



NORTHAMPTON
BOROUGH COUNCIL

Pay & Grading Review - Council Briefing

22nd January 2007

Howard Crabtree

The Pay & Grading Review is....

-a review of the value of jobs (excl. Craft) to determine a new grading structure and pay policy undertaken jointly by local Councils and their TUs
-a requirement of a Collective Agreement between National Employers and Trade Unions in 1997, restated in 2004 and to be implemented by April 2007
-required to ensure fairness and equality in pay against a background of harmonisation of 'manual' and 'white collar' terms and conditions
-needed to ensure that NBC is able to attract, recruit and retain appropriately skilled staff to deliver its services

Implications of the Review

- Aims to avoid potential liability of equal pay claims from female workers who can compare themselves to male workers who are paid more, or vice versa. Case law in this area is becoming increasingly complex and there is activity by 'no win no fee' solicitors
- There are likely to be 'winners' and 'losers' leading to pay bill costs for uplifting the 'winners', potentially protecting the 'losers' and settling back pay for those with potential equal pay claims
- Could cause disruption to the current organisational structure
- Collective agreement has to be agreed with Trade Unions following a ballot of members

National Picture

- 33% of Councils have implemented
- The average cost to the pay bill has been 3.7% across all councils and 3.45% for Shire Districts
- The LGE estimates back dating for potential equal pay claims to be £3bn nationally
- Costs for pay protection nationally are not available, and latest equal pay case law suggests pay protection may in itself be liable to equal pay claims
- TUs themselves subject to ET challenge
- LGE employers have submitted a report to Central Government stating that it has become virtually impossible for local authorities to reach agreement on equal pay with TUs

NBC's Position.....

- Joint working established with TUs
- Project Board chaired by Councillor Palethorpe
- Jobs being evaluated using NJC Scheme- nationally developed/ recommended and equality proofed
- Benchmark jobs evaluated and currently subject to moderation
- Proceeding with evaluation of other jobs and plan to be complete by spring /summer 07
- Earliest implementation date is Autumn 2007

Next steps include.....

-Complete evaluations
-Develop Grading Structure
-Modal Pay Options to develop Pay Structure
-Review Equal Pay Liabilities
-Consult with all Staff and negotiate with Trade Unions
-Negotiate Collective Agreement
-TU Ballot
-Implementation including Appeals