

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Chief Executive

Council Meeting – 27 June 2007

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**Subject: Pay Modernisation - Proposals for Implementation of the Single Status Agreement**

### 1. Purpose

1.1 The purpose of this report is:-

- to provide an update on the status of on-going local negotiations and of the national context affecting progress in relation to implementation of the Single Status Agreement
- to recommend an 'Employers' Offer' as a proposal for implementation of the Single Status Agreement in West Dunbartonshire Council and,
- to detail the necessary steps that require to be taken to meet the Council's obligations in relation to employee consultation and statutory notification.

### 2. Background

#### Progress of Negotiations

2.1 Management and the Trades Unions re-focused their efforts and began working together as a Pay Modernisation Joint Working Group in August 2005, with the shared objective of equalising pay by:-

- the implementation of a new WDC grading and pay structure developed from the results of the application of the Scottish Councils' Job Evaluation Scheme
- reviewing terms and conditions of employment in order to harmonise those previously different for APT&C staff and Manual Workers
- meeting the statutory duty to ensure equal pay in terms of total remuneration and provide equal opportunity of access to enhancements
- reviewing Bonus payments in accordance with the Guidance of the COSLA Pay and Grading Task Group.

Since that time the Pay Modernisation Joint Working Group comprising Service Managers, Personnel and Finance representatives, local and full-time Trades Union officials has met on 28 occasions. In addition Trades Union nominated Job Analysts were members of the Job Analyst Team seconded to progress the job evaluation exercise within the Council.

### **3. Progress of Development of new Pay and Grading Structure and Terms and Conditions Package**

#### Development of Grading and Pay Structure

- 3.1** Following approval at the meeting of Council held on 20 December 2006 an initial proposal in relation to both pay and grading and terms and conditions of employment was issued to Trades Unions. The proposals had been designed in accordance with the methodologies, principles, and best practice advice set out in the 'Pay and Grading Guidance' issued by the COSLA Job Evaluation Consortium.
- 3.2** The pay structure had 10 grades covering the whole of the Single Status population, i.e. Manual Workers and Admin, Professional, Technical & Clerical Staffs, including Residential Workers and Nursery Nurses. Assimilation costs associated with this model were approximately £4.7 million.

#### Equalities Impact Assessment

- 3.3** The initial proposal underwent an Equalities Impact Assessment to ensure that the pay structure and associated terms and conditions of employment addressed the inequalities in the current arrangements and were fully robust in terms of statutory requirements under the Equal Pay Act. While the assessment acknowledged that the Council's proposals had clearly been developed on the basis of best practice it was recommended that further consideration was given to several aspects of the proposals to ensure that the proposals fully addressed current pay inequality and were non discriminatory in structure and effect.
- 3.4** Taking into account the recommendations contained within the initial assessment, further development work was undertaken and a revised pay model produced. Alterations to the pay model were fully discussed with Trades Unions prior to submitting the model to the Pay Modernisation Joint Working Group for consideration.
- 3.5** The revised proposal has 12 grades covering the whole of the Single Status population, i.e. Manual Workers and Admin, Professional, Technical & Clerical Staffs, including Residential Workers and Nursery Nurses. Assimilation costs associated with this model have been estimated at £6 million.

In terms of the predicted impact on employees based on current matching proposals across the job population as a whole:

- 52% of employees whose current salary is below the new grade minimum will enjoy an increase in salary, referred to as 'Green Circled'
- 31% of employees whose current salary falls between the new grade minimum and maximum will enjoy a marginal salary increase referred to as 'White Circled'
- 17% of employees whose current salary is above the new grade maximum will potentially suffer a decrease in salary, referred to as 'Red Circled'. This figure is expected to reduce to approximately 9%, at the end of the 3 year detriment period.

**3.6** The predicted results detailed above may be subject to change as the agreed matching process within West Dunbartonshire Council reaches a conclusion.

