

CARLISLE CITY COUNCIL

Report to:- Carlisle City Council

Date of Meeting:- 11 September 2007

Agenda Item No:- 17(ii)

Public

Title:- PAY AND WORKFORCE STRATEGY EXPENDITURE

Report of:- Deputy Chief Executive

Report reference:- CE37/07

Summary:-

The purpose of this report is to update members of the Council on expenditure of the earmarked reserves in relation to the Pay & Workforce Strategy Project in accordance with the Council resolution of 17 July 2007.

Recommendation:-

It is recommended that the Council notes the current position with relation to the Pay and Workforce Strategy Project and receives a report at the next meeting on 6 November 2007 detailing progress with pay modelling and implementation of job evaluation.

Contact Officer: Jason Gooding

Ext: 7009

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

BACKGROUND INFORMATION AND OPTIONS

Attached at Appendix 1 is the report for Corporate Resources Overview and Scrutiny Committee (6 September 2007) on progress with the Pay and Workforce Strategy Project. Scores for evaluated jobs were communicated to staff on 31 August 2007.

Pay modelling (the matching of scores to pay scales) is currently underway. The results of this, together with the negotiation of pay protection for any staff whose pay will go down and back-pay for those whose pay increases will determine the overall financial impact of the pay review.

Until the pay modelling and other negotiations are complete, it will not be possible to report the overall financial impact. However, members are reminded that the allocation of reserves to this project was based on a 'worse case scenario' calculation in light of the experience of other councils that have conducted job evaluation exercises. Moreover, negotiations will take place with a full understanding on both sides of available resources and the impact that upward pressure on the paybill would have on jobs.

The earmarked reserves of £1m per year (total of £3m) for the next three years are primarily intended to enable the authority to manage the impact of job evaluation on the overall pay budget. For example if there is unavoidable upward pressure on the paybill, the reserves may enable a smoother transition to a reduced establishment by allowing a staffing reduction through natural wastage.

A portion (£112,322) of the reserves has been released in order to implement some provisions of the single status agreement. To date it has not been necessary to spend any of this money.

A further report to Council on 6 November 2007 will report on the pay modelling and likely financial impact where this can be estimated. Members should be aware that some aspects are likely to be subject to negotiation with Trades Unions at that time.

Officers are available to brief any member or group of members of the Council with the latest position at members' convenience. This can be arranged through the Deputy Chief Executive.



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Committee Report

Public

Date of Meeting: 6th September 2007

Title: Pay & Workforce Strategy

Report of: Jason Gooding, Deputy Chief Executive

Report reference: CE 36/07

Summary: This report advises Members on the progress of the Pay and Workforce Strategy project.

Recommendations:

The aim of this report is

- i) To provide an update to Members on the Pay and Workforce Strategy progress.

Contact Officer: Jason Gooding

Ext: 7470

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

CITY OF CARLISLE

To: Corporate Resources Overview and Scrutiny

Date: 6th September 2007

Report on the Pay & Workforce Strategy

1. Introduction

The Pay & Workforce Strategy project was established in 2004 to meet the requirements of the 2004 National Joint Council (NJC) Pay Agreement and to help improve the performance of the Council.

The project is being delivered, in partnership with the Trades Unions, through 6 work packages, i.e.

- Equal Pay Review
- Job Evaluation
- People Policies and Terms and Conditions review
- Single Status review
- Workforce Development Plan
- PWS Implementation

2. Progress to date

2.1 Equal Pay Audit

Equal Pay considerations have been taken into account as part of Job Evaluation quality checks and will be a cornerstone of the revised pay structures that are to be developed over the next few months.

All 'people policies' that are developed or reviewed for the Authority are equality checked.

2.2 Job Evaluation

All jobs within the Authority, with the exception of Chief Officers, new or revised posts, temporary posts that are contracted to end before 1st April 2008 or those with outstanding queries, have now been scored.

