



UNISON Comments on the 2009 Pay Award

UNISON is aware that the process of the pay award at Runnymede is traditionally not one of negotiation, rather the local branch is informed of what is recommended and invited to comment but we will be seeking to update that arrangement for future years to make it more meaningful for UNISON, the employer and our staff.

UNISON notes that originally there was 2% in the budget for this year's pay award and that by reducing it to 0.5% makes a saving of £169,500.

It is reported elsewhere on this agenda that the Council has fallen well short of its savings target so there are likely to be more cuts in service and a continuing practice of not filling posts (staff at all levels with long service, skills and knowledge) but the employer expecting the same level of service, if not more, from existing staff, which is not sustainable.

The Interim Chief Executive issued an e-mail to all staff, advising us of what the recommended award was and we think it was right of him to do this, rather than let staff find out once the decision had been made.

Feelings have been very mixed towards the prospect of 0.5%. There is some anger at what is in effect a pay cut, coupled with the cost of living in this area, to which the employer makes no concessions (i.e. no London weighting allowance.)

There is also a sense of resignation and acceptance, given that friends and family elsewhere have either been made redundant or face it, or have had to choose between a pay cut, reduced hours and the like.

We hope that the Committee recognises that approximately 285 members of staff are on Grade 7 or less which means they currently earn less than £23,000 per annum (a number of these, significantly less) and that 0.5% is going to disadvantage them in real terms.

The other awards across Surrey are set out in the report. The highest being 3% at Elmbridge, and the lowest, Woking at 0%; however, they have been awarded an additional 3 days annual leave in the current year.

The average award across Surrey is 1.98%, which if awarded here would not produce the saving of £169,500. If the employer awarded 1% we estimate that a saving of approximately £113,000 would still be made.

If the employer is unwilling or unable to meet the average award across Surrey of 1.98%, and wishes to settle on an award of 0.5%, we ask the Committee to please consider granting additional annual leave to all staff as well as an award of 0.5%, whose morale is pretty low at this time and who would appreciate this gesture of support from our Elected Members.

Runnymede UNISON Branch Committee  
June 2009

RUNNYMEDE BOROUGH COUNCIL

PERSONNEL SERVICES MEMBER WORKING GROUP

8.00 a.m. Tuesday 16th June 2009, Meeting Room 4, Civic Centre

In attendance: Councillors Linda Gillham, David Parr and Paul Francis  
Interim Chief Executive – Peter Sims  
Personnel Manager - David Thomas

1. Appointment of Chairman

In his absence, Cllr Peter Waddell was appointed as Chairman of the Working Group for the current municipal year. Cllr David Parr chaired this meeting.

2. Apologies for Absence

Councillor Peter Waddell

3. Notes from Meeting 14 May 2009

These were agreed as correct.

4. Performance Related Pay

Members received the report by the Personnel Manager on future options for the Performance Related Pay (PRP) scheme as requested at the previous meeting.

The PRP scheme currently in use in Runnymede was originally introduced over 20 years ago and during that time had served the authority and its staff well.

The scheme replaced the former National incremental pay scales whereby individuals automatically progressed through their salary scales regardless of their performance.

During this period, a number of modifications had been made to the scheme which, in the light of experience, were necessary in order to improve its effectiveness and relevance.

The PRP scheme in Runnymede was a method to link salary rewards to achievements by identifying performance in the job which was higher or lower than that expected of an experienced person. PRP was not a device for achieving the market rate for the job nor was it a device to simply inflate salaries.

The Runnymede scheme consisted of two elements. Firstly, the former automatic incremental progression of the National arrangements had been replaced by performance related progression. Progression through the salary scales ranged between 0% and 6%, according to the level of performance achieved during the previous year. Such salary advancement was pensionable. On 1 April 2009 the average PRP progression had been 1.5%.

