



Northern Ireland Audit Office

Job Evaluation in the Education and Library Boards

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

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Northern Ireland Audit Office

Report by the Comptroller and Auditor General for Northern Ireland

Job Evaluation in the Education and Library Boards

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J M Dowdall CB
Comptroller and Auditor General

Northern Ireland Audit Office
29 June 2007

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ABBREVIATIONS

ACAO	Association of Chief Administrative Officers
AECP&T	Administrative, Executive, Clerical, Professional and Technical
ALG	Association of London Government
BELB	Belfast Education and Library Board
C&AG	Comptroller and Auditor General
DCAL	Department of Culture, Arts and Leisure
DEPARTMENT	Department of Education
ESA	Education and Skills Authority
GLPC	Greater London Provincial Council
GLWC	Greater London Whitley Council
JEO	Job Evaluation Officer
NDPB	Non Departmental Public Body
NEELB	North Eastern Education and Library Board
NIAO	Northern Ireland Audit Office
NJC	National Joint Council
SEELB	South Eastern Education and Library Board
SELB	Southern Education and Library Board
WELB	Western Education and Library Board

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EXECUTIVE SUMMARY

1. This report examines the management of a job evaluation scheme which has been undertaken in the Education and Library Boards (the Boards) since 1995, and which has not yet been completed. The scheme initially covered administrative, executive, clerical, professional and technical non-teaching staff posts, but in 1998 the Single Status Agreement, which required the harmonisation of conditions of service for administrative staff and manual workers, brought the Boards' manual staff posts within the scope of the job evaluation exercise. At 31 July 2006, a total of 28,715 posts (94 per cent of staff in affected grades) had been evaluated, comprising 12,236 former non-manual staff and 16,479 former manual staff. A total of 1,795 job evaluations were outstanding - 671 former non-manual posts and 1,124 former manual posts.

2. The job evaluation scheme was implemented across the five Boards on the basis of a rolling programme of evaluations in line with Boards' perceived prioritised needs. It was agreed that staff should not be disadvantaged because of their place in the job evaluation queue and that any regrading would be automatically backdated. As a result regrading is being backdated to 1 January 1995 for former non-manual staff and to 1 January 2002 for former manual staff or the date the post holder commenced the duties of the post, whichever is the later (paragraphs 2.16 and 2.17). The outcome of the evaluation exercise has been that over half of the former non-manual staff and almost all of the former manual staff were upgraded on evaluation. The extent of the backdating involved meant that in many cases substantial amounts of arrears were due.

3. In the absence of independent staff inspections and organisational reviews in support of the job evaluation exercise, as originally envisaged, there can be no real assurance that non-teaching staffing levels are not excessive. We consider that if a central efficiency unit had been established at the outset to examine staffing levels and organisational efficiency across the Boards, as had been jointly agreed in the original Action Plan for implementation of the job evaluation scheme, this unit could have provided assurance, through staff inspections and organisational reviews, that non-teaching staff numbers in each of the Boards and their schools were adequate and not excessive, and that only essential work was being undertaken in the most efficient and effective way possible (paragraph 6.10).

4. In this report, NIAO is not questioning the need for the job evaluation exercise in the Boards nor has it sought to second guess the outcome of any individual job evaluations. Indeed, the Department of Education (the Department) would contend that an important issue is the cost of not doing job evaluation in the sense that this exercise has protected the public purse from unnecessary litigation due to equal pay claims. Trade Union side had indicated that they would not actively encourage equal pay claims against public sector employers while job evaluation was being implemented, and there have been no equal pay proceedings in the Boards. However, they added that it would not have been within their gift to deny individual members their statutory rights to pursue an equal pay claim. While the potential cost of equal pay claims in the Boards cannot be quantified, experience in local authorities in Great Britain has shown that such claims are extremely costly, with job evaluations having to be carried out after the event anyway.

5. The actual cost of the job evaluation exercise is not known as this information cannot be provided readily by either the Boards or the Department. However, the amount of additional funding allocated by the Department and the Department of Culture, Arts and Leisure (DCAL) towards the job evaluation exercise gives some indication of the costs involved. Funding totalling some £49 million was allocated in arrears and uplift to the Boards by the Department and DCAL for school based staff, including the former manual staff, classroom assistants and library staff. A further £75 million in projected funding commitments was allocated to cover up to 2007/08 for the completion of job evaluation - giving a total of some £124 million

spanning a period of twelve years from January 1995. This figure does not include the actual job evaluation costs of 692 Headquarters and Outcentre staff, which have had to be absorbed by Boards within their running costs and which cannot be quantified by the Department, or the potential job evaluation costs of a further 671 Headquarters and Outcentre staff still to be evaluated (paragraph 5.8).

6. While there were a number of factors which impacted on the completion of the job evaluation exercise, we feel that the timescale involved has been far too long. We consider that the job evaluation exercise should have been managed from the outset in the context of an agreed timeframe, with clear lines of responsibility established for completion within that timeframe (paragraph 4.11).

7. The Department accepts that progress was slower in the early years and could be regarded as lacking a degree of management and control. It acknowledges the shortcomings in the early years and has put in place systems to address those. We consider that failure to implement key recommendations of the Joint Committee's agreed Action Plan, from the outset, was a missed opportunity for approaching the earlier implementation of the job evaluation scheme in a more centralised, planned and timely basis (paragraph 4.14).

8. The recommendations in the agreed Action Plan included the concept of "a centralised unit" to oversee the scheme, in order to ensure objectivity, consistency and equity of treatment across all Boards, and to develop an efficiency programme of staff inspections and organisational reviews for Boards. However, a Central Management Support Unit was not formed until 1999 (paragraph 4.15).

9. Similarly, the use of grade-related job evaluations based on generic job descriptions, as originally recommended, was not adopted as the main basis of evaluations until 1999 (paragraph 4.16). The use of individual job descriptions at the start of the process, while not substantial in the context of the overall job evaluation exercise, set back progress on the overall implementation simply because job evaluation on that basis was slow and time consuming when compared to the generic approach (paragraph 2.21).

10. These missed opportunities were eventually recognised following the internal management review of the scheme in 1997, and the necessary steps were subsequently taken in 1999, four years after commencement, to set the scheme on a sounder basis (paragraph 4.17).

11. The Department pointed out that the job evaluation exercise was a novel and highly complex exercise and that many lessons were learnt and appropriate action taken as the process evolved and matured. We accept that this was the case to some extent, but it was not new to Northern Ireland. Indeed discussions were held with the Northern Ireland Housing Executive and Belfast City Council to learn from their experience. The failure to take on board, right from the start of the process, the recommendations in the original Action Plan and also the lessons identified by other bodies, meant that implementation of the job evaluation exercise has been slower and its outcomes less defensible than would otherwise have been the case (paragraph 4.18).

12. The Department accepts that the pilot exercise that it hoped would provide a firm basis for estimating costs later proved to be flawed and that this proved a real impediment to the accurate assessment of costs. In our view, the failure to ensure that there was as accurate an assessment as possible of the cost of the exercise, right from the outset, indicates that the monitoring of expenditure by both the Department and the Boards has been inadequate. We consider the absence of effective financial planning from the outset, and the inability to confirm the total cost of the scheme to be one of the major weaknesses of the whole process (paragraph 5.7).

13. The sudden, unanticipated impact of the extent of upgrading in the Library Service, along with the extension of the job evaluation scheme to cover former manual school staff, led to an unplanned concentration (over a three-year period from 2001-02 to 2003-04) of sizeable bids by both the Department and DCAL on the Northern Ireland Block of Public Expenditure. Closer monitoring of the Boards' progress by the Department would have alerted it much sooner to the likely financial commitments involved and facilitated better financial planning and control on its part, with a more measured phasing in of bids to the Department of Finance and Personnel. NIAO accepts, however, that the extension of the scheme to

former manual staff could not have been reasonably predicted when job evaluation was first introduced in the Boards (paragraph 5.24).

14. It is our view that the financial implications resulting from the unexpectedly high levels of upgrading arising from the job evaluation of former non-manual staff in the Library Service and schools, and the financial impact of the unforeseen extension of the scheme to former manual staff in schools, contributed to the financial pressures which resulted in major overspends in 2003-04 in two Boards, which were the subject of an investigation commissioned by the Minister for Education into financial management in these two Boards (paragraph 5.26).

15. The Department told us that significant funding had been made available to all Boards for some years, specifically to assist with job evaluation, and that the cost of job evaluation should not, therefore, have contributed directly to the Boards' surplus or deficit. However, we consider that, as the Boards have been unable to ascertain the actual costs of the job evaluation exercise, there is no way of confirming that the allocations provided were adequate and covered all job evaluation costs. The requirement to provide these large, unplanned for allocations must have contributed to the pressures elsewhere in the Northern Ireland Block by pre-empting resources in the years concerned (paragraphs 5.27 and 5.28).

16. There is a concern that, because the substantial cost of the job evaluation exercise was not properly recognised at the outset, insufficient attention was paid to securing the potential value for money benefits which should have accompanied expenditure on this scale. As a result, implementation was taken forward in the early years without sufficient attention to affordability. In particular, by failing to put in place a staff inspection function as part of the exercise, an opportunity was missed to establish a strong link to efficiency and productivity. We see this as perhaps the most important lesson to emerge from this study (paragraph 6.15). However, one Trade Union told us that it was opposed to the linking of job evaluation with a formal means of determining numbers of staff and that it saw job evaluation as purely a mechanism for determining the 'value' of a post, not quantity, quality or number of posts.

It added that, in its view, job evaluation is not about 'value for money', rather it is to ensure and safeguard primarily against equal pay cases and ensure staff are paid the appropriate rate for the job.

