

**Appendix 1:**

Terms and Conditions  
of Service for Craft  
Employees



## GENERAL PURPOSES COMMITTEE REPORT

<b>Report Title</b>	<b>Revised Terms and Conditions of Service for Craft Employees</b>
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**AGENDA STATUS: PUBLIC**

<b>Committee Meeting Date:</b>	<b>26/03/13</b>
<b>Directorate:</b>	<b>Resources</b>
<b>Accountable Cabinet Member:</b>	<b>Cllr Botwood</b>

### 1. Purpose

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- 1.1 This report seeks approval for the application of Northampton Borough Council's current pay and conditions of service to employees of the Council covered by the Joint Negotiating Committee for Local Authority Craft and Associated Employees (Red Book).

### 2. Recommendations

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- 2.1 Approve and adopt the proposals to change conditions of the existing Craft workforce to the NBC conditions of service which were approved by the General Purposes Committee in October 2010, attached at Appendix 1
- 2.2 Delegate to the Chief Executive as the Council's Head of Paid Service the power to take any direct or incidental actions required to implement the revised terms and conditions and any other issues arising from this report.
- 2.3 Approve and adopt the pay protection arrangements of one year to run from 1 May 2013 until 31 April 2014.

### **3. Issues and Choices**

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#### **3.1 Report Background**

- 3.1.1 In January 2011 the Council implemented a pay and grading structure for all employees of NBC with the exception of those employees employed under Chief Officers' conditions of service and the Craft workers employed under the Joint Negotiating Committee for Local Authority Craft and Associated Employees. The changes were introduced to meet the legal requirement for Equal Pay within the Council's workforce. Equal Pay was achieved for Chief Officer's group some time ago when the Hay job evaluation scheme was introduced.
- 3.1.2 The Craft Unions had negotiated a separate local agreement in 2008 which did not take account of the potential equal pay issues. As it transpired this agreement was not fully implemented as the training provisions proved to be more costly than first anticipated so none of the provisions were implemented and a protected position was maintained. A first attempt to negotiate an equality proofed pay scheme for craft workers in 2011 failed after several months of negotiations and given that other equal pay issues had a higher priority this position remained unchanged.
- 3.1.3 In summer 2012 a risk assessment was undertaken and Counsel's opinion sought on the risk of further equal pay claims using the craft workforce as comparators. Counsel's view was that this all male workforce were being paid at rates of pay which included a consolidated bonus arrangement which represented a high risk.
- 3.1.4 In addition to the equal pay risk, because it had not been possible to identify and/or agree an appropriate training programme/scheme, the earlier agreement had not been implemented as intended and consequently some craft employees were unable to access training to improve their performance and therefore pay. So within the current pay arrangements for the existing workforce there is inequity which needs to be addressed.
- 3.1.5 In Autumn 2012 the Council recommenced negotiations with the intention of reaching agreement to introduce Northampton Borough Council's Pay and Conditions Scheme to the craft workforce and to equality proof their jobs through applying the National Job Evaluation Scheme. These negotiations have been ongoing, again for several months.

#### **3.2 Issues**

- 3.2.1 The craft workforce is employed under separate national conditions to the majority of employees who are employed under the National Conditions' of Service for Local Government Services. This meant that the Craft Trade Unions did not accept at a National level that their jobs could be subject to job evaluation and common local conditions. There has been disagreement between the trade unions locally about how jobs would be measured. Job profiles were drawn up and evaluations proposed by the management side members of the local evaluation panel.

3.2.2 One trade union, after consultation with its membership, intends to formally appeal these evaluations. This is within the correct procedure and an appeal panel has been arranged to hear the appeals and determine the final grades and salaries for the craft jobs. The outcomes may not be acceptable to some or all of the trade unions involved in the negotiations.

3.2.3 The craft jobs have been divided into four job groups meaning four different grades, pending appeal these are:

- Tradesman – Grade 4
- Multi task tradesman – Grade 5
- Multi task Electrician – Grade 6
- Multi task Gas installer – Grade 6

There are real benefits to the business to develop as many employees as possible to the multi task level. So in the first year of implementation training will be available (within an affordable plan) to enable employees to progress.

3.2.4 Other aspects of the craft conditions of service also differ from those applying to the rest of NBC workforce including Standby and Call Out and overtime rates which may present obstacles to reaching a collective agreement and trade unions may ballot for industrial action.

