

Personnel Panel – 6 September 2007**PROGRESS TOWARDS SINGLE STATUS****Report of the Senior Management Team and Monitoring Officer**

Statutory Powers: Local Government Act 1972 (as amended) and Local Government Act 2000

Financial Implications: Within the medium term financial strategy £1.05m has been allocated to off-set the cost of implementing single status over three years.

Purpose: To update Members on the progress of Single Status negotiations to date and seek further approval regarding the process of job evaluation.

Recommendation :

That Personnel Panel RESOLVES to:

- (a) note the progress made by the Single Table to date;**
- (b) establish fresh Job Evaluation Panels and Monitors to progress and conclude job evaluation for South Hams in line with the Greater London Job Evaluation Scheme as set out in Appendix 3 subject to trade union agreement;**
- (c) agree to the use of the revised Appeals Process as set out in Appendix 4 subject to trade union agreement;**
- (d) delegates to the Strategic Director (Operations) and the Head of Personnel the making of arrangements for a composition of the Panels, the issuing of guidance on procedural matters, and the use of Job Evaluation Panel's confirmed scores as the final score for adoption subject to trade union agreement .**
- (e) provide further guidance on the detail which forms part of the negotiations contained within Appendix 5.**

Background

1. The 1997 national agreement on pay for employees under the National Joint Council for Local Government Services (NJC) Conditions of Service for Local Government Services (often known as the Green Book) expected local authorities to move towards harmonisation of pay and conditions of service between the former manual and non-manual groups of staff. More recently the 2004 National Agreement firmed-up on the single status obligation which included a requirement for all local authorities to carry out a local equal pay review and imposed a timetable for achieving a local agreement and having new arrangements in place by the end of March 2007. A reminder of the Council's obligations arising from the 2004 National Agreement is set out in Appendix 1.

2. In pursuit of this statutory obligation in March 2005 Personnel Panel recommended that a local pay review should be undertaken (Min. PP.27/04) together with a review of employment policy linked to pay reward and productivity. Consequently the Executive concluded that whilst the Council had obligations to proceed with this review, it also provided an exceptional opportunity to modernise its pay and other reward structures, which would provide opportunities to facilitate increased staff flexibility and motivation (Min. E.131/04).
3. As an employment issue Personnel Panel has provided direction and received progress reports from a 'Single Table' negotiating body established to work towards a local negotiated Collective Agreement for single status.
4. The Single Table consists of local and regional representatives from three trade union bodies (T&G, GMB and Unison) and management representatives on behalf of the Head of Paid Service.
5. Clearly the Council has not met the timescale set nationally for the implementation of single status. Having said that, although some local authorities have fulfilled their single status obligations other authorities are still some way off reaching a final agreement. SHDC remains committed to meeting its obligations by back-dating to 1 April 2007 any pay and grading settlements that may become due.

Progress to Date

6. A significant amount of work has been undertaken by the Single Table under two broad headings; pay & reward and productivity & flexibility. To recognise this work an Implementation Agreement, outlining how the Council will review its pay and grading arrangements, and its terms and conditions of employment in partnership with its recognised trade unions, was agreed between the Council and trade unions in April 2006 (Min. PP.20/05).
7. The Implementation Agreement covers staff employed under the provisions of the NJC for Local Government Services as amended locally to include Leisure Centre staff. Members should be aware the agreement does not apply to staff employed under the provisions of the Joint Negotiating Committees' for Chief Executives or Chief Officers (e.g. 4 staff in the Senior Management Team) or those employed under the provisions of the Joint Negotiating Committee for Local Craft and Associated Employees (12 staff in Property Services).

Pay & Reward

8. The use of the Greater London Job Evaluation Scheme for the purposes of carrying out a pay and grading review was agreed together with protection arrangements for staff that may be down-graded as a result of the review (Min. PP.13/05). Protection arrangements are set in Appendix 2 for information.
9. In terms of a new pay and grading structure the Council needs to establish an accurate job score for some 300 discrete posts across the organisation covering approximately 800 employees. The Greater London Job Evaluation Scheme was the chosen mechanism to determine job values and as a consequence, the Single Table established a procedure in order to conduct job evaluation. Having regard to local convention setting, methods were established for quality control, benchmarking of jobs, job sizing and the allocation of factor scores available in the

Scheme. The Job Evaluation questionnaires completed by staff were referred to trained JE Panels, who assessed the information provided and allocated scores for each job.

