



Derby City Council

PERSONNEL COMMITTEE
12 January 2017

Report of the Director of Governance and
Monitoring Officer

ITEM 6

HONORARIA PAYMENTS AND JOB EVALUATION

SUMMARY

- 1.1 The Council has an obligation to comply with equal pay regulations and the Equalities Act 2010 to eliminate unlawful discrimination.
- 1.2 To meet this requirement the Council implemented job evaluation using the Hay Methodology, for all jobs covered by the NJC negotiating body in June 2016. The Council now needs to ensure that equality is maintained in all aspects of how it pays its workforce including honoraria payments for acting up and additional work.
- 1.3 The requirement to take on additional work can provide an employee with a valuable opportunity to develop their skills and gain experience, in preparation for possible future promotion.
- 1.4 For these reasons how employees are remunerated for additional work needs to be transparent, fair and in keeping with the Council's approach to job evaluation.

RECOMMENDATION

- 2.1 To approve updated manager guidance on how honoraria payments are calculated (Appendix 2) to ensure that payments are both proportionate and consistent with the Council's approach to job evaluation and increases the relevant period from 6 months to a maximum of 12 months with no further extensions.
- 2.2 To strengthen the existing acting up arrangements to ensure that payment is always at the minimum spinal column point of the higher graded post in-line with Council policy for new appointments.

REASONS FOR RECOMMENDATION

- 3.1 The Council has invested significantly in a robust job evaluation scheme which was successfully implemented on the 1 June 2016 for both schools and non-schools jobs covered by the NJC negotiating body. It is important to maintain a fair and consistent application of evaluation, grading and appointment decisions in all aspects of the

Council's pay policy to comply with equal pay requirements.

- 3.2 As well as providing a bridging mechanism to cover a gap in service delivery, acting up or taking on additional responsibilities can provide employees with valuable opportunities to develop their skills and gain experience in preparation for future career development.
- 3.3 Employees are entitled to be fairly rewarded for being asked to undertake additional responsibilities which are above and beyond the scope of the grade of their post.
- 3.4 In response to Operational feedback it is proposed that honorariums now need to be changed to allow them to be in place for a maximum of 12 months. This allows for flexibility in covering long term sickness, maternity etc. and with the current speed of change and restructure in the council.

SUPPORTING INFORMATION

- 4.1 Existing guidance on Acting up arrangements is still fit for purpose following implementation of job evaluation but should be strengthened to reflect the Council's policy to appointment at the minimum of the grade.
- 4.2 The existing honoraria guidance calculates additional payments based on the difference between a higher graded post and the employees current SCP but relies on managers making a recommendation on the percentage of the additional tasks undertaken with reference to the current job description.
- 4.3 Every Council role covered by NJC negotiating body must now be described in a Job Information Questionnaire which is evaluated using the Hay methodology and determines the value and grading of the post.

OTHER OPTIONS CONSIDERED

- 5.1 Remove the ability to remunerate additional work on a temporary basis and insist that all work is covered by a Job Information Questionnaire (JIQ). Whilst this would provide the most robust defence against any equal pay challenge it would not best support the organisation and their ability to deliver services in unprecedented times of change.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	David Cox, Head of HR
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For more information contact: Background papers: List of appendices:	Rebecca Hilton-Barber HR Advisor 01332 643716 rebecca.hilton-barber@derby.gov.uk Appendix 1 - Implications Appendix 2 – updated DCC Honoraria Guidance
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IMPLICATIONS

Financial and Value for Money

- 1.1 Allowing employees to act up or take on additional responsibilities provides an in-house solution to a resourcing issue that would otherwise need to be recruited to externally or covered by agency staff, both of which represent a cost to the organisation.

Legal

- 2.1 The Council has an obligation to comply with equal pay regulations and to comply with the Equalities Act 2010 to eliminate unlawful discrimination.

Personnel

- 3.1 Employees are entitled to be fairly rewarded for being asked to undertake additional responsibilities which are above and beyond the scope of the grade of their post.
This supports the current NJC Agreement Part 3 Paragraph 1.3 which states:
'There should be local agreements for recognising temporary additional duties where employees act up in the absence of more senior employees'.

IT

- 4.1 None

Equalities Impact

- 5.1 The Council has an obligation to comply with equal pay regulations and to comply with the Equalities Act 2010 to eliminate unlawful discrimination.

Health and Safety

- 6.1 none

Environmental Sustainability

- 7.1 none

Property and Asset Management

8.1 none

Risk Management and Safeguarding

- 9.1 There are significant risks to the Council that are associated with breaches of the Equalities Act 2010. Any breaches of the code could be subject to both public and media interest, however by setting clear and concise expectations allows the council to manage this risk.

Corporate objectives and priorities for change

- 10.1 Provide a facility to authorise short term cover while ensuring compliance with Equal Pay Legislation – this contributes to the objective to be a modern, flexible and resilient Council

HONORARIA PAYMENTS – Guidance Notes for all posts under NJC terms and conditions

Following the implementation of the Job Evaluation process, an honorarium may only be considered in instances where an employee is asked to take on a proportion of the duties and or responsibilities of an existing higher graded post. This is to ensure there is a consistent approach in evaluating the value of the additional duties and responsibilities that may be undertaken.

This supports the current NJC Agreement Part 3 Paragraph 1.3 which states: 'There should be local agreements for recognising temporary additional duties where employees act up in the absence of more senior employees'.

The manager of the employee being considered for the Honorarium must complete the "Request for Honorarium Payment" form and attach a copy of the Job Description and the JIQ number of the post covered.

If the Honorarium request is based on covering less than 100% of the duties, then the manager must identify the duties actually being covered on the Job Information Questionnaire (JIQ) submitted.

An honorarium

- can only be considered if **both** posts have been evaluated under the new pay and grading process.
- must include a start and end date
- can only be paid for a maximum of 12 months and no further extensions are permitted
- can only be awarded at the minimum point for the grade of the post covered.
- payment must be based on a JIQ to JIQ – grade to grade comparison.
- payment is made one month in arrears

If the added work is not part of another post then the manager will need to submit a new JIQ for evaluation which include these additional duties. They can then use the outcome of this evaluation for the honorarium request.

If an employee has been receiving an honorarium for 12 months, the honorarium will cease. The manager is required to submit a revised JIQ for the post which includes the additional duties being undertaken.

If the employee is covering 100% of the duties then a new JIQ is not required. In this case the manager should complete the ECF process in order to transfer the employee to the new post for a temporary period. The employee would return to their substantive post at the end of the temporary period.

Honorarium forms must be signed and approved by a director prior to submission. All requests will need to be approved by Human Resources in order to ensure compliance and consistency with the Job Evaluation process.

Requests where the total honorarium payments to an employee will be in excess of £2000 continue to require approval from a Strategic Director and the Head of HR in accordance with the scheme of delegations in Part 3 of the Council's Constitution.