

# REPORT OF THE ASSISTANT CHIEF EXECUTIVE – CORPORATE DEVELOPMENT & PARTNERSHIPS

## AUDIT COMMITTEE REPORT ON JOB EVALUATION & EQUAL PAY

9<sup>th</sup> DECEMBER 2010

### 1. Purpose of Report

- 1.1 The purpose of this report is to update the Audit Committee on the progress of the Job Evaluation Project and Equal Pay. A presentation will be given at the meeting to illustrate some of the points within the report.

### 2. Connection to Corporate Plan / Other Corporate Priority

- 2.1 The aim of the Job Evaluation Project is to ensure the Council adheres to its obligations to carry out a review of its pay and grading structure and to address the issue of equal pay. The project supports all Council policies that require a skilled and motivated workforce to deliver its aims and objectives to better serve the communities of Bridgend.

### 3. Background

- 3.1 In partnership with the trade unions, the Council is using the Greater London Provincial Council (GLPC) Job Evaluation Scheme to evaluate posts to fairly and accurately determine the rank order of jobs across the Council. Job evaluation seeks to objectively measure the different elements or parts of a job and provides a score. All jobs are scored in the same way, giving a comparison of jobs across the Council.
- 3.2 The Job Evaluation Scheme covers all Council employees with the exception of those on Soulbury terms and conditions, Teachers, Youth and Community workers. There are 5671 employees across the Council that will be affected by the outcome of the Job Evaluation project, which have a combined pay bill of approximately £80 Million.
- 3.3 In January the Project Executive requested a project health check to be carried out by the Centre of Excellence. The health check identified the need for a revised project plan that included all key stages in the project life cycle, and therefore went beyond just the stage of evaluating jobs. To ensure project management arrangements were sufficient, the health check also identified that a dedicated project manager was needed to work at least 4 days a week on the project.
- 3.4 There has been a change in project management arrangements, as in January the previous project manager left the authority, and a temporary appointment was made through an external agency for a Project Management specialist. This interim arrangement lasted for six weeks, and in March the project management role was taken up on a secondment basis by a new appointment to the Policy and Performance Management Unit.

- 3.5 With the new project management arrangements in place, discussions at the Project Board in April identified the need to improve the way progress was being recorded and tracked. A Job Description Questionnaire (JDQ) tracker was developed that was used at Project Board meetings to identify the number of JDQ's being evaluated, highlight any service areas where JDQ's were outstanding and ensure that all the main functional areas were adequately covered.
- 3.6 Consistency and Audit Panels were held throughout March and April, where trade union representatives met with HR Officers and Group Managers to identify those jobs within functional areas that were generic. The reason for this work was that where there were multiple JDQ's being evaluated for the same type of job, it had resulted in different scores for each employee which could potentially result in employees doing the same job, receiving different levels of pay. Where a job was identified as being generic, the panel signed off a 'benchmark' score for those roles based on the outcomes of a number of individual evaluations.
- 3.7 As work has been progressing across the organisation to consolidate the structures of the new directorates there were many jobs that had been evaluated that were not reflective of the current structure. To identify these 'old' jobs meetings were held with Group Managers in May and June, and the old evaluations were removed from the current database. This was necessary to ensure the information used to develop the pay structure is current, and not based on old jobs that no longer exist.
- 3.8 To ensure the evaluation outcomes were consistent across the organisation an extensive moderation stage commenced in June. The moderation work was carried out by an external specialist who checked the evaluation outcomes within a functional area, between services and across the organisation to ensure scores were consistent. Where anomalies were identified the cases were referred to a moderation panel which included trade union colleagues to sign off any amendments. The outcome of the moderation work resulted in over 200 evaluation outcomes being amended.
- 3.9 Working with the trade unions has been important throughout the project, and this has been the case in the last 12 months. However, in July the trade unions confirmed that as a result of a national decision, they could not enter into a collective agreement with the council. A collective agreement would have involved the trade unions carrying out a ballot on the proposals with their members, and should an overall majority vote in favour it would enable the unions to work with the Council and proceed to implementation. Therefore in the absence of a collective agreement alternative ways of consulting with employees are being developed.
- 3.10 In August the Pay Modelling stage of the project began, to develop options for a new pay and grading structure. Initial test pay structures were developed and populated to assign a financial value to scores from the evaluations. The Pay Modelling work enables gainers and losers to be identified, along with the overall costs of any possible pay structures.
- 3.11 In parallel with the above, there has been ongoing negotiation with the trade unions on proposed changes to terms and conditions of employment, such as overtime rates, call out payments, weekend working rates and car mileage to help finance the new pay and grading structure. These terms are commonly known as Part 3

Provisions of the Green Book, and the proposals on the Part 3's will form part of the basis for consultation with employees.

- 3.12 In addition to the work on the Job Evaluation project, litigation on equal pay claims lodged at the Employment Tribunal is proceeding between the Council (who are represented by Geldards solicitors) and approximately 1684 claimants who are represented by Thompsons solicitors on behalf of the trade unions.

#### **4. Current Situation**

##### **Timescales**

- 4.1 The current forecast indicates an implementation date of November 2011 for the new pay and grading structure. However, as the project is progressing, new anomalies are emerging which are being worked through with the trade unions and therefore there is potential for this date to change. After such a long lead in time, it is important to ensure these final stages are completed accurately.