17. In NIAO's view, it is not unusual for the cost of public policies, projects or exercises such as this to be difficult to predict. It is, however, unusual for the total cost not to have been estimated at the outset with forecasts on a range of assumptions which are then subject to careful review and monitoring as the exercise develops and progresses. This was not done effectively at the outset for the job evaluation scheme. A pilot exercise carried out prior to commencement of the scheme suggested that it was possible to meet costs associated with the scheme from existing budgets. However, it subsequently turned out to be flawed. As a result, the scheme was initiated on the basis of incorrect assumptions on affordability, and the high potential cost of the scheme does not seem to have been properly recognised in the early years. Moreover, the opportunity was missed to establish a strong link to productivity by the decision not to put in place a staff inspection function as part of the exercise. Although the administration of the scheme was markedly improved after 1999 when the Central Management Support Unit was established, the legacy from some of these earlier weaknesses in implementation has continued to create difficulties for the effective management of the project.

Summary of Key Lessons and Good Practice Recommendations

1. Job evaluation should provide management with a means to ensure that job grades are determined in a fair and consistent manner. It should be seen as an integral part of an organisation's procedures for assessing jobs and establishing a fair pay structure. It should also be seen as complementary to staff inspection and efficiency reviews.

2. Our review of the job evaluation exercise in the Boards has identified some valuable lessons to be learned by other public sector organisations and in particular those where job evaluation is planned or underway (Northern Ireland's Higher Education and Health sectors, and local government). These good practice recommendations are summarised below:

- in the interests of efficiency, effectiveness and flexibility, the job evaluation system should, where feasible, be generic and grade-related rather than individual and post-related (paragraphs 2.8 and 2.9);
- a fair but tightly controlled appeals mechanism is essential, otherwise appeals themselves can become a significant problem in terms of volume and cost (paragraph 2.8);
- it is vital that there is proper operational management of the evaluation process as a 'project'. (Department of Finance and Personnel's guidance on Economic Appraisal provides a useful template¹) (see Part 4);
- the success of a job evaluation exercise is dependent primarily on the level of commitment of management and the appropriate trade union or employee representatives. It is important to establish a **job evaluation committee** at the outset and agree its terms of reference (paragraph 2.6);
- the exercise should be undertaken within an agreed timescale, with clear lines of responsibility established for its completion on time. The job evaluation process should be completed as quickly as possible so that staff morale is not affected by long delays (paragraph 4.11);
- the scheme chosen should be 'fit-for-purpose' and equality proofed and it should be monitored and reviewed regularly during the course of its implementation to ensure that it remains so (paragraph 4.13);
- the financial impact of any job evaluation scheme must be assessed and planned for from the outset. It should be reviewed and monitored regularly to facilitate proper financial planning and control (paragraphs 5.20-5.25); and
- whenever a job evaluation exercise is undertaken it should always be accompanied by a formal means of determining that the number of staff is appropriate, and that only essential work is being undertaken in the most efficient and effective way possible. Without this there is likely to be a significant question as to whether value for money has been achieved.

¹ Department of Finance and Personnel: *Economic Appraisal Guidance - Project Implementation, Management and Monitoring, and Evaluation*, September 2003

PART 1: Introduction and Background

Background

1.1 Since 1995, Northern Ireland's Education and Library Boards (the Boards) have been undertaking a programme of job evaluations on their administrative, executive, clerical, professional and technical (AECPT) non-teaching staff posts. These posts encompass both service delivery, including front-line school-based posts, and administration posts in Headquarters and Outcentres. Preparatory work, including a pilot exercise, started in 1991. Until then, the Boards had no formal or objective means of determining the grading of these former non-manual posts.

1.2 In 1998, the introduction of the Single Status Agreement (paragraphs 2.27-2.29) introduced a new group of former manual staff whose posts had to be evaluated. This agreement required the harmonisation of conditions of service for administrative staff and manual workers, and resulted in some 17,600 additional staff across the Boards (school caretakers, cleaners, bus drivers, grounds maintenance workers etc.) coming within the scope of the job evaluation exercise.

What is Job Evaluation?

1.3 Job evaluation is a mechanism for measuring the value of individual jobs in order to allocate salary grades and establish a fair salary structure within an organisation. Job evaluation does not determine actual pay. That is a separate operation, normally the subject of negotiation between management and employees or their trade union representatives. Only the job is evaluated, not the person doing it. It is a technique of job analysis, assessment and comparison and it is concerned with the demands of the job, such as the experience and the responsibility required to carry out the job.

1.4 Central to this process is the need for management to approve accurate and up-to-date job descriptions that properly reflect the duties of each post, ensuring that there is no unnecessary overlap or duplication of duties within a section or department. Most importantly, job evaluation provides management with a means to ensure that job grades are determined in a fair and consistent manner.

Previous concern by NIAO on job evaluation in the Education and Library Boards

1.5 In 2001², the C&AG reported his concern at the slow progress in the implementation of the job evaluation scheme in the Boards, and the inability of the Department of Education (the Department) to predict the financial consequences of the exercise. He reiterated these concerns in his annual general report for 2003-04³ on accountability to Parliament by the Boards, and undertook to keep progress under review and report further in due course.

1.6 In NIAO's view this study has confirmed the validity of these concerns:

- **progress on job evaluation in the Education and Library Boards has been very slow** - although the job evaluation scheme began with a pilot exercise in 1991 and was formally introduced in the Boards in 1995, the exercise has not been completed in 2007. Whilst the Boards have completed the evaluation of two large groups of staff, school classroom assistants and cleaners, agreement with Trade Union Side remains outstanding. At 31 July 2006, a total of 28,715 posts had been evaluated, comprising 12,236 former non-manual staff (see Figure 1 at paragraph 2.31) and 16,479 former manual staff (paragraph 2.39). A total of 1,795 job evaluations were outstanding - 671 former non-manual posts and 1,124 former manual posts (paragraph 4.2). The Department accepts that progress was slower than it would have liked.

2 C&AG's report on Northern Ireland Appropriation and Other Accounts, 2000-01, NIA 34/01, December 2001, Session 2001-02, including his reports on *Job Evaluations in Education and Library Boards* and *Job Evaluation in the Public Library Service*.

3 Financial Auditing and Reporting: 2003-04, General Report by the Comptroller and Auditor General for Northern Ireland (HC96), 7 July 2005 - *Department of Education - Accountability to Parliament by Education and Library Boards*.

The Department has commented that “it was acknowledged at the beginning that this would be a complex exercise and would take a considerable amount of time to complete and that while some posts would be evaluated immediately others would inevitably have to wait in a ‘job evaluation queue’”. The Department also pointed out that significant progress has been made since 1999, with some 94 per cent of staff in affected grades now evaluated and only six per cent still outstanding; and

- **the actual cost of the job evaluation exercise in the Boards is not known** - this information cannot be provided readily by either the Boards or the Department (paragraphs 5.3-5.7). However, the amount of additional funding allocated by the Department and the Department of Culture, Arts and Leisure (DCAL) towards the job evaluation exercise - a total of £124 million (covering the period from 1995) - gives some indication of the costs involved. Of this £124 million, £49 million represents the actual additional allocations by both Departments for uplift and arrears, with a further £75 million in projected funding commitments to cover ongoing revised pay costs up to and including 2007-08 (paragraphs 5.8-5.12). The £124 million funding spans a period of some twelve years from January 1995 (the effective date of backdating for former non-manual staff) covering 30,510 former non-manual and manual service delivery posts, including front-line school-based staff. It does not include the job evaluation costs for 692 Headquarters and Outcentre administrative posts which the Boards have had to absorb within their annual running costs and which cannot be separately identified. The overall cost is therefore in excess of £124 million.

1.7 The Department has emphasised that the cost of job evaluation is justifiable in that, in line with the purpose of job evaluation, pay decisions are taken in a way that ensures that jobs of equal value receive equal pay. It added that job evaluation is not about setting quotas and financial limits in respect of the percentage of staff that should “benefit” from subsequent pay adjustments, rather it is about comparative evaluation of the value of different jobs, a process that ensures that rates of pay are consistent with the value of different

roles. The Department contends that carrying out the job evaluation exercise has protected the public purse from unnecessary litigation due to equal pay claims, which had the potential for much greater costs. It considers that the overall cost of the job evaluation exercise has to be put into context with the potentially very significant but unquantifiable cost of not carrying out job evaluations.

The Scope of NIAO’s Examination

1.8 This report records the results of our detailed review of the job evaluation exercise. Our review has focussed on the management of the job evaluation process where we would have expected to find appropriate arrangements in place for staff inspection and organisational review as part of this process. We discuss this further in Part 6. Our objectives were to:

- establish the purpose and objectives of the exercise, including the history and development of the scheme that was chosen; (**Part 2: Development and Impact of the Job Evaluation Scheme**)
- examine the implementation of job evaluation in the Library Service; (**Part 3: Job Evaluation in the Library Service**)
- establish how well the implementation of the scheme has been managed; (**Part 4: Operational Management of the Job Evaluation Scheme**)
- examine the respective roles of the Department, DCAL and the Boards in managing the outcome, including the salary costs, of the job evaluation exercise; (**Parts 3 and 4**)
- consider whether there was proper financial planning and control of the job evaluation exercise; (**Part 5: Financial Management of the Job Evaluation Scheme**) and
- establish whether job evaluation costs have been offset by efficiency and productivity savings; (**Part 6: Job Evaluation Costs and the Drive for Efficiency Gains**)

1.9 Our examination has been conducted at a time when Public Administration in Northern Ireland is under fundamental review. This review has been completed and

reported upon⁴ and is in the course of implementation. The review included an examination of structures in the Education Sector in Northern Ireland. The proposal is that the five existing Education and Library Boards are replaced by a new single Education and Skills Authority and a new Northern Ireland Library Authority. The Department told us that the Central Management Support Unit of the five Boards had advised that the selection of the enhanced Greater London Provincial Council scheme referred to at paragraph 2.28 has positioned the Boards very well going forward into the new Education and Skills Authority. It feels that the validity of most of the valuations carried out to date will be retained.

