

EXECUTIVE COMMITTEE

7th December 2015

JOB EVALUATION

Relevant Portfolio Holder	Cllr Fisher
Portfolio Holder Consulted	Yes
Relevant Head of Service	Deb Poole
Ward(s) Affected	N/A
Ward Councillor(s) Consulted	N/A

1. SUMMARY OF PROPOSALS

To update Members as to the current position regarding Job Evaluation and to seek agreement to implement the new Job Evaluation Scheme and Pay and Grading Structure.

2. RECOMMENDATIONS

Executive is requested to **RECOMMEND** to Council the approval of:

- 1) Commencement of formal consultation with the Trade Unions with a view to reaching a Collective Agreement to implement the National Joint Council Job Evaluation Scheme;

and

- 2) Should a Collective Agreement not be achieved, commencement of a Dismissal and Re-engagement process.

3. KEY ISSUES

Financial Implications

- 3.1 The expected implementation date is September 2016. Affected employees will receive 2 years' back pay or 2 years' salary protection depending on whether their grade increases or decreases under the new structure.
- 3.2 The expected impact of the new Job Evaluation scheme, based on current staffing arrangements, is that:

45 employees will see a grade increase
32 employees will see a grade decrease
- 3.3 Based on current costings the pay protection and back pay will be no greater than £300k. There is a provision set aside for payment of back pay and pay protection will be included in the budgets for 2 years from date of implementation.
- 3.4 There will be associated costs of appeals, however these cannot be factored in at present and therefore members will be advised of an approximate cost during the budget projections.

Legal Implications

- 3.5 Job Evaluation is a key element of the Single Status Agreement of the National Joint Council (NJC) for local Government Services.
- 3.6 The Council has a legal duty under Single Status to introduce a robust and equitable Job Evaluation scheme which is compliant with Equal Pay legislation. Failure to implement the Job Evaluation Scheme will leave the Authority open to ongoing Equal Pay claims (although it should be pointed out that introduction of such a scheme does not obviate the need to deal with any potential, pre-existing claims; it merely mitigates the risk of claims going forward).
- 3.7 A formal consultation period will be required with the Trade Unions in order to negotiate a Collective Agreement. If a Collective Agreement is reached the new Pay and Grading Structure will be implemented for all Redditch Borough Council employees within an agreed timescale.
- 3.8 If a Collective Agreement cannot be reached, the only alternative open to the Council will be to undertake a further period of individual consultation during which notice would be served to dismiss and re-engage staff on new Terms and Conditions of employment, including a new pay structure based on the implementation of JE.
- 3.9 Research indicates that most employees will agree to sign new contracts in this particular scenario, or will indicate tacit acceptance by continuing to attend work on, and after, the date of implementation.
- 3.10 Only in the event that an employee refuses to work on the first day of their new contract (implementation day) would they be deemed to be “dismissed”.
- 3.11 Although it is unlikely that employees would choose this route, there are reported examples of employees refusing new contracts and pursuing claims in respect of dismissal, however, these are, more often than not, unsuccessful; particularly where the purpose of the changes has been to implement a scheme designed to ensure fairness in pay.
- 3.12 Whilst a Collective Agreement would be the preferred implementation route, there have been early indications from Unison that this may be difficult to achieve. This is, however, not unexpected and, in recent years, many local authorities have had to use dismissal and re-engagement to implement similar changes.
- 3.13 Whilst Dismissal and re-engagement is more unsettling for employees, it remains the case that this may be the only option available to the Council to implement the changes they have committed to introduce.
- 3.14 This report is exempt in accordance with S.100 1 of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, as it contains information relating to consultations or negotiations in connection with labour relations matters arising between the authority and its

employees. For this reason it is felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Service / Operational Implications

- 3.15 The 2004 National Pay Settlement committed every Council in England and Wales to carry out a Local Pay and Grading Review for all employees covered by the 1997 Single Status Agreement. Job Evaluation is intended to ensure that employees are paid fairly and in accordance with the Equal Pay Act 1970 as amended by the Equal Pay (Amendment) Regulations 1983.
- 3.16 This agreement reflected the need to review pay in local government and the need to look at outdated types of pay which may, in some cases, have favoured male dominated job groups.
- 3.17 A clear principle running through the Single Status Agreement was that it should be implemented by working in partnership with recognised trade unions.
- 3.18 The Council invited Unison, GMB and UCATT to engage with Job Evaluation. UNISON have been fully engaged as members of the Joint Working Project Team including extensive discussions with both local and regional trade union representatives regarding job evaluation and the new pay and grading model.
- 3.19 A Steering Group was established at the beginning of the project involving the Director of Finance and Resources, Human Resources and the Branch Secretary from Unison. Although UCATT explained that they did not support Job Evaluation, they have been involved in the Steering Group as they felt that being aware of progress in this regard would be useful in maintaining employee relations. The Steering Group has provided a forum for raising and addressing issues as they have arisen to ensure that all such issues are resolved amicably, as far as was possible.
- 3.20 A process to evaluate all jobs within the Council was undertaken. This data was then used to develop a new pay model for the Council.
- 3.21 Different versions of the pay structure have been developed and discussed at various Steering Groups, prior to the attached final proposed pay structure.
- 3.22 Members of the Steering Group have met with representatives from UNISON National Office to update them on the Council's position and give them the opportunity to raise any issues in order to reach a resolution wherever possible.
- 3.23 As the process has taken some considerable time to reach this stage, due to various factors, this has been a distraction to staff and managers and the cause of some unrest amongst employees.
- 3.24 In moving forward with the Council's proposals to implement the NJC Job Evaluation Scheme it is hoped that there will now be certainty for employees in regard to their pay; that employees will have a clear and transparent pay

structure (essential for recruitment purposes); ensure that any back pay that is owed is paid as quickly as possible; and that employees whose pay will reduce under the Scheme are protected for a sufficient period to enable them to plan their finances.

Customer / Equalities and Diversity Implications

- 3.25 An Equality Impact Assessment (EIA) has been undertaken and provided to UNISON as part of the informal consultation. The EIA is attached at Appendix 2.
- 3.26 The implementation of Job Evaluation will minimise the risk associated with Equal Pay claims and will provide a model for the Council to assess all posts in a robust and efficient way.

4. RISK MANAGEMENT

- 4.1 If Job Evaluation is not implemented there will remain a very real risk of ongoing Equal Pay claims. Implementation of the new Job Evaluation Scheme will help limit any future claims, although the potential for existing claims to be pursued is not eradicated.
- 4.2 The morale of the workforce is likely to be further, detrimentally, affected if the implementation of Job Evaluation is delayed any longer, due to the uncertainty surrounding levels of pay going forward.

5. APPENDICES

- Appendix 1 - Pay Model
- Appendix 2 - Equality Impact Assessment

AUTHOR OF REPORT

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