



## Appendices

### Pay Policy Procedures

1. Market supplements
2. Job Evaluation Terms of Reference

## 1.0 Market Supplement Procedure

### **General considerations**

All prospective and existing employees come under the framework. All decisions around market supplements need to be carried out in accordance with the Trade Union Recognition Agreement and the Job Evaluation Terms of Reference Agreement. This procedure should be read in conjunction with the Pay Policy.

Market supplements may be applied to temporary, fixed term or permanent posts.

New employees will be appointed on the first point of their pay scale and the agreed market supplement will be applied. For staff already in post, the employee will be placed each year on the scale in line with the normal procedure and the agreed market supplement will be applied.

The market supplement applies to the post and not to the individual. It therefore affects the people who occupy these posts only so long as they are in those posts and the market supplement applies to those posts. When an employee moves from a post that attracts a market supplement to a post that does not, they will lose their right to receive the market supplement.

All contractual conditions for the payment and withdrawal of market supplements will be clearly set out for recipients, including notice provisions.

Market supplements will be taken into account when calculating all statutory entitlements such as sickness/maternity/paternity/adoption leave and redundancy. In addition, occupational entitlements to sickness/maternity/paternity/adoption leave and redundancy will take account of the market supplement payable.

Where a market supplement is payable, the terms and conditions of employment will identify the market supplement payment as a separate element of pay and specify the amount and the duration. The market supplement will be paid monthly via the payroll system in the usual manner but will be listed separately from the employee's basic salary on pay slips and associated documentation. Market supplements will be subject to tax and national insurance in the normal way and will be regarded as pensionable. They will count for the purposes of calculating overtime and any other payments linked to basic pay such as company sick pay, maternity/paternity leave pay, holiday pay and redundancy pay.

Any employee of the Association who is in receipt of a market supplement and moves to another role within the Association that does not attract a market supplement will be informed that the market supplement will stop on the date that they start in their new post.

### **Business Case**

Where there is a clear business need supported by objective market data which has been discussed in conjunction with UNISON, the Association will consider offering a

market supplement in addition to the basic salary. The Association will take care to ensure that the payment of market supplements does not expose it to potential equal pay claims. The process followed is designed to protect the Association from any such claims and to ensure that market forces account for the difference in pay.

The Association is committed to keeping the number of market supplements to a minimum and will also examine alternative options such as job redesign, flexible working, regrading and career development opportunities.

Questions which should be considered before making an application for a market supplement include:

- If insufficient job applications (either in terms of quantity or quality) have been received, is it appropriate to try other recruitment initiatives, such as different or targeted advertising?
- Does the job description and person specification fully reflect the requirements of the role?
- Have the non-reward benefits (such as annual leave, sick pay, work/life balance) been promoted within the job advertisement and other documents?
- Have opportunities for learning and development been promoted within the job advertisement and other documents?
- Could changes to working arrangements, such as flexible working options, make the post more attractive?
- Do exit interviews or other sources of information suggest that higher staff turnover in a post/group of posts could be partly or fully due to reasons other than pay?
- Is there a specific business need which is driven by an environmental variable (for example, the year 2000 which resulted in a premium being allocated to IT posts due to the requirements for IT systems to manage the changeover to new century)?

### **Calculation of the market supplement**

The level of market supplement payment will be determined by calculating the difference between the Association's pay rate (including the value of any allowances that may be applicable) and the market, as determined from appropriate sources. The average market rate will normally be used when calculating market supplement payments.

### **Establishing comparators for market supplements**

In establishing appropriate market rates for posts, efforts should be made to find comparators which have gone through a job evaluation process. This is so that comparisons are not being made with organisations that may have discriminatory grading structures as they have not been through job evaluation. However, it is recognised that the process of job evaluation is relatively new for the sector and so this is not always possible. It is therefore relevant that in the first instance we obtain

data from appropriate organisations who are likely to have pay structures that both reflect our values and who are likely to have a good level of robustness in achieving fairness in their pay structures such as the public sector or third sector organisations. It is also appropriate, dependant on the level of the post or the nature of the post, that we obtain comparators from the private sector in order to retain or recruit. This would be in the main for positions which may be recruited from the private sector such as finance, HR and the CEO. This will be carefully considered using other robust data sets such as the Office of National Statistics which provides employment data across all sectors.

