



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

**STRICTLY CONFIDENTIAL**

|                                       |  |
|---------------------------------------|--|
| <b>REPORT REF NO.</b>                 | HRMDC/09/5   |
| <b>MEETING</b>                        | <b>HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT COMMITTEE</b>  |
| <b>DATE OF MEETING</b>                | 22 JANUARY 2009  |
| <b>SUBJECT OF REPORT</b>              | <b>JOB EVALUATION – NON-UNIFORMED STAFF</b>  |
| <b>LEAD OFFICER</b>                   | Head of Human Resources Management and Development   |
| <b>RECOMMENDATIONS</b>                | <p>(a) <i>That the Devon and Somerset Fire and Rescue Authority be recommended to adopt the proposed grading structure as set out in paragraph 4 of this report;</i></p> <p>(b) <i>that, in relation to pay protection (and given that incremental increases and cost of living increases have been made in the two previous financial years):</i></p> <p style="padding-left: 20px;">(i) <i>an incremental increase and cost of living rise be applied for 2009/10 to match the commitment made to staff at the point of combination; and</i></p> <p style="padding-left: 20px;">(ii) <i>a further year of continued protection be made for 2010/11 by way of a cost of living rise only (i.e. without any further incremental increases);</i></p> <p>(c) <i>that, to facilitate (a) and (b) above, additional budget provision as identified in paragraph 5.2 of the report be made.</i></p> |
| <b>EXECUTIVE SUMMARY</b>              | <p>SMB had previously tasked HR with the development of alternative grading structure scenarios which would be acceptable from both a management, Unison and staff perspective. This work has been undertaken and further discussions have taken place with Unison and SMB resulting in the remodelling of the grading structure.</p> <p>Since this will require additional budget allocation then that previously agreed by the Authority, it is recommended that the HRMD consider these proposals in detail before the Service proceeds to seek to reach an agreement with Unison.</p> <p>It is recognised that this is a complex area of work and it will be beneficial to have a comprehensive discussion at the committee meeting.</p>   |
| <b>FINANCIAL IMPLICATIONS</b>         | As set out in Paragraph 5.2 of the report  |
| <b>EQUALITY IMPACT CONSIDERATIONS</b> | The proposed scheme will be reviewed by the national Unison office to ensure it satisfies the Equal Pay requirements.  |

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**1. BACKGROUND**

- 1.1 In 1997, the national pay agreement included an Implementation Agreement which replaced the previous handbook for Administrative, Professional, Technical & Clerical (APT&C) staff (Purple Book) and the Manual Workers (Red Book) with a new single set of terms & conditions of employment within the Green Book. This created single-table bargaining at a national level and a single National Joint Council for Local Government Services. The Green Book included a new pay spine and allowed grading structures to be reviewed locally. A key objective of single status employment for non-uniformed staff was the creation of non-discriminatory grading structures. To achieve this, a local government job evaluation scheme was developed at a national level.
- 1.2 The 2004 national pay agreement included a new Implementation Agreement. It required Local Pay Reviews to be completed and implemented by all authorities by 31 March 2007. Within DFRS, this was delayed through agreement with Unison to enable combination to take place prior to the introduction of a Job Evaluation scheme. This would enable a common scheme to be used for all staff within Devon & Somerset FRS. In order to ensure that staff were not disadvantaged by such a delay in the job evaluation process, it was agreed that any staff that moved upwards as a result of JE would have their pay increase backdated to the 1 April 2007. For any staff that moved down, there would be a period of pay protection and this would commence from the date of the completion of the job evaluation process rather than the 1 April 2007.
- 1.3 Job Evaluation schemes provide a systematic process for establishing the relative value of different jobs with the Service. The most effective schemes are those based on an analytical process. Such schemes are not scientific but provide a process which is based on consistent judgements. Analytical schemes use factors to score the key elements of the job. Each factor is assessed separately and points allocated according to the level needed for the job. The resulting scores are weighted, and added together to produce a rank order of jobs. This is a distinct and separate stage to determining what grading and therefore salary which should be applied to different jobs.
- 1.4 Once in place, such an analytical scheme is the most reliable method of comparing one job with another. It therefore will ensure that payments levels are fair and equitable. Like most forms of job evaluation, these schemes pay no attention to the performance of an individual or to market forces. Market supplements can, however, be considered as a separate matter following completion of a JE process.
- 1.5 Since combination the Service has actively engaged with Unison concerning preparations for the introduction of a common job evaluation scheme and pay scales for DSFRS. It has been previously been agreed with Unison that the JE Scheme to be used within DSFRS should be the Greater London Provincial Council scheme which is the recognised acceptable alternative to that included within the Green Book. This JE scheme has already been selected by the majority of authorities in the South West and is licensed through the South West Provincial Employers (SWPE). The Service has used local Joint JE panels which have both Unison representatives and Management representatives. This provides greater transparency and buy-in to the process and it is recognised that this would be beneficial to the organisation. The panels consisted of two Unison representatives, two members of Management and a technical expert from the South West Provincial Employers. The panels have scored jobs based on JE questionnaires which were completed by staff.