Posts up to and including SO2 have been scored using the National Joint Council (NJC) Job Evaluation Scheme and jobs from SO1 and above have been scored

using the Hay Job Evaluation Scheme. The reason for the use of both schemes for an overlap of grades has been to establish that there is consistency in scoring patterns between the two schemes. In the future, new posts up to SO2 will be evaluated using NJC and posts at PO1 and above will be scored using Hay.

At the time of writing this report the job scores had not been released to staff so a verbal update on the reaction to scores will be provided at CROS.

Job scores have been issued to staff at the end of August 2007, and then published on the Intranet a few days later. Staff have been given a deadline of 20 working days, after the date of the letter informing them of their scores, to lodge an Appeal against their scores if they wish to do so. Possible grounds for staff to appeal are:

- something significant was not included in the job evaluation questionnaire, that may have increased the score
- something significant was not taken into account when working out the score for the job
- job requirements have changed substantially since the initial evaluation

Appeals will be dealt with in 2 stages. Firstly a Steering Panel will look at the Appeal and supporting evidence, advising employees if they have not provided enough evidence to support an Appeal, gather comments from Managers or Service Heads and make recommendations to the Appeal panel. The Appeal panel will consider the evidence and decide whether scores should go up, down or remain unchanged.

Job points will be used to inform the development of proposals for a revised pay structure, as part of the PWS Implementation work package over the next few months.

2.3 People Policies and Terms & Conditions

A number of policies have been developed and/or reviewed during the lifespan of this project and will continue, as policy review is an ongoing requirement of the People, Policy and Performance directorate, in response to revised or new legislation, most recently Age Discrimination and Anti-Smoking legislation. Plans are being developed to carry out some joint working, with other Districts in the county via the Cumbria HR Group, on the development and review of common personnel policies.

2.4 Single Status

In July, Council approved the release of £112,322 from the £1million which has been earmarked for implementation of PWS. This money is as a contingency to cover possible costs, that cannot be covered from current salary budgets, that are incurred as part of the harmonisation of terms and conditions for all Council employees in relation to

- holiday entitlements
- sick pay entitlements
- overtime rates

Approximately 200 staff, mainly based at Bousteads Grassing, will benefit from these changes.

Back pay due to staff, that relates to Sick Pay entitlements, was included in August pay, but the holiday pay and overtime calculations require changes to our HR & Payroll software so will not be paid until September.

2.5 Workforce Development Plan

The Workforce Development Plan has been finalised and implementation of the plan is now ongoing.

2.6 PWS Implementation

As indicated in this and previous reports to CROS, implementation of various elements of the Pay and Workforce Strategy has now started.

Single Status harmonisation of holiday, sick leave and overtime rates has been delivered, and is where the financial impact has been most apparent so far. More harmonisation work is being undertaken e.g. premium rates, where there are likely to be additional costs but these have not yet progressed to the point where realistic costings can be produced.

Release of job scores from the Job Evaluation exercise has brought us to a position where we can now start to carry out pay modelling with a view to developing revised pay structures. Scores show that there is some disparity between relative values of jobs and their existing pay grades within the Authority. Age discrimination legislation contributes to the need to review pay structures, in particular the duration where posts may benefit from incremental progression before reaching the top of a scale.

3 Financial Implications

It is envisaged that early draft, costed proposals will be available in Autumn 2007 with a target date of implementation of revised pay structures from April 2008.

Discussions have started with Unions concerning issues such as back pay and pay protection. Clearly any proposals which are agreed between Unions and employers have to be affordable for the Authority. Money earmarked in the Council reserves, and shown in the medium term financial plan, can only provide a short term 'cushion' whilst further recurring savings are identified to enable us to absorb any increased costs in a managed and sustainable way.

4. Conclusion

We are now into the final stages of the Pay and Workforce strategy.

A verbal update on job evaluation, following the release of job scores to staff will be provided at the meeting.

Likely costs and proposals for implementing revised pay structures will be produced in the Autumn and reported to CROS at future meetings.

Members are requested to note progress on the project.