

# Argyll and Bute Council: Equality and Socio-Economic Impact Assessment

## Section 1: About the proposal

### Title of Proposal

Consolidation of the SLG Living Wage and modernisation of LGE pay and grading structure and employment deal.

### Intended outcome of proposal

To present options giving alternative, cost effective ways to consolidate the Scottish Local Government Living Wage (SLG Living Wage) into Argyll and Bute Council's Local Government Employee (LGE) pay and grading structure and ways to modernise the current employment deal to the Policy and Resource committee in February 2020 with the preferred proposal being approved by Council in 2020 and being implemented by April 2021.

### Description of proposal

There is an agreement between CoSLA and Joint Trades Unions to consolidate the SLG Living Wage into council pay scales by April 2021. In order to implement this agreement, the Living Wage Consolidation project was set up in October 2018 to develop a variety of options giving alternative, cost effective ways to consolidate the SLG Living Wage into Argyll & Bute Council's pay and grading structure.

The project also took the opportunity to review the current employment deal (salary, employment contract, conditions of service, training and learning opportunities, employee benefits and working arrangements) which has been in place since 2008 to ensure that it continues to meet the needs of a transforming council and a modern workforce.

The purpose of this report is to present three proposals for consideration with a view to implementing the preferred proposal in April 2021.

#### **Proposal A: Consolidate the SLG Living Wage and no other changes**

The minimum change needed to consolidate the SLG Living Wage into the current pay and grading model by adjusting the points at which LGE grades 2 to 5 are placed on the current pay and grading model and reducing the number of incremental steps available.

#### **Proposal B: Modernise the LGE pay & grading structure**

Modernising the current pay and grading structure to take into account changes that have taken place over a number of years. This includes updating the LGE pay and grading model to consolidate the SLG Living wage and take in account the recommendations of a job evaluation review.

#### **Proposal C: Modernise the LGE pay & grading structure and employment deal**

Modernising the current pay and grading structure and employment deal to take into account changes that have taken place over a number of years to ensure that the needs of a transforming council and its workforce are met.

This includes modernising the LGE pay and grading model to consolidate the SLG Living wage and take in account the recommendations of a job evaluation review as provided in Proposal B and also, modernisation of the employment deal by introducing new allowances and special leave entitlement, discontinuing outdated allowances, updating the flexible working system and refreshing the employee benefits package.

**Business Outcome(s) / Corporate Outcome(s) to which the proposal contributes**

## Corporate Outcomes:

- Our Economy is diverse and thriving
- People live active, healthier and independent lives

## Business Outcomes

- BO117: We encourage creativity and innovation to ensure our workforce is fit for the future

## Agreed Priorities (2018-2022 Corporate Plan):

- We are an employer of choice
- We ensure there are homes for all, we tackle poverty and build opportunity

This will be achieved by increasing the basic pay for employees currently receiving the Living Wage Supplement to lift out of the Living Wage zone.

In addition, Proposal C would also introduce changes which would modernise the current employment deal and have a positive impact on the wellbeing of the workforce.

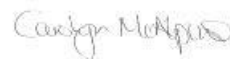
**Lead officer details:**

Name of lead officer	<b>Carolyn McAlpine</b>
Job title	<b>HR &amp; OD Manager</b>
Department	<b>Development &amp; Infrastructure</b>

**Appropriate officer details:**

Name of appropriate officer	<b>Jane Fowler</b>
Job title	<b>Head of Customer Support Services</b>
Department	<b>Development &amp; Infrastructure</b>

Sign off of EqSEIA



Date of sign off

22/05/2020

**Who will deliver the proposal?**

An implementation plan will be drawn up by the project team should this be the preferred option. Implementation will be led by HR&OD, with input from service managers and JTUs as required.

**Section 2: Evidence used in the course of carrying out EqSEIA****Consultation / engagement**

The following consultation/engagement activities have been undertaken during the development of the proposals and informed the content of the final costed options report:

- Input from the Project Steering Group December 2018 – September 2019. The steering group membership is drawn from service managers, HROD managers, strategic finance and TU officials.
- Professional input from an Independent Equalities consultant with specialist

knowledge of local authority pay and grading structures and conditions of employment.

- Professional input from HR&OD Managers and Strategic Finance
- Feedback from COSO session 14 June 19
- Feedback from presentation to Elected Members Seminar 17 June 2019
- Results from Employment Deal Survey which ran 3 – 28 June 2019.
- The survey was on line for networked employees and paper copies were posted to non-networked employees home addresses.
- Completion of the survey was promoted through newsflashes, cascade, team talks and a letter from Joint TUs to their members.
- Feedback from the Employment Deal Results Webinar for TU Officials July 2019
- Feedback from presentation to COG meeting 12 August 2019
- Feedback from HR/TU Liaison Meeting 28 August 2019
- Feedback from Policy Leads SMT meeting on 3 October 2019, 21 January and 5 May 2020
- Discussions with JTUs on the 15 and 22 of October 2019 and 17 March and 11 May 2020. SMT provided strategic direction at each stage.

In addition, information about the project including the results of the Employment Deal survey, has been placed on the Hub, circulated in Cascade and provided to off line employees via printed material and team talks.

#### **Data**

- Employee Baseline Data extracted from HR&OD systems
- Costings supplied by Strategic Finance.
- Results of an independent review of current pay and grading model and subsequent models developed undertaken by a specialist consultant.
- Results of a Job Evaluation Regression Exercise undertaken by a specialist consultant.
- Benchmarking exercise on conditions of service with other authorities.
- Employment Deal Survey Results Report July 2019.
- Equal Pay Audit Nov 2018.
- COSLA survey results.