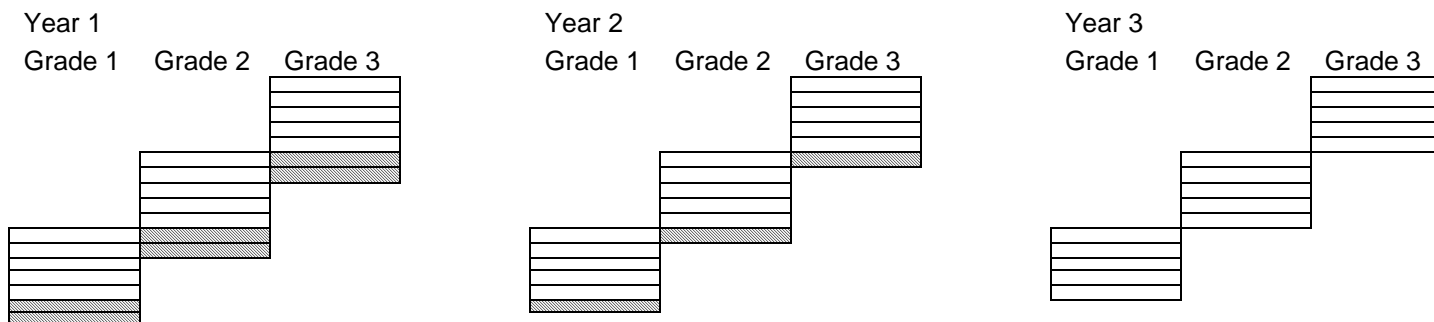
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1.6 A grading model was developed and a sub-committee from SMB reviewed this work. Individual members of SMB were then given a demonstration of the anticipated salary levels of their staff and the matter was further discussed at SMB. SMB raised concerns about the potential impact of implementing the JE with any downward salary changes that could lead to an increase in staff turnover. SMB sought to ensure that other 'what-if' scenarios were sufficiently explored before finalising the grading structure. To assist with this the Service purchased a Pay Modeller software package to consider a greater range of possible grading structures.

