

<u>Committee and Date</u>	<u>Item</u>	<u>Paper</u>
CMT 21 January 2008 EJCC 30 January 2008 Cabinet 30 January 2008 Council 22 February 2008	17	M

JOB EVALUATION PHASE 2

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Summary

This report provides information on the outcome of the Job Evaluation for 1721 employees (Phase 2) exercise and the proposed implementation date of the results on 1 March 2008.

Recommendations

EJCC is asked to recommend to Cabinet and Council the outcome of Job Evaluation Phase 2 detailed in Section 2.0 and the proposed timetable for implementation as detailed in 3.0, subject to a positive outcome from the ballot of trade union members.

REPORT

1.0 Background

- 1.1 As a requirement of the 1997 Single Status Agreement, Job Evaluation (JE) has been used to assess the grades of posts within local authorities to ensure equality in pay structures.
- 1.2 In Shropshire County Council, phase 1 of JE was implemented in September 2003 covering all employees up to Grade 4. The Collective Agreement reached at this time provided an overreaching agreement relating to pay and conditions of service for employees. Phase 2 covers all employees paid on Grades 5 through to Grade 10 (SO2) or equivalents and agreement to this phase will be in the form of an Annexe to the original agreement. The exercise does not include posts within schools. These were covered by a separate Workforce Remodelling project.
- 1.3 The timetable for Phase 2 has been delayed due to the national legal position with regards to equal pay and the activities elsewhere of no-win-no-fee solicitors taking action against local authorities and trade unions who are undertaking pay and grading reviews.
- 1.4 In the light of this, in July 2007 QC advice was sought and then a joint Risk Assessment with the trade unions was undertaken to review the outcomes of JE before concluding an agreement acceptable to each of the trade unions.

2.0 Outcomes

2.1 The provisional outcomes to employees in Phase 2 of JE are shown below.

Employee Outcome	SCC Total	Chief Executive's Office	Children & Young Peoples Services	Community Services	Economy & Environment	Legal & Democratic Services	Resources	Shire Services
Group 1 Grade Increases (pay increased immediately)	527	3	79	355	27	14	34	15
Group 2 Grade Increases (pay remains same headroom at top of grade increases)	74	0	31	35	3	3	2	0
Group 3 Grade and pay remains the same	899	26	233	397	84	26	122	11
Group 4 Grade Maximum decreases (compensation payment see 2.3)	27	1	11	12	1	0	2	0
Group 5 Post spilling over into Phase 3*	194	0	50	114	30	0	0	0
TOTALS	1721	30	404	913	145	43	160	26

* grade increase but unable to define grade until Phase 3 commences.

NB Final outcomes may be subject to change due to moderation, final agreement and changes to the workforce.

Group 1 - Grade Increases Immediate Pay Increase

2.2 For those who have had grade increases (immediate winners) a compensation payment will be paid up to a maximum to 1 September 2005 (depending on service in the evaluated post). This reflects the commitment made to employees and the unforeseen delays that have occurred. Consideration was given to tying the payment to a compromise agreement (COT3) involving ACAS. This is not recommended as it provides no extra protection from equal pay claims.

Group 2 - Grade Maximum Increase

2.3 There are a number of posts which are currently on nationally or locally negotiated grades which do not align with Shropshire's grading structure. These are being aligned and some cases result in an increase at the top end of the grade (headroom). In these cases the employee will remain on the same pay, but will have the benefit of a higher grade maximum. An example of this is Day Service Officers on spinal column point 16 to 24 which is the middle of Grade 5 to the middle of Grade 7, whose evaluated outcome is Grade 7 and hence the maximum of the grade will increase to spinal column 25.

Group 3 - Grade Remains Unchanged

- 2.4 For 899 postholders the evaluation has shown that their post is currently graded correctly and their grade and pay will remain the same.

Group 4 - Grade Decreases

- 2.5 There is a group of employees that have had a grade maximum decrease. This group was originally much larger but has been reduced as a result of restructurings where opportunities for job redesign and enrichment have enabled this. In this case appropriate notice will be given to provide time for consultation prior to implementing the new grade and a compensation payment will be made equivalent to 2 years protection. This payment will be made through a compromise agreement facilitated by ACAS.

