

**WIRRAL COUNCIL**

**CABINET**

**13 OCTOBER 2011**

<b>SUBJECT:</b>	<b>JOB EVALUATION</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF LAW, HR AND ASSET MANAGEMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR ADRIAN JONES</b>
<b>KEY DECISION?</b>	<b>YES</b>

**1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to seek approval from Cabinet to vary the current contract with HAY in order to implement stage four of Job Evaluation (JE) and secure Hay's support to develop a pay and grading structure.
- 1.2 By virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, the appendices to this report are exempt as they contain commercially sensitive information.

**2.0 RECOMMENDATION/S**

- 2.1 It is recommended that Cabinet agree:
- (i) The implementation of Stage Four Job Evaluation.
  - (ii) Hay provide support to develop and implement a new pay and grading structure for all posts above spinal column point 34.
  - (iii) The variation to the current contract with HAY consultants, to the value detailed in Exempt Appendix One, for services to evaluate the posts of Heads of Service and above and support to implement a pay and grading structure for posts above spinal column point 34.

**3.0 REASON/S FOR RECOMMENDATION/S**

- 3.1 To fulfil the National Joint Council (NJC) Agreement and the local collective local agreement agreed via ballot in July 2008.

## **4.0 BACKGROUND AND KEY ISSUES**

### **4.1 National Agreement**

In 1997 the Single Status Agreement set out a framework, which included a National Joint Council (NJC) Job Evaluation scheme that would allow local authorities to 'harmonise terms and conditions for manual workers and APT&C staff and develop a pay and grading structure that is fair, transparent and equal.

### **4.2 Local Agreement**

Members will be aware that in 2008 it was agreed with Cabinet and Trade Unions to implement the NJC Job Evaluation scheme up to spinal column point (SCP) 34 which included approximately 4200 employees.

Stage one included the collective agreement that the following would be delivered within the agreed timescales:

1. Harmonisation of terms and conditions for of all NJC non-school employees - July 2008
2. Job Evaluation in stages, backdated to April 2007 in line with The National Agreement, but implemented within the following timescales:
  - Stage one employees up to SCP 34 – July 2008
  - Stage two school based employees (NJC) - September 2008
  - Stage three all employees over SCP 34 up to Heads Off Service April 2009
  - Stage Four Heads of service and above April 2009

### **4.3 Current position**

#### **Stage 1 – up to SCP 34**

This stage is completed with some outstanding issues as a result of appeals.

#### **Stage 2 - Schools**

The final proposal is currently being assessed by Unison's legal representatives with a view to ballot employees in November with a proposed implementation date of 1 December 2011. The agreement with schools governing bodies is being sought in parallel to this.

#### **Stage 3 – JE for employees up to Head of Service Level**

The range of this group of employees covers SCP points 35 to 70 and covers the pay range from £29174 to £61000. Band H employees have been included (top grade of the NJC scheme) in both phases to ensure there is a bridging mechanism for the two schemes. This phase covers 1400 employees.

Whilst the NJC JE scheme was used for the first phase, the collective agreement proposed that a different scheme be used for employees above SCP34. A

procurement exercise was completed in July 2010 and Cabinet approved the Hay Group as the Councils partner for this phase of implementation on 2 September 2010. The cost of the contract with the Hay group is detailed in Exempt Appendix One.

The Job evaluation process is progressing but requires further services from HAY consultants to complete the exercise.

#### **Stage 4 – Heads of Service and above**

It was agreed by Cabinet in September 2010 that stage 4 would be deferred to a later date.

#### **4.4. Stage 4 implementation**

It is recommended that we move forward with the implementation of the final phase so that the stage 3 and 4 can be completed together.

Implementation of the final stage also provides the added advantage of being able to assess the entire pay costs when drawing the new pay line. It has always been the intention as per the collective agreement to use the same Job Evaluations scheme for stages 3 and 4.

This will involve a variation to the contract to the approximate value as detailed in Exempt Appendix One.

#### **4.5. Development of a new pay strategy and grading structure**

It is recommended that we secure the support of the Hay group to develop a new pay and grading structure for the implementation of JE for all roles above spinal column point 34. Hay's experience and expertise in this process would:

- Provide speedy analysis of results from the JE process as data is automatically collected as part of the JE process.
- Enable the development of options for the new pay and grading structure quickly.
- Benchmark Wirral jobs with similar organisations.
- Ensure there are no equal pay implications with the new grading structure.

This will involve a variation to the contract to the approximate value as detailed in Exempt Appendix One.

### **5. OTHER OPTIONS CONSIDERED**

The most appropriate option is to vary the Council's existing contract with Hay to evaluate Head of Service and above posts as the same Job evaluation scheme would need to be used. The internal review team is already trained in the Hay scheme. Similarly it would not be feasible to engage with another provider for the pay strategy and grading structure.

## **6. RELEVANT RISKS**

The Council would be unable to reach an agreement with recognised Trade Unions about an affordable pay line until the Job evaluation is complete. The purpose of Job evaluation is to mitigate the risk of equal pay or equal value claims.

## **7. CONSULTATION**

The delivery of stage four was agreed as part of the collective agreement with recognised trade unions in 2008. Further consultation took place in summer 2010 to agree the re-tender of stage 3 and 4. Consultation concerning the implementation and delivery of job evaluation takes place on an ongoing and regular basis.

## **8. IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

There are none arising from this report.

## **9. RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

The delivery of stage 4 will be undertaken by the HAY group, supported by the Job Evaluation Team.

The funding for the remaining stages of Job Evaluation has been agreed by Cabinet over a number of years and the cost of this contract is within the budgets of the Local Pay Reserve that has already been allocated to complete the process.

## **10. LEGAL IMPLICATIONS**

The Council will ensure that all relevant employment legislation is complied with throughout the job evaluation process.

## **11. EQUALITIES IMPLICATIONS**

11.1 There are no additional implications.

11.2 Equality Impact Assessment (EIA)

(a) Is an EIA required? No.

There would not be a requirement for an EIA on the contract variation. An EIA would be required when the proposal for the new pay structure is considered.

(b) If 'yes', has one been completed?

## **12. CARBON REDUCTION IMPLICATIONS**

There are no carbon usage implications or other relevant environmental issues arising from this report.

### 13. PLANNING AND COMMUNITY SAFETY IMPLICATIONS

There are no planning and community safety implications arising from this report.

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### EXEMPT APPENDICES

Appendix One: Current Costs and Proposed Variations to Contract: Job Evaluation, Stage Three and Four

### REFERENCE MATERIAL

There is no reference material for this report.

### SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	2 September 2009