

**BRISTOL CITY COUNCIL
HUMAN RESOURCES COMMITTEE**

19 FEBRUARY 2009

Report of: Head of Human Resources

Title: Proposed Amendments to the Council's Pay Policy -
Recruitment & Retention Policy

Ward: City Wide

Officer presenting report: Robert Britton

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RECOMMENDATION

It is recommended that

1. The first two of the five actions required by Section 5.5 of the Pay Policy be amended to:

“Where from available job advertisement information it is considered that the pay for a post is unlikely to attract candidates of sufficient calibre, experience and qualifications it would be appropriate to apply market supplements which in pay terms are validated by an independent, accredited pay research organisation.”

2. An additional paragraph be added to Section 5.3 of the Pay Policy - Incremental Progression and Acceleration:

“An existing employee in an identified hard to fill/retain post may be awarded an accelerated increment or accelerated increments within the post's grade to match a formal job offer given to the employee by another employer. To ensure fairness and equity, before agreeing the Strategic Director and Human Resources will jointly consider the pay of other employees in the workgroup, including any temporary pay variations within the workgroup (e.g. Acting-up, additional increments) and will ensure that the pay enhancement proposal can be objectively justified.”

3. That the application of all market supplements above the maximum of the grade for 1st and 2nd tier posts, will be approved/ratified by the Human Resources Committee. In all other instances Head of Paid Service delegated authority will apply.
4. The post's job description and job evaluation questionnaire should be updated in all instances before market supplements are considered, thereby ensuring that the grade determined by job evaluation is the correct one for the post.

Summary

The report proposes amendments to the Pay Policy to enable the City Council to more readily recruit and retain employees in hard to fill/retain posts. The proposed changes are to the following sections of the Pay Policy - Section 5.3 (criteria to be met for incremental progression) and 5.5 (Hard to fill posts - market supplements). An extract of the existing Pay Policy is appended to this report.

The significant issues in the report are:

As above.

1. Policy

- 1.1 The current Pay Policy is shown in Appendix A.

2. Consultation

2.1 Internal

Consultation with the Trade Unions will take place prior to this meeting.

2.2 External

Not applicable.

3. Background and Assessment

Amendment to Pay Policy

- 3.1 The current position on market forces supplements is set out in section 5.5 of the Pay Policy.
- 3.2 The cost of advertising senior posts is expensive. Recently

these have been £24,000/recruitment campaign (this excludes officer time and costs). If benchmarking information indicates that the market rate is well above the pay and grading of a City Council post, recruitment advertising may be considered to be a costly and time consuming exercise producing no suitable applicants. It is therefore proposed to amend the first and second of the “hard to fill posts criteria” to:

“Where from available job advertisement information it is considered that the pay for a post is unlikely to attract candidates of sufficient calibre, experience and qualifications it would be appropriate to apply market supplements which in pay terms are validated by an independent, accredited pay research organisation.”

- 3.3 Section 5.3 of the Pay Policy sets out the criteria for incremental progression and acceleration.
- 3.4 The application of these proposals for 1st & 2nd tier posts, requires HR Committee approval/ratification, as per the current delegations.
- 3.5 SLT have reached the view that, notwithstanding current turbulent economic and employment conditions, the Council's current job evaluation system for 1st and 2nd tier officers is not fully capable of providing sufficiently attractive salary ranges for a small number of posts requiring specific skills and experience levels. There is recent evidence at 1st tier of this issue resulting in failed recruitment with a consequent gap in strategic capability and ineffective recruitment spend. With recruitment now underway for two 1st tier and nine 2nd tier officers, this issue presents significant levels of risk to the success of this recruitment campaign with potential for consequent negative impact on the transformation of the Council. SLT judges that the most effective and expedient way to deal with the risks that are posed by the current job evaluation process and pay policy is for HR Committee to support the proposals in this paper.

4. Other Options Considered

- 4.1 None.

5. Risk Assessment

- 5.1 If the changes are approved, when implementing them, Service Directors must ensure they adhere to the requirements of the City Council's Equal Pay Policy. Given that a risk assessment

needs to be produced for each “market forces” request, any equal pay risks should be mitigated.

6. Equalities Impact Assessment

6.1 The EIA submitted to HR Committee 26 July 2007 when the Pay Policy was approved still stands - See Appendix B.

7. Legal and Resource Implications

Legal:

It is a legal requirement to pay all staff who have been evaluated as doing work of equal value the same salary, unless the variation is genuinely due to a material factor which is not gender-related. To achieve this, this Policy must be fairly applied and objectively justified.

(Advice from Husinara Islam, Solicitor)

Financial:

(a) Revenue

Any additional payments made must be accommodated from within existing departmental budgets.