All efforts will therefore be made to secure data from the following comparators:

- NHS Agenda for Change pay structure (equal pay compliant)
- Other organisations that have had their pay systems evaluated in relation to equal pay
- Local authorities
- Third sector employers
- Other public sector bodies (the posts identified should be the same in terms of duties and responsibilities or broadly similar in terms of the required knowledge, skills and responsibilities)
- Private sector.

Where salary surveys are used to support the market analysis, care will be taken to assess their appropriateness in terms of job titles used, geographic coverage and sector coverage. The Association will not use salary surveys to determine market rates but will use them to help to support the overall business case.

### **Establishing the level of market supplement**

An appropriate assessment, based on objective criteria, will determine the level of market supplement applied.

The assessment will involve the following factors:

- The level of salary that is considered necessary to resolve the recruitment or retention issues
- Where the organisation wants to position itself in relation to the comparators in the market – this may vary depending on the type/level of post and the specific recruitment or retention difficulties being experienced

### **Advertising posts with market supplements**

When a post with an approved market supplement is to be advertised, the recruitment documents should identify the market supplement as a separate amount and make it clear that the supplement is reviewed on an annual basis and may be subject to change.

## **Review of market supplements**

Market supplements will be subject to review on an annual basis. The review will consider how far the market supplement has taken the Association in reducing its recruitment or retention difficulties, the likely impact on service of removing or reducing the market supplement and any changes in the labour market.

The review will then determine whether the market supplement should be withdrawn, increased, reduced or maintained. Where there is no longer a business need for the payment of the market supplement, the post holder will be notified in writing that the payment will be withdrawn.

## **Right of appeal**

There is no right of appeal regarding decisions taken to offer, refuse, vary or withdraw a market supplement.

## **Authorisation process**

The overall procedure and principles of market supplements will be approved jointly by the Association and UNISON through governance arrangements which are principally Committee of Management approval of policy and procedures and negotiation with UNISON through the normal consultation process. There is a three stage approval process for the use of market supplements in-house as set out below.



**Application for market supplement**

<b>Job title</b>	
<b>Job title of line manager</b>	
<b>Department/project</b>	
<b>Pay grade of post</b>	
<b>Number of staff affected</b>	

Is this application designed to resolve problems with (please circle/delete):

Recruitment YES/NO

Retention YES/NO

**Please note: should this application be successful the appropriate market supplement will be applied in line with our annual negotiations with UNISON.**

**Reason for application:** Please include information such as exit interviews results, staff turnover figures, responses to advertising, national shortages of candidates, external rates of pay\* and how the vacancy is currently being covered, including costs.

\* Information should first be obtained on comparable posts in the NHS, other organisations that have gone through job evaluation, local authorities, third sector organisations and other public sector bodies. Wherever possible, full job descriptions and person specifications should be included.

Average starting point of comparator posts:

Average top point of comparator posts:

**Please summarise any other action that has been taken or was considered to overcome recruitment or retention issues.** Examples may include flexible working, career development opportunities and job redesign.

**Business case for considering the market supplement:** This may cover risk of loss of staff/skills, work that will not be carried out, effect on business operations, etc.

**Who else could be affected by this application?** For example, are there any other posts/departments/projects that could be affected?

**Expected benefits of applying the market supplement** (ie, increased applications to advertisements, reduced staff turnover/improved retention, improved effectiveness, etc)

**Name of manager making the application:**

**Signature of manager making the application:**



**Job title of manager making the application:**

**Date application submitted to Human Resources:**

The application will be submitted to the Association's Executive team at this stage.



**Application for market supplement: Executive team stage**

<b>Job title</b>	
<b>Job title of line manager</b>	
<b>Department/project</b>	
<b>Pay grade of post</b>	
<b>Number of staff affected</b>	

**Decision on reasonableness of application** (This will include reason for application, market analysis, other actions taken/considered to resolve issues, business case, any others affected and expected benefits.)

**Approval given by Executive Team**

**YES/NO**

**Name of Executive Team member:**

**Signature of Executive Team member:**

**Date application and decision returned to Human Resources:**

The senior staff have delegated authority to approve market supplements. The staff involved in this decision are: Finance Director and Chief Executive or Operations Director and Chief Executive. Decisions made will be reviewed by the Audit, Risk, Finance and Resources Sub-Committee to determine whether the policy is working effectively.

## **2.0 Blue Triangle (Glasgow) Housing Association Limited**

### **UNISON**

#### **Job Evaluation - Terms of Reference**

##### **1.0 Introduction**

This document sets out the provisions agreed between Blue Triangle (Glasgow) Housing Association Limited (thereafter referred to as 'Blue Triangle') and UNISON to develop and implement a Job Evaluation Scheme.