**3.7** In addition and In accordance with the Advisory, Conciliation and Arbitration Service (ACAS) Code of Practice, employees will have an individual right of appeal against the outcome of the evaluation of their job under the Scottish Councils' Job Evaluation Scheme. Appeals will be admissible where based on the following grounds:

- factual inaccuracy in either the inputs or the outputs of the evaluation process
- failure to apply the agreed local job evaluation procedure
- misapplication of the factor definitions, levels and guidance of the Scottish Councils' Single Status Job Evaluation Scheme.

Successful appeals would reduce further the number of employees 'Red Circled'.

**3.8** The implementation of job evaluation typically results in a normal distribution pattern of 20% green circled, 60% white circled, and 20% red circled. However, the application of the Scottish Councils' JE Scheme is intended to address historical discrimination within the former Manual Worker job population, and potential discrimination between former Manual Worker and former APT&C employees. The predicted outcomes would result in a higher than average % of employees classified as 'Green Circled' and a marginally lower than expected % of employees classified as 'Red Circled'.

**3.9** The revised proposal was resubmitted to the external equality advisor who subsequently concluded that the actions taken by the Council and the resultant changes made:

- are not detrimental by design to low paid female staff

- are based upon a clear rationale for the placement of the grade boundaries, and a robust technical rationale for the development of the pay structure
- are a significant improvement in terms of the outcomes by gender and the relative proportions of staff 'green/white/red' circled in the revised grades

and that the Council's proposed pay and grading model was based on best practice, principles and advice and was non-discriminatory in its design.

The changes made resulted in the following alterations to the previous model as follows:

- the % of 'Green Circled' employees increased from 39% to 52%, a 13% increase
- the % of 'White Circled' employees increased from 29% to 31%, a 2% increase
- the % of 'Red Circled' employees decreased from 32% to 17%, a 15% decrease

### Cost and Impact Modelling

**3.10** The costs associated with any new pay model have to be considered in two aspects:-

- the basic costs to the Council encompassing only contractual elements of pay, i.e. the base pay, bonus, and contractual overtime comprising the individual employee's guaranteed earnings.
- the additional costs to the Council arising from conditions of service through allowances, enhancements, and premium payments comprising the individual employee's variable earnings.

**3.11** Bonus payments for Manual Workers which are considered as earnings have in effect been consolidated into base pay for calculation purposes in the development of the proposed grading and pay structure.

**3.12** The total annual paybill for the 'single status' workforce is approximately £97m, including basic pay and other contractual pay such as bonus; non-contractual variable pay such as overtime; and employers' on-costs such as NI and superannuation. The estimated costs of the recommended model are as follows:-

- a 1<sup>st</sup> year increase (with effect from 1/4/06) on the base paybill of approximately £5.7m.
  - an additional 2<sup>nd</sup> year increase (with effect from 1/4/07) on the base paybill of approximately £6.5m.
  - an additional 3<sup>rd</sup> year increase (with effect from 1/4/08) on the base paybill of approximately £7.5m.
- 3.13** These estimated costs are based on approximately 70% of the 'single status' job population and further extrapolated to cover 100% of the total job population. This includes matching assumptions which could be higher or lower and thus it would be prudent to assume a margin of variability on estimated costs.
- 3.14** The increase in 1<sup>st</sup> year base pay cost of approx 8.5% falls outwith the indicative 2-6% range predicted by the COSLA JE Consortium Guidance at the outset. While this is a significant increase in costs, it reflects the higher than average number of employees classified as 'Green Circled' and the lower % of employees classified as 'Red Circled'. It will, however, provide a robust basis for the Council to demonstrate it has addressed pay equality in compliance with the statutory duties placed by the Equal Pay Act 1970.

