

PAY AND GRADING

1 SUMMARY

- 1.1 This report updates Members on progress to date with respect to Job Evaluation. The report also asks Members to consider proposals from the Trade Union as a result of recent negotiations.
- 1.2 The Human Resources Manager will give a presentation at the meeting providing an overview of the Council's Job Evaluation Scheme.

2 INTRODUCTION

- 2.1 On 7 September 2004 the Policy & Finance Committee agreed in principle to the progression of Job Evaluation using the Greater London Whitley Council scheme for posts up to PO17 and HAY for all other posts. The Policy & Finance Committee resolved that "details of the scheme as they emerge and roll-out through the organisation be referred for consideration" to this Committee.

3 ACTIONS TO DATE

- 3.1 On 22 September 2004 a presentation was provided to the Operational Management Team on the Greater London Whitley Council scheme and the steps for implementation were agreed. Following this, a letter was sent to all staff, informing them that as a result of the recent pay deal all local authorities have to complete and implement a local pay review by March 2007, and that part of this means we need a robust Job Evaluation scheme in place. The letter invited all staff to attend a half hour briefing session on either 2 or 4 November.
- 3.2 The staff briefings sessions have taken place and provided an overview of the scheme and how it works. A further session took place in December to ensure any staff that could not attend in November were included.
- 3.3 Trade Union consultation commenced on 29 September with Paul Jones from Regional UNISON and Fred Laycock, the local Union Representative. UNISON agreed the scheme in principle but there were issues they wish to consult on further. It was agreed that:
 - ❑ Joint assessment of posts by employer and Trade Union take place before results are released to individuals
 - ❑ An appeals procedure/panel is agreed and relevant training provided

- ❑ The overlap between the Greater London Whitley Council and HAY scheme be assessed
- ❑ Staff receive a letter informing them of progress with JE and that they are informed at all stages of the process
- ❑ Staff receive a face to face briefing on the scheme and how it works

Other areas of negotiation require Member approval.

4 DETAILED CONSIDERATIONS

4.1 The Trade Union are requesting the following:

- ❑ Protection arrangements to be increased from 2 to 3 years in line with other Essex Authorities and protection to include annual pay award and increments.

They cited the following Councils as examples of where more generous protection arrangements have been agreed:

Southend-on-Sea Borough Council – the employers side have offered 3 years but this may go up depending on consultation

Harlow – 3 years

Braintree – 3 years

Tendering – 3 years

Basildon - currently offer permanent protection on their own scheme but are now going down the NJC scheme route so this may change.

- ❑ That scale 1 be deleted and replaced with a new scale 1-2. This currently applies to the Scheme Managers (13 posts) and 2 other posts in the Council.
- ❑ That market supplements should be applied to hard to fill posts where necessary.

4.2 The proposals with regard to protection and market supplements, if accepted, will assist the smooth implementation of the scheme and have the support of Corporate Management Board. The Human Resources Manager has prepared a draft policy on market supplements, attached at Appendix 1 for Members' consideration.

4.3 In the meantime, staff and managers have had the opportunity to review job descriptions to ensure they are accurate and up to date. Human Resources are currently re-evaluating all posts as a result and will then meet with Heads of Service to discuss the initial results. UNISON will carry out a joint review of the assessments with Human Resources following training on the scheme. Work will then commence on an appeals procedure/panel and any training required will be provided to members of the panel.

5 RISK IMPLICATIONS

5.1 Resource Risk

Increasing protection arrangements may help retain staff and their skills/knowledge but obviously has a cost implication.

There would be additional costs to the salaries bill if market supplements are added to some posts but these should be balanced by more efficient recruitment to hard to fill posts. There would also be improved service delivery if we were fully staffed in all areas.

5.2 Operational Risk

A policy for market supplements would need to be developed to ensure there is set criteria for determining a post as hard to fill – taking account of the nature of any skills shortage, turnover rates etc.

Some posts, which are currently graded at Scale 1, are likely to remain the same under the new Job Evaluation scheme. Enabling all positions to progress to scale 2 could impact on the whole scheme and is not recommended.

6 RESOURCE IMPLICATIONS

6.1 The cost of changing all posts so they can progress to the top of scale 2 is £11,139 with on costs.

6.2 There would be additional costs in allowing market supplements but this is necessary to recruit to some areas and ensure we have fully skilled staff. The costs are likely to be outweighed by the benefits of recruiting well skilled employees to all posts and in avoiding the expense of repeated advertising.