10. The Greater London Job Evaluation Scheme specifically requires that there should be “rigorous arrangements” for monitoring the results under the Scheme, to investigate and obtain removal of anomalies “indicating unfair bias or disproportionate results”. To satisfy this requirement, a Moderation Panel made up of representatives of Regional Unison and the South West Regional Employers Organisation was established. Both of these organisations have a wealth of job evaluation expertise within the region and were chosen to advise South Hams given their breadth of job evaluation knowledge and skill. The Moderation Panel supported the Council’s own in-house Job Evaluation Panels who, comparatively speaking, were less experienced than the Moderators in respect of job evaluation.
11. Job Evaluation Panels have been taking place since July 2006 and provisional job scores given to each post by each Panel. All Panellists received training from the South West Regional Employers and had a Technical Advisor (Personnel Officers) present at each Panel. However, it is fair to say that Panellists came to a view on each job scored with the reassurance that the Moderation Panel would ensure any inaccuracies were captured and corrected. Accordingly all provisional job scores were fed into the Moderation Panel which carried out a quality check and amended Panels’ scores to correct individual factor scores where scores under or over valued elements of responsibility within a post, or family of posts, to ensure consistency across the Council.
12. It is important that Council’s job evaluation process is robust and adheres fully to the London Job Evaluation Scheme. This is to avoid any potential challenge to the process adopted. Having taken legal advice there is now less confidence that the process adopted to date is sufficiently robust based on the moderation method applied. To overcome this problem, and to ensure the utmost transparency in the Council’s job evaluation process, the re-evaluation of posts is proposed.
13. Members are therefore asked to approve a new job evaluation process as set out in Appendix 3 and the Appeals Process in Appendix 4. If approved, reconstituted Job Evaluation Panels will be held between October 2007 and February 2008. Monitors will be engaged to monitor the Panels’ provisional results to ensure removal of anomalies indicating unfair bias and disproportionate results prior to a Panel final decision. Feedback from the Monitors will be to JE Panels via a Technical Advisor and it will be for the JE Panel to decide on the final job score to be applied.
14. Having established a ranking order of posts based on job evaluation, the Council will then need to develop and propose a new pay and grading structure for implementation. The proposed pay and grading structure will need to take into account the need for the Council to be able to recruit, retain and motivate employees, its affordability and the requirement to ensure equal pay for work of equal value. Job scores will be used to determine the best fit of pay and grading structure for the Council ensuring that equal value jobs receive equal value of remuneration.
15. Clearly there is a need to revisit the JE exercise in order to ensure compliance with the principles of an equal pay review. Fresh panels will be established to evaluate posts. As before, each Panel will comprise 4 people: two management representatives, two trade union representatives assisted by a Technical Advisor

conversant with the London Scheme. To oversee consistency Monitors will be appointed (independently of the JE Panels) to review anomalies that display bias or disproportionate results.

16. The Monitors will be people nominated by the Council with experience of the London Scheme together with representation from the trade unions. None of the monitors will have had previous involvement in SHDC Moderation or JE Panels.
17. The Appeals Process would take effect where staff are unhappy with their result, once job evaluation has been completed, the new pay & grade structure agreed and staff notified of their position in terms of job score and effective pay/grade.
18. The proposed Appeals Process is set out in Appendix 4. It provides for a paper-based procedure with no oral representations.
19. Communications with staff will continue to ensure staff have to access information on single status and are kept up to date with progress. The new job evaluation process and the reasons for doing it again will also be explained to staff to ensure transparency.

Productivity & Flexibility

20. To ensure the Council's reputation as a good employer is maintained and also to improve recruitment, retention, productivity and flexibility of staff running council services, Members of the Personnel Panel have taken the opportunity as part of Single Status to review employment policies and practices in accordance with the Government's modernisation agenda.
21. A set of employment policies has been developed jointly with the trade unions which aim to improve flexibility and productivity in line with the Government's Pay & Workforce Strategy. The Table below highlights the subject of each policy and its current status. If agreed these policies will supplement and in some cases, replace existing employment policies.
22. Members will recall six policies have already been agreed and implemented as part of Single Status (a) (Min. PP. 13/05). A further ten policies are also proposed to form part of the Collective Agreement. From the trade unions' perspective two of these policies (c) are contentious as they will effect the overall remuneration of their trade union members.