#### Proposed Terms and Conditions of Employment

- 3.15** Since Local Government reorganisation in 1996 many aspects of the terms and conditions of employment within West Dunbartonshire Council have been modified following discussions with Trade Unions to meet operational needs and service delivery requirements. This situation coupled with the continuation of terms & conditions from the predecessor authorities and limited harmonisation between former manual worker and APT&C employees has resulted in an inconsistent approach across the authority in the application of terms and conditions of employment.
- 3.16** Under the Equal Pay Act the Council must ensure that men and women receive the same level of pay (total remuneration) as employees of the opposite sex who are performing equal work. Any difference in pay must be for a genuine and material reason, which is not the difference in gender.
- 3.17** Discrimination in terms of total remuneration can be direct or indirect. Direct discrimination may arise where the value of the total remuneration package is higher, or contains an additional element, for one gender than the other, where jobs have been evaluated as equal. Indirect discrimination may arise where one of the jobs is done by a much higher proportion of one gender than the other.

**3.18** Part 2 of the National Agreement states that “Councils will ensure that discriminatory practices are identified and removed, and non-discriminatory practices introduced in all areas of employment...” It also advises that the parties “...endeavour to minimise costs whilst ensuring service delivery standards are maintained.” The current position within West Dunbartonshire Council as detailed in 3.16 above places significant financial constraints on the authority when looking at the harmonisation agenda in relation to terms and conditions of employment and will have a direct impact on the authority’s ability to demonstrate it’s competitiveness under the terms of the Local Government Act 2003 and maintain service delivery. While it is acknowledged that the Council has control over the extent to which variable elements of pay operate, e.g. voluntary overtime it will be critical to ensure robust management of such variables in the future.

**3.19** The guidance of the EOC advises that the proposed terms and conditions package should:-

- provide equality of access to allowances and enhancements,
- be non-discriminatory in terms of levels of allowances and enhancements,
- not undermine the pay equality delivered by the new grading and pay structure by causing gender gaps in total pay,
- ensure pay policy, procedure and practice is free from gender bias.

**3.20** Accordingly, revisions are proposed to the current terms and conditions of service as follows:-

- harmonise the application of allowances and enhancements to ensure that all employees within the scope of the ‘single status’ agreement enjoy the same remuneration package,
- harmonise the level of allowances and enhancements to avoid potential discrimination in the application of the various elements of the remuneration package,
- ensure equality of access to allowances and enhancements for all employees within scope of the ‘single status’ agreement,
- minimise additional cost over and above that required to introduce the new grading and pay structure.

**3.21** A Joint Bonus Review Group assessed the various bonus arrangements currently applying within the ‘single status’ job population against the criteria set out in the COSLA Pay and Grading Task Group ‘Guidance on Bonus’. The Group concluded that the current bonus schemes should be terminated at implementation of the new pay structure to ensure compliance with the Equal Pay Act.

**3.22** The current estimated cost of terms and conditions of service (over and above basic, bonus and contractual pay), based on the full year costs for 2005/2006 is in the region of £9m

**3.23** Approximately £250,000 of allowances will be subsumed into the evaluated rates of pay since they relate to aspects of work now covered by the factors of the job evaluation scheme, these include frost firing, dirty money, new technology allowances, responsibility and lead-in payments. Bonus and chargehand allowances have been treated as contractual pay for costing purposes.

**3.24** Maintaining the status quo in respect of current terms and conditions of employment would not address the inequalities that currently exist, while harmonising to the highest available level, in addition to the significant increases to base pay across major sectors of the workforce, would result in major cost increases as a result of:

- The greater number of employees eligible for enhancements
- The 'consolidation' of MW bonus payments
- The effect of current premium rate calculators applying to proposed higher base rates of pay

and directly impact on the ability to deliver best value front line services in the future.

**3.25** There has been extensive discussion with Trades Unions over the equality and business case requirement to vary current terms and conditions of service. The Trade Unions have expressed concerns in relation to changing terms and conditions, however, in accordance with Equal Pay legislation and in light of ongoing risks it is critical to address pay inequality not just through application of the job evaluation scheme but also through the introduction of unified conditions of service as failure to do so may:-

- undermine the robustness of the new grading and pay structures based on job evaluation outcomes,
- help maintain current pay differentials despite evidence from the job evaluation exercise and pay review that these should be significantly altered,
- perpetuate aspects of pay inequality inherent in current remuneration arrangements,
- continue to make the Council vulnerable to challenge under the Equal Pay Act and the Sex Discrimination Act.