The second element arose when staff reached the salary scale maximum. As a continued reward for high performance, staff on scale maxima qualified for a one-off non consolidated and non pensionable lump sum payment. These payments were paid from a fund based on 1.5% of the salary budget. The size of the individual payments varied each year depending on the number of high performers at scale maxima, their bandings and their salaries. In April 2009 the lump sum performance payments had been 1.75% of salary for 'very good', 4.25% for 'excellent' and 8.5% for 'outstanding'. Actual payments ranged between £60 and £3,600 with an average of £850.

The policy of PRP progression within the salary scale and the one-off lump sum performance payments were included in individual contracts of employment.

PRP had been at its height of popularity in the 1990s and had been perceived as a useful recruitment and retention tool. In some organisations, the size of payments had been considerable and added significantly to the pay bill. As staff recruitment and retention issues eased and employers discovered that these large PRP payment were making little difference to an individual's actual performance, many schemes had been bought out and discontinued.

Runnymede's scheme had never claimed to induce higher performance and indeed the relatively modest level of payments would never have been likely to have achieved this. The scheme was simply a mechanism to link a differential reward with performance.

The concept of PRP was contentious. UNISON's national policy was opposed to PRP on the basis that it was potentially unfair and divisive. There were also concerns that schemes could discriminate against certain groups and would therefore fall foul of equal pay requirements.

In a survey of Runnymede staff in 2004, only 10% did not think that PRP was a good idea with 72% supporting the concept of PRP. Only 26% felt that PRP had increased their job motivation whilst 20% felt that PRP had actually reduced their job motivation.

Whilst the receipt of additional payment through accelerated progression through the salary scales or one-off lump sum performance payments was undoubtedly attractive to high performing staff (on 1 April 2009 63% of qualifying staff), the actual banding process was unpopular with many managers and staff alike.

Runnymede had achieved much over the years in terms of the high standard and cost effectiveness of service delivery. Clearly, one contributory element to this success had been the dedication and performance of staff. The high performance, output driven culture was well embedded in the organisation. It was difficult to identify to what extent the PRP scheme had contributed to these outcomes.

Members of the Working Group then considered three main options for a way forward, together with their respective advantages and disadvantages and contractual and equal pay implications.

These options were:

- To maintain the status quo
- To withdraw the PRP scheme completely
- To withdraw the one-off lump sum performance payments but retain PRP progression

Taking into account the three options and their respective advantages and disadvantages together with the Council's current financial situation and the contractual and equal pay implications, Members of the Working Group recommended that

- a) the PRP scheme be suspended for a period of two years, with a review of the situation after one year; and
- b) during this period of suspension, PRP progression within salary scales be replaced by automatic 3% incremental progression subject to individuals having sufficient headroom in their scale and not being subject to formal disciplinary or capability proceedings; and
- c) during this period, PRP one-off lump sum payments be suspended; and
- d) new appointees be made aware of the suspension of the PRP scheme; and
- e) the current Appraisal scheme be retained

5. Date of Next Meeting

The Personnel Manager to convene a meeting in October 2009.

## EQUALITY IMPACT ASSESSMENT

<b>SERVICE:-</b> <b>Performance Related Pay (PRP) - suspension</b>	<b>LEAD OFFICER:-</b> <b>David Thomas</b>
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**SERVICE OBJECTIVES:-**

**In view of concerns about potential equal pay issues and to address financial constraints, it is proposed to suspend the Council's PRP scheme for a period of 2 years with a review of the situation after 1 year.**

**Does the service involve, or have consequences for, any of the people served or employed by Runnymede? Yes**

**If so, please state for whom:**  
 e.g. Staff in "... " section / residents in receipt of benefits / users of "... " service  
 All Council staff

**Could the service be delivered differently because of people's racial group, ethnicity, disability, gender, religion, belief, sexual orientation or age, for example, because they have particular needs, experiences or priorities?**

Disability	no	<input type="checkbox"/>	Age	no	<input type="checkbox"/>
Race	no	<input type="checkbox"/>	Religion	no	<input type="checkbox"/>
Gender	no	<input type="checkbox"/>	Sexual orientation	no	<input type="checkbox"/>

**Do you know how these groups could be affected? ....if "yes", please state how (eg. Existing customer feedback , statutory constraints on your service)**  
**All staff will be affected in the same way**

**If "no", who will you consult to find out? How will you ensure you consult 'hard-to-reach' groups?**

**RESEARCH/CONSULTATION**

Please give details of any consultation the service has already undertaken to establish that it is accessible for all members of the community. This might include feedback when work has been completed for tenants, or Residents' panel feedback or regular service reviews.