Group 5 - Posts Spilling into Phase 3

- 2.6 A number of posts have been evaluated at a pay level above the maximum Phase 2 grade (SO2). These will need to be addressed as an early stage of Phase 3 (see paragraph 5.2).

Linked Grades

- 2.7 There are employees in posts within Phase 2 whose grades span several grades (linked grades). This is not consistent with age discrimination legislation. These are posts which have no defined career development and do not justify an extended grade. As part of the assimilation process, these grades have been reduced to two grades. The lower grade will then be phased out as jobholders move to the higher grade through normal incremental progression.

Grading and Regrading Procedure

- 2.8 The procedure for grading and re-grading posts agreed for Phase 1 will be extended to cover posts within Phase 2 of JE as part of the joint agreement.

3.0 Timetable for Implementation

- 3.1 The date of implementation of the results will be March 2008 – the timetable below reflects the steps that have been taken to achieve this:

Date	Action
21 January 2008	Report to CMT
w/c 21 January 2008	Trade Union Ballot commences
30 January 2008	EJCC approval and sign off Annexe to Agreement
30 January 2008	Members Approval (Cabinet)
w/c 4 February 2008	Trade Union Ballot ends
22 February 2008	Members Approval (Council)
w/c 25 February 2008	Letters to staff notifying individual results
1 March 2008	Results implemented (pay day 28 th March 2008)

3.0 Trade Union Ballot

3.1 Following the approval by the trade unions', balloting of trade union members in Phase 2 on the proposals for JE Phase 2 commencing on week commencing 21 January 2008 and will conclude 10 working days later. The proposals contained in this report are subject to a positive outcome

4.0 Finance

4.1 The County Council has been actively working on job evaluation for some time as a result budget provision has been made in the last 3 years and the ongoing costs of JE are fully provided for in the base budget. The costs of compensation can be fully met from a combination of reserves set aside for this purpose by both the directorates and corporate finance.

4.2 The costs are as follows:

Increased salary costs 2008/09	£181,700
Compensation for winners within Phase 2	£990,000
Compensation for winners who overspill into Phase 3	£300,000

5.0 JE Phase 3

5.1 Initial project planning has been undertaken for Phase 3 of Job Evaluation which covers employees in posts graded PO1 to CO6 inclusive. It is considered that the NJC scheme used in Phases 1 and 2 is not appropriate for use in the higher levels of Shropshire County Council's grading structure. Therefore, work is taking place to select an alternative JE scheme, and determine jointly with the trade unions where the two schemes will overlap. Work will also need to be undertaken on remodelling the pay structure for this group due to the significant overlap of grades that currently exists.

5.2 For posts 'spilling over' into Phase 3 from Phase 2, Group 5 on the table at 2.1,(where their JE points exceed the maximum for Grade 10), these will be dealt with as priority in Phase 3. The cost for these has been identified and included in financial planning for 2008/09. The results will be implemented on 1 October 2008, or if this is not possible, for those employees who are immediate winners these employees will be placed on the first point of Grade 11 i.e. scp 35 with effect from 1 October 2008. The employees who are immediate winners will receive compensation pay for the delayed implementation as if they were still a part of Phase 2.

6.0 Local Government Reorganisation

6.1 It is recognised that LGR will have a significant impact on posts and grades across all the local authorities in Shropshire. As part of the transition to the new authority, work will be undertaken in parallel with JE Phase 3 to ensure that any JE outcomes are compatible with the requirements of the new authority. An Equal Pay Audit will then take place within the first 2 years of the new authority.

7.0 Recommendations

- 7.1 Subject to the outcome of the ballot of trade union members, to approve the above proposals for the implementation of Phase 2 of Job Evaluation on 1 March 2008.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information) –

Human Rights Act Appraisal

N/A

Environmental Appraisal

N/A

Risk Management Appraisal

The contents of this report address risks relating to equal pay.

Community / Consultations Appraisal

N/A

Cabinet Member

Joyce Barrow – Portfolio Holder Human Resources

Local Member

N/A

Appendices

Annexe 1	Annexe to the Collective Agreement
Appendix 1	Career graded posts policy and procedure
Appendix 2	Market supplement policy and procedure
Appendix 3	Phase 2 winners and posts spilling into Phase 3