	Policy	Status
(a)	Domestic Leave ^A	Agreed by Personnel Panel and implemented (Min. PP.13/05)
	Carers' Leave ^A	
	Compassionate & Supported Leave ^R	
	Managing Performance ^A	
	Managing Attendance ^R	
	Grievance Procedure ^R	
(b)	Flexi-time scheme ^A	Agreed in draft but not implemented to date
	Alternative Working Patterns ^A	

	Job Sharing ^A	
	Career Break ^A	
	Competency Framework ^A	
	Learning and Development ^R	
	Subsistence Allowances ^R	
	Market Supplements ^R	
(c)	Annual Leave ^R	Agreement outstanding
	Travel ^R	
A – additional policy		R – replacement policy

Employment Policies with Single Status

Further Guidance

23. To complete the project a Local Collective Agreement document is being drafted. This is the document the Council and trade unions will eventually sign to ratify the negotiated single status package. External legal advice has been sought on the Collective Agreement, upon which the Single Table is currently working. In addition the Council's legal section is advising on the restructured Job Evaluation process and Appeal procedure.
24. Members should be aware that the expectation is that the Local Collective Agreement will be signed following final and detailed negotiations at the Single Table with the results of these negotiations having been subsequently endorsed by the Council (through the Personnel Panel) and by the Trade Unions via a ballot or liaison with their membership.
25. Clearly there is still further work to be undertaken on a grading structure and this will form part of the final package of proposals within the Collective Agreement.
26. Constructive negotiations are ongoing and the Single Table has arrived at a point where the package of proposals to be covered by the Collective Agreement is more defined.
27. The package of proposals will consist of three key elements:
 - (a) An equality-proofed Pay and Grading Structure – which will consist of one grading scale for employees, office-based and as well as former manual staff, with incremental progression. The grade of each post will be determined through job evaluation based on job scores which ensure that equal pay is awarded for equal value jobs and relates to duties and responsibilities of each post across the organisation.
 - (b) A Statement of Particulars – this will form part of employees' conditions of employment and will harmonise terms and conditions for council employees.
 - (c) Framework for Employment Policy – which will supplement or replace existing employment policies (as set out in paragraph 19 above) in order to modernise working practices and offer greater flexibility to deliver services.

28. Within the National 2004 Implementation Agreement local authorities were advised to set out any costs savings or productivity requirements that consider necessary to offset implementation costs of single status. Conversely the Council has recognised the need to identify potential funding to meet any future costs arising from the implementation of this review within its Medium Term Financial Strategy.
29. Two outstanding policies in the negotiation relate to payments to staff who use their car for council business and contractual annual leave entitlement.
30. The management proposal relating to travel would standardise the mileage rate paid for business use to £0.40 pence per mile for both Casual and Essential car users. This is the same rate that is paid to Members and is the Inland Revenue mileage rate. It includes all costs of running a car, including depreciation. Consequently where employers pay a higher rate the difference is subject to tax. It is proposed to introduce eligibility criteria to identify staff who need to be on Essential car allowance and to revise the lump sum payable for Essential car user status to be a single sum (the median sum now payable) unrelated to car engine size. Additionally lease car arrangements would be withdrawn as they expire and replaced with an Essential user lump sum payment and a car loan facility if required. Trade unions have currently reserved their position on this proposal until the final package which will include effect of pay and grading are known.
31. Turning to annual leave, the table below shows the current annual leave entitlement which is based on grade of post. During the current negotiation the trade unions' collective view is that staff should receive the same annual leave entitlement regardless of grade of post. However, research has been undertaken in other areas of the public sector and the results show there is no consistency with regard to either standardised leave for all staff or the number of days entitlement based on seniority.