2. **UNISON NEGOTIATIONS**

2.1 Through further pay grading modelling work the concept of transitional overlapping increments was developed. The transitional increments have the effect of smoothing the upward salary increases and therefore making the proposals more affordable. The range of spinal column points for each grade can therefore be increased, thereby reducing those staff with salary decreases. The optimum transition appears to be two extra increments in year 1 of the implementation, reducing to one in year 2 and none in year 3. This is shown below:

Example of Transitional Overlapping Grades



2.2 Further consideration has also been given to the pay protection. Recent case judgments have determined that protection could potentially be discriminatory, if for example men continue to benefit from the protection but women do not. However, from our modeling, the proposed protection appears to be evenly applied across gender and should therefore be acceptable. At the time of combination the Service, had proposed that any JE increases would be backdated to the 1 April 2007 and that any decreases would be protected for 3 years. However, with the recent judgments the view from Unison is that any protection should be limited. As a separate matter around the 4Rs policy used for combination, staff have 3 years' grade protection covering 2007/8, 2008/9 and 2009/10. This 3 year protection had also been used for the uniformed Rank to Role with the cost of living increases included. Uniformed staff do not, however, have increments and this has always been an area still to be determined. In light of the recent judgments, Unison would prefer not to have future protected increments but the Service would wish to honour the 4Rs protection. It is therefore proposed that the JE protection includes cost of living rises. For 2007/8 and 2008/9 the incremental increases have already been given. The incremental increase would also then be applied for 2009/10 to match the 4Rs commitment. To provide a further year of continued protection the protected salaries would be maintained for 2010/11 with a cost of living rise but without any further incremental increases.

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**3. NEXT STEPS**

3.1 Having set out a proposed new grading structure, SMB need to check that they are satisfied with the departmental and cross-departmental levels ie that the grading structure 'fit for purpose' when applied to our organisational hierarchy. This would include departmental vertical hierarchies eg within HR, Finance, ICT etc and organisational horizontal lines eg middle managers across the non-uniformed departments. The regional Unison Representative Liz French has recommended that if a position does not appear to fit, then we should not rely on the appeal stage to correct this. Instead, we should seek further information through the line manager to determine whether the position has been adequately represented within the JEQ. If it is not then we are going to need to reconvene a further JE panel to revisit the positions.

3.2 The final stage would be to see if there are any remaining anomalies with similar positions either side of a grade line. Consideration would be given to minor adjustments to the grade line to ensure that the outcomes were appropriate.

**4. RECOMMENDED GRADING STRUCTURE**

4.1 From the modelling it is recommended that the Service adopts two overlapping transitional increments and 5 permanent increments per grade. This would give a total of 11 grades with 43 JE points per grade. This is shown below compared with the previously proposed structure with 47 JE points per grade. The transitional increments allow for a lower JE score level to be used thereby reducing the number of staff with a salary reduction. The overall costs are shown but it be noted that the Service has already budgeted for a £355K increase in base budget.

|              |                      | <b>No of JE Points<br/>per grade =47</b> |  |
|--------------|----------------------|--|--|
| <b>Grade</b> | <b>Max JE Points</b> |  | <b>Max spinal<br/>column<br/>point</b> |
| 1            | 213                  |  | 11                                     |
| 2            | 260                  |  | 16                                     |
| 3            | 307                  |  | 21                                     |
| 4            | 354                  |  | 26                                     |
| 5            | 401                  |  | 31                                     |
| 6            | 448                  |  | 36                                     |
| 7            | 495                  |  | 41                                     |
| 8            | 542                  |  | 46                                     |
| 9            | 589                  |  | 51                                     |
| 10           | 636                  |  | 56                                     |
| 11           | 683                  |  | 61                                     |

|                      |  | <b>No of JE Points<br/>per grade =43</b> |  |
|----------------------|--|--|--|
| <b>Max JE Points</b> |  |  | <b>Max spinal<br/>column<br/>point</b> |
| 213                  |  |  | 11                                     |
| 256                  |  |  | 16                                     |
| 299                  |  |  | 21                                     |
| 342                  |  |  | 26                                     |
| 385                  |  |  | 31                                     |
| 428                  |  |  | 36                                     |
| 471                  |  |  | 41                                     |
| 514                  |  |  | 46                                     |
| 557                  |  |  | 51                                     |
| 600                  |  |  | 56                                     |
| 643                  |  |  | 61                                     |