1.10 Our review of the job evaluation exercise in the Boards has identified valuable lessons to be learned by other public sector organisations, and in particular those where job evaluation is planned or underway. These are detailed in our *Summary of Key Lessons and Good Practice Recommendations* on page 12.

⁴ *Better Government in Northern Ireland: Final Decision on the Review of Public Administration*, 21 March 2006

PART 2: Development and Impact of the Job Evaluation Scheme

2.1 This part of the report outlines the history and development of the job evaluation exercise carried out by the Boards, including its purpose and objectives, and sets in context the respective roles of the Department, DCAL and the Boards in the job evaluation process. The various milestones in the scheme's development and implementation are set out in Appendix 1.

The respective roles of the Department, DCAL and the Boards with regard to the Scheme

Department of Education

2.2 The Department is ultimately responsible for setting the budgets for the Boards, approving their annual spending plans, and monitoring the financial position of each of the Boards. Its prior approval is required in relation to the methodology to be used for job evaluation, including proposals for backdating the effective date of any upgradings. It also approves any proposed settlement which follows any job evaluation exercise before it can be presented to Trade Union Side for final agreement. Settlements also require the prior approval of the Department of Finance and Personnel (DFP). However, the Department told us that it does not have a direct policy or operational role to play in controlling the numbers or grading of any of the groups of staff to which the job evaluation exercise relates or in setting the terms and conditions of employment of Board staff which are linked into the national negotiating agreements for local government employees.

2.3 The Department told us that the Boards are autonomous employers in their own right and, as employers, are therefore primarily responsible for the implementation of the job evaluation scheme, the operational management of the evaluation process, including the payment of salary and arrears, and the monitoring and control of related internal job evaluation budgets. It stated that it is a matter for the Board Chief Executives, as Accounting Officers, to ensure the efficient and economical administration of the services for which the Board is responsible. The Department also pointed out that Boards are bound by the Government's Public Sector Pay Policy and associated pay remits, and the related

strict approval process applies in respect of all Board staff.

Department of Culture, Arts and Leisure

2.4 DCAL took over responsibility for the Library Service from the Department on devolution of powers of government to the Northern Ireland Assembly in December 1999, and inherited the job evaluation exercise for library staff which had begun in May 1999 (see Part 3).

The Purpose and Objectives of the Scheme

2.5 In 1991 the Department revised its Financial Memorandum for the Boards to include a direction on running costs controls. This requires each Board to have an effective system for controlling and monitoring central administration costs. This should ensure that appropriate grading standards are met, that only essential work is done, that the organisation operates on a sound and economic basis, and the staff numbers are adequate but not excessive (paragraph 6.4).

2.6 The Boards were required to establish formal arrangements for job evaluation and staff inspection/ efficiency reviews. In February 1992, the Boards collectively agreed to establish a joint Department of Education/ 5-Board Committee (the Committee) to consider arrangements for the introduction of job evaluation and staff inspection/ organisational reviews within the Boards, and prepare an action plan for consideration by the Boards' Chief Executives.

2.7 The Committee noted that serious difficulties were being experienced by management side under the existing grading appeals procedure, and that these were contributing to grade drift and a series of relativities claims. The Committee considered that the absence of a formal mechanism for job evaluation was leaving Boards exposed to re-grading and equal pay claims, which would be difficult to defend at an industrial tribunal. The Department told us that recent experience in local authorities in Great Britain has shown that such claims are extremely costly, with job evaluations having to

be carried out after the event anyway. Because of the concerns regarding equal opportunities issues (at that time there was a possibility of staff transfer to new structures arising from a review of the administration of educational services), it was decided that all former non-manual non-teaching staff posts should be considered for the job evaluation process.

Consultation with other local public sector users of job evaluation schemes

2.8 The Committee held discussions with other public sector bodies with experience of job evaluation exercises (the Northern Ireland Housing Executive and the Belfast City Council). These highlighted a number of key points to be considered in the development of a scheme for the Boards. These were as follows:

- job descriptions should be compiled carefully to reflect management's view of the duties and responsibilities of the grade/post and not merely those perceived by the postholder;
- in the interests of efficiency, effectiveness and flexibility, the job evaluation system should, where practicable, be generic⁵ and grade-related rather than post-related;
- job evaluations should concentrate on the grading/post being evaluated not the personal qualities of the post holder; and
- a fair but tightly controlled appeals mechanism is essential.

The Boards decided to press ahead with job evaluation without having arrangements in place for staff inspection/organisational review

2.9 The Committee concluded that:

⁵ Generic jobs are those which show some variations between them, but are treated the same, not only for grading purposes, but also in the work organisation context. Generic job descriptions are inevitably written in more generalised language than specific job descriptions, because they usually have to cover a wide range of activities.

- a job evaluation system was essential in order to provide the necessary assurance to Board Chief Executives under the Department's Financial Memorandum for the Boards, and to protect Boards against potentially expensive re-grading and equal pay claims;
- the introduction of a job evaluation system should take precedence over staff inspection/organisational review. However, arrangements for introducing the latter should be addressed concurrently with job evaluation with a view to establishing an efficiency unit responsible for all three functions. A central efficiency unit serving all Boards should be established, rather than provide a free standing unit in each Board; and
- an analytical (points scoring) grade-related job evaluation system should be introduced based, where appropriate, on carefully drafted generic job descriptions.

2.10 The Committee had recognised that, from a purely logical viewpoint, staff inspection/organisational review arrangements should be in place prior to job evaluation so that Board structures and manpower levels, consistent with the functions which need to be performed, could be confirmed before the appropriate grading for individual jobs was determined. However, at that time, it was considered that there would be practical difficulties in following this approach during a period of ongoing change and future uncertainty as to the Boards' roles and structures.

2.11 An action plan was produced by the Committee and agreed by the Association of Board Chief Executives in May 1992, and the first meeting of the Chief Executives' Working Party on Job Evaluation took place in July 1992. It comprised representatives from the five Boards, the Department, DFP (Business Development Service) and the Staff Commission of the Education and Library Boards, and its remit was to develop the detailed requirements for the introduction of job evaluation.

The Greater London Whitley Council Job Evaluation Scheme was chosen

2.12 Following discussions with the Greater London Employers' Association agreement was reached on the

implementation of a pilot exercise across the five Boards to test and calibrate the chosen system. A report on the pilot exercise was produced in January 1994, and in February 1994 the Association of Chief Executives approved the implementation of the Greater London Whitley Council Scheme (GLWC). This grade-based job evaluation scheme was formally introduced in January 1995, after negotiation with the trade unions, for all former non-manual administrative, executive, clerical, professional, and technical (AECPT) non-teaching staff, encompassing both service delivery posts, including front-line school-based staff, and administration posts in Headquarters and Outcentres. During 1995 an AECPT Staff Working Party, which included trade union representatives, met to agree procedural arrangements. The trade unions agreed not to support their members in any equal pay claims for the duration of the job evaluation exercise.

2.13 The pilot exercise had concluded that the GLWC scheme was applicable to all Board services. Its results indicated that 10-15 per cent of posts evaluated could be expected to be upgraded, with perhaps a slightly smaller percentage being downgraded and all other posts remaining at the same grade (paragraphs 2.32, 2.33, 3.3, 4.7 and 5.20). The scheme had been used for several years within local government in England and was in use in the Belfast City Council at that time.

2.14 Despite the fact that the Committee (paragraph 2.9) had recommended the establishment of a central efficiency unit, the Chief Executives decided instead that each Board would establish its own efficiency unit. We asked the Department for its views on why this approach had been adopted and were told that, whilst the Department had sought the establishment of a central unit, the Chief Executives at that time had inherited a culture within their organisations in which each regarded itself as a separate and distinct employer. There was not the perceived need to replicate structures or activities in exactly the same way within each Board and, as a result, many differences in practices emerged. In addition, a Review of Education Administration in the early to mid 1990's and possible reduction in the number of Boards led to uncertainties over structures and a resistance to a centralisation of individual employment functions prior to that review being completed.

2.15 We note that the Department had sought to implement the original joint Committee recommendation for the establishment of a central efficiency unit⁶ but was met with resistance from the Boards (paragraph 4.10). We believe an opportunity was, therefore, missed to have had objective staff inspection/ organisational reviews completed in tandem with a quicker progression of the job evaluation exercise across the Boards when the central efficiency unit was not established at the outset, as had been jointly agreed in the original Action Plan (paragraphs 2.37 and 6.2).

Implementation of the Scheme

Automatic backdating to 1 January 1995

2.16 The job evaluation scheme has been implemented across the five Boards on the basis of a rolling programme of evaluations, assessing blocks of staff in succession, in line with the perceived prioritised needs of Boards at the time.

2.17 As this meant, effectively, the creation of a job evaluation queue, it was agreed that staff should not be disadvantaged because of their place in the queue, and that any re-grading as a result of job evaluation would be automatically backdated to 1 January 1995, or the date when the post holder commenced the duties of the post, whichever was the later.