Existing Spinal Column Point	Up to 5 years service			More than 5 years service		
	No. of days	No. of staff	%	No. of days	No. of staff	%
04 - 21	20	249	40.00	25	148	23.85
22 - 28	21	49	7.90	25	38	6.10
29 - 34	23	23	3.70	26	35	5.60
33 - 43	24	19	3.10	27	38	6.10
41 - 49	26	2	0.30	29	7	1.10
Head of Service	29	1	0.15	29	13	2.10
Total		343*	55.15%		279*	44.85%

Current Annual Leave Entitlement *Based on analysis of staff numbers in 2006/07

32. Improved and also additional employment policies have been prepared to final draft which aims to enhance the non-pay benefits package for staff. Further guidance from Members would also be helpful in terms of the overall package of proposals as detailed in Appendix 5 to address travel allowances and annual leave entitlement.

Strategic Risk Assessment

33. The Personnel Panel together with Deputy Leader and the Leader of Minority Groups have undertaken a detailed risk analysis of the single status project and the key strategic risks are listed below.

Risk	Mitigation
Failure to conclude the equal pay review and thereby expose the authority to external intervention and exposure to equal pay claims.	The Council is carrying out a full equal pay review which will ensure equal pay for equal value jobs and thereby limit equal pay claims.
Failure to comply fully with the Greater London Job Evaluation Scheme.	Having taken further legal advice there is now less confidence that the process adopted to date is sufficiently robust. Carrying out fresh Job Evaluation Panels together with the use of Monitors and an Appeals Process will ensure the Council's process is robust and that the decision of final job score for each post rests with each JE Panel.
Staff uncertainty and lack of transparency in the Job Evaluation Process.	<p>CMT and the Single Table and will undertake further communication with all staff through team meetings, drop-in sessions, newsletters and intranet information to ensure staff are aware of the further job evaluation and monitoring exercises and how these will be carried out.</p> <p>The Appeals Process and Guidance for Staff will also be explained.</p>
Failure to ensure adequate resources to implement single status.	Subject to affordability the Council will determine the level of resources available and how they wish to be applied.
Failure to retain key staff.	A Market Supplement Policy has been prepared which will go some way to assisting the Council retain key staff in the face of market forces. An improved benefits package will also enable the Council to retain staff by virtue of new employment policies to enable career breaks, flexi-time, and supported leave etc.
Disruption of services due to loss of goodwill with staff.	<p>The Council will use its best endeavours to ensure staff are adequately prepared for the implementation of single status and that further communication, advice and support is provided during the roll out of the project.</p> <p>Notwithstanding these measures this will clearly be a difficult time for the Council's workforce.</p>

Conclusion

34. Whilst the Council has obligations to move to single status as a good employer within the public sector it also has responsibilities to modernise and improve access to services for its customers. In undertaking such a thorough review the Council will be better placed to deliver the Government's modernisation agenda and to improve the flexibility of services for its users.

Strategic Director (Operations)

Personnel Panel
6 September 2007

Background Documents:

South Hams Single Status Implementation Agreement, June 2006.

Obligations Arising from the National Agreement

The obligations are set out in NJC Circular 4/04 and include:

- a) Implementation of pay review by 31st March 2007.
- b) Agreement with trade unions on pay systems and structures to be in place by April 2006.
- c) The pay review should include:
 - New pay and grading structure covering the former manual and non-manual groups of employees
 - The approach to determining the relative sizes of the jobs included (it is recommended that this should normally be through a job evaluation scheme that complies with the principles of the NJC scheme)
 - Proposals for protection
 - Proposals for premium rates
 - Proposals for progression
 - Proposals for back-pay
 - Proposals for appeal against assimilation proposals
 - An Equality Impact Assessment of proposed changes to grading and pay and other conditions
 - An equal pay audit
 - Proposals for bonus and other performance payments
 - Proposals for any cost saving or productivity improvements required to offset the cost of implementation
 - A timetable for implementation by 31 March 2007.
 - Resources necessary for the review and their estimated cost.
- d) The proposals should make it clear how they are designed to take account of service improvements and promote a better work-life balance for employees.

Agreed Protection Arrangements

At the conclusion of Single Status all employees will be informed of their new salary grade, their individual salary point within the grade and the arrangements for appealing against the new grading if they wish to do so.