Analysis of PRP contained in the Annual Pay & Workforce Plan

**IMPACT ASSESSMENT**

From the data you have available, is it possible to establish whether any specific group might be more adversely (or positively) affected than others, consider what the potential impact might be. Could the policy lead to direct or indirect discrimination? If you don't know, it may be that you need to undertake more consultation to find out.

It is often helpful to review the impact under the headings of the different equality strands, ie. Race/disability/gender/age/religion or belief/sexual orientation/age.

No particular group has been identified in being discriminated against

**DOES THE POLICY REQUIRE AMENDMENT OR RE-CONSIDERATION?**

Either outline changes required or indicate why none are necessary.

**None identified. This is a temporary measure in order to avoid potential equal pay issues and to address current financial pressures which, hopefully, will reduce risk of future job losses.**

**What actions or changes will you feed into your service as a result of this EIA?**

This might include improving data collection in order to give a clearer picture of your service-users. It may include, for example: physical adjustments to a building, arranging for information to be sent out to individuals in alternative formats or languages, meeting with people face-to-face to explain your service, consulting with a wider group of people to understand how your service is received and its impact on them.

None identified

Date completed: 16 June 2009



Runnymede UNISON Comments on the Recommendations for PRP.

The Branch notes the recommendations for PRP as set out below, with our comments in emboldened italics:

a) the PRP scheme be suspended for a period of two years, with a review of the situation after one year

***With the forthcoming Equal Pay Audit, a review of PRP should be put into motion more quickly so that any inequalities can be addressed. Suspending PRP is a short term measure, achieving savings in the region of £150,000 (on top of the £169,500 from the pay award).***

b) during this period of suspension, PRP progression within salary scales be replaced by an automatic 3% incremental progression, subject to individuals having sufficient headroom in their scale and not being subject to formal disciplinary or capability proceedings

***In effect for staff, not at top of scale, it is a partial return to NJC arrangements, and for most of them appears to be a positive recommendation. However, 63% of staff are already at top of scale, thus the recommendation only potentially benefits 37% of staff.***

***One option would be to give all staff an equal annual increment, which to make any savings, would have to be less than 3%. This in turn would be of less benefit to the 37%, but might be more accepted, pending a review of the system.***

c) during this period, PRP one-off lump sum payments be suspended

***This is possibly the more contentious of the recommendations; disadvantaging 63% of staff and is where the savings are coming from. There are the obvious issues of motivation when put alongside the recommended 0.5% pay award. This is, in effect, a pay cut and affects staff across the board, especially long serving staff, whose loyalty to the organisation does not appear to be appreciated. That said, the payment of lump sums is potentially discriminatory; generally speaking it is full-time staff with unbroken service that are going to have had the opportunity to progress within scale and within the organisation.***

***The Review of PRP will need to be given careful consideration with due regard to equalities issues.***

d) new appointees be made aware of the suspension of the PRP scheme

***Agreed, although how this is communicated will need to be done to avoid potential new members of staff not applying for posts, which then could remain unfilled, increasing the burden on existing staff and having an adverse effect on the service.***

e) the current appraisal scheme be retained

**UNISON has secured re-assurance that the issues we identified with the current scheme need to be addressed prior to this round of appraisals so that problems staff have raised with us are discussed to help prevent the same issues arising this year, as last, or in previous years.**

**With a focus on staff development, we would need to be re-assured that relevant and appropriate training courses will not be reduced to make further savings.**

**Clearly the way competencies were being dealt with in the proposed scheme, together with other aspects of its design and proposed implementation, had inherent difficulties, detailed in our previous response, attached at Appendix 'G'.**

