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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b>	<b>20 May 2014</b>
<b>Report By:</b>	<b>Corporate Director Education, Communities &amp; OD</b>	<b>Report No:</b>	<b>HR/16/14/AH</b>
<b>Contact Officer:</b>	<b>Allan Wilson</b>	<b>Contact No:</b>	<b>01475 712022</b>
<b>Subject:</b>	<b>Craft Employees Assimilation to Local Government Employees (LGE) Terms and Conditions</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to recommend to members that 20 employees currently covered by Craft Workers' terms and conditions of employment are fully assimilated across to LGE terms and conditions of employment.

## 2.0 SUMMARY

- 2.1 The Organisational Development Strategy 2013-2016 was approved at the Policy & Resources Committee on 26 March 2013. The Organisational Development theme required the assimilation of Craft Workers terms and conditions by March 2015.
- 2.2 Craft Workers have a different national negotiating body from LGE and were not part of Single Status arrangements introduced for LGE in August 2008. Other craft workers (mechanics) in the Council have already been assimilated across to LGE terms and conditions (in 2009), and this last group of (craft) employees are currently covered by national conditions and the terms and conditions expressed in the Pay and Productivity Agreement (2007) which already goes some way to the amalgamation sought in this report.
- 2.3 The proposals made to Craft Workers are for the most part of benefit to employees. The following represent the main changes (full document Appendix 1) :
- Attendance Hours – 38 hours to 37 hours
  - Grading and Pay – 18 green circle versus 2 ( slight ) red circle
  - Annual Leave/Public Holidays – maximum 37 days increases to maximum 40 days
  - Overtime – time and one half or double time to only time and one half – important to point out overtime is demand led (not guaranteed)
  - Long service award – at 2.5% (over 5 years service) or 5% (over 10 years service) of salary – requires to be removed by means of "buy out" as applied previously to LGE group
- 2.4 Trades Unions (UCATT and UNITE) fully support the proposals.

### **3.0 RECOMMENDATIONS**

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3.1 It is recommended that members agree to:

- a) The assimilation of the 20 craft posts in Environmental and Commercial Services to LGE terms and conditions from the 2<sup>nd</sup> of June 2014.
- b) The costs of withdrawing the Long Service Award to be met from the Equal Pay earmarked reserves budgeted for by the Council.
- c) The costs associated with the changes to be met as follows. The initial cost of £6,700 including oncosts will be met from the pay award inflation contingency in 2014/15 and salary increments to 2017 of £20,498 being contained within the bottom up budgeting exercise.
- d) Note that the BSU income earning capacity is reduced. On the basis of 3 extra days holiday plus the loss of 1 hour per week then there is a loss of up to 1320 hours a year. Based on an allowance of £20/hour for pay and indirect costs then the income target for the BSU should be reduced by £26,400 from 2014/15. This would be funded from the pay inflation contingency and was allowed for in the recent budget report to CMT.

**Barbara McQuarrie**  
**Acting Head of Organisational Development,**  
**Human Resources and Communications**

## **4.0 BACKGROUND**

- 4.1 Craft Workers are represented nationally by Scottish Joint Council for Building & Civil Engineering Operatives, Engineering Craftsmen, Electricians and Plumbers.
- 4.2 The terms and conditions which currently apply to Craft Workers are either national conditions or those covered locally by the Pay and Productivity Agreement agreed by the Council in July 2007 which rationalised some terms and conditions and introduced a flat salary approach which in itself protects the Council going forward.
- 4.3 The Council has 20 craft workers who work for the Building Services unit in Environmental and Commercial Services (moved across from Property Assets and Facilities Management on 01/04/14). A previous report agreed the assimilation of 10 mechanics in Environmental Services across to LGE terms and conditions of employment. This exercise has been carried out using the same principles that were applied when the mechanics were brought across.

Note: At the time of the assimilation of the mechanics it was intended to progress with the Craft Workers but due to reluctance from Trade Unions at that time and the loss of the RCH contract the exercise was put on hold.

- 4.4 It is in the Council's best interests for equality reasons that, where possible, as many employees are on the same terms and conditions of employment. At the conclusion of this exercise the Council will have employees on three sets of terms and conditions as follows:
  - Chief Officers
  - Teachers
  - Local Government Employees.
- 4.5 COSLA advised a negotiated deal must be achieved in order to amend nationally determined Craft Workers terms and conditions. Therefore, in its role as an employer, Inverclyde Council is not able to impose a different set of terms and conditions upon Craft Workers as doing so would constitute a breach of a national agreement. Trade Union colleagues are fully supportive of the assimilation, therefore a negotiated deal has been achieved.