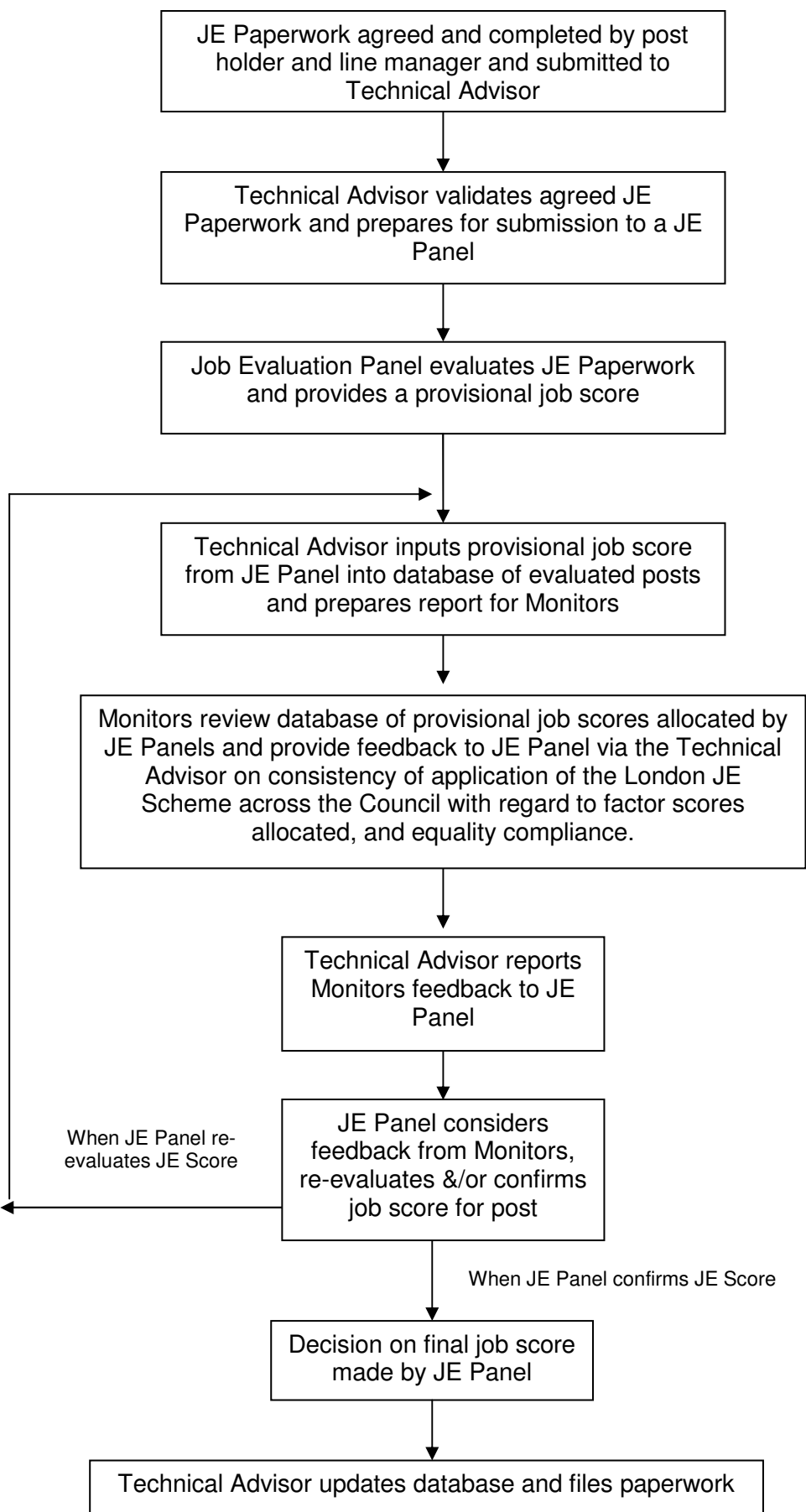
Where required, pay protection will be applied on the following basis subject to the final Collective Agreement.

- From 1 April 2007 to 31 March 2010; salary frozen at the level as applicable at 1 April 2007. Any outstanding increments that may have been awarded under the superseded pay and grading structure will not be protected and therefore will not be applied. Any cost of living increase for 2008/09 and 2009/10 will not be applied.
- Protected salaries will be frozen until 31 March 2010 when the employee will be paid in accordance with the appropriate point of the new grade unless the frozen salary figure reaches this point before the end of the protection period.
- Where staff operate under a Bonus Scheme, the actual Bonus earned during 2006/07 will be protected for three years i.e. until 31 March 2010. Sickness absence will not count for these purposes unless the absence is covered by a medical certificate.

