

BRISTOL CITY COUNCIL

HUMAN RESOURCES COMMITTEE

10th January 2013

Report of: Strategic Director: Corporate Services

Title: Progress report on Pay and Reward

Ward: N/A

Officer Presenting Report: Mark Williams, Service Manager: Corporate HR

Contact Telephone Number: 0117 92 24838

RECOMMENDATION

That the committee provide their comments and observations on the progress that has been made to date and note the contents of the report.

Summary

The report highlights the progress that has been made through joint work with the trade unions on developing a new Reward Strategy for the organisation.

The significant issues in the report are:

- There is agreement with the trade unions on the principles that should underpin the council's future reward strategy.
- There is agreement that the future reward strategy must enable the council's lowest paid workers to receive a "living wage" and this should be reflected in the pay spine.
- Future negotiations will focus on payments for non-standard working hours, transitional issues, and how contribution should be reflected pay.

1. Policy

1.1 The Council's Pay Policy Statement 2012 states:

“Developing a reward strategy which:-

- Addresses low pay in a sustainable, equitable and affordable way;
- strengthens the link between pay levels and consistent performance;
- is underpinned by requirements to recruit and retain talent needed to drive organisational performance;

1.2 The principles that will underpin a Reward Strategy are that it will:-

- Be affordable;
- Be sustainable;
- Be transparent;
- Enable the council to recruit and retain the right local people (where possible) in the right jobs;
- Enable an agile workforce;
- Provide incentives to employees to continually meet or exceed performance expectations; and
- Be underpinned by pay equality.

2. Consultation

2.1 Internal

Single Status Trade Unions – To follow

2.2 External

Not applicable

3. Context

- 3.1 Full Council on 20th November 2012 agreed that the Officers should bring a report to this committee on the progress that is being made to move towards introducing a Living Wage for Council employees on a permanent basis. This is also in a context where officers have been working with the trade unions to develop a new Reward Strategy for the organisation.

- 3.2 There is agreement with the trade unions that the pay structure needs to accommodate the “living wage” in a sustainable way. It is important to highlight that all the core city councils that have implemented a “living wage”, have not incorporated it into their pay structure in a sustainable way. They are paying supplements. In contrast to this approach, it is the view of both the trade unions and officers that a sustainable grading structure needs to be developed which incorporates a living wage into the pay structure. However, this presents a series of complex challenges around the design of a future pay structure which are now being evaluated.

4. Proposal

- 4.1 Officers and trade union colleagues have been working together to agree some design principles that should form part of the Council’s future Reward Strategy. There has been agreement on many of the key features of a new pay and grading system but are some areas that require further discussion. These are set out in Appendix A.

5. Other Options Considered

- 5.1 Not applicable as the report is for information and discussion only.

6. Risk Assessment

- 6.1 At this stage, the risks associated with this work are low. However, as proposals are developed, this is likely to change.

7. Public Sector Equality Duties

- 7a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --

- remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
- encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –

- tackle prejudice; and
- promote understanding.

7b) Pay and Reward is a workstream of the People Programme and there is a high level over-arching Equalities Impact Assessment for the programme which includes pay and reward. As the detailed proposals are developed, a specific Equalities Impact Assessment will be developed. .

Legal and Resource Implications

Legal None sought

Financial

(a) Revenue

None sought

(b) Capital

N/A

Personnel None arising from this report

Appendices: Appendix A – Draft Pay and Reward Agreement

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None

DRAFT Appendix A



Pay and Reward

Introduction

Council officers and the Single Status Trade Unions (GMB, UNISON and UNITE) have been in talks since the Summer 2012 over taking forward the priority in the Council's Pay Policy Statement 2012 which states:

“Developing a reward strategy which:-

- Addresses low pay in a sustainable, equitable and affordable way;
- strengthens the link between pay levels and consistent performance;
- is underpinned by requirements to recruit and retain talent needed to drive organisational performance;

The principles that will underpin a Reward Strategy are that it will :-

- Be affordable;
- Be sustainable;
- Be transparent;
- Enable the council to recruit and retain the right local people (where possible) in the right jobs;
- Enable an agile workforce;
- Provide incentives to employees to continually meet or exceed performance expectations; and
- Be underpinned by pay equality.

The negotiations with the Single Status Trade Unions have resulted in the following agreement:-

Areas of Consensus

The Single Status Trade Unions and the City Council have consensus that:-

1. the guiding principles for the pay and reward system are that it should be fair, transparent and equitable
2. our lowest paid employees should be paid a “living wage”
3. that there should be a consistent number of whole spine points in each single status grade, where possible
4. all jobs will continue to be ranked through a job evaluation scheme which meets gender equality requirements
5. any proposals for change need to be affordable
6. protecting jobs should be a key goal

Areas for further discussion

Further negotiations with the Single Trade Unions are continuing to seek to agree :

1. The extent to which the Council's current Working Arrangements Policy should be improved and how it should be incorporated into the new Pay and Reward structure. This includes developing new and .
1 alternative working patterns which are less disruptive to employees, offer a sustainable future and the security of the same salary each month
2. It is appropriate to review the current pay and grading system which has been in operation for over 10 years and does not meet the needs of both employees and the organisation
3. How any pay and grading review could accommodate incremental progression or contribution levels
4. transitional issues such as pay protection

1 Trade Unions recognise that different work patterns could be less disruptive to family life and could offer more consistent hours with employees receiving the same pay each month to help them to manage their finances more effectively.