

Transitional Pay Arrangement – Progress Report

Policy and Strategy Committee

17 May 2011

Purpose of report

- 1 To provide an update on discussions with the Trade Union side on possible transitional pay arrangements.

Main report

Possible interim transitional pay arrangement

- 2 At its meeting on 22 March 2011, the Committee determined that further discussions should take place with the Trade Union side on possible transitional pay arrangements. The purpose of a transition arrangement would be to help employees who experience a reduction in pay because of a review or redeployment to adjust to the new lower pay level.
- 3 An initial meeting between Management and the Trade Unions took place on Thursday 23 April 2011. It was attended by Kevin Duguid, Employees' Side Secretary, and a representative of the GMB union. A final position was not reached. However, the meeting was constructive and the discussions focussed around possible options for a transition arrangement and the key elements that might be included.
- 4 The elements that emerged from these discussions that could form a framework for an interim transition arrangement include:-
 - a) a time-limited transition period;
 - b) a stepped reduction towards the new lower basic pay level to help staff make the adjustment;
 - c) some form of support for any employee who wishes to apply for vacancies in order to maintain their previous higher pay level; and
 - d) a review of operation 12 months after implementation.
- 5 At this stage there is a wide disparity in the aspirations of each side regarding the likely length of the transition period, the size of the stepped reductions and the scope to 'front-load' the payments so staff retain 100% of their previous higher pay level in the early stages.

- 6 Given these differences and the financial constraints faced by the Council, there is the possibility that the Trade Unions' aspirations may not be met or an agreement secured.
- 7 In view of the progress made to date, it is proposed to continue discussions with the Trade Union side and to report the final outcome to the next Policy and Strategy Committee scheduled for 14 June 2011.

Financial Implications

- 8 A limited period of transitional pay support would result in additional costs that Services will have to meet from existing budgets. A more detailed indication of likely costs will be provided in the next report.

Equalities Impact

- 9 A transitional pay arrangement will not remove all the potentially negative impact that a reduction in pay may have on some employees. However, it has the potential to offset that outcome in a positive way by providing support to help staff adjust to the new pay level.
- 10 A full Equalities Impact Assessment will be undertaken on the proposal that emerges from the discussions with the Trade Union side. The outcome will be included in the report to Committee on 14 June 2011.

Environmental Impact

- 11 There are no environmental implications arising directly from this report.

Recommendations

- 12 The Committee is recommended to-:
 - a) note the progress made in discussions with the Trade Union side; and
 - b) note that a further report on the final outcome of the discussions will be reported to the Committee meeting scheduled for 14 June 2011.

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Appendices None

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Wards affected None

Single Outcome Agreement	Supports National Outcome 15 – ‘Our public services are high quality, continually improving, efficient and responsive to local peoples’ needs’ Supports Local Outcome – ‘Our services are continually improving and efficient’
Background Papers	None