## **5.0 PROPOSALS**

- 5.1 It is proposed to assimilate the 20 Craft employees across to LGE terms and conditions of employment from the 2<sup>nd</sup> of June 2014 with a view to fully protecting the Council's position from an equality standpoint. The following represents the main changes, for the full effect refer to Appendix 1 :
  - Attendance Hours – 38 hours to 37 hours
  - Grading and Pay – 18 green circle versus 2 (slight) red circle
  - Annual Leave/Public Holidays – maximum 37 days increases to maximum 40 days
  - Overtime – time and one half or double time to only time and one half – important to point out
  - overtime is demand led (not guaranteed)
  - Long service award – at 2.5% (over 5 year's service) or 5% (over 10 year's service) of salary not applicable however "bought out"
- 5.2 It is proposed that for those craft employees paid a Long Service Award this is "bought out" as per the terms previously agreed for LGE employees as part of the Single Status agreement in 2008. The cost of this will be £70,259. The current cost of the Long service Award of £14,051 per annum has not been included when developing the costs of the assimilation with the payback for the buyout being 5 years.
- 5.3 It is proposed that to achieve assimilation the costs associated to move the 20 craft posts over to LGE terms and conditions will be met as follows. The initial cost of £6,700 including oncosts will be met from the pay award inflation contingency in 2014/15 and salary increments to 2017 of £20,498

being contained within the bottom up budgeting exercise.

- 5.4 It is proposed that the reduction in the BSU income earning capacity is recognised. On the basis of 3 extra days holiday plus the loss of 1 hour per week then there is a loss of up to 1320 hours a year. Based on an allowance of £20/hour for pay and indirect costs then the income target for the BSU should be reduced by £26,400 from 2014/15. This would be funded from the pay inflation contingency and was allowed for in the recent budget report to CMT.

## **6.0 CONDITIONS OF SERVICE**

- 6.1 Conditions of Service for Local Government Employees (Red Book) – sets out terms and conditions and remuneration for LGE employees in terms of key national provisions and other national provisions which can be adjusted locally.
- 6.2 Scheme of Pay and Conditions of Service for Craft Operatives (Grey Book) - sets out terms and conditions and remuneration for Craft employees.
- 6.3 Pay Productivity Agreement 2007 - sets out the terms and conditions and remuneration for craft and manual employees within Building Services.

## **7.0 IMPLICATIONS**

### **Finance**

- 7.1 Proposed Job evaluated grades for craft employees are:

<b>Designation</b>	<b>Grade</b>	<b>Salary Range (2014)</b>
BC&E Labourer	E	£17,633 - £20,469
Electrician	F	£20,469 - £23,748
Joiner	F	£20,469 - £23,748
Painter	F	£20,469 - £23,748
Plumber	F	£20,469 - £23,748
Slater	F	£20,469 - £23,748

The assimilation will cost £6,700 in the first year.

<b>No. of employees &amp; increment to top of grade</b>			
<b>Top of Grade at 2014</b>	<b>1 increment by 2015</b>	<b>2 increments by 2016</b>	<b>3 increments by 2017</b>
3	10	1	6

The cost of increased increments will be £20,498 by 2017.

## Financial Implication:

### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Earmarked Reserves	Equal Pay	2013/14	£70,259	-	Resultant saving to be added to the Pay Inflation contingency

### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
Building Services	Employee Costs	1/4/14	(£14,051) £6,700	-	Saving from removal of LSS  Yr1 Assimilation costs including Employers costs estimate
	Income	2013/14	£26,400		Allowance for lost income due to reduced hrs available. Fund from Pay inflation contingency

## 7.2 Legal

None.

## 7.3 Human Resources

None, all information contained within the report.

### Equalities

#### 7.4 Has an Equality Impact Assessment been carried out?

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YES (following analysis of workforce data, no protected characteristic is adversely affected. Assimilated Craft Employees to Local Government Employees' Terms and Conditions was a recommendation of the recent equality Impact Assessment on our Pay and Grading Model.

☐

NO - This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

## 7.5 Repopulation

N/A

## 8.0 CONSULTATIONS

### 8.1 Craft Workers' Trades Unions, Unite and UCAAT, have been advised of the proposal of assimilating the terms and conditions of employment for their members and have accepted the proposal in full.

8.2 If Elected Members approve the assimilation, employees will be written to detailing the offer and the proposed changes to their terms and conditions and remuneration.