**3.26** The approach in developing revised terms and conditions has not been to reduce the overall amount of money spent on allowances but rather to ensure this is spread equitably across the organisation. Nonetheless there is a balance to be achieved in relation to affordability and we remain accountable for the provision of Best Value services therefore the proposals also seek to facilitate flexibility in service provision and reflect modern working practice.

**3.27** Proposals in relation to terms and conditions of employment have also been scrutinised as part of the Equality Impact Assessment process to ensure that they do not directly or indirectly discriminate in respect of the Council's statutory duties in respect of equal pay. Based on the information submitted the Equality Impact Assessment concluded that the Council's proposals in relation to terms and conditions of employment

- address the major areas of potential direct discrimination which are within the current set of terms and conditions,
- In particular, address the issue of bonus payments for manual workers and the higher overtime levels paid to specific predominantly male jobs,
- produce a set of terms and conditions of service which is fewer in number, simpler and with greater harmonisation,
- Bring greater harmonisation which impacts upon both male and female employees but overall appears to be of greater relative advantage to female employees,
- narrow the gap between male and female employees in terms of access to allowances and levels of allowance paid.

The assessment concluded that the proposals are a very positive step in removing potential direct discrimination in favour of male employees.

**3.28** The proposed revised Terms and Conditions of Service package summarised at Appendix 2 have been subject to ongoing discussion with the Trade Unions with the intention of securing Trade Union support for revisions to terms and conditions. While this would be a key factor in ensuring the Council achieves the balance between delivery of its commitment to meeting the requirements of the Equal Pay Act and affordability in the provision of services the Trades Unions have been unable to agree any aspect of the current proposal. In addition to discussions with Trades Unions further discussions will take place with Departments on the access to and use of contractual and non contractual overtime within the Single Status job population.



- 3.29** In order to ensure pay equality the current bonus arrangements require to be removed. The bonus currently constitutes earnings and staff currently in receipt of bonus will be protected for a period of three years in accordance with the national agreement.

#### Implementation Date

- 3.30** It was originally agreed that any new pay and grading structure collectively agreed as part of the Single Status Agreement within West Dunbartonshire would be implemented with effect from 1 April 2006. In the event that following the consultation process a collective agreement cannot be reached and consideration is required to be given to terminating contracts and re engaging staff to meet the authority's statutory responsibilities in relation to equal pay then this date will required to be reviewed.

#### Protection Period

- 3.31** Employment case law has established (supported by the Equal Opportunities Commission) and Senior Counsel has advised COSLA that to eliminate past pay inequality protection periods should be as short as possible. The SJC 'Single Status' Agreement provides for a 3-year period of protection which we should abide by. It should however be noted that as those employees entitled to incremental progression received their contractual entitlements at 1 April 2007 and that all employees received the 2007 cost of living award, staff identified as being 'Red Circled' will be preserved at 1 April 2007 salary levels and not the lower salary levels associated with the April 2006 implementation date. 'Red Circled' employees will effectively be preserved for a period of four years.
- 3.32** In accordance with accepted good practice Council has already agreed to put in place post-implementation arrangements to mitigate detriment for those individuals most adversely affected. A range of measures will require to be utilised including re-design of jobs, restructuring of services, retraining and/or redeployment of individual employees. A considerable amount of work will be required across all services to ensure this work is completed before the end of the detriment protection period. A Joint Working Group involving Corporate Personnel, Departmental Personnel, and Trades Union representatives has been established to take forward this important area of work and a report has been submitted to the Joint Pay Modernisation Working detailing areas that require to be considered. Following the completion of the job evaluation exercise and the notification of individual outcomes detailed procedures will be developed to mitigate detriment.