Year Commencing	Pay Award applied	Increments to apply
1 st April 2007	Yes	None
1 st April 2008	No	None
1 st April 2009	No	None
1 st April 2010	Yes, and on salary for new grade	Yes, if any outstanding on new scale
1 st April 2011	Yes	Yes, if any outstanding on new scale

NB: Dates will require updating owing to the implementation delay

Job Evaluation Process



Job Evaluation Appeals Process

REVISED DRAFT FOR CONSULTATION – AUGUST 2007

Introduction

1. This Appeals Process has been jointly agreed between South Hams District Council and the recognised Trade Unions, UNISON, TGWU, and GMB. The process has been established to deal specifically with personal appeals by employees, following a review of their job as a result of the Job Evaluation Scheme.
2. This process will form part of the Collective Agreement.

The Right of Appeal

3. Subject to meeting the required criteria set out below, employees have the right of appeal against the Job Evaluation score for their job.
4. Employees have 28 calendar days from receiving their letter confirming their new pay and grade to lodge an appeal. In respect of the Single Status Project only, this timescale will be extended to 56 calendar days.

Grounds of Appeal

5. A right of appeal exists where the employee is of the opinion that the evaluation result does not properly or fully reflect their job, i.e. that an aspect or aspects of the job have been undervalued in respect of one or more factor levels within the scheme. There is no right of appeal against the awarded grade and/or incremental point.

Submitting an Appeal

6. The grounds for appeal must be submitted in writing to the Head of Personnel and Payroll. The appeal will be acknowledged within 5 working days and will be considered by the Appeals Panel as soon as practically possible. The Panel will, for each disputed factor level, have the option of confirming, increasing, or decreasing the original factor level.
7. Employees are only permitted one appeal.
8. The employee should give details of the factor levels claimed and the reasons why they are claiming it. A specimen form is attached. The employee may refer to:
 - i. The Job Description and Job Evaluation questionnaire supplied for the evaluation of their post;
 - ii. Organisational Structure Chart.
9. Information that will not be accepted will include:-
 - i. Job responsibilities or events that have been added since the date of the evaluation;

- ii. References to individuals, personalities and performance / ability.
10. Additional information not submitted with the original papers may be accepted only at the discretion of the Appeal Panel and must be relevant to the factor(s) being appealed against.
 11. The appellant's Line Manager will receive a copy of the appeal and documents submitted with it for their comments. Any comments will be shared with the appellant and submitted to the Appeals Panel.

Appeals panel

12. Appeals will be considered by a panel comprising of one Management and one Trade Union representative who were not on the original panel and one independent trained evaluator appointed by the Council. Advice and support to the Appeals Panel will be supplied by a Technical Advisor who will have no decision-making role.
13. The Appeals panel will examine the areas raised in the application and assess whether the appellant's contentions can be supported.
14. Appeals will be considered on the basis of all the original documentary evidence submitted with the employee's appeal, plus any additional supporting documentation which may be admitted at the discretion of the Appeals Panel as outlined in 8 and 9.

Outcomes

15. Employees will receive notification of when their appeal is to be heard. However the decision of the Appeals panel will not be communicated to staff until after the completion of the entire Appeals Process. All staff will be given results of their appeal on the same date ("the Appeal Outcome Date").
16. The appeal process can produce two possible outcomes. These are:-
 - (a) The appeal upheld and factor score(s) adjusted;
 - (b) The appeal not accepted and factor score(s) remain unchanged.
17. Where an appeal results in the factor scores being adjusted upwards - see (a) above - the information will be recorded on the Council's central job evaluation database. If the change is of the extent that a change to the established grade of the post is required i.e. upgraded, this and any salary increase will be backdated to 1st April 2007.
18. Where an appeal has not been upheld, see (b) above, the grade will remain unchanged and any protection arrangements that apply will continue as from the Notification Date (at April 2007 Salary Rates) in accordance with provisions of the Council's Single Status Collective Agreement.
19. Where an employee in a generic post appeals (i.e. Refuse Collector, Benefit Assessor etc) the appeal outcome shall apply to all employees in that employment group irrespective of whether they themselves have appealed.

20. The decision reached by the Appeals Panel will be final and there is no further right of Appeal.