##### **2.0 Scope of the JE Scheme**

The scheme will apply to all employees.

See appendix 1 for list of job titles covered by the scheme.

##### **3.0 Type of JE Scheme**

The scheme will be an analytical one that involves a process of internal job ranking. The scheme will comprise of a number of Job Evaluation Factors, agreed with the SG, with points allocated against each factor.

Independently of the JE process, a salary benchmarking exercise will also be undertaken and shared with the SG.

##### **4.0 Steering Group (SG)**

The JE project will be overseen by a Steering Group comprising:

- Fiona Stringfellow, CEO
- Lorraine Davidson, HR Manager
- Deborah Dyer, UNISON
- Elaine Mullan, UNISON.

Blue Triangle's consultant, Ashworth Black, will be invited to attend steering group meetings as and when required by Blue Triangle during the initial job evaluation process. From time to time, Blue Triangle and UNISON reserve the right to invite other specialist support as and when required.

The SG will be responsible for overseeing the process and ensuring that the JE project is conducted in line with the agreed Terms of Reference.

Staff comments and views provided outwith the joint consultation agreement will be taken on board throughout the process.

The SG will be responsible for negotiating grades and the associated payment system jointly. At this point, it is expected that the Finance Director will attend the SG meetings.

## **5.0 The Job Evaluation Committee (JEC)**

The JEC will consist of:

- Independent Chair – Lorna Ashworth of Ashworth Black
- HR Manager
- Trade union representative
- 2 x Project Manager
- Area Manager
- Office based supervisor.

On adoption of the JE Factor Plan by the SG, the JEC will take responsibility for evaluation of all job questionnaires. These will be produced via discussion between employee and manager.

The JE Factor Plan will be made available to all employees. This Factor Plan will not display the weightings or factor level points values.

All members of the JEC will be appropriately briefed and supported during the evaluation stage. No deputies will be permitted and work undertaken in the absence of any JEC member will not be repeated.

Thereafter, evaluations should be carried out by a minimum of three (3) JEC members in addition to the Chair.

Any JEC sitting should have a gender mix where possible.

The Independent Chair of the JEC will be responsible for facilitating the evaluation discussions and ensuring that evaluations are carried out in a fair and consistent manner throughout.

JEC members will be responsible for ensuring that all jobs are evaluated in a fair and consistent manner. JEC members will not be 'representing' or acting as advocates for any particular job.

No JEC member will evaluate his/her own job.

Following the initial job evaluation process, the HR Manager will chair any subsequent JEC meetings.

## **6.0 Preparation of Job Descriptions**

Job descriptions will be factual and contain no subjective judgements.

Upon receiving appropriate training, managers will be appointed to undertake the following role:

- Interview job holders, gather job information and record in the appropriate job description format.
- Multiple job holder roles: An appropriate proportion of jobholders at each project or work location will be interviewed. Representative jobholders will be drawn from across the organisation and contain a gender mix and range of experience where possible.
- Agree each draft job description with the appropriate line manager.
- Issue the draft job description to each job holder for comment.
- Prepare a final job description for sign off by job holder/representative job holders and line managers.
- Ensure that the job description process is adhered to in a consistent manner throughout.

### **7.0 Failures to Agree at Job Description Stage**

If there is a failure to agree by a jobholder(s) the following procedure will be applied by the line manager:

- Obtain a list of tasks which are in dispute.
- Seek information on the frequency of performance of these tasks or when they were last performed.
- Establish if the issues can be resolved by discussion between the jobholder(s) and the line manager.
- If no agreement can be reached, the matter will be referred to the line management structure in the first instance.
- In the event that there is still a dispute, it will be referred to the SG.
- The decision of SG will be final and the resulting job description will be evaluated. The exception to this will occur where no agreement is reached at SG, when the CEO will issue a decision following full discussion.

A jobholder who refuses to co-operate with the completion of a job description will nevertheless have his/her job evaluated on the basis of management's understanding of the job.

## **8. Job Evaluation Procedure**

The basis for all evaluations will be the agreed JE Factor Plan and the agreed job description.

The JEC as described in section 5 above will be responsible for evaluating each job.