#### **4. External Factors Affecting Ability to Negotiate**

##### Statutory Grievance / Employment Tribunal Activity Relating to Equal Pay

- 4.1** It is reported that in excess of 10,000 Local Authority cases have been lodged within the Scottish Tribunal system in relation to Equal Pay. It is believed that the Trades Unions are preparing to lodge multiple cases in a bid to protect their position and evidence that they have given appropriate advice and representation to their membership.
- 4.2** The Council is the subject of a significant number of Statutory Grievances concerning equal pay and 196 cases have been lodged as Employment Tribunal applications. The majority are supported by the Trades Unions, and some are supported by an independent legal firm.
- 4.3** The reality of litigation is impacting negatively on the ability of both parties to negotiate the implementation of the Single Status Agreement.

##### Equal Pay Compensation

- 4.4** The Council addressed a significant proportion of its potential equal pay risk by offering compensation payments to ex-Manual Worker employees. 1,275 offers of compensation payments were accepted – totalling approximately £6.4m. Under these Compromise Agreements employees waived their rights to progress an equal pay claim pending the implementation of unified, non-discriminatory grading and pay structures within the Council. However, employees cannot be asked to waive their employment rights indefinitely and as a result the compromise agreements expired on 31 March 2006, the proposed effective date of implementation of the new structure. The subsequent delay in reaching a negotiated settlement with the Trades Unions effective from 1 April 2006 may render the Council liable to secondary claims from these employees from 1 April 2006 onwards and several Trades Unions have indicated that they intend to lodge secondary claims in the coming weeks. The Council requires to fully assess the ongoing risk and costs associated with Equal Pay compensation and ensure that implementation of the Single Status Agreement at the earliest opportunity.

##### Employers Statutory Duty

- 4.5** The Equal Pay Act 1970 and the Sex Discrimination Act 1975 place an 'equality' clause' into the contracts of employment of all employees. The effect of this in relation to pay and conditions of service is that all employees are entitled to equality, and equal opportunity of access to, all aspects of remuneration. Completion of the Job Evaluation exercise would result in the Council having the mechanism to implement a pay and grading structure which would meet in part the Council's statutory equal pay duties but unless the equality issues

surrounding the access to and application of terms & conditions of employment highlighted in the Equality Impact Assessment are addressed the Council would remain extremely vulnerable. The Council therefore has no option but to progress to implement the proposals in relation to pay & grading and terms & conditions of employment as soon as is practicable. As a signatory to the SJC Agreement the Council's objective is to seek to achieve this by means of a collective agreement with the Trades Unions.

## **5. Recommended Employer Proposal to Trades Unions**

### Completion of Negotiations

- 5.1** Since the initial offer was made to Joint Trades Unions in January 2007 considerable progress has been made in relation to the proposed Pay and Grading Structure. While increasing costs to the authority, the number of staff adversely affected by the proposals has been significantly reduced. In addition it is predicted that approximately 83% of employees covered by the Single Status agreement will now enjoy an increase to base pay. Discussions in relation to terms and conditions of employment have not been so productive and fundamental differences exist in relation to the current proposals. In the context of the external pressures affecting the parties to the negotiations and in light of external time constraints outwith the Council's control consideration should now be given to bringing this phase of negotiations to an end. This would entail the Council presenting the Employer's Proposals for the Implementation of the Single Status Agreement to the Trades Unions, for submission to their respective Technical Experts. It is understood that technical scrutiny may take up to 6 weeks.

### Formal Consultation

- 5.2** The submission of the Council's proposals to the Trades Unions constitutes the beginning of consultations on the 'offer' with a view to reaching collective agreement. In the event that a collective agreement cannot be reached the Council would require to consider how to implement the Single Status Agreement and fulfil its statutory obligations in respect of equal pay. This may involve the termination of existing contracts of employment and the re engagement of employees on new contracts reflecting the Councils new Pay and Grading Structure and associated terms and conditions of employment. As a precautionary measure the Council would be required to notify the Department of Trade & Industry and the Joint Trades Unions of this possibility and fulfil its statutory obligation to engage in a 90 day period of consultation with the Trades Unions. That period would commence following the formal submission of the Council's offer early in July 2007. Meaningful consultations with the Trades Unions will be undertaken during this 90 day period in pursuance of the statutory

obligations, including discussions on ways to avoid the need for dismissals.

