



MOVING JOB EVALUATION PROJECT FORWARD

SUMMARY

- 1.1 Following acceptance from Trade Union Representatives that no further progress can be made with the NJC Job Evaluation scheme, a requirements document is being prepared in order to procure a consultant who will work with us to deliver a new pay and grading structure, based on job family modelling and deliver by May 2013.
- 1.2 The procurement exercise will ensure that the successful consultant is able to demonstrate how their proposed methodology will produce a pay system based on the principles of equal pay for work of equal value and which is proven to be Equality and Human Rights Commission - EHRC - compliant, backed up by examples and references from other Local Authorities where a similar project has been successfully completed.

RECOMMENDATION

- 2.1 .To approve the procurement of a consultant to deliver by May 2013 a sustainable affordable pay and grading structure for the Job Evaluation project based on job family modelling.

REASONS FOR RECOMMENDATION

- 3.1 To move the project forward in a timely fashion and ensure the outcome is EHRC compliant.

SUPPORTING INFORMATION

- 4.1 At a joint meeting on Friday 17th September, the Council and the unions agreed to look for a new way forward on pay and grading following the decision by the Council to abandon the NJC (National Joint Council) job evaluation project.

The Council suggested an invitation to potential consultants to bring forward proposals for a new approach to pay and grading that would give the Council a new pay structure based on job evaluation but that would also take account of the 'one Derby, one council' transformation programme. The unions agreed to consider the specification for the tendering process as part of an ongoing dialogue about how to move forward.

- 4.2 A draft requirements document has been produced and will be discussed with Trade Union Representatives in advance of being issued under an OJEU Open Procedure with effect from 15 November 2010. The procurement timescales reflect advice from procurement - tenderers will be shortlisted and invited to present in February/March 2011 and the process will conclude with the successful award of contract being approved at Cabinet on 19 April 2011.
- 4.3 The contract will commence at the beginning of May 2011 with target completion in 2 years.
- 4.4 The key outcome of the project must be a sustainable and defensible pay and grading system that is transparent, fair and affordable. The successful Consultancy must be able to demonstrate how their proposed methodology will produce a pay system based on the principles of equal pay for work of equal value and which is proven to be EHRC compliant, with examples and references from other Local Authorities where a similar project has been successfully completed.
- 4.5 The Requirements Document reflects the differing experiences of other Local Authorities who have worked with the leading suppliers in this market at present.
- 4.6 Equal Pay case law is complex and its evolution is difficult to predict and there remain a number of legal challenges in the system which stand to test the validity of approaches during the past few years. Theoretically, no approach could guarantee to be risk free however, some methodologies have been proven to be more robust than others.
- 4.7 It is proposed that in order to ensure an appropriate focus on the quality, expertise of the consultant and robustness of the methodology, the selection criteria is weighted 60:40 quality/cost.
- 4.8 The resource requirements of the new project will be reviewed as soon as the outcome of the procurement process becomes clearer.

OTHER OPTIONS CONSIDERED

- 5.1 None.

This report has been approved by the following officers:

Legal officer	Stuart Leslie
Financial officer	Andy Jones
Human Resources officer	Mark Edwards
Service Director(s)	
Other(s)	Julian Kearsley

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

- 1.1 The Single Status/JE reserve totals £5m to cover liabilities and implementation costs. The ongoing annual provision for 2011/12 onwards is £2.5m and covers project resources and development costs. Costs may need to be reviewed in light of the procurement exercise.

Legal

- 2.1 This work is required in order to ensure EHRC compliance and manage our equal pay liabilities.

Equal Pay case law is complex and its evolution is difficult to predict and there remain a number of legal challenges in the system which stand to test the validity of approaches during the past few years. Theoretically, no approach could guarantee to be risk free however, some methodologies have been proven to be more robust than others.

Personnel

- 3.1 See paragraph 4.8 above.

Equalities Impact

- 4.1 See 2.1 above. An Equal Pay Audit is currently being undertaken in accordance with the requirements of the new Equality Act.

Health and Safety

- 5.1 None arising directly.

Carbon commitment

- 6.1 None

Value for money

- 7.1 The outcome of this project will deliver a new pay and gradings structure which is both compliant and affordable and contributes to the delivery of the new People Strategy and Pay Strategy for the new organisation.

Corporate objectives and priorities for change

- 8.1 COD1