

Agenda Item No. 21

WEST MIDLANDS REGIONAL ASSEMBLY

Board of Directors Meeting – 16th September 2005

Implementing Job Evaluation

Report of the Director of People & Organisational Improvement, West Midlands Local Government Association

1. Purpose of Report

- 1.1 This report aims to inform Board members of the implementation of Job Evaluation by WMLGA, identifying the background, approach to be adopted and potential implications for the Assembly.

2. Recommendations

- 2.1 That the Board note the contents of the report and comment accordingly.

3. Background

- 3.1 Since its inception in 1998, WMLGA has expanded from an establishment of around 10 posts to the current position of over 50 where the Association also acts as the employer the staff of the Regional Assembly. This incremental growth has led to the development of 15 separate grading arrangements, from clerical and administrative grades through to the Senior Management Team.
- 3.2 Irrespective of the separate organisational institutions, WMLGA, as the employer, needs to consider the robustness of its pay and remuneration policy and ability to defend any potential equal pay claims.

4. Job Evaluation

- 4.1 Whilst the risk of equal pay litigation is minimal and a genuine material factor defence could be constructed, such a situation would highlight an inability to objectively justify pay differentials across the organisation. The only practical solution is to undertake a pay review based on job evaluation.
- 4.2 For job evaluation purposes, 2 schemes will be used; the **National Joint Council JE** scheme for employees up to Policy Officer level (circa £28,000) and the **Hay** scheme for Policy Officers and above.

4.3 The **NJC** scheme is designed to embrace the wide range of jobs which exist in Local Government. The **Hay** Scheme is recommended for assessing job size and linking pay to the external market for Head of Service and Chief Officer posts and has been used by a number of Authorities below this level. The Hay scheme applies a much broader assessment of levels of job size than the NJC scheme. In order to ensure independence, WMLGA will commission external consultants to undertake both evaluation processes.

5. Pay Modelling

5.1 Upon completion of 'job sizing' the next key stage is to attach 'pounds to points', commonly described as 'pay modelling'. This incorporates the need for strategic pay policy decisions around the issues of continued use of incremental ranges, linking pay progression to performance, broad bands integrating competency or contribution pay etc.

5.2 To ensure that WMLGA remains competitive in pay terms, we will use the substantial access we have to relevant pay market databases.

6. Implementation Issues

6.1 Corporate Considerations

In preparing for a pay and grading review, WMLGA / WMRA will also need to carefully consider and plan for the following;

- The importance of consultation with and engagement of all staff throughout the process;
- Developing and agreeing pay protection arrangements for any posts negatively affected by the outcomes;
- The potential implications of any retrospective equal pay claims;
- Taking into account relevant market pay rates / supplements at an organisational and individual post level;
- The need to undertake the exercise within a timeline that enables budgetary planning for the 2006/7 financial year and beyond;
- Identifying and taking opportunities to review job design / responsibilities in light of the outcomes of job sizing.

6.2 Potential Further Restructuring

The timing of the job evaluation exercise will need to be sensitive, where possible, to potential future changes in the Secretariat structures. However, once a job evaluated framework and pay

structure is established, it will be possible to review any future role and responsibility changes within that context, without undertaking any full and formal review.

7. Financial Implications

7.1 The Cost of the Implementation Process

The cost of implementing the process, estimated at up to £7,000, will be met from additional income generated by WMLGA's People and Organisational Improvement Directorate (over and above the target budget)

7.2 The Financial Impact of Job Evaluation

Whilst it should be acknowledged that the outcomes of this process are unlikely to be delivered at 'no cost, due to the broadly defined nature and diversity of specialist roles within the partnership centre, together with the limited numbers of 'job groups', the exercise is likely to focus upon consolidation of grades rather than any substantial impact on the overall hierarchy.

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