

Pay and Reward Strategy – Project Update

SUMMARY

- 1.1 The report provides the Committee with an update on the Pay and Reward Project, including decisions taken and actions currently being undertaken by officers.

RECOMMENDATION

- 2.1 To note the current position on implementing a revised Pay and Reward Strategy for the Council and endorse the overall approach being adopted.

REASON FOR RECOMMENDATION

- 3.1 The Committee have previously approved governance structures for this project. This report provides feedback to the Committee on decisions taken to date by the Project Strategy Board and the overall status of the project.

SUPPORTING INFORMATION

- 4.1 Good and sustained progress is now being made on progressing the Pay and Reward review. This report sets out the main areas of activity on the project and associated issues for consideration by the Committee.

4.2 **Equal Pay Pilot to be undertaken from October to December 2012.**

Equal Pay Review Pilot Process and Protocol agreed with Trade Unions and Operational Board. 89 representative jobs identified across all Directorates, including 18 in schools identified for Equal Pay Pilot.

- 71 jobs to be evaluated by Expert Panels using NJC methodology
- 38 jobs to be evaluated by Aquarius using Hay methodology (NB 20 jobs in SO1/PO1 range to be dual evaluated to provide basis for determination of Hay/NJC boundary)

A copy of the Project Plan developed for the Equal Pay Pilot is attached at Appendix 2. The process to be followed will be based on managers and job holders completing a Job Information Questionnaire which will then be evaluated by an expert panel

consisting of two management and two trade union representatives.

Recruitment undertaken:

- 2 Job Analysts
- 9 internal managers for expert panels
- 7 external managers for expert panels
- 7 trade unions representatives for expert panels (3 Unison, 2 GMB, 2 Unite)

Communications:

- 6 manager/ job holder briefings undertaken during week commencing 22 October – 100 attendees
- 6 ‘mop up’ sessions arranged (31 October, 5, 7 and 9 November)
- Frequently Asked Questions agreed with Trade Unions and posted on website

Training organised for Job Analysts and expert panel members for weeks commencing 29 October and 5 November:

- NJC Job Evaluation scheme
- Pilot NJC software
- Equalities briefing
- RJM familiarisation

Expert panel meetings to run for four weeks commencing 12 November:

- 15 NJC panel days arranged (expect to undertake 5 evaluations per panel per day)
- Aquarius to undertake 38 evaluations using Hay methodology
- 4 ‘sore thumbing’ sessions to be undertaken during Pilot

A review of Pilot outcomes will be undertaken from beginning of December to develop recommendations to the Project Strategy Board for roll out across whole workforce from January 2013 onwards. These will be reported to the next meeting of the Committee.

4.3 Derby Schools

This review extends to non teaching staff employed in Derby Community and Federated schools who, by virtue of section 35(2) of the Education Act 2002 are employees of the local authority. There are 73 such schools in Derby employing a total of 3016 non teaching staff.

18 schools-based jobs in 12 different schools identified to participate in the Equal Pay Pilot.

The Director of Human Resources has sent individual letters have been sent to all Head Teachers and Chairs of Governors outlining Pay and Reward Project, its impact on schools and the intention to undertake a Pilot Equal Pay Review. Group briefings and individual site visits are being organised by the Project Team for Head Teachers of schools with jobs selected for Pilot for the week commencing 5 November.

Separate briefings are being arranged for schools based managers and job holders of

jobs selected for Equal Pay Pilot.

The Project Manager is scheduled to brief all Derby Head Teachers at meeting of Derby Schools Learning Partnership on 22 November.

At the conclusion of the Equal Pay Review pilot a more detailed plan will be developed for undertaking the Equal Pay review across Derby schools, which will include consultation with schools' governing bodies regarding implementation arrangements.

4.4 Equal Pay Claims in the Civil Courts – Judgement in Birmingham City Council v Abdulla

On 24 October 2012, the Supreme Court confirmed in test case involving Birmingham and 174 (predominantly female) former employees that equal pay claims can be heard in the ordinary courts (i.e. County Court and High Court) rather than Employment Tribunal even if the time limit for bringing a claim to the Employment Tribunal has passed.

This is a significant and potentially far reaching judgement as Employment Tribunal claims have to be brought within six months of termination of employment, whereas contractual claims in the County/ High Court can be brought for a period of up to six years from the breach of contract.

The Project Team are currently assessing the potential impact of this judgement on Derby as clearly expands it the number of people who could potentially bring equal pay claims. The Project Team will consult the Council's retained legal advisor to assess potential risk in light of the current Single Status implementation strategy and current COT3's (legally binding agreements reached in 2007 with 2,000 predominantly female staff to waive their rights to pursue equal pay claims until 2014).

Further advice and recommendations will be made in this regard to the Project Strategy Board and this will be reported to the next meeting of the Committee.

- 4.5 The Project Team will undertake a comprehensive review of the Project Plan and associated activities at the conclusion of the pilot Equal Review. This will include proposals for the roll out of the Equal Pay review across the remainder of the workforce in scope, including schools based staff and proposals for reviewing terms and conditions of employment to ensure that these are harmonised. These proposals will be submitted to the Project Strategy Board for approval and will be reported to this Committee.

OTHER OPTIONS CONSIDERED

- 5.1 None. It is vital that the Council adopts a comprehensive and strategic approach to pay and reward in order to limit the scope for legal challenge whilst supporting the recruitment and retention of a skilled and motivated workforce.

This report has been approved by the following officers:

Legal officer	N/A
Financial officer	N/A
Human Resources officer	Jon Redfern, Pay and Reward Project Manager
Service Director(s)	Karen Jewell, Director of HR and Business Support
Other(s)	Nikki Gibbons, Head of HR and OD

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Project Plan for Pilot Equal Pay review

IMPLICATIONS

Financial and Value for Money

- 1.1 The adoption of a new pay and grading structure based on an objective method of job evaluation will demonstrate transparency and fairness and provide the council with a more effective defence for future equal pay claims.

Legal

- 2.1 The adoption of a new Pay and Grading structure is necessary to ensure compliance with the Equality Act 2010 and guidance issued by the Equality and Human Rights Commission (EHRC) and to manage equal pay liabilities.

Personnel

- 3.1 Development and implementation of an effective Pay and Reward Strategy is a critical aspect of the council's Organisational Development Framework and will support the recruitment and retention of skilled and motivated workforce.

Equalities Impact

- 4.1 See paragraph 2.1 above.

Health and Safety

- 5.1 None direct.

Environmental Sustainability

- 6.1 None direct.

Asset Management

- 7.1 None direct.

Risk Management

- 8.1 A Project Risk Register has been prepared will be updated during the project with management of risks being assigned to named risk actionees.

Corporate objectives and priorities for change

9.1 COD1