Initially, job evaluations were based, for the most part, on individual job descriptions

2.18 Initially, the scheme was implemented independently by each Board with evaluations based, for the most part, on individual job descriptions. Approximately 90 Board staff were trained as job evaluators to be used on evaluation panels as required (paragraph 5.13). This approach gave rise to concerns within the Boards about the consistency and objectivity of the scheme's application, and also about the length

⁶ Letter dated 26 October 1993 from Department to Chief Administrative Officer, NEELB.

of time that the process was taking. To address these concerns two full-time job evaluation co-ordinators were appointed in March 1997, to work across the five Boards, and in November 1997 the scheme was subject to an internal management review.

2.19 We asked why posts had been evaluated in the earlier years of the scheme using ‘individual’ job descriptions when the Committee had recommended the use of ‘generic’ job descriptions, where appropriate (paragraph 2.9). The Department told us that individual job evaluation was only undertaken where this was unavoidable, and that the majority of such cases were in administrative posts in Board Headquarters where individual job descriptions had been drawn up to suit the particular tasks to be undertaken and the organisational structure of the office or service where the post was located. NIAO notes that 83 per cent of Board Headquarters and Outcentre staff were evaluated on an individual basis (see Appendix 2).

2.20 The Department informed us that generic job descriptions were used in the evaluation of the majority of library service posts and school based posts, including 6,795 classroom assistants. Of the 12,236 former non-manual posts evaluated in the period January 1995 to 31 July 2006, some 10,104 were evaluated using generic descriptions. In addition, since 1997 and the introduction of the Single Status Agreement (paragraph 2.27), all 16,479 former manual posts have been evaluated using generic descriptions. The Department told us that, in the context of the total number of posts evaluated within the overall job evaluation exercise since 1995 to date, i.e. both former manual and former non-manual posts, only five per cent have been evaluated using the individual approach.

2.21 The Department told us that the individual approach was only used where it was unavoidable and there was no alternative and that, at this stage of the exercise, it was still assumed, through the results of the pilot exercise, that the financial impact could be contained within current allocations. However, we cannot accept that this approach was unavoidable and we consider that the potential problems should have been foreseen and the importance of generic descriptions for Board Headquarters and Outcentre posts appreciated. We consider that the use of individual job descriptions at the start of the process, while not substantial in the context of the overall job evaluation exercise, set back progress on the overall implementation simply because job evaluation on that basis was slow and time consuming when compared to the generic approach, and a number of these individual posts (671) remain to be evaluated (paragraph 2.24). This also made it difficult to plan and control the financial impact of the scheme right from the outset (paragraphs 2.26 and 5.22).

The Department/Boards commissioned an Internal Review of the strategic and operational issues of the Scheme resulting in the adoption of generic job descriptions and the establishment of a central efficiency unit

2.22 In view of difficulties arising from the initial arrangements in implementing job evaluation, particularly the time commitment to evaluate posts and inconsistencies between Boards, the Chief Executives’ Working Party decided to commission an internal review of the strategic and operational issues of the scheme. This review reported in November 1997 and resulted in the adoption of generic grade-related job descriptions as the main basis of evaluations, and the extension of the co-ordinators’ appointments to June 1998. It also led to the establishment, in 1999, of a Central Management Support Unit (the Central Unit) to oversee the implementation of the job evaluation exercise in order to ensure objectivity, consistency and equity of treatment across all Boards, and to develop an efficiency programme for Boards, based on ‘Best Value’ principles. This was a return to the original 1992 recommendations of the Committee for a central efficiency unit (paragraph 6.2).

2.23 A further review of the operation of the job evaluation exercise by the Central Unit, shortly after it was established, resulted in the appointment of a full-time job evaluation officer (JEO) in each Board with responsibility for co-ordinating job evaluation within that Board. These five Board officers, together with an officer from the Central Unit, assumed responsibility for all subsequent job evaluations. Each job evaluation panel is made up of the Central Unit representative, the Board's JEO, and the JEO from another Board. The use of this small, dedicated team of skilled experts brought a more focused approach to the job evaluation exercise and greater consistency. The 90 Board personnel, appointed and trained under the initial arrangements to carry out job evaluations alongside their normal duties, are now used to sit on appeals panels.

The individual based approach has been retained for some posts

2.24 The Central Unit developed the generic grade-based approach to the job evaluation exercise recommended in the 1997 review. Trade Union Side, whilst agreeing to the generic approach being used for the preparation of job descriptions for all school based and library staff, would not agree to its adoption for former non-manual Headquarters and Outcentre posts, for which evaluation on an individual post basis had already commenced. Management side eventually agreed that these particular outstanding Headquarters and Outcentre posts would continue to be processed on an individual basis (paragraph 4.5).

2.25 We asked the Central Unit whether one approach was likely to be less costly, in salaries and wages terms, than the other. They told us that the generic approach is cheaper to administer compared to the individual approach, but in terms of salaries and wages costs they considered that the generic approach was as accurate, and therefore not any less costly, than the individual approach. Under the generic approach, well over 90 per cent of posts in the Library Service were upgraded, and nearly all former manual staff were evaluated at a grade higher than their existing grade. The Central Unit considers that both approaches are equally reliable in producing the right grade. DCAL told us that the independent review by the Association of London Government (ALG) in September 2001 accepted the application of the scheme in relation to the evaluation of

the Library Service posts as '*reliable, robust and rigorous*' and accepted the '*generic job documentation as a reliable description for the work required for those employees*'.

2.26 The Central Unit told us that, for school-based and former manual posts, the generic approach has the advantage that there is no need to draw up an individual job description each time, or for a panel to meet and conduct an evaluation. It also avoids the lengthy and complex appeals process which significantly delayed progress on the individual based approach. Consequently, it considers it to be quicker to administer. It also told us that the generic approach has a further advantage over the individual approach in that its job descriptions all come with a price tag and management are thereby afforded an idea, in advance, of the cost implications (paragraph 5.22). It pointed out that for Headquarters and Outcentre posts, as well as some library posts, the need still exists for an 'individual' job description to be drawn up to make comparisons with the generic documentation and characteristics.

The Single Status Agreement extended job evaluation to a further 17,600 posts

2.27 In 1998, a National Joint Council for Local Government Services (NJC) Single Status Agreement was reached which merged the negotiating Councils representing former non-manual and former manual workers. This agreement required the harmonisation of conditions of service for administrative staff and manual workers, and resulted in an additional 17,600 former manual posts (including school caretakers, cleaners and ground maintenance workers) becoming eligible for job evaluation.

2.28 The existing GLWC evaluation scheme did not take account of the different nature of these posts and, following negotiations between management side and the trade unions, the Greater London Provincial Council Scheme (GLPC), a revised version of the GLWC scheme, was agreed on a 5-Board basis to meet the needs of the Single Status Agreement. This scheme was adopted in preference to the alternative National NJC Single Status scheme (the National scheme). This decision was linked to the effective use of resources. If the National scheme had been introduced it would have been necessary to

re-evaluate many former white collar posts across the Boards. Also, the GLPC scheme, as an enhanced version of the GLWC scheme, provided a 'points to grading' relationship. The National scheme did not provide this relationship, and employers were, therefore, required to develop their own.

2.29 NIAO recognises that the successful negotiation and implementation of the Single Status Agreement using the GLPC scheme was a major achievement by the Boards and the Department, and was ensured by learning the lessons of the earlier job evaluation exercise and taking a fresh approach in a more centralised and planned basis. We understand that the Boards were some of the first public bodies, both in Northern Ireland and Great Britain, to actually address this challenge and, through being at the forefront of successfully taking the process forward, were used by other bodies as an example of best practice. The issue of addressing equal pay obligations under the Single Status Agreement is one that public bodies across the UK are still grappling with.

2.30 The evaluation of the former manual posts has been more easily managed because generic job descriptions already existed for most of these posts. The vast majority of former manual posts have now been evaluated with only specialised individual posts still outstanding (paragraph 4.2). Any arrears due on job evaluation for former manual workers are backdated to 1 January 2002.

The implementation of the Greater London schemes does not result in the award of London pay rates

2.31 The Department has pointed out that the Boards, in applying the GLPC and former GLWC schemes, are not implementing London pay scales. The relevance to London is that, in implementing the GLPC/GLWC schemes, the job evaluation points and grades would be similar to those applying in London, but not the pay scales. It added that pay points applying in the Boards do not, therefore, include London allowances.

Impact of the Job Evaluation Exercise on Staff Grading

Over half of former non-manual staff were upgraded on evaluation

2.32 The Department pointed out that the purpose of job evaluation is to ensure that pay decisions are taken in a way that ensures that jobs of equal value receive equal pay. As Figure 1 below shows, in the case of former non-manual staff, the job evaluation exercise has resulted in the upgrading of over half (56 per cent) of the posts evaluated, significantly more than the 10-15 per cent upgrading predicted in the 1993 pilot exercise. For 41 per cent of the posts evaluated the grades remained unchanged, whilst 3 per cent were downgraded. When the former manual staff figures (paragraph 2.38) are added to these percentages, it shows that more than 89 per cent of Board staff have had their posts upgraded.

Figure 1: Impact of job evaluation on grading of former non-manual staff*: January 1995 - July 2006

Total no. of posts evaluated	No./% of posts Unchanged	No./% of posts Downgraded	No./% of posts upgraded by one grade	No./% of posts upgraded by more than one grade
5,441 [^]	2,251 (41%)	154 (3%)	2,832 (52%)	204 (4%)

Source: Boards

* includes Headquarters and Outcentre/schools/library/and Further Education College staff

[^] this total does not include 6,795 classroom assistant posts that have been evaluated but the outcome not released to staff (paragraphs 1.6 and 2.20)

2.33 We asked the Department for its views on why more than half the former non-manual posts had been upgraded, when the original pilot exercise had indicated that upgradings would be of the order of 10-15 per cent. The Department pointed out that the pilot exercise was based on the examination of only 80 posts, not the 103 originally intended, of which 18, representing 22.5 per cent of the sample were upgraded. While recognising that the number and range of posts looked at was too small for results to be extrapolated across all the services with reliability (paragraph 5.20), it contends that the purpose of job evaluation is about ensuring that jobs of equal value receive equal remuneration, and not about setting quotas for the percentage of staff that should benefit.