(b) Capital N/A

(Advice from Stephen Skinner, Head of Finance, CSS and Chief Executive Departments)

Land: N/A

Personnel: as set out in this report

Appendices:

Appendix A - Extract from Pay Policy 16 April 2008

Appendix B - Equalities Impact Assessment

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Extract from Current Pay Policy

5. Other Pay / Conditions of Service Issues

In addition to the core grading/pay rate for posts in the City Council, there are a number of supplementary conditions of service which are as determined nationally, or prescribed locally. These are as set out in the contracts of employment for each of the employee groups.

Changes in pay and conditions of service are determined by the Head of Paid Service/Head of HR, and are implemented in accordance with the provisions of employment law and the Council's Managing Change Policy. The following key provisions apply:

5.1 Career Grade / Competence Frameworks

The pay structures permit the creation of jobs that have linked/career grades. The grades for these jobs are determined by local job evaluation or the combination of nationally determined pay bands. Progression through the grades is determined by the jobholder meeting the requirements of locally set competencies.

5.2 Starting Salary Point

The Recruiting Manager has discretion to determine the starting salary of new employees within the agreed grade and pay scale taking into account:

- the appointee's existing pay
- their relevant experience and qualifications
- the pay of other employees in the workgroup (to ensure equity)
- any market rate considerations that can be objectively justified
- any temporary pay variations within the workgroup (e.g. Acting-up, additional increments)
- any career grade progression procedures which may apply to the job

The Recruiting Manager should consult their HR Adviser for advice on starting pay before agreeing a starting salary above the minimum scale point of the grade.

Where an employee has been acting-up or seconded into a higher graded post and is subsequently appointed to this post on a permanent basis, they will commence at the same incremental point they were receiving on the date the acting-up or secondment ended. (See payment above the grade section below).

5.3 Incremental Progression and Acceleration

Incremental progression within a grade is awarded annually usually on 1 April of

each year until the maximum of the scale is reached. If the employee has less than 6 months service in the grade by 1 April they will be granted their first increment six months after the appointment, promotion or regrading.

An accelerated increment may be awarded to an individual employee on the grounds of special merit or ability (see Appendix A2). The accelerated increment shall be payable from the date determined and will not affect the employee's entitlement to annual incremental progression as set out above.

The award of an annual increment may be withheld if the [Improving Performance Procedure](#) is being applied to an employee and will not be paid whilst an "improvement plan" is in operation for the individual concerned. Once the required improvement has been achieved, the 'frozen' increment will be paid, but cannot be backdated.

Structured Professional Assessment points (SPAs) for Soulbury Graded Officers will be determined locally in line with the national agreement.

There are also performance related salary progression arrangements for JNC 1st/2nd tier staff as per [1st and 2nd tier appraisal](#)

5.4 Payment above the Grade (acting up / additional increments)

Acting-Up - Only where an employee is required to carry out the full duties of a higher graded post, for 4 weeks or more, then they should be paid the grade for that job. Acting-Up should not normally exceed 18 months. Pay protection does not apply after an acting-up allowance/payment is stopped. Where an employee has been acting-up or seconded into a higher graded post and is subsequently appointed to this post on a permanent basis, they will commence at the same incremental point they were receiving on the date the acting-up or secondment ended.

Additional Increments - the Head of Service may award additional increments above the grade of the post. This payment should be awarded on a temporary basis only, in accordance with the City Council's [Additional Increments above the Grade Policy](#)

Payment may be for a maximum of 18 months only and up to 4 increments above the maximum of the grading of the post may be awarded.

Payments above the grade will only be made where they relate to additional duties and responsibilities not covered by the employee's existing job description or where the employee may only be partially acting up into a higher graded post.

If such additional duties and responsibilities continue beyond 18 months, the Head of Service should seek delegated authority approval from the Head of HR or a permanent re-evaluation of the grading of the post through job evaluation.

Acting-up and additional increment payments will be stopped if the employee is absent from work for a period in excess of 4 weeks.

5.5 Hard to Fill Posts – market supplements

Before implementing the following scheme HR advice must be sought.

Where it is difficult to fill a vacancy because the evaluated grade for a post may not attract any suitably qualified and experienced/skilled candidates, the Head of Service will consider:

- other ways of filling the vacancy (e.g. secondment, acting up etc)
- restructuring the section or team
- redesigning the duties & responsibilities of the post;
- re-appraising the realism of the job specification;
- the introduction of a career grade or trainee position, which will allow the appointment of a candidate with lesser skills and enable them to develop in the post.

If these measures will not resolve the recruitment problem, in that the salary range is unlikely to attract a suitably qualified & experienced person(s), the Head of Service can seek approval for the award of a market supplement up to the maximum of 15% above the top of the current grade.