##### **Benchmarking**

- 4.2 The moderation work identified the potential for a significant number of generic roles across the organisation to be benchmarked. These roles are in addition to the outcomes from the Consistency and Audit Panels. A list of benchmarked jobs is being developed, as more jobs are evaluated. The Project Board is working with the trade unions to quality check this work, and each benchmark will be signed off by a panel with the involvement of trade union representatives.

##### **Job Families**

- 4.3 Job families have been developed as a way of grouping jobs within the same functional area that are related through the activities carried out, but where the levels of responsibility, knowledge and skills differ.
- 4.4 A job family has typically between 4 and 6 levels, dependant on the scope and range of responsibilities within the respective profile. Each level differentiates between work activities required at the different levels, based on the level descriptions. Therefore each individual level will have a unique job description and person specification.
- 4.5 Each level within a job family has been derived from an analysis of Job Evaluation outcomes, and contains a description of the role purpose, typical responsibilities and activities, and role requirements. To illustrate the concept, the Premises Support job family profile is provided in Appendix A.

- 4.6 The job family groups are split into schools and non-schools, as below:

- Schools: Administration, Premises Support, Learning Support, Technicians and Catering.
- Non schools: Business Support, Grounds Maintenance, Roadworkers and Social Care.

### **Pay Modelling**

- 4.7 All outstanding JDQ's have been chased by contacting Group Managers, and a deadline of 15<sup>th</sup> October was given for any outstanding forms to be returned, which would then be used for the Pay Modelling work. Extensive chasing has resulted in less than 100 JDQ's remaining outstanding. Sample pay structures are being populated with the evaluation outcomes to give indicative costs, to enable an analysis of the groups of gainers and losers.
- 4.8 As pay modelling is progressing the following issues are emerging but until the assimilation process is complete, it is not possible to give a firm picture:
- The existing pay bill is expected to increase. This will be quantified once all roles have been assimilated into a benchmark or job family where appropriate
  - Early indications show approximately 50% of employees pay may increase and 20% may decrease, however this picture may change following assimilation
  - Large groups of gainers include: Care (e.g. Home Carers and Social Care Workers) and Catering (e.g. Cooks and Kitchen Assistants)
  - Large areas of losers are administrative and clerical roles

### **JDQ New Process**

- 4.9 A new process for evaluating jobs is being developed that will be used going forward. As of 15<sup>th</sup> October any outstanding JDQ's and any new ones (where a new starter has been in post for 6 months) will go into the new process. This involves a revised version of the JDQ being completed during a meeting between a line manager and a HR Officer, rather than the post holder completing the form. This process and the revised version of the form are currently under discussion with trade unions at the Pay and Grading Board, and are anticipated to be implemented in December.

### **Communication and Consultation**

- 4.10 Following the national decision by the trade unions to not ballot their membership and enter into a collective agreement, alternative ways of consulting with employees are being considered in discussion with trade unions and colleagues in Legal and the Corporate Communications team.
- 4.11 The likely approach to consultation will involve a core job evaluation roadshow team running a series of event across the County Borough to share the proposals with employees. Information will also be communicated through special editions of Bridgendors to ensure all employees are informed.

- 4.12 The consultation stage will include the following:
- Share the rank order of jobs with employees
  - Consult on the proposed pay and grading structure
  - Consult on proposed changes to terms and conditions
  - Consult on the Council's position regarding pay protection and back pay

## **Equal Pay**

4.13 Work is currently underway to calculate accurate estimates for the potential liability for Equal Pay. There are currently 1684 live claims, which are predominately from the Care sector. The proportion of employee claimant groups is shown below.

- Administration 2%
- Care 43%
- Catering 21%
- Cleaning/Premises 14%
- Learning Support 15%
- Other 5%

4.14 The outcomes from the JDQ evaluations have been used to identify those claimant groups where the Council is most exposed to risk. This has identified those groups as the claimants working in Care or Catering.

## **Welsh Local Authorities Single Status and Job Evaluation**

4.15 The national decision by the trade unions to not enter into a collective agreement has delayed progress in implementing JE nationally. Of the 22 Local Authorities in Wales, to date only 6 authorities have completed the Job Evaluation exercise and introduced a new equality proofed salary structure, namely Caerphilly, Neath Port Talbot, Torfaen, Denbighshire, Gwynedd and Wrexham.

## **5. Effect upon Policy Framework & Procedure Rules**

5.1 The implementation of a new pay and grading structure will assist Bridgend CBC in meeting the obligation placed on all local authorities and trade unions to undertake local pay reviews in accordance with the 1997 Single Status and 2005 National Pay Agreements.

## **6. Equalities Impact Assessment**

6.1 Once the preferred option for a new pay and grading structure has been identified an equality impact assessment will be carried out to ensure the proposal is fair and equitable to mitigate any further equal pay claims against the council.

## **7. Financial Implications**

7.1 Provision has been made in the Revenue Budget to progress the Job Evaluation Project, but this will need to be reviewed before a recommendation on the final proposals are made. Equal Pay liability is a totally separate issue. The Council publishes details of financial provision within its annual accounts statement.

7.2 Current estimates suggest that that the pay bill is likely to rise. The challenge is to contain this increase within the funding currently available in the Revenue Budget.

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18<sup>th</sup> November 2010

**Background documents:** Appendix A: Premises Support job family