If the JEC members determine that they require clarification of any job description content, they may call on the line manager and/or the job holder to seek the appropriate information. Any request for additional information should involve the line

manager as a matter of course. This process is to aid understanding of the job role and will not result in any changes to the agreed job description.

Evaluations will be carried out by members of the JEC. A minimum of three (3) JEC members in addition to the Independent Chair will participate in evaluations. Evaluations will be by discussion and consensus and no voting will be allowed.

When consensus is reached on the levels achieved by each job, the Independent Chair will sign off the evaluation as agreed. The Independent Chair will be responsible for recording the evaluations and preparing the final rank order of jobs based on the results of the evaluations.

## **9. Publication of results**

When the new grading structure has been negotiated and agreed, the results will be published. Results will be published showing each job within grade, in alphabetical order. The actual points scored, or evaluation levels, will not be published.

Each job holder will receive a letter indicating their grade within the structure.

## **10. Appeals**

Any employee who believes that their job has been wrongly graded as a result of the evaluation exercise may appeal, provided the job description was agreed and signed off as prescribed. The JE Factor Plan (without points or weightings) will be available to all employees.

Grounds for appeal should be lodged, using the appropriate pro forma, with the HR Manager within two working weeks of notification of the evaluation result. The appellant(s) should inform his/her line manager that an appeal has been lodged. Appeals will be heard within four working weeks of the appeal being lodged.

An appeal will be heard using only the original agreed job description and the JE Factor Plan. No new information can be introduced. Appeals against the JE Factor Plan will not be permitted.

Jobs may remain static or go up or down on appeal. Should a job be one which is occupied by more than one employee in a specific project or work location, an appeal will be heard only if at least 50% of jobholders make a request.

For the initial job evaluation process, the appeal will be heard by the full Job Evaluation Committee. The appellant (or a representative jobholder) may appear before the appeal panel.

The appellant will be given the opportunity to explain to the appeal panel their view of why they think their job is in the wrong grade. The panel members may ask clarification

questions. Using the Factor Plan, the appellant should indicate which levels they believe apply to their job, giving examples. The panel may also seek clarity from the appropriate line manager if necessary.

Following the appeal hearing, the appeal panel will re-evaluate the job. The appeal panel will be required to evaluate in a fair manner, consistent with all other evaluations.

The decision of the appeal panel is final.

For future evaluations of any role, the appeal will be heard by a panel comprising of the HR Manager as Chair and two (2) members of the JEC who have not previously been involved in the evaluation of the job.

Matters that arise that are not part of the Job Evaluation remit will be collated and referred for consideration within the appropriate management structure.

## **11. New Grading Structure Implementation and Pay Protection**

The implications of this JE exercise are that groups of staff or individuals may have their job grade changed. The agreed implementation date for this JE exercise is 01 April 2017. In order to implement this, the SG will enter into pay and grading negotiations.

The organisation will provide appropriate support to those affected by red circling (ie, job holders who are found to be over paid in relation to their new grade and are offered pay protection for a specified period of time) if they wish to apply for jobs in the 'higher' grade. The individual must have the skills and competences necessary to undertake the vacant role.

## **12. Re-evaluations**

If an employee or group of employees feels that there has been a **significant** change to their job, they should discuss this with their line manager and agree to have a revised job description prepared and signed for re-evaluation. If agreement with the line manager cannot be reached, then establish if the issues can be resolved at a meeting with the employee(s) and the line manager.

It is expected that the employee will raise the matter through the management structure prior to referral to the Job Evaluation Committee. For the avoidance of doubt, final decisions on re-evaluations will be at the discretion of Blue Triangle only.

If due to a significant change in duties a job is put forward for re-evaluation, any resultant change to grade will be back-dated to the date from which the change in duties commenced, within reason

The JEC will meet twice per year or when necessary



**13. New Jobs**

Any new jobs created in the organisation should have a job description compiled and signed off as above. In the event that there is no job holder in place, management should arrange for compilation of a job description setting out the tasks and activities required within the job and arrange for evaluation to take place in line with the agreed procedure.

**14.0 Communications**

Blue Triangle will undertake JE awareness raising sessions with staff.

Once signed off, this Terms of Reference document will be made available to all staff.

The Steering Group and/or CEO/HR Manager independently as and when required will update staff on JE progress at appropriate stages.

**Signed on behalf of Blue Triangle (Glasgow) Housing Association Limited**

.....	.....	.....
Name	Position	Date

**Signed on behalf of UNISON:**

.....	.....	.....
Name	Position	Date