**5.3** Subject to the approval of the Unions' Technical Experts the Trades Unions will ballot their respective memberships during this period. A period of 6 weeks may be required for the Trades Unions to complete the ballot process. The Council will also consider simultaneously seeking the views of all employees within the scope of the agreement and advise all employees of provisional outcomes in relation to their new pay grade. It is however recognised that provisional outcomes may be subject to change pending the outcomes of the ongoing 'matching exercise' in relation to job evaluation outcomes. The results of the TU ballots and of the Employee Consultation exercise would be reported back to Council at the same time. While it is anticipated that these processes can run concurrently and be completed with the statutory 90 day consultation period consideration will be given if required to extending this period should appropriate circumstances arise. A timetable for consultation is attached as Appendix 3. Should the Joint Trade Unions indicate that they are unable to ballot their respective memberships this will be reported to Council at the earliest opportunity.

**5.4** Following the consultation exercise the outcomes will be reported to Council at the earliest opportunity. Should a collective agreement not be reached consideration would have to be given to how to implement the Single Status Agreement in order that the Council's statutory responsibilities in respect of Equal Pay can be achieved.

#### Role of Joint Secretaries

**5.5** The 'Single Status' Agreement contains an agreed process to be followed in the event of local parties failing to agree a negotiated proposal for implementation. On reaching the 'failure to agree' stage of local negotiations, referral to the Joint Secretaries of the Scottish Joint Council becomes a requirement. The Joint Secretaries representing both the employers and Trades Unions side of the Scottish Joint Council are then obliged to aid parties to reach agreement, and a period of up to 3 months is allowed for this process. The outcome of the Joint Secretaries' conciliation is not binding on the parties. However, the Joint Secretaries may recommend external conciliation, mediation or binding ACAS arbitration.

#### Proposals

**5.6** It is recommended that the Council's 'offer' to the Trades Unions be made on the basis of:

- The proposed WDC Grading and Pay Structure – as at Appendix 1
- The predicted impact on employees

- The revised WDC Terms and Conditions of Service – as at Appendix 2.
- Completing negotiations within the anticipated timetable set out at Appendix 3.
- The effective date of Implementation following a collective agreement as 1 April 2006.
- The termination of existing bonus schemes
- The Detriment Protection Period for Red Circled Employees to be 3 years cash conservation as per the national agreement effective from 1 April 2007
- Provision of information to Employees, Managers and local Trades Union representatives through Bulletins and Briefings, and an Employee Consultation exercise to run concurrently with the TU ballot process
- Continued negotiations with the Trades Unions within the statutory consultation period in order to reach a collective agreement
- Referral to the SJC Joint Secretaries in the event of a ‘failure to agree’

## **6. Resource Implications**

### Financial

- 6.1** The estimated 1<sup>st</sup> year cost of the new grading structure is approximately 8.5% of base pay; estimated £5.7m exclusive of margin of variability. Costs associated with terms and conditions require to be more fully determined and will depend on the outcome of negotiations on revised arrangements. As detailed in paragraph 3.24 earlier, harmonisation of terms and conditions of service to current rates will incur significant additional costs especially in relation to those employees whose current contractual arrangements do not attract additional enhancements. In addition it is estimated that £1.1m will be required to be budgeted in respect of outstanding Equal Pay tribunal cases.
- 6.2** These total estimated costs are in excess of the provision made in the 2006/7 budget of £6.5m and would have to be met from the Council’s revenue budget.
- 6.3** The Council has already made provision for Equal Pay Compensation payments. So far, more than £6.4m has been paid out (including tax and national insurance payments). Further consideration will require to be given to setting aside provision for additional claims, particularly in light of any risk associated with a failure to reach a collective agreement with the Trade Unions.

- 6.4** As several Trades Unions have indicated that it is their intention to lodge further claims in respect of Equal Pay, the urgency in obtaining a settlement in relation to Single Status is greatly increased.