#### **Other information**

- CIPD network; research articles.
- Advice and input from advice from Senior Management, Strategic Finance, HROD, Service managers and Trade Union representatives.

#### **Gaps in evidence**

None known at this time.

### Section 3: Impact of proposal - Impact on LGE employees

Protected characteristics	Proposal A			Proposal B			Proposal C			Comment
	Negative	No impact	Positive	Negative	No impact	Positive	Negative	No impact	Positive	
Age		X			X		X	X	X	Mixed impact depending on personal circumstances. Discontinuation of preserved allowances impacts negatively on employees aged over 50 in receipt of allowance. However, discontinuation addresses indirect age discrimination as new (often younger) employees not eligible.
Disability		X			X			X		No anticipated impact
Ethnicity		X			X			X		No anticipated impact
Sex			X			X			X	Consolidation, review of pay and grading model and discontinuation of preserved allowances has the potential to reduce the gender pay gap which would benefit females.
Gender reassignment		X			X			X		No anticipated impact
Marriage and Civil Partnership		X			X			X		No anticipated impact
Pregnancy and Maternity		X			X				X	Additional leave provided should a birth occur prematurely.
Religion		X			X			X		
Sexual Orientation		X			X			X		No anticipated impact
<b>Fairer Scotland Duty:</b>										
Mainland rural population		X			X				X	Additional leave at times of crisis/critical illness takes into account the additional challenges of accessing support services/treatment from a distance
Island populations		X			X				X	Additional leave at times of crisis/critical illness takes into account the additional challenges of accessing support services/treatment from a distance
Low income			X			X			X	Consolidation of the SLG Living wage will have a positive impact on low income. An enhanced employee benefits package will have an indirect positive impact.
Low wealth			X			X			X	Increase in basic pay in lower grades will have an indirect positive impact on low wealth as will an enhanced employee benefits package.
Material deprivation			X			X			X	Increase in basic pay in lower grades will have an indirect positive impact on low wealth as will an enhanced employee benefits package.
Area deprivation		X			X			X		Proposals not area based.
Socio-economic background			X			X			X	Indirect positive impact from increased basic pay and an enhanced employee benefits package.
Communities of place?		X			X			X		No anticipated impact - proposals not area based
Communities of interest?		X			X			X		No anticipated impact

**If any 'don't know's have been identified, at what point will impacts on these groups become identifiable?**

N/a

**How has 'due regard' been given to any negative impacts that have been identified?**

Proposed pay and grading models and amendments to the local conditions of service have been checked against current model to identify if any employee would be disadvantaged by the proposed changes.

No employee will move to a lower grade or receive a lower rate of basic pay as a result of the proposed changes to the pay and grading model.

A number of employees will be negatively impacted by the proposed discontinuation of Essential Car Users Allowance (lump sum) as they are currently in receipt of the allowance. The negative impact will be mitigated by a one-off compensatory payment to employees claiming less than 3k miles and that those eligible to retain the allowance have the option to move to business mileage rate (45p as opposed to 35.1p per mile). The level of the impact will vary from employee to employee depending on the number of business miles travelled per year.

A small number of employees will be negatively impacted by the proposed withdrawal of the Telephone Allowance as they are currently in receipt of the allowance. If it is essential that an employee is contactable at home, a council funded mobile phone will be provided.

A number of employees will be negatively impacted by the withdrawal of Out of Pocket expenses. The level of impact will vary from employee to employee depending on the number of claims submitted. A new allowance, Stranded / Emergency Situation payment is being introduced which will mitigate the withdrawal of Out of Pocket expenses.

A cross check has identified any employees that may be disproportionately impacted by a cumulative impact of the proposed changes to allowances. This indicated that 15 employees are in receipt of both the ECU lump sum and Telephone Allowance. All are in LGE 9 and above. In addition to the mitigation of negative impact detailed above, individuals may also benefit from other changes such as harmonising the overtime threshold on SCP 75, additional bands being added to the top of the pay scale and modernised employment deal which may help to mitigate the discontinuation of the allowances.

The negative impact will be mitigated by LGE 2, 3 and 4 employees receiving an increase in basic pay, LGE 5 having a shortened incremental scale which means that the rate for the job is reached more quickly and LGE 6 – 14 benefitting from the modernised employment deal.

#### Section 4: Interdependencies

**Is this proposal likely to have any knock-on effects for any other activities carried out by or on behalf of the council?**

Yes

**Details of knock-on effects identified**

The proposals will fulfil the council's commitment to implement the CoSLA and Joint Trades Union agreement to consolidate living wage by 2021.

It is anticipated that the gender pay gap will reduce.

The impact on individual services will vary depending on the type of service delivered, the predominant grades within the service, the allowances received by employees and use of casual workers.

There may be an increased demand for pool cars and confidential meeting rooms required to host Skype calls due to changes in business travel.

There may be pressure on the casual worker budget operated by services due to increase in rate of pay for casual workers in grades LGE3, 4 and 5

### Section 5: Monitoring and review

#### **How will you monitor and evaluate the equality impacts of your proposal?**

- Compare what is expected as per the independent equalities review with actual figures recorded three years after implementation.
- Compare the gender pay gap identified in the equal pay audit undertaken in 2018 with the gender pay gap identified in the next equal pay audit which is due to take place in 2022.