2.34 Appendix 3 provides further details of grading changes across each of the five Boards following job evaluation. It shows that, while 63 per cent of former non-manual staff in the Western Board have been upgraded, 48 per cent were upgraded in the North Eastern Board.

2.35 Further analysis of the grading changes by sector is provided at Appendix 4. In considering variances between Boards we noted, for example:

- while 99 per cent of former non-manual staff in the Library Service sector in the Belfast Board were upgraded by one or more grades, 76 per cent were upgraded in the South Eastern Board; and

- in the Headquarters & Outcentre sector, while 61 per cent were upgraded by one or more grades in the Western Board, 32 per cent were upgraded in the Southern Board.

2.36 We asked the Department to explain why there should be such wide variations between Boards, and were told that the differences could be explained by the fact that each Board is a separate autonomous employer, different organisation and management structures exist in each, and there is not always a common approach adopted in terms of numbers of staff. Hence there would have been different starting points for job evaluation in the different Board areas, with pre-existing variations in the terms and conditions of rates of pay for various groups across the five Boards. In respect of the overall impact on grading of former manual staff, the Department pointed out that the outcomes across three of the five Boards were very close and only differ by between three and four per cent. The outcomes between the other two Boards also only differ by one per cent. The Department and the Boards have been addressing the different approaches in Boards through the Best Value fundamental reviews of services, which include analysis of staffing complements. Whilst such reviews have been conducted informally since 1999, the Department has made these a statutory requirement on Boards since 2003.

2.37 While we note the Department's explanation, we consider that education and library services, by their nature, should be delivered consistently across all Boards. This should be reflected in unit costs of administration and service delivery. Any significant variations between Boards should have been challenged by the Department. We believe that had a central efficiency unit been set up, as originally planned, this would have facilitated the Department in carrying out its responsibility for monitoring the comparative productivity and efficiency of each Board (paragraph 6.10). We also consider that the wide variation across the Boards cannot fully be explained by the Department's views.

Nearly all former manual staff were upgraded on evaluation

2.38 In the case of the former manual staff, nearly all posts (16,479) were upgraded on job evaluation. This included a group of 694 staff in one area who were upgraded by a minimum of 15 scale points which represented a minimum annual salary increase of £6,273. Overall, a total of 1,533 staff received a minimum increase of eight scale points placing them on salaries at least £3,078 higher.

2.39 We asked the Department if it was satisfied that virtually all former manual staff posts needed to be upgraded. The Department told us that this outcome was widely predicted, not only within the Boards, but also nationally. It also told us that it is widely accepted that former manual staff enjoyed inferior terms and conditions of employment, including wages, when compared to former non-manual staff. Consequently, when subjected to the same job evaluation as used for former non-manual staff, it was inevitable that widespread increases would occur.

Concerns were raised about the misuse of the scheme in relation to the role of the South Eastern Board's management in re-evaluating posts in its Payroll Section

2.40 During the course of our examination we became aware of on-going issues relating to the job evaluation

of payroll staff in the South Eastern Board. Most payroll posts within the Board were evaluated in 1996. Special arrangements were subsequently agreed with management for the re-evaluation of posts in the Payroll Section in May 2003. The results of these re-evaluations were all appealed, resulting in the original decision of the re-evaluation panel being overruled and posts upgraded. See Appendix 5 for details.

2.41 We note that the chairperson of the re-evaluation panel went on record, in February 2004, in expressing concerns about the South Eastern Board payroll staff appeals decisions. He perceived, in particular, "*a clear and unequivocal expectation, indeed determination on the part of management to obtain a successful outcome. This was evident in all the documentation presented and in the absence of any support for the decisions taken by the original evaluation panel*". In light of this the chairperson believed that "*the scheme is being misused, and its application should be urgently reviewed*".

2.42 We understand that, most unusually, a senior member of the South Eastern Board management team, at the Board management's request, acted as representative for the appellant in all of the salaries and wages formal appeal cases. One Trade Union, however, told us that, in its view, the job evaluation appeals process should not have any limitations as to who should or should not represent individuals or groups at an appeal.

2.43 A total of some £269,190 (ranging from £570 to £32,016 per person) has been paid in arrears to the South Eastern Board payroll staff who were uplifted on re-evaluation. Arrears were back dated to 1996 for those staff whose posts were originally evaluated at that time.

2.44 We also understand that Belfast Board have recently directed the Central Unit to read across the South Eastern Board payroll staff uplift to its payroll staff, whilst the other three Boards have decided not to read this across. The Department told us that the situation differs from board to board. For example, the Southern Board had prepared its payroll job descriptions before the South Eastern Board, and the then South Eastern Board Chief Finance Officer advised, on seeing those job descriptions, that his staff had different responsibilities and therefore drew up alternative job descriptions.

2.45 We asked the South Eastern Board to explain their approach. They have provided us with a detailed response (see Appendix 6), undertaking to ensure that procedures are implemented to prevent a similar situation arising in the future.

2.46 We asked the Department for its views on this specific case and were told that, given its role with regard to the job evaluation scheme (paragraphs 2.2-2.3), it would not have been aware of the circumstances that surrounded this particular aspect of the job evaluation exercise.

NIAO Conclusions and Recommendations on the re-evaluation of South Eastern Board Payroll Section posts

2.47 We are concerned at the allegations regarding the role of the South Eastern Board management on the final decision to uphold the appeal by payroll staff for uplift. We understand from the Central Unit that these particular appeals were exceptional in a number of ways. They were the most complex appeals within the history of the operation of the scheme, and they were also the only appeal hearings to involve a senior management team member representing the appellant.

2.48 The Department has noted the South Eastern Board's comments and its assurance that procedures will be implemented to prevent a similar situation arising in the future in relation to the involvement of senior management in presenting an appeal. NIAO recommends that guidance on the implementation of the job evaluation scheme be revised to incorporate such a requirement, and issued to all five Boards.

PART 3: Job Evaluation in the Library Service

DCAL assumed responsibility for the Library Service in 1999

3.1 Job evaluation in the Library Service commenced in May 1999 with the development of grade-related generic job descriptions for all non-professional posts. The exercise was extended to professional posts based on a similar generic basis. Some 800 Library Service staff in total were affected, with around 720 of these in the professional and non-professional grades. The remaining 80 former manual staff employed by the Library Service have been evaluated in a separate exercise. Most of the professional and non-professional librarian posts were evaluated on a generic basis. The grades above administrative officer were evaluated on an individual basis because the uniqueness of these posts made the generic approach inappropriate.

3.2 DCAL assumed responsibility for the Library Service from the Department of Education and inherited the Education and Library Board's funding allocations for the public library service on devolution of powers of government to the local Northern Ireland Assembly in December 1999. However, DCAL stated that it was not until June 2000 that it was made aware of the job evaluation exercise.

DCAL queried why over 90 per cent of Library Service posts were upgraded on evaluation

3.3 The job evaluation exercise resulted in the upgrading of 92 per cent of the professional and non-professional Library Service posts. DCAL asked the Boards why this had happened, given that the 1993 pilot exercise had predicted that only 10-15 per cent of posts were likely to be upgraded. The Boards' Chief Librarians told DCAL that the apparent discrepancy could be explained by two factors:

- the pilot exercise, which was carried out for the Boards as a whole, focused on grades rather than services, with the result that while the outcome of the pilot may be valid for a grade it was not necessarily valid for a specific service such as the Library Service; and

- posts in the Library Service were effectively undergraded because prior to 1995 there was no system of job evaluation, and grades were largely dictated by resource constraints.

3.4 The Chief Executives of each of the five Boards, in their role as Accounting Officers for the Library Service, told DCAL that they were content that the job evaluation process had been applied properly. DCAL told us that the independent report by the Association of London Government supported the Boards' view and validated the application and outcome of the evaluation methodology. We note these views and the two factors put forward by the Chief Librarians as justifying the high level of posts upgraded. However, NIAO considers that the argument put forward is weak and does not prove the case for the 92 per cent of posts upgraded. DCAL told us that the original pilot exercise did not include the Library Service and that had this been the case, particularly within the lower generic grades, it would have been apparent that there was considerable scope for large scale uplift of grades and consequently salaries, particularly as this related to a predominately female and part-time workforce.

DCAL questioned the Boards on the scope for greater efficiency/value for money arising from the evaluation exercise

3.5 DCAL also asked the Boards where the scope for greater efficiency or value for money resulting from job evaluation in the Library Service would occur. The Boards commented that *"although the staff may become more expensive as a result of the job evaluation exercise they would be more flexible in the way in which they can be deployed, and that this aspect of the job evaluation exercise was a conscious consideration by the Chief Librarians in order that they might better utilise their staff in a more efficient and effective manner in future"*.

DCAL made a successful bid for £30 million to fund the job evaluation exercise in the Library Service

3.6 DCAL calculated that it would require additional funding of some £30 million - £10 million in arrears

payments and additional costs of around £2 million annually for 10 years - to implement the job evaluation exercise in the Library Service. A successful bid for ring-fenced funding was made in June 2001 to DFP on this basis⁷ (paragraph 5.12).

DCAL commissioned a review of the job evaluation scheme

3.7 DCAL commissioned a review of the job evaluation scheme by the Association of London Government (ALG) to satisfy itself that the scheme had been properly applied prior to submitting a bid for additional funding to DFP. The report by the ALG in September 2001 validated the application and outcome of the evaluation methodology⁸.