3.2.5 It is proposed to offer this workforce the same terms of change as the rest of the workforce that is one year of protected pay. Employees will be entitled to an automatic progression increment in the first April following implementation and then will be subject to the Council's performance progression scheme. Details of the progression scheme for this workforce are likely to be related to productivity and they will be the subject of further consultation with the Unions following implementation.

### **3.3 Choices (Options)**

3.3.1 The Council face a high level of risk through not implementing a pay review, which identifies potential equal pay issues. There is not an option to do nothing, and given the previous failed attempt to reach an agreement with the Craft workforce implementation should happen as soon as it is feasible to do so.

3.3.2 It should be noted that the Council has been in negotiations with the Trade Unions since Autumn 2012. The Council has responded to all the specific points raised by the unions however there is no leeway in the negotiations other than to apply conditions which apply across the rest of the workforce. The Council and the Trade Unions maybe still some way off reaching agreement, although it is still the authority's wish to reach a collective agreement, it may not be possible to do so.

3.3.3 In order to achieve certainty in respect of a date of implementation it is proposed that if the Council fails to reach a collective agreement in March 2013 then the following two step approach be implemented: -

- i) To approach the workforce directly and seek mutual agreement to the new contractual terms. This offer would be time limited two weeks and changes for those accepting the offer will be from 1<sup>st</sup> May 2013.
- ii) Where agreement cannot be reached to consider implementing the required changes unilaterally through the termination of current contracts and offers for re-engagement on the new terms. A formal 30-day consultation process, compliant within Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 (as amended) will be implemented. Consultation responses will be fully considered and, if the Council's decision is to dismiss and offer re-engagement, the council will issue notices of dismissal giving each employee up to 12 weeks' statutory notice.

3.3.4 The trade unions and a number of their members may oppose the approach of termination and offers for re-engagement on the new contract. It may result in industrial action and/or legal action for unfair dismissal by affected staff. However, this approach would ensure implementation on a prescribed date; and would finally remove all of the equal pay issues from the Council.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

4.1.1 The proposals do not have an impact on current policy

### **4.2 Resources and Risk**

4.2.1 The financial implications for the change are £43,243 in year 1 and £136,069 in year 2. The resources have been identified from within the HRA there are no costs to the General Fund. These costs may change depending on the outcome of the appeal.

4.2.2 The implementation of the proposals mean that 54% of the workforce are gainers on implementation and 46% are losers. If, during the protected period, employees engage in the training and move to the higher grade the position at the end of the protected period will be up to 82% gainers and 18% losers. Loss levels at that point maybe somewhere between £1000 and £5,500 per annum for some individuals. Appeals and early assessment may bring forward some of the costs indicated as 2014/15 in to the 2013/14 year.

### **4.3 Legal**

4.3.1 The craft workforce represent a body of comparators for equal pay claims and because of the issue of the consolidated bonus arrangements there is a high risk that such claims would be successful.

4.3.2 There may be legal action for unfair dismissal or breach of contract by those employees who do not accept the proposed changes.

## **4.4 Equality**

4.4.1 These proposals are driven by the equal pay issues. No other equality issues are identified.

## **4.5 Consultees (Internal and External)**

4.5.1 Signatory Trade Unions GMB, UCATT, UNISON and UNITE have been consulted. UNISON and UNITE have not chosen to attend meetings although all meeting dates have been notified and documentation has been circulated to Regional and local officials. GMB and UCATT having the greater membership have engaged in the negotiations.

4.5.2 UCATT have the view that job evaluation has not been accepted nationally through Red Book negotiations and therefore should not apply to their members although they have agreed to equality proofing the pay arrangements and they are aware that the only method the Council can use for this is job evaluation. GMB are open to job evaluation and are progressing an appeal with their membership using current procedures.

4.5.3 The Directorate and the Maintenance service have participated in the negotiations to ensure that business issues have been addressed.

## **4.6 Other Implications**

4.6.1 Industrial action may be a consequence of a ballot by the Unions but it is not known what form this might take. A better assessment of this risk may be available when the committee meets and the outcome of the appeals are known.

## **5. Background Papers**

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5.1 Appendix 1 indicates the proposed scheme of conditions for the craft work force which mirrors that applicable to the rest of the NBC workforce. Meeting minutes and documentation and communications with the unions are confidential information kept within the HR service.

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