

Pay & Grading Review 2007

The Pay & Grading Review Team answers the questions raised by the Unison Branch Secretary. These questions were raised following a Special General Meeting of Unison members at the City of London Corporation on 7th June.

Although there was an exchange of correspondence between the Town Clerk and the Branch Secretary, common sense prevailed and a full answer was given.

The Unison questions are in black followed by the answers in blue. Both the questions and the answers are printed in full.

Transferring to the new scale – where a salary may fit more than one new grade.

- JE placements: These details will be sent out in July. This consultation is therefore too early to deal with concrete results of changes
- In respect of Job Evaluation, members are extremely sceptical about its probity - they are aware that bench-marking has not been finished, but that departments are already doing matching exercises.
- Several staff have stated that they cannot comment on the proposals without knowing where they fall. Having said that, they have gone on to give us very good feedback and suggestions. The reason why the draft proposals were sent out in this way was so that we could get feedback on the principles and mechanics of the proposals without this being affected by individual outcomes. We will deal with the concrete results when they are sent out.
- The JE team have evaluated in excess of 400 posts, either as part of the benchmarking exercise or during Phase 2. This work is almost completed and we believe we have enough sample posts to allow the majority of remaining posts in departments to be matched. Clearly, there is still some work to complete and departments can always ask us to carry out some additional evaluations if they believe they do not have enough information on which to match posts. We are satisfied that the system is robust and, indeed, have implemented a much more comprehensive approach than was recommended by consultants. The recognised Trade Unions have been fully involved in the process since its inception and sit on every job evaluation panel.

Performance related pay (contribution and unconsolidated increments) PRP militates against single status (harmonisation), equality and lowers morale

- This is the firmly held view of UNISON members, based on analysis of many attempts to impose PRP on public service operations
- Members are concerned that line managers will earn performance elements on the strength of subordinates' efforts, or may victimise subordinates if they fail to have performance elements awarded.

- The objections to PRP (almost 50% of the UNISON response to the branch was on this topic, nearly all from staff who will *not* be directly affected by performance elements) will inevitably be reflected in employees' views on Investors In People.
 - One particular concern is the issue of secrecy, the example given being the case of 2 people doing comparable jobs with a common output, now suspicious of one being better paid than the other.
 - Another concern is the effect of unconsolidated pay on our final pay pension scheme. *How will staff approaching retirement be protected against downward fluctuation in their final pay?*
 - It is also suggested by some members that the new system is inherently more difficult to administer and prone to red tape than the old, despite your declared initiative to eliminate red tape.
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- You're comment on PRP is noted. We are not, however, proposing performance related pay which rests solely on the achievement of targets. We are proposing Contribution Pay which will assess achievement of targets, impact, demonstration of agreed competencies and behaviour and the development and acquisition of skills. Work is ongoing with specific focus groups to develop the appraisal framework and training for managers and staff, which will support contribution pay. This does not undermine harmonisation or equality.
 - We will be putting in place a system of moderation within the line management chain, within the department and at the centre to ensure that the process is carried out fairly and that there is no evidence of inequity. Contribution will be clearly attributable in individual appraisals.
 - Investors in People is concerned with having the correct processes and procedures in place for managers to support staff and lead the organisation. With individual consultation on the proposals, we understand that some staff may not like it, however this does not negate the fact that we have put the correct processes in place, with support where required, with the necessary checks and balances.
 - Staff working to the same job description will be on the same grade - only their individual performance is likely to differentiate them. At present, staff may be employed in the same job and grade yet be on very different salaries. The only difference being that one person has been in post longer than the other. There is no guarantee their performance will be any different or that the longer serving member of staff is the better performer.
 - On pensions, the non-consolidated bonus is pensionable. Staff at retirement can take the best of the previous 3 years' salary on which to calculate their final pension. For those further off retirement and who move to mark time protection, they can ask for a Pensions Certificate which will cover them for up to thirteen years if they believe their salary at retirement will never overtake what they were previously earning.
 - We don't believe this will be inherently more difficult or bureaucratic as all staff should already be having annual appraisals to record their performance. All this does is to attach a pay element to this performance review.