**9.0 LIST OF BACKGROUND PAPERS**

N/A

**10.0 CONCLUSIONS (optional)**

N/A

**11.0 LIST OF BACKGROUND PAPERS**

Appendix 1 - Proposed Changes to Terms and Conditions

## CRAFT WORKERS

### Proposed Changes to Terms & Conditions and Implementation Arrangements

Condition	Current Arrangements	Proposed Change	Implementation Arrangements
Length of Working Week	38 hours per week	37 hours for all full time employees	♦ the new working week for all staff covered by this agreement will take effect from the implementation date
Standard Working Pattern	Standard core pattern is Mon. to Fri.	Standard core pattern is Mon. to Fri. No Change.	♦ Effective from date of implementation ♦ Confirm if no change
Normal Working Week (Working Envelope)	Core hours Mon – Thurs. 8.00am – 4.30pm Fri. 8.00am – 2.30pm (Standard lunch break 30mins)	Core hours Mon – Thurs. 8.00am – 4.30pm Fri. 8.00am – 1.30pm (Standard lunch break 30mins)	♦ Effective from date of implementation  Mon – Frid 6am. to 7.59pm and Saturday 6am to 12.59pm.  Atypical Allowances will apply to hours worked outwith the normal working week
Annual Leave / Public Holiday Entitlement	Annual Leave up to 25 days  Public Holidays are 12 days  = 37 days in total	Up to 33 days for all. Annual increases in entitlement  Aligned to Inverclyde Council public holiday dates with 7 fixed public holidays.  = 40 days in total	♦ Effective from date of implementation  ♦ Public Holidays already aligned to Inverclyde Council public holiday dates as per 2007 Pay & Productivity agreement
Buying & Banking Leave Scheme	No current scheme	Bank up to 22 days over 5 years	♦ Effective from date of implementation
Christmas Shutdown	Compulsory except essential services	Compulsory except essential services	♦ Employees required to use 3 days of their annual leave entitlement ♦ Effective from date of implementation

Long Service Award	Ex-IDC employees only	Withdraw Scheme	<ul style="list-style-type: none"> <li>◆ Effective from date of implementation</li> <li>◆ One off buy-out payment of 5 times annual award (subject to Tax and NI).</li> </ul>
Overtime	<p>Craft OT Rates</p> <p>17.00 – 23.59 Mon - Thurs. T &amp; ½</p> <p>16.00 – 23.59 Fri. T &amp; ½</p> <p>00.00 – 08.00 Mon - Sat T x 2</p> <p>08.00 – 23.59 Sat T &amp; ½</p> <p>00.00 – 08.00 Sun - Mon T x 2</p> <p>Working on a Public Holiday = T x 2 plus a Day In Lieu</p>	<p>Mon – Sun: T &amp; ½</p> <p>Public Holidays: double time &amp; time off in lieu</p>	<ul style="list-style-type: none"> <li>◆ Effective from date of implementation</li> </ul> <p>O/T paid after 37hrs have been worked.</p>
<b>Condition</b>	<b>Current Arrangements</b>	<b>Proposed Change</b>	<b>Implementation Arrangements</b>
Adoption Pay	Statutory Adoption Pay (SAP) only	12 weeks half pay in addition to SAP	<ul style="list-style-type: none"> <li>◆ Effective from date of implementation</li> </ul>
Parental Leave	Only parents of children under 5 yrs; 1 yrs qualifying service	Parents of children under 18 yrs; 26 wks qualifying service	<ul style="list-style-type: none"> <li>◆ Effective from date of implementation</li> </ul>



Standby/Call Out Arrangements	<p>Appendix 1 and 2 to Part 3 of SJC National Agreement on Scheme of Pay and Conditions of Service</p> <p>COSLA Industrial Relations Circular CS/52</p>	<p>Payments for formal and informal standby are in the attached Standby and Disturbance Scheme.</p> <p><u>Payment for Stand-by:</u></p> <table><tr><td>each completed week of stand-by</td><td>£80.76</td></tr><tr><td>Worked on public holiday</td><td>£15.16</td></tr><tr><td>broken periods of stand-by occurring on M-F</td><td>£8.05 per night</td></tr><tr><td>broken periods of stand-by occurring on a Saturday</td><td>£17.13 for 24 hrs</td></tr><tr><td>broken periods of stand-by occurring on a Sunday or Public Holiday:</td><td>£23.34 for 24 hrs</td></tr><tr><td colspan="2">standby on a public holiday shall be granted a day off with pay at a later date whether called out or not on a public holiday.</td></tr></table>	each completed week of stand-by	£80.76	Worked on public holiday	£15.16	broken periods of stand-by occurring on M-F	£8.05 per night	broken periods of stand-by occurring on a Saturday	£17.13 for 24 hrs	broken periods of stand-by occurring on a Sunday or Public Holiday:	£23.34 for 24 hrs	standby on a public holiday shall be granted a day off with pay at a later date whether called out or not on a public holiday.		<ul style="list-style-type: none"><li>◆ The Council and the Trade Unions have agreed the review of the application of this allowance.</li><li>◆ Note that all overtime will be paid at time and a half from date of implementation</li></ul>
each completed week of stand-by	£80.76														
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Standby/Call Out Arrangements II		<p><u>Payment for Disturbance and Call-Out:</u></p> <p>Employees undertaking standby duty, who are contacted or called out will be paid £12.90. (Only one such payment within each period of 2 hours, commencing with the start</p>													