#### Personnel

- 6.5** Implementation of the Single Status Agreement at this time generates a wide scale employee communication and consultation exercise, with the potential to impact negatively on employee morale and motivation, employee turnover and sickness absence levels. It is essential that employees are provided with accurate and up to date information in order that informed decisions can be made.

#### Other Risks

- 6.6** Delays in implementation : As Trades Unions have indicated that prior to reaching any collective agreement proposals require to be firstly scrutinised by their technical experts and secondly approved by national officials, it is imperative that the Council moves to formal consultation at the earliest opportunity. Delays in entering this formal consultation period will significantly impact on the proposed implementation timetable and increase the Council's vulnerability to Equal Pay litigation, particularly in respect of secondary claims.
- 6.7** Employee Relations: The potential for employee relations unrest exists as is being evidenced in other authorities.
- 6.8** Budgetary: Without spare balances the extra costs associated with implementation of Single Status and Equal Pay can only be met from one or a combination of three sources:
- additional efficiencies
  - cuts in Services
  - increases to Council Tax Levels
- 6.9** Service Impact: The implementation of new grading and pay structures, and the harmonisation of terms and conditions of service, will result in a significant increase in the employee costs for front line services which is likely to have a detrimental effect on service levels and delivery. In addition the application of the new Pay and Grading Structure and associated terms & Conditions of employment may require services to be reconfigured generating the need to review services, their achievement of Best Value, and if necessary, consideration be given to service reductions and possible consequential redundancy initiatives.

**6.10** Litigation: The Council's Policy commitment to Equalities is founded in acceptance and pursuance of its statutory duties. Failure to implement 'single status' breaches the Council's statutory duty and its employment policy. However, case precedents of fundamental importance to the Council's approach to equal pay are being set in Tribunal on an almost monthly basis, as independent solicitors seek to increase the scope and size of awards for their clients. Council officers continue to liaise with colleagues at a national basis to keep apprised of developments and assess the impact on the Council in light of changing case law. It is believed however that the proposals detailed above support the Council in providing a robust defence to any challenge on the Council's statutory duties in respect of Equal Pay and allow best value services to be delivered to the residents of West Dunbartonshire.

## **7. Conclusions**

**7.1** Until West Dunbartonshire Council implements the Single Status agreement and fulfils its statutory responsibility in respect of Equal Pay the Council remains extremely vulnerable to equal pay litigation. Only by making an offer to Trade Unions at this time and entering a formal period of negotiation can the Council facilitate the early introduction of pay and grading structures based on job evaluation outcomes that would give the Council robust defences to Tribunal Claims. Integral to this process is the introduction of a terms and conditions package that offers equality of access to all, is responsive to modern working practices and maintains affordable best value services.

## **8. Recommendations**

### **8.1 Council is asked to:-**

- (a) approve the Draft of the Employer's Proposals (The Offer) for the Implementation of the Single Status Agreement as set out in Appendix 1;- Pay and Grading structure and Appendix 2; Terms & Conditions;**
- (b) authorise the Chief Executive to issue West Dunbartonshire's Proposals to the Trades Unions during July 2007 as the commencement of the formal consultation in accordance with statutory obligations;**
- (c) as a precautionary measure, authorise the Chief Executive to notify the Department of Trade & Industry at the appropriate juncture of the possibility of terminations of employment contracts and re engagement should a collective agreement not be reached;**

- (d) note that a report on the consultation process will be made to Council at the earliest opportunity; and
- (e) authorise the Chief Executive to make appropriate arrangements to terminate existing bonus schemes to coincide with implementation of the Single Status agreement.

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**David McMillan**  
**Chief Executive**  
**Date: 20 June 2007**

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**Appendix 1:** Recommended Grading and Pay Model and Parameters

**Appendix 2:** Proposed Revisions to Terms and Conditions of Services

**Appendix 3:** Consultation Timetable

**Background Papers:** Council report 28 June 2006 "Implementation by West Dunbartonshire Council of the 'Single Status' Agreement of the SJC for Local Government Service April 2000"

Council report 20 December 2006 "Pay Modernisation - Proposals for Implementation of the Single Status Agreement"

**Wards Affected:** N/A