

Corporate Scrutiny and Performance Panel

Agenda
Item No.

27th February, 2012

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Update Report Pay & Grading

Ward(s) All

Portfolios: Cllr C. Towe – Finance & Personnel

Executive Summary:

Following the implementation of the modernised terms and conditions (Green Book) which took effect on the 1st November 2011, employees were given an extended deadline to submit their appeals against the results of job evaluation by the 16th January 2012. A total of 765 appeals were received, by 345 job groups (different job descriptions).

All employees are afforded with a paid 'protection' period up until 31st October 2012.

The formal appeals process commenced on the 6th February 2012. The Council has adopted a top down approach in order to maintain the hierarchical structure of different Directorates. The HAY evaluation appeals have been completed on the 17th February 2012. NJC appeals have commenced on the 20th February 2012, and are being co-ordinated on a weekly basis. Quality panels are being undertaken each week to review results and ensure that any potential equal pay claims are eliminated.

140 posts had been pulled from the process due to a hierarchy imbalance. These have recently been reviewed by re-evaluation panels, which consist of union representatives and the regional evaluation expert, Colin Williams, Director of Employment at West Midlands Councils.

In order to meet the Councils plan to hear all submitted appeals within the protection period, the pay and grading team has taken on additional resources to ensure that these goals can be met.

Reason for scrutiny:

This paper is to provide an update to members of the scrutiny panel on the processes adopted for the last phase of the Pay and Grading project, namely the appeals process and any associated potential risks.

Recommendations:

That:

1. This paper is for information purposes, and to receive feedback on the adopted processes.

Background papers:

Not applicable

Update on Current Position of Pay & Grading Project.

We continue to work with Managers and Trade Union Representatives to resolve informal appeals. This process is now largely at an end. The formal appeal deadline of 16th January 2012 has now passed. We have received the following number of appeals:

Resources	– 268
Adult Social Care	– 16
Regeneration	– 92
Neighbourhoods	– 231
Childrens	– 21
Schools	– 137
TOTAL	– 765

This covers 345 job groups (different Job Descriptions)

This means in practice that, in some cases, more than one employee's appeal result will rest on a particular Job Description evaluation. An appeal process was agreed by Trade Union colleagues and has been supported by their attendance on panels. Appeal panels are made up of 2 management representatives (not from the employment area of the appellant), 1 TU representative and one (non voting) Job Analyst. Appeal panel members have been subject to NJC and/or HAY training by external consultants. Appeal panels run every morning and every afternoon and usually look at between 1 and 3 roles, depending on their complexity. Panel results are sent to a weekly Quality Checking process before they are released to staff – this is to check consistency and avoid equal pay claims for the Council in the future. If an issue is discovered, then scores are re-checked and a further discussion may result with the Chair of the appeal panel that delivered the new result. All appeals are being reviewed on a 'top down' approach – with the most senior grades being reviewed first. This is to prevent future hierarchical issues – ie – a manager earning the same as or less than an employee they manage. The process will be completed by 31st October 2012.

Appeals packs are distributed to panel members 7 days prior to panels taking

place. Packs consist of the following;

- Current Job Description
- Employee Specification
- Job Description Questionnaire
- Organisational Structure
- Appeal Form

We have recently revisited and agreed the expanded Local Conventions (the rationale behind the scoring system) with the Trade Unions – before the commencement of the Appeals Panels, which started on the 6th February 2012. Hay appeals were heard first (grades G16 – G14) and completed on 17th February 2012. NJC appeals are now underway, which commenced on 20th February 2012.

140 posts had been pulled from the process due to a hierarchy imbalance. These have recently been reviewed by re-evaluation panels, which consist of union representatives and the regional evaluation expert, Colin Williams, Director of Employment at West Midlands Councils. Results have now been received and are being checked by the same quality checking panel process mentioned above.

Notice has been given that job pay allowances will be discontinued – as per the guidance in the Green Book. Overtime payments are also not due to staff above Band 6 (top point £24,646) – unless a special time limited case is made and signed off by an Executive Director.

Good progress is being made and it is anticipated that the Council will complete all of the appeals within the specified time limit of 31st October 2012.

Resource and legal considerations:

- **Equal pay implications; The Council needs to guard against creating any future pay inequalities as a result of the implementation of Single Status.**

Actions taken:

- Quality panels are run on a weekly basis, chaired by the Project Director, Senior HR Business Partners, Heads of Finance and Legal Services to eliminate any risks to the council, and review implications of change;
- **Employees could choose to leave to find alternative employment due to potentially higher rates of external pay scales**

Actions taken:

- Market Supplements can be introduced for specialist posts where external influences drive market rates. This would be subject to a robust business case. A new Market Supplement Policy was passed by the Appointments Board in late 2011.
- **Timeframes on protection period – if the process is not completed by 31st October 2012, then staff may lose pay.**

Actions taken:

- The appeals process will need to be completed within the 12 month protection period. Appropriate resources has been engaged to complete this process.
- **The Pay & Grading team is a temporary structure. This may not allow for continuity of approach on a longer term basis.**

Actions taken:

- Upon completion of the project, ongoing processes need to form part of business as usual. Work is already underway to integrate the team into the HR structure to allow a seamless transition of work
- **Employee morale may be affected by the implementation of pay & grading.**

Actions taken:

- Support is being provided to disaffected employees. Money management sessions are to be arranged for support and guidance. The Council continues to provide a staff support and counselling service.

Citizen impact:

The implementation of Single Status is a national requirement. Additionally, to ensure that the Council's employees provide value for money principles, and receive equal pay for equal valued work it is necessary to operate a robust pay system

Environmental impact:

None directly arising from this report;

Performance management:

Quality checks are in place on a weekly basis to ensure equality of approach, consistency and value for money

Equality Implications:

The implementation of Single Status acts to ensure a fair and transparent job evaluation process is followed in order to avoid the possibility of any future equal pay claims;

Consultation:

Extensive consultation has been undertaken with Trade Unions and employees throughout the process

Contact Officer:

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