor levels, weightings etc). Capable of being understood, applied, challenged, monitored and review by TUs through joint industrial relations processes

- **Training**

Aside from a quality scheme, the product must be accompanied by training, guidance and related materials in plain English and capable of application in an inclusive Joint TU process.

- **Breadth and Depth of Job Population**

Must have a factor plan capable of measuring a broad range of jobs including senior officers if needed.

- **Public Sector Ethos**

Factor plan and weights that reflect public sector ethos valuing public sector delivery tasks both "back office" and community delivery of services. No exaggerated value or reward for managerial authority or other private sector distortions. Appropriate reward of care skills/attributes and for manual work relative to non-manual regardless of gender. Able to recruit and retain key skills.

- **Speed, Complexity, Resources**

The relative draw on staff time and other resources and the time taken to complete the whole exercise.

- **Online/Digital**

This is preferable in terms of speed, record keeping, consistency checking, transparency, updates etc, but the quality of the online capability must be verifiable.

- **Resilience**

Resilient to challenge (appeals, litigation etc). Resilient to pressure from service change, workforce re-modelling etc. Durable in terms of maintenance for lower level changes such as job drift, new technology etc.

- **Forward System Compatibility**

Workable interface with payroll, other workforce information systems e.g. workforce development, shift planning systems etc

4 Policy and Resource Implications

Resource Implications:

Financial: No new financial implications, at this time.

Legal: No new legal issues

Personnel: There are no personnel implications, at this time.

Procurement: No relevant procurement issues

Council Strategic Plan: A Well Governed City that listens and responds

Equality Impacts:

Does the proposal support the Council's Equality Outcomes 2017-22 Not applicable, at this time.

What are the potential equality impacts as a result of this report? No significant impact, at this time.

Sustainability Impacts:

Environmental: Not applicable

Social: Not applicable

Economic: Not applicable

Privacy and Data Protection impacts: No data protection impacts identified.

5 Recommendations

5.1. It is recommended that Committee:-

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