3.8 However, ALG noted that, its own review for DCAL aside, no external validation of the scheme had originally been planned by the Department of Education and the Boards. Their review concluded that the absence of planned external validation of the generic approach for an exercise of this magnitude was an omission.

3.9 ALG also noted that the overall exercise resulted in a higher proportion of upgraded posts than might have been expected and that major financial implications had arisen as a result of both this outcome and the timescale involved in applying job evaluation to the Library Service staff. Their review concluded that the absence of forward financial contingency planning based on projected job evaluation results was also an omission. It recommended that such action was required to accommodate the potential financial implications of the extended timescale. It also recommended that financial data be prepared for future reviews based on projected and actual evaluation results.

⁷ DCAL: The Implementation of Job Evaluation in the Public Library Service, June 2001

⁸ Association of London Government: Independent Review of the Public Library Service Job Evaluation - Department of Culture, Arts & Leisure, September 2001.

DCAL was concerned at the Boards' failure to alert it to the financial implications of job evaluation

3.10 Following a note to the DCAL Appropriation Account 2000-01 in relation to job evaluation in the Library Service, DCAL wrote to the Boards in March 2002 to highlight its concern that they had not taken action to assess, and draw attention to, the likely financial impact of the job evaluation exercise on the Library Service at a much earlier stage.

3.11 DCAL pointed out to the Boards that, when it became clear in 1997 that the exercise was going to take a number of years to complete, they should have appreciated that there was at least the possibility of substantial costs for the Library Service in view of the agreement to backdate increases in pay, as a result of upgrading, to 1 January 1995, and that they should have assessed the scale of those costs and advised the Department how they proposed to manage the situation. Another of its concerns was that the Boards, having alerted DCAL in June 2000 to the likely financial consequences of the job evaluation exercise, did not confirm until March 2001 that they were unable to meet the pressure, and did not provide the detailed information and arguments to support a bid for additional resources until requested to do so by DCAL.

3.12 Following its successful bid for funding, allocations were made by DCAL to the Boards on a rolling basis, when the actual arrears and implementation costs were known for each group of individuals. This was to enable DCAL to examine specific cases in order to make a judgement as to the appropriateness of the level of resources being sought by Boards.

Staffing levels in the Library Service

The obligation on the Boards to continue with their job evaluation of existing library staff, precluded delaying the exercise for any review of staffing levels by DCAL

3.13 In DCAL's June 2001 submission to DFP, outlining its case for additional funding, it anticipated a review of the Library Service to look at its future direction and configuration. It was expected that this review might

result in proposals for changes in staffing levels. However, DCAL considered that the urgent need to address the outcome of the job evaluation exercise for existing staff would preclude delaying the exercise until the review was concluded. In addition, it considered that there were too many uncertainties associated with the possible outcomes of the review, with regard to staffing levels, to attempt to account for them in the job evaluation exercise. DCAL informed us that the Boards proceeded with job evaluation in accordance with the 1995 agreement, and that this process could not be stopped no matter what the outcome of the review, as staff, including former staff, were entitled to evaluation and arrears, where appropriate, backdated to 1995. In the event, DCAL's report on the review of the Library Service⁹, which issued in December 2002, did not comment on staffing levels. It did, however, recommend that DCAL should commission a full thematic review of public library service staffing under the 'Best Value' structure. Such a review would provide the basis for a meaningful manpower plan to cover the period 2004-2010.

3.14 DCAL has informed us that, in response to this recommendation, the Association of Chief Librarians (NI) requested that the Central Management Support Unit for the Boards undertake a Public Library staffing study. A draft report was produced in September 2004. This report, however, was not completed as the Chief Librarians considered some of the recommendations to be unrealistic. The Boards have since been carrying out their own staffing/organisational reviews. We have been informed that a substantial amount of work has already been undertaken by Boards, as part of their reviews, to streamline services, with a restructuring of staff resources to front line services and in some cases the closure of smaller underused libraries, and that these internal reviews have had a consequential reduction in the overall staff complement. In some Boards the reviews are ongoing.

⁹ Department of Culture, Arts and Leisure: *Tomorrow's Libraries: Views of the Public Library Sector, December 2002.*

DCAL has yet to satisfy itself about staffing levels in the Library Service

3.15 We asked DCAL if, in funding the job evaluation exercise, they sought an offsetting contribution by the Library Service by way of efficiency and productivity savings and a review of staffing levels, as recommended in its Library Service review report of December 2002. DCAL told us that the Library Service, as with the other services it funds, is subject to annual pressure to contain running costs within existing allocations, and that while it would expect the Boards to review the staffing levels of the Library Service to ensure that they were not excessive, it has not sought to confirm that this was the case. It commented that, under current Government pressure on pay costs, they are now expected to satisfy themselves about the staffing levels in all the services that they fund, including the Library Service.

3.16 DCAL has informed us that the recommendation to undertake a major review of Library Service staffing was overtaken by the decision in 2005 to move to a new Northern Ireland Library Authority (paragraph 1.9). To prepare for this change, DCAL will be commissioning, in 2007, a study of senior and middle management staffing requirements for the new Authority. The Chief Executive of the Library Authority will be asked, once the Authority is fully operational, to consider whether a full staffing review is required and, if so, to indicate the timescale.

NIAO Conclusions and Recommendations on job evaluation in the Library Service

The action by DCAL to validate the application and outcome of the Greater London scheme in the Library Service is commended

3.17 We agree with the ALG's conclusion that the absence, from the outset, of provision by the Department and the Boards for the external validation of the Greater London scheme was a significant omission. We commend the action taken by DCAL to validate the application and outcome of the scheme's evaluation methodology in the Library Service.

3.18 We note that the Department has not extended this validation to include all other Board non-teaching staff covered by the Greater London scheme. The Department told us that it accepts that further assurance about the scheme would be appropriate in normal circumstances but indicated that, with the Boards due to be wound up at the end of March 2008, its focus is firmly on ensuring that there are appropriate structures in place in the new Education and Skills Authority and that learning from the application of job evaluation in the Boards is carried through into the practices of that new body. However, it also pointed out that, while the ALG review specifically examined application of the Greater London scheme in the Library Service, the scheme was specifically chosen to cover all education and library posts in the Boards. The arrangements set in place by the Boards by way of training and application of the scheme were consistent across the range of services, hence education posts were evaluated on the same basis as library posts. We asked the Department whether they were confident that a further job evaluation exercise would not be required as a result of restructuring and the establishment of the new single authority. It told us that it was assured that the wholesale re-evaluation of posts should not be required. It also told us that the job evaluation scheme currently in place was designed so that it would retain the validity of most of the evaluations carried out to date and has, in fact, left the Boards in a much better position to move into the new Authority than would have been the case had the scheme not been implemented. While there will always be the need for new evaluations as a result of new and significantly restructured posts, in general, the current scheme was capable of being sustained on a “maintenance and review” basis.

DCAL needs to satisfy itself that staffing levels in the Library Service are not excessive

3.19 DCAL has exercised the role expected of it on inheriting the Boards’ job evaluation scheme and the consequential funding pressure in relation to the Library Service. It has challenged and sought assurances from the Boards on their implementation of the job evaluation exercise in the Library Service. It needs, however, to satisfy itself that, not only are appropriate grading standards set, but also that only essential work is done, that the Library Service operates on a sound and economic basis, and the staff numbers are adequate but not excessive (paragraphs 6.9-6.12).

Staffing levels

3.20 DCAL has informed us that as it moves towards the establishment of the new Northern Ireland Library Authority, as a consequence of the recent Review of Public Administration in Northern Ireland, a study will be undertaken in 2007 to inform the senior and middle management staffing requirements for the new Authority (paragraph 6.12). It told us that, while it will not necessarily set controls on the number of staff to be employed in the Library Service, it will set conditions on the approval of grant linked to targets and to standards of service delivery. It has recently published a new Policy Framework for the Public Library Service which sets out guidance and direction for a modern library service which meets people’s needs and provides best possible public value within available resources.

PART 4: Operational Management of the Job Evaluation Scheme

4.1 This part of the report examines the operational management of the job evaluation process, including the reasons for the long delay in completing the scheme's implementation. It also considers the scheme's continuing relevance and appropriateness.

The timescale for implementation of the scheme has been very long

The job evaluation exercise is still not fully completed

4.2 A period of twelve years has elapsed since the scheme formally commenced on 1 January 1995 and the job evaluation exercise remains to be fully completed. The Department has informed us, however, that the job evaluation exercise is virtually complete apart from a few exceptions. Of the 12,907 former non-manual posts requiring evaluation, 12,236 (some 95 per cent) have been completed; and of the 17,603 former manual posts requiring evaluation, 16,479 (some 94 per cent) have been completed. However, among these 16,479 former manual posts, 3,654 cleaner posts, involving one generic job description, may require further evaluation as a consequence of an instruction of an appeal panel that ruled that the post should be considered again in the light of further information to be supplied by Trade Union Side. In addition, of the 12,236 former non-manual posts that have been evaluated, the subsequent pay negotiations linked to 6,795 classroom assistant posts, covered by three generic job descriptions, have yet to be accepted by Trade Union Side. At the end of July 2006 there were a total of 1,795 job evaluations outstanding - 671 former non-manual posts and 1,124 former manual posts (see Appendix 7 for details).