Structure

- *If the rationale of the changes include eliminating overlapping grades, why do the new scales G,H and I overlap?* This appears to be an inconsistency of method and to reveal the possibility of some ulterior principle.
- *Can you confirm that the procedure for progressing through increments is performance management and that it includes an appeal mechanism?*
- *If new performance management training is to be rolled out to all appraisers over time, will it mean appraisees will be delayed in receiving increments until their appraiser has been trained?*
- *How do the new scales support career development?*
- The core parts of each grade do not overlap. The precise pattern is down to pragmatism. If we had been starting with a blank piece of paper, this is not the system we would have designed. We have had to look at where posts are clustered under the JE system, where staff sit in our current grades and how best to deal with these to minimise too much turbulence. It is this desire to minimise turbulence which drives the current proposals. If we had applied JE to the current 19 grades, there would have been even greater movement between grades.
- Yes, performance appraisal will be the way progression is achieved although in the core increments, this will be achieved by reaching a 'satisfactory' level of performance. There will be no appeal mechanism per se as this is seen as a management decision, however, as discussed above, checks and balances will be built into the system.
- It is planned to train all managers who will be making these decisions between October 2007 and March 2008 to allow the appropriate target setting to start in April 2008 given that October 2009 is the first planned payment for performance increments.
- As mentioned above, part of the aim of contribution pay is to recognise development and the acquisition of new skills. In addition, some departments, particularly those with professional staff e.g. Surveyors, Planners, Engineers etc may decide, after consultation with Corporate HR, to continue to run career grade schemes where this suits operational needs.

Budget for implementing scheme

- *Will you confirm that a finite amount has been set aside to allow a specific percentage of eligible staff to win bonuses, whatever their individual merits?* Members have information that this percentage is 20% of eligible staff.
- *What are the origins of the "savings from the last two pay awards" and what do they amount to?*
- *How will the City compensate staff for the 3 month delay in awarding the annual settlement?*
- The Chamberlain in his annual budget setting, will be setting aside a specific amount for non-consolidated bonuses. There is no specific percentage anticipated although it is not expected that every member of staff will receive a bonus.

- In relation to 'savings' made in the last two pay negotiations, you should recognise that a 'negotiation' is just that - a negotiation between two parties. As such, this means that some years the award is above the estimate in the budget for pay and in other years it is below. Any settlement has to take into account ability to pay as well as known future commitments. Given this, we had to anticipate the effect of the job evaluation review and ensure any potential costs could be paid for including ensuring that we could afford to protect staff for as long as possible. Any reference to a 'saving' simply referred to the fact that budgets were not reduced in actual terms and instead, this money has been kept aside to go back into the staffing budgets for these changes.
- This year there will be no delay and the pay deal will be effective from 1st July as usual. As for future years, this is something we will be discussing with the recognised trade unions, GMB and Unite, and senior management representatives.

Protection

- *Will every member of staff receive a cost of living increase this October?*
- Members are concerned that under protection they will nevertheless lose in respect of their pension entitlement.
- Everyone will receive their cost of living increase with effect from July this year, not October.
- See the response above regarding pensions.

London weighting

- *What is intended in respect of this allowance?*
- *What are the other allowances to be reviewed?*
- Nothing is intended in respect of London Weighting.
- Other allowances run to over 4 pages of A4 and cover all sorts of things such as uniform allowance, snow call-out payments etc. Some of these can and should be covered by other means e.g. by recognition in the JE scheme, by claiming as expenses, by ceasing or retaining as demonstrated by operational needs. These will be reviewed over the course of the next year.

Comments from the Branch Secretary on the next page:-

UNISON comment

The Town Clerk has given replies to employees' concerns which will provide only a minimum of reassurance – principally on the date of implementation (October 2009) for appraisal-related pay, the approval of career grades, the payment of this year's annual settlement, the protection of final salary pensions and the exemption of London Weighting.

For the rest, those who expressed anxieties about the new pay system will take little comfort here.

- Problems about initial transfer to new scales? The answer is: *wait and see*.
- Can you appeal against a progression-related appraisal? *No, you can't*.
- How much money is there to pay bonuses? *We're not saying*.
- Did the City hold out on the GMB and Amicus over the last two annual settlements? *You bet we did*.
- What is going to happen to other allowances? *Ask in a year's time*.

Perhaps the most disturbing thing about the reply we got was that it only came after an initial refusal to respond at all because the concerns came from UNISON members!

The City still refuses to invite UNISON alongside UNITE and the GMB on to its negotiating committees and persists in conducting its one-sided feud against the largest public service union in the country, apparently just as a mark of its uniqueness among local authorities.

This ignores all of the facts of life about its annual settlements – always based on the national consensus between UNISON, GMB and UNITE; its obligation to recognise UNISON representation in all the procedures in the Employee Handbook; and the futility of appealing to an Employment Tribunal that it will not come to a hearing because of a claimant's union membership.

It is time for this silliness to stop. UNISON Region will approach the City once again to see if it will use a bit of common sense in its dealings with this union. Whatever its response, our members can rest assured that UNISON will continue to act in their interests like any other local government branch, and to cooperate with the other TUC affiliated unions in pursuing the best results for all City employees.

Malcolm Key
Branch Secretary