### **Equalities Issues**

**Unfortunately, the Equality Impact Assessment appears to be inaccurate in a number of respects.**

**It might have been helpful if Officers had defined in the service objectives section (the first section), what the 'potential equal pay issues' are, and listed the relevant legislation. Equal Pay is enshrined in law, it is about ensuring that we pay men and women equally for doing the same or similar work and/or doing work of equal value. Equal Pay covers basic pay, bonuses, overtime, holiday pay, sick pay, performance related pay and occupational pensions. Some of the problems arise when posts are 'undervalued' – cleaners, caretakers, refuse, street cleansing, parks, day and leisure centre staff, receptionists and customer services staff, resulting in those posts being paid less than others that may have traditionally been more highly 'valued'. Although case law has tended to be geared towards women, it applies to men and women, both can have cases for equal pay.**

**In the third section, Officers have said that 'all staff will be affected in the same way'.**

**Clearly, this is not the case. In crude terms, some staff will benefit, but a greater proportion will not, and will in fact suffer a detriment. The 63% at top of scale are in effect being treated as if they were being banded at 4 or 5, where no PRP is paid. Only those staff that would have received 3% if they had been banded at 3 will be unaffected, so long as they have headroom within their scale. Those staff that have headroom but would have been banded at 3a, 2 or 1 will receive a lower increment than they might have, and those that would have been banded at 3b will receive more. Those banded at 4 or 5, would as now, remain unaffected, receiving no PRP. The 63% of staff at top of scale are also not receiving a one off lump sum, and an unknown % of the remaining 37%, that could receive a 3% increment, will not do so because the payment is subject to their not being in the process of being disciplined or taken down the capability route.**

**It is unclear what happens to new starters – will they still receive an increment if they pass their 6 months probation, and will they then get the 3% annual increment subject to having been in post sufficiently long? It is also unclear whether those leaving by 1 April 2010 will get the increment.**

***In the research section Officers state that they have analysed the PRP information contained within the Annual Pay and Workforce Plan to inform the EIA. Although Members of the Committee have seen this information before, it might have been helpful to include it for reference and information.***

***In the Impact Assessment section UNISON does not understand the assertion that Officers have 'not identified any particular group that would be potentially disadvantaged'.***

***The information given in our response clearly shows that the groups to be potentially disadvantaged are:***

- ***staff at top of scale***
- ***staff subject to formal disciplinary or capability procedures***
- ***staff with at least 5 years service (assuming by this time they have reached top of scale)***
- ***new starters***
- ***high achieving staff that would have received more than 3%***

***'Does the policy require amendment or re-consideration?'***

***'None identified. This is a temporary measure in order to avoid potential equal pay issues and to address current financial pressures which, hopefully, will reduce risk of future job losses'.***

***The recommendation itself says that the situation will be reviewed in 1 year and the threat of job losses is important to note; staff are acutely aware of this.***

***The Employer needs to do more than remove or revise PRP to avoid issues of Equal Pay. We still have an imposed pay policy which is not based on a sound pay and grading structure and our way of grading posts initially and when considering their re-grading, when a vacancy or staff appeal about their grading arises, is not sufficiently transparent.***

***The employer had identified 'no actions' as a result of these recommendations. However, we are pleased to report that having raised these, and other issues the Branch has agreed with the Interim Chief Executive that a set of 'ground rules' would have to be in place to expand on the recommendations in practical terms and to try and ensure it is operated fairly, particularly in respect of staff facing formal disciplinary or capability proceedings. Also, the Personnel Officer has indicated that our concerns and queries would be dealt with during the 'consultation process'.***

***That process will need to be carried out in liaison with Regional Officers at UNISON, who have been consulted on our response, noting that time is limited for proper consultation with staff by the employer, prior to implementation, if approved by the Corporate Management Committee.***

***UNISON is aware that the recommendations could be imposed on staff, we hope that this will not happen, but legal advice has been sought.***

***Runnymede UNISON Branch Committee  
22 June 2009***