4.3 The Department told us that the full implementation of the Job Evaluation Scheme is being delayed by a number of factors:

- some posts have not been evaluated as the staff involved are not returning their completed documentation to enable the necessary evaluations to take place;
- a small number of staff in the Library Service have refused to complete the necessary documentation, citing disagreements with their line managers over matters of factual detail. The

Boards have agreed an arbitration method under the auspices of the Labour Relations Agency to determine any outstanding factual issues so that closure can be brought to this particular exercise; and

- while job evaluations have been completed for 6,795 classroom assistants (the last group of school-based staff that has been evaluated) (paragraph 5.11) final agreement by Trade Union Side remains outstanding on the subsequent pay awards for this group. We understand that there have been protracted discussions on this group, between the employers and the trade unions, with input from the Labour Relations Agency.

The Department has, since 2001, taken action to monitor progress more closely

4.4 The Department informed us that, from December 2001, it has required the Boards to provide regular updates on progress. It also told us that it is continuing to impress upon the Boards the need to resolve all outstanding issues as quickly as possible and that regular meetings for this purpose are held between the Department and the Boards' Central Unit. The Boards have provided updates to all affected staff apprising them of the latest position and advising that they are giving this matter top priority. The Boards have further advised the Department that regular updates on job evaluation were made by the Central Unit to the Association of Chief Administrative Officers (ACAO) and that specific briefings were also provided on a regular basis to the Chief Executives. In addition, the Inter-Board Services Manager in the Central Unit, who has overall responsibility for job evaluation, is also Secretary to the ACAO and a member of the Southern Board's Senior Management Team, as well as an ex officio member of the five Board Human Resources Managers' Group. These activities ensured regular briefings across a range of Human Resource issues including job evaluation and are confirmed in the minutes of the respective meetings.

The retention of the individual based approach for some staff has contributed to the long timescale for completion of the evaluation exercise

4.5 We note that one underlying factor that has contributed to the delay in completion of the job

evaluation exercise, for some miscellaneous groups and individual cases, was the decision taken in 2002 that the remaining posts in Headquarters and at Outcentres should continue to be evaluated on an individual basis as opposed to the generic approach introduced for school-based and library staff. The Department told us that the reason for the decision to retain the individual based approach for the relatively small number of staff involved was that it was not possible to agree an alternative with the Trade Union Side.

The absence, at the outset, of a timeframe for completion of the job evaluation exercise has contributed to the long timescale

4.6 We asked the Department why the implementation of the job evaluation exercise was not controlled within a timeframe from the outset. It offered the following reasons why it was not feasible to set such a timeframe for completion of the exercise:

- the process was complex and entirely new to the Boards;
- it was accepted with Trade Union Side that it would be a lengthy exercise and that while some posts would be evaluated immediately others would inevitably have to wait in a job evaluation queue;
- training in the required procedures and techniques needed to be built up over time;
- there were over 10,000 former non-manual staff involved initially in the exercise over the five Boards, each of which is a separate and autonomous employer;
- staff jobs had never been evaluated since the formation of the Boards in 1972; and
- in many instances there were no job descriptions which would largely have to be completed on an individual, case by case basis before evaluation could commence.

4.7 The Department told us that the pilot exercise also identified that phasing-in of the initial scheme would have the effect of spreading the additional cost of up-gradings over a number of years. The implementation arrangements

that were put in place reflected the fact that the Boards were required to cover job evaluation costs from within their own resources. These arrangements allowed for the delivery of job evaluation over a period of time so that Boards would be able to absorb costs without the major disruption which would occur where large cohorts of staff were evaluated simultaneously through a fast-track scheme.

4.8 The Department also informed us that the Boards were not sufficiently resourced at the time to implement the exercise within a short timeframe and that the expediting of the overall exercise would have required a much greater investment of resources devoted to carrying out evaluations. Progress was delayed by what became a case by case, individual by individual basis for each job assessment, contested through a high percentage of time consuming appeals.

4.9 The Department told us, however, that for the majority of staff under the job evaluation exercise - i.e. school-based staff evaluated on a generic basis during the period 1999 to 2002, library staff and former manual staff evaluated under the Single Status Agreement - there were controlled timescales agreed and challenging targets set. During implementation there were operational reasons why some of these challenging targets were not met.

4.10 The Department also pointed out a number of events after implementation in 1995 which contributed to the long time span for the exercise many of which were exceptional and could not have been foreseen, for example:

- the Boards' resistance to the establishment of a central co-ordinating unit due to the Review of Education Administration in the early to mid 1990's with the possible reduction in the number of Boards, and uncertainty over structures;
- the need to switch priority to the evaluation of all Further Education (FE) staff (700) prior to FE incorporation in 1998;
- the term time dispute involving the terms and conditions of staff who were temporarily 'laid off' and not paid during periods of school closure (for example, classroom assistants);

- the need to evaluate an additional 17,603 former manual staff, which only became necessary as a result of the nationally agreed Single Status Agreement in 1998;
- long drawn out negotiations with a range of trade unions; and
- an appeals process which, in practice, was complex and lengthy.

The Boards offered broadly similar explanations when we asked them for the reasons for the long delay in implementing the scheme (see Appendix 8 for details).

NIAO conclusions on the delay in completing the implementation of the Scheme

The Department should have managed the scheme within an agreed timeframe from the outset

4.11 We acknowledge that there were a number of factors, as outlined at paragraph 4.10, which impacted on the completion of the job evaluation exercise. Nonetheless, we feel that the timescale has been far too long. We consider that the job evaluation exercise should have been managed from the outset in the context of an agreed timeframe with clear lines of responsibility established for completion within that timeframe.

The Scheme has been implemented during a climate of uncertainty, change and financial stringency

4.12 The job evaluation scheme has been implemented in organisational structures for the administration of education in Northern Ireland which have, over the years, been under consideration for review and rationalisation by successive governments. As part of the recent Review of Public Administration in Northern Ireland, the existing 5-Board structure is to be replaced by a single education authority. The implementation of the scheme has also coincided with a period of financial stringency, as well as a period of rapid change in the provision of services. The Boards told us that, as a consequence, they have been forced to delegate responsibility further down into their organisations and that this has resulted in these additional

responsibilities being reflected in job descriptions which, when evaluated, result, at times, in higher grades.

Job Evaluation Schemes should be Fit-For-Purpose

4.13 We consider it important that in the case of long-running job evaluation exercises, such as this, appropriate steps are taken to ensure that the scheme being used continues to be fit-for-purpose.

Overall NIAO Conclusions on the Operational Management of the Scheme

A lack of firm management and control, in the initial years of the scheme, has contributed to the delay in its completion

4.14 In NIAO's view there was a lack of firm management and control by the Boards, and the Department, in the initial years of the scheme's implementation. The Department accepts that progress was slower in the early years and could be regarded as lacking a degree of management and control. It told us that it acknowledges the shortcomings in the early years and has put in place systems to address those. We consider that failure to implement key recommendations of the Joint Committee's agreed Action Plan, from the outset, represented a major missed opportunity for approaching the earlier implementation of the job evaluation scheme in a more centralised, planned and timely basis.

4.15 Contained within the original set of recommendations made in the agreed action plan was the concept of a centralised unit to oversee the scheme, in order to ensure objectivity, consistency and equity of treatment across all Boards, and to develop an efficiency programme of staff inspections and organisational reviews for Boards. However, this Central Management Support Unit was not formed until 1999.

4.16 Similarly, the use of grade-related job evaluations based on generic job descriptions, as originally recommended, was not adopted as the main basis of evaluations until 1999. This original recommendation had been based on the experience gained by the Northern Ireland Housing Executive and Belfast City Council in implementing their job evaluation schemes.

4.17 These missed opportunities were eventually recognised following the internal management review of the scheme in 1997 and the necessary steps were subsequently taken in 1999, four years after the commencement of the exercise, to set the scheme on a sounder basis.

4.18 The Department has pointed out that the job evaluation exercise was a novel and highly complex exercise and that many lessons were learnt and appropriate action taken as the process evolved and matured. We accept that this was the case to some extent, but it was not new to Northern Ireland. Indeed discussions were held with the Housing Executive and Belfast City Council to learn from their experience (paragraph 2.8). However, the failure to take on board, right from the start of the process, the recommendations in the original action plan and also the lessons identified by other bodies meant that implementation of the job evaluation exercise has been slower and its outcomes less defensible than would otherwise have been the case.

PART 5: Financial Management of the Job Evaluation Scheme

5.1 This part of the report examines the costs of the job evaluation exercise, how it has been funded, to what extent the scheme's financial impact has been quantified and whether it has been contained within a controlled, affordable financial package.

Implementation of the job evaluation scheme has protected the Boards and the public purse from potentially costly equal pay claims; however, the actual cost of the scheme is not known

5.2 Although implementation of the job evaluation scheme has taken a very long time and, for former non-manual staff, resulted in significantly higher costs than originally anticipated from the results of the pilot study exercise carried out prior to the start of the scheme (paragraph 5.25), it has had benefits in terms of equal pay. There have been no equal pay claims made by non-teaching staff against the Boards since implementation of the job evaluation exercise. This is in keeping with the agreement negotiated between management side and staff side at the outset.

5.3 We asked the Department for details of the likely overall cost of the salary uplift, including arrears, resulting from implementation of the job evaluation exercise. The Department informed us that it is now difficult for the Boards to arrive at a comprehensive overall costing because of the length of time that has elapsed since commencement of job evaluation, and also the many other factors affecting pay bills. The Central Unit has advised the Department that it is not possible to provide such a figure without carrying out a huge exercise to retrieve the information. The Department acknowledges that there should have been a more robust and effective approach to costing from the outset. It told us that *“the cost in salary uplift and arrears for the majority of the staff who have been evaluated was provided through additional funding allocations from the Department/DCAL and a record of those amounts is available and provides at least an indication of the overall cost of the exercise”*. However, in NIAO's view, 'bid' information of this nature, based on forecasts, is not normally a reliable substitute for actual outturn information.