RECOMMENDATION

7.1 It is proposed that the Committee **RESOLVES**

- (1) To endorse the progress made to date on Job Evaluation and
- (2) To recommend to the Policy & Finance Committee that:-
 - (a) staff adversely affected by job evaluation be provided with a three year period of salary protection
 - (b) scale 1 be retained within the pay structure and
 - (c) the Discretionary Market Forces Supplementary Payment Policy as set out at Appendix 1 be adopted.

John Honey
Corporate Director (Law, Planning and Administration)

Background Papers: None

For further information please contact Claudia Robinson:-

Tel:- 01702 318162
E-Mail:- Claudia.robinson@rochford.gov.uk

APPENDIX 1

Discretionary Market Forces Supplementary Payment Policy

Introduction

In order to deliver high quality services it is important for Rochford District Council to be able to attract and retain high quality people. Job Evaluation has ensured that men and women doing work of equal value are graded and paid the same within the pay structure. Although Job Evaluation can identify inequalities resulting from earlier market rate considerations, it cannot take into account current market forces. Skills shortages may still occasionally dictate the market rate for a job and not the Council's grading system.

Nevertheless, it is important that we consider the following issues:

Equity Having introduced the new Single Status Job Evaluation Scheme market forces driven payments will only be judged to be fair if they are applied consistently against accepted criteria.

Cost Unless market force payments are strictly administered the pay structure and costs have the potential to spiral significantly.

Law Clear criteria for application and regular reviews of the market force payments are necessary to avoid contravening equal pay legislation.

Establishing acceptable criteria

It is essential that sound transparent judgement is applied when considering market forces issues. If a supplement to the job-evaluated grade is based on a recruitment/retention issue it is likely to promote a reactive approach. Alternatively, if the criterion is that a vacancy must be advertised twice before a payment is made, the post will be vacant for some time effecting the service provision. Also, a situation may arise where a key employee could threaten resignation and by doing so create a market force issue. If managers took these threats seriously and pressed for unwarranted payments it could lead to a plethora of claims and undermine the equity of the grading scheme.

Criteria for the application for a market supplementary payment

A sound business case must be prepared demonstrating rigorous evidence that market forces present a serious challenge to the current pay scale.

Examples of acceptable evidence are:

- Pay costing information and comparisons for similar posts at other Local Authorities within the eastern Essex area using Regional Employers pay profiles wherever possible or a local survey of at least 5 authorities in the area
- Evidence that there is a market forces issue i.e. national skills shortage data and higher than normal turnover

- Confirmation that the requirements, qualifications and experience set out in the advertisement and person specification are necessary to fulfil the specified duties
- Evidence of unsuccessful recruitment campaigns supported by details of the number of applicants and of why each candidate was unsuitable for the role
- In the case of a career graded post that the salary being offered matches the level of duties and responsibilities set out in the career matrix and that every effort has been made to accelerate the postholder when the criteria are met
- The estimated cost of recruitment – advertising, staff time, induction, training, relocation etc.
- Details of all posts to be covered by the proposed market payment
- Consideration of alternative solutions to meet service delivery
- Options for outsourcing.

Implementation of the scheme

The Head of Service is responsible for compiling the evidence that supports a completed Market Supplementary Payment Application form. Advice may be obtained from the Human Resources unit. The application, with evidence, is submitted to Corporate Management Board (CMB) for review and approval.

If sanctioned, the documents will be sent to the Human Resources unit to collate the information, notify the post holders affected and apply the payment/s. Human Resources will compile an annual report stating the number of posts attracting a market supplement payment and monitor the duration of the payment. A review, prompted by the Head of Service, will be conducted by the CMB at the end of the payment term to determine whether the supplement is still necessary.

How the supplement will be applied

- The supplement, will be rounded to the nearest increment, to take the salary at the top of the grade to the appropriate maximum salary in accordance with the evidence submitted and will be applied from the date of its approval. The payment will be subject to income tax, National Insurance and pension deductions.
- The supplement to be payable for a maximum of 2 years at which time it will be reviewed to assess the necessity for continuing the supplement. At the end of the stated period the supplement may be withdrawn or continued, with no right of appeal if the supplement can no longer be justified. The individual will receive written confirmation of the review decision and its rationale.
- The supplement will be applied to all identical posts and any other relevant post and will not become a permanent element of the contract of employment.

The scheme will be entirely discretionary and since it does not form part of the terms and conditions of employment for employees it will provide no right of appeal or opportunity for staff to register a grievance appeal if a supplement is not applied to their post. Heads of Service will take responsibility for ensuring that the expectations of individuals are not raised unjustifiably and that individuals are not led to believe that by applying for another job a market supplement application will be invoked.

It is essential that market supplementary payments be applied with integrity and transparency to avoid weakening employee confidence in the pay structure and the scheme. The payment must not be made without sound evidence that it is market forces driven and the issues could not be resolved in any other way.