		of the standby session can be paid). Where that or subsequent disturbance or call out is in excess of 1 hour, the employee will be entitled to further payment for the whole of the period of disturbance or call-out at the appropriate overtime rates. Overtime rates will only be applicable once the 37-hour working week has been reached.	
Responsibility Allowance	This allowance would be paid from day 1	4 week qualifying period for all, except where H&S reason to act-up from day 1. Incremental progression where applicable if carrying out 100% of duties	♦ Effective from date of implementation
First Aid	Designated Physical first aiders only	Designated Physical First Aiders included	♦ Effective from date of implementation ♦ Payment in line with SJC Circular re First Aid Payments

Condition	Current Arrangements	Proposed Change	Implementation Arrangements																						
Atypical Working Allowances	<p>Atypical Hours defined as hours outside 6.00am to 8.00pm, Mon to Fri</p> <p>Range of allowances payable: unsocial hours, irregular hours, weekend working, shift working &amp; night working</p> <p>Call out standard week i.e. Mon - Sun 7 x 24 = £80.76 (Call out on a Public Holiday + £15.16)</p> <p><u>Unsocial Hours</u></p> <p>a) 8.00pm – 00.00 midnight = T &amp; ½ +0.20p per hour</p> <p>b) 00.00 midnight – 8.00am = Double Time</p>	<p>Atypical Hours defined as hours outside 6am to 7.59pm, Mon to Fri, and 6am to 12.59pm, Sat</p> <p>Tiered Scheme:</p> <table><thead><tr><th><u>Time Period</u></th><th><u>Allowance Rate</u></th></tr></thead><tbody><tr><td colspan="2"><b>Monday to Friday</b></td></tr><tr><td>6.00 am to 7.59 pm</td><td>No allowance paid</td></tr><tr><td>8.00 p m to 11.59 pm</td><td>10% allow</td></tr><tr><td colspan="2"><b>Saturday</b></td></tr><tr><td>6.00 am to 12.59 pm</td><td>No allowance paid</td></tr><tr><td>1.00 pm to 11.59 pm</td><td>10% allow</td></tr><tr><td colspan="2"><b>Sunday</b></td></tr><tr><td>6.00 am to 11.59 pm</td><td>10% allow</td></tr><tr><td colspan="2"><b>Mon to Sun (Night Work)</b></td></tr><tr><td>Midnight to 5.59 am</td><td>33.33% allow</td></tr></tbody></table> <p>Note: Where an allowance is to be paid then this will be applied to the basic hourly rate</p>	<u>Time Period</u>	<u>Allowance Rate</u>	<b>Monday to Friday</b>		6.00 am to 7.59 pm	No allowance paid	8.00 p m to 11.59 pm	10% allow	<b>Saturday</b>		6.00 am to 12.59 pm	No allowance paid	1.00 pm to 11.59 pm	10% allow	<b>Sunday</b>		6.00 am to 11.59 pm	10% allow	<b>Mon to Sun (Night Work)</b>		Midnight to 5.59 am	33.33% allow	<p>♦ date of implementation</p> <p>Do not get O/T and Atypical allowances at the same time for hours worked.</p>
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Contractual Allowances for Additional Responsibility/ Performance Bonuses	<ul style="list-style-type: none"><li>• Dirty money allowance</li><li>• Driving Allowance</li><li>• High Access Allowance</li><li>• Chargehand Allowance</li></ul>	<p>Recognition given for these job factors in JE Scheme</p> <p>Consolidated where appropriate into basic pay to give ‘all inclusive’ salary</p>	<p>♦ date of implementation</p>																						