The following criteria must be met before a market supplement can be awarded:

- i) the post will have been nationally advertised on at least one occasion.
- ii) benchmarking salary information must be obtained from HR using a reputable independent pay/reward consultant which specialises in market rates analysis, to confirm (or otherwise) that pay is not sufficiently competitive to attract candidates of calibre required and recommend an appropriate level of market supplement for type of post taking into account national and regional pay considerations.
 - iii) the head of service will have explored and (where relevant) implemented other structure, career grade, and job design/evaluation alternatives, which may result in improvements in the pay/grade of the 'hard to fill' post concerned
 - iv) a “risk assessment” will have been carried out to ensure that the above criteria have been objectively applied and are not based upon gender, race, disability, age etc.
 - v) have obtained legal views that any change in pay can be justified in terms of a genuine material defence

The market supplement:

- will not change the grade of the post
- must be reviewed periodically (at least every three years) and will cease if it is no longer difficult to recruit for same type of job (pay protection would not apply)
- will be pensionable

Pay protection will not apply when the supplement is removed.

Authority to award market supplement:

- HR Committee for 1st & 2nd tier posts
- Head of Paid Service & Head of HR for all posts at 3rd tier level and below

Equalities Impact Assessment

The employee composition is as follows:

Description		Workforce composition	Bristol 2001 census
Age	16 - 24	3.28%	17.28%
	25 - 49	62.07%	61.61%
	50 - 64	32.92%	19.74%
	65 +	1.73%	1.37%
Female		73.87%	46.19%
Men		26.13%	53.81%
Disabled		3.96%	7.07%
BME		6.57%	6.70%
LGB		No data is available.	No comparisons are available

Source: Management Information Compendium 31 March 2007.

Starting Salary Point

Group	
Women	From the Equal Pay Audit, women starting salaries are higher than men and therefore this element of the policy is not considered to be unequal to women.
Men	Could have differential impact as women are starting on a higher starting salary than men (refer to above).
Disabled	The criteria to determine a higher starting salary should not have an adverse impact upon disabled employees.

BME	There currently is no evidence that BME employees will be treated less favourably under this section of the policy.
LGB	There currently is no evidence that BME employees will be treated less favourably under this section of the policy.
Age	A few of the criteria may rarely disadvantage younger employees as they may not be able to demonstrate enough relevant experience or qualifications.

How could the impact be addressed:

Consideration could be given to amending one of the criteria “their relevant experience and qualifications” to “experience, competencies or qualifications”, which would mean that groups of employees would not be disadvantaged.

Incremental Progression and Acceleration

Group	
Women	Statistics are not kept on the gender, ethnicity, age or grade of those who are subject to the improving performance procedure
Men	See above
Disabled	See above
BME	See above
LGB	See above
Age	See above

How could the impact be addressed:

Consideration to collating such information will be raised at the next Improving Performance Board.

Payment above the grade (acting-up/additional increments)

Group	
Women	Access to acting up are equal to both men and women and as long as additional increments are awarded consistently.
Men	As above
Disabled	As above
BME	As above
LGB	As above
Age	As above

How could the impact be addressed:

None.

Hard to fill Posts

Group	
Women	Unlikely to have differential impact as the posts in question would not be gender specific and therefore equally open to both genders. If a restructuring of the section or team is required, it is recommended analysis is carried out prior to and after the restructuring to ensure that women have not been disproportionately affected by the change.
Men	As above
Disabled	As above
BME	As above
LGB	As above
Age	As above

How could the impact be addressed:

None.

Payments to casual workers

Group	
Women	No disproportionate effect as these 'jobs' are subject to evaluation to determine the rate of pay. However, the rate of pay offered will need to be considered and refer to Starting Salary Point section of this document.
Men	As above.
Disabled	As above
BME	As above
LGB	As above
Age	As above

How could the impact be addressed:

None, but refer to the Starting Salary Point section of this document.

Pay Protection

Group	
Women	None. Refer to the Managing Change Policy for further information.
Men	As above
Disabled	As above
BME	As above
LGB	As above

Age	As above
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How could the impact be addressed:

None.

Overpayments, Working Arrangements Policy, Discretionary Compensation for Redundancy, Disturbance Allowance, First Aid, Language Skills Recognition Allowance, Maternity, paternity and adoption leave and pay, occupational sick pay, annual leave, Other paid/unpaid leave, Relocation, Childcare vouchers, Pensions, Pensions - added years, pensions - “Standing down provisions”, Corporate Health Benefits, Training fees, Expenses, Tied accommodation

Group	
Women	None as all groups will be treated equally, but refer to relevant policies /EIA for further information.
Men	As above.
Disabled	As above.
BME	As above.
LGB	As above
Age	As above.

How could the impact be addressed:

None.

Long Service Award

Group	
Women	This may disproportionately affect women due to childcare responsibilities and not being able to attain length of service requirements.
Men	None.
Disabled	None

BME	None
LGB	None
Age	Younger people will not be able to take advantage of this scheme - however, a detailed equalities impact was undertaken with regard to Age Discrimination and Long Service Awards were found to be objectively justified.

How could the impact be addressed:
None.