Staff  
Salary  
Changes

|      |     |
|------|-----|
| Up   | 100 |
| Down | 56  |
| Same | 90  |

Staff  
Salary  
Changes

|      |     |
|------|-----|
| Up   | 117 |
| Down | 35  |
| Same | 94  |

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**Additional Costs**

|             |               |             |               |
|-------------|---------------|-------------|---------------|
| (47 points) | With on-costs | (43 points) | With on-costs |
| 2007/8      | £240,768      | 2007/8      | £362,406      |
| 2008/9      | £300,960      | 2008/9      | £431,376      |
| 2009/10     | £351,120      | 2009/10     | £497,838      |
| 2010/11     | £379,962      | 2010/11     | £549,252      |
| 2011/12     | £190,608      | 2011/12     | £474,012      |

Using Transitional Increments with 43 JE points per grade:

Staff Salary Changes in year 1

|      |     |
|------|-----|
| Up   | 84  |
| Down | 35  |
| Same | 127 |

The Service is therefore recommending the following grading structure parameters:

1. The grading structure commences at spinal column point 7.
2. There are 5 incremental points per grade.
3. That initially there are 2 further overlapping incremental points.
4. That one overlapping increment is removed after year 1.
5. That the second overlapping increment is removed after year 2.
6. That Grade 2 commences at 214 JE points under the GLPC Scheme.
7. That there are 43 JE points per grade.

**5. FINANCIAL IMPLICATIONS**

5.1 Research by the LGE found that authorities on average see a permanent increase of 3.7% in the payroll costs. The SWPE recommend budgeting 3-4% for pay increases and pay protection. The Authority has previously agreed to allocate a 4% increase in the non-uniformed payroll costs and this has been included in the base budget since 2007/8. The Service therefore assigned £294K for back pay in 2007/8. This includes on-costs of 27.04% so the amount available for back pay is £231K. For 2008/9 there is a 4% increase in budget equating to £255K. With on-costs of 25.4% the amount available for pay increases is £203K.

5.2 The costs are illustrated below for 43 JE points per grade with two transitional increments. The table shows the further increase in budget which will be required when the previous under spend budgeted from 2007/08 has been applied.

|                | Increase in budget with on-costs | Less agreed 4% already in base budget | Additional budget allocation after using under spend budgeted from 07/08 |
|----------------|----------------------------------|---------------------------------------|--|
| 2007/8         | £223,590                         |                                       | -£70,410   |
| 2008/9         | £294,690                         | £39,690                               | -£30,720   |
| 2009/10        | £348,612                         | £93,612                               | £62,892  |
| 2010/11        | £397,518                         | £142,518                              | £142,518   |
| 2011/12        | £321,024                         | £66,024                               | £66,024  |
| <b>Average</b> | <b>£317,087</b>                  |                                       |  |

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**6. RECOMMENDATIONS**

6.1 Following the additional work on modelling the grading structure and negotiations with Unison, a grading structure has been developed which could potentially be acceptable from both a management and Unison perspective. Since this will require additional budget allocation than that previously agreed it is recommended that the HRMD consider these proposals in detail before the Service proceeds to seek to reach an agreement with Unison. The recommendations are as follows:

- (a) That the Devon and Somerset Fire and Rescue Authority be recommended to adopt the proposed grading structure as set out in paragraph 4 of this report;
- (b) that, in relation to pay protection (and given that incremental increases and cost of living increases have been made in the two previous financial years):
  - (i) an incremental increase and cost of living rise be applied for 2009/10 to match the commitment made to staff at the point of combination;  
and
  - (ii) a further year of continued protection be made for 2010/11 by way of a cost of living rise only (i.e. without any further incremental increases);
- (c) that, to facilitate (a) and (b) above, additional budget provision as identified in paragraph 5.2 of the report be made.

**Jane Sherlock  
HEAD OF HUMAN RESOURCES AMNAGEMENT AND DEVELOPMENT**