5.4 We had previously sought the same information in 2001 arising from our audit of the Department's Appropriation Account for 2000-01, and were informed that, while the Boards had provided the Department with information on the related salary costs and arrears and likely future costs arising from posts already evaluated at that time, the information provided was not complete or uniform in presentation. We were told by the Department that it was unable to predict the financial consequences of the job evaluation exercise because of the absence of a comprehensive assessment of the overall costs by the Boards¹⁰.

5.5 The Department has informed us that, since then, the Boards provided the Department with costings in respect of the job evaluation exercise for former non-manual staff and for the classroom assistants' evaluation exercise. These costings then formed the basis of the successful bids that were made to DFP and equate to almost 98 per cent of the additional funding it has provided. It also told us that it was not until the position on the respective evaluations was clear, following negotiations with Trade Union Side, that a reasonable costing could be made.

5.6 With regard to the implementation of the Single Status Agreement from 2000, which brought former manual posts within the scope of the job evaluation exercise, the Department told us that this was a highly coordinated and effective exercise with costs calculated, agreed and bid for by the Department, then dispersed to Boards, on a planned basis, for payment within a reasonable timeframe after evaluations were completed.

¹⁰ C&AG's Report on NI Appropriation and Other Accounts, 2000-01, NIA 34/01, December 2001, Session 2001-02, Department of Education Vote A: Education and Library Boards, Schools, Youth, Other Miscellaneous Services and Administration: *Job Evaluation in Education and Library Boards*.

5.7 The Department accepts that the pilot exercise that it hoped would provide a firm basis for estimating costs later proved to be flawed, and this proved a real impediment to the accurate assessment of costs. NIAO considers that it should have been clear at an early stage of the evaluation of non-manual Board staff that the costs involved in job evaluation were potentially very large indeed. In our view, the failure to ensure that there was as accurate an assessment as possible of the cost of the exercise, right from the outset, indicates that the monitoring of expenditure by both the Department and the Boards has been inadequate (paragraphs 5.20-5.25). We consider that the Department was remiss in not ensuring that the Boards kept an accurate account of the **actual** expenditure incurred on the job evaluation scheme. This would have facilitated more accurate financial planning, provision and control of the cost of the job evaluation exercise by the Department, as it rolled out, on the basis of actual spend rather than estimated costings. We also consider the absence of effective financial planning from the outset, and the inability to confirm the total cost of the scheme, to be one of the major weaknesses of the whole process.

Additional funding of £49 million, with a further £75 million in projected funding commitments, has been allocated for the job evaluation exercise over the years 2000-01 to 2007-08

5.8 In the absence of accurate and complete expenditure details, the amount of additional funding allocated by the Department and DCAL towards the job evaluation exercise gives a good indication of the costs involved. Funding totalling some **£49 million** was allocated in arrears and uplift to the Boards by the Department and DCAL for school based staff, including the former manual staff, classroom assistants, and library staff. A further **£75 million** in projected funding commitments was allocated to cover up to 2007-08 by the Department and DCAL for the completion of job evaluation - giving a total of some **£124 million** spanning a period of some twelve years from January 1995. However, this total does not include the actual job evaluation costs of 692 Headquarters and Outcentre former non-manual

staff which have had to be absorbed by Boards within their running costs and which cannot be quantified by the Department. In addition, it does not include the potential job evaluation costs of 671 Headquarters and Outcentre staff still to be evaluated.

5.9 The Department pointed out that the major portion (£75 million) of this £124 million, simply forms part of ongoing revised pay costs, and that the £49 million - the actual additional allocations by both Departments for initial uplifts and arrears - provides a truer indication of the level of additional funding provided.

Department of Education funding allocations

5.10 The Department told us that initially, based on the results of the pilot exercise, it required Boards to meet any additional costs arising from the job evaluation exercise from within existing resources. This remained the case from 1995 until 2000 and, in the case of Headquarters staff evaluated, was achieved despite downward pressure on budgets to reduce administration costs. The Department informed us that, in later years, when significant regrading became apparent and when the exercise was also extended to include former manual staff, it made a number of successful bids for additional funding to protect the levels of resources in the classroom.

5.11 The Department told us that it has made it clear to the Boards that its funding allocations have been made to protect the levels of resources in the classroom, that they are all that will be made available, and that it does not expect to fund any future costs related to job evaluations. We understand, from the Department, that the current dispute over the evaluation of classroom assistants, which has yet to be resolved, will not result in the allocation of any resources additional to the very significant sums already set aside to cover the costs relating to that evaluation. However, one Trade Union's view was that it is vital that the appropriate resources are provided to fund the job evaluation of classroom assistants in full.

Department of Culture, Arts and Leisure funding allocations

5.12 DCAL made a successful bid in 2001 for £10 million to meet the costs of arrears payments and £2 million annually for uplift costs for the job evaluation of former non-manual staff in the Library Service. A total of some £10 million in arrears and uplift costs was paid by DCAL to the Boards in the four year period 2001-02 to 2004-05. The projected funding commitment for the ongoing cost of annual uplift beyond 2004-05 to 2007-08 is set currently at around £3 million.

Administration costs of the job evaluation exercise are not known

5.13 We also asked the Department for information on the total administration costs of the exercise to date. The Department was unable to provide us with a figure but said that they have been modest, given the size of the exercise undertaken. This may well be the case with regard to the costs of employing job evaluation officers in each of the Boards (including their training costs) and a co-ordinator employed by the Central Unit. However, in our view, the cost of involving individual postholders and their line managers in the job evaluation process over the twelve year period spent implementing the scheme must be substantial. In addition, there were clearly substantial costs involved, in the early 1990s, in the training of the original 90 Board personnel, and also in the large number of appeals which have been involved.

Financial planning and control

5.14 We have already noted that the job evaluation exercise has resulted in a much higher proportion of upgraded former non-manual posts than originally expected from the 1993 pilot study exercise (paragraph 2.32). The national Single Status Agreement in 1998, which led to the extension of the job evaluation exercise to include former manual posts, also resulted in additional financial commitments although the Department told us that these commitments were predicted and were addressed by the Department through making a number of successful bids to cover the uplifted salary costs and the related arrears payments. The extent of the upgrading involved and the length of time taken to implement the exercise in the Boards have combined to produce high levels of arrears payments to staff.

Pay Arrears have been substantial in many cases

5.15 Arrears due on evaluation are being back dated to 1 January 1995 for former non-manual staff, and to 1 January 2002 for former manual staff. It was recognised by the Boards and the Department, from an early stage, that it would not be possible, in rolling out the job evaluation programme, to do anything other than deal with particular areas of the Boards' staffing at any one time, and that there would be an effective queue building up of posts awaiting job evaluation.

5.16 Consequently, the long time span in completing the job evaluation process for the number and range of grades involved has resulted in substantial pay arrears for staff. Staff who have been evaluated are properly entitled to any arrears due under the terms of the scheme.

5.17 Arrears have been particularly substantial in the case of individual former non-manual staff whose upgradings are backdated to 1 January 1995. This is illustrated by a sample of Headquarters former non-manual posts that we selected, from each of the Boards, for staff who were upgraded by more than one level on job evaluation (see Appendix 9). While some of these cases are clearly outliers they underline the scale of arrears which can accumulate over the long timescale of this exercise. It was found that arrears paid to individual staff members were, in a number of cases in excess of £20,000 and in one particular case was as much as £74,920.

5.18 As stated earlier (paragraphs 1.6, 4.2 and 5.11) whilst the job evaluations for all of the Boards' classroom assistants - some 6,795 staff in total - have been completed, agreement with Trade Union Side remains outstanding. Individual arrears payments to these staff are expected to be substantial as the effective date of any upgradings is 1 January 1995. The anticipated arrears for these classroom assistants formed part of the additional funding already provided to the Boards as a result of the Department's successful bid for funding.

5.19 The Department emphasises that the arrears paid are a proper entitlement under the scheme, reflecting its objectives to ensure that jobs of equal value are treated equally for pay and other purposes. While we accept

that a high level of arrears payments is an inevitable consequence of such a long-running exercise, we consider that there should be transparency with regard to the scale of some of the arrears that have resulted from the way this exercise has been administered.

Issues with planning for, and controlling the financial impact of job evaluation

5.20 We asked the Department how it, and the Boards, had planned for the financial impact of the job evaluation exercise from the outset so as to facilitate budgetary control and financial planning, and to ensure affordability within budgeted resources. The Department informed us that, at the outset, in addition to financial research conducted with GLWC, the authors of the scheme, a pilot exercise was conducted to provide a picture of the potential for uplift in terms of cost. In view of the outcome of that exercise, Boards were required initially to cover job evaluation costs from within their own resources and they managed the financial pressures resulting from the evaluation exercise in the first few years. This was also facilitated by the fact that initial progress on job evaluation was slow and, therefore, costs in the early years were relatively low. The Department told us that it only became evident much later that while the pilot study had concluded that some 10-15 per cent of posts could expect to be upgraded, the number and range of posts looked at was too small for results to be extrapolated across all the services with reliability.

5.21 The Department told us that when it became evident that significant regrading was required, through the course of evaluations in the Library Service and the extension of the exercise to former manual and non-manual school-based staff, it became apparent that the Boards would be unable to meet all such costs and the Department subsequently made a number of successful bids for additional funding which were based on detailed estimates, received from Boards, of the financial implications. For all Headquarters and Outcentre former non-manual staff, however, the general proposition remained that the Boards themselves would meet the cost of those evaluations.

5.22 The Department also told us that as the exercise for former non-manual staff began on the basis of

evaluating individual jobs, it was more difficult at the outset and in the early years to accurately plan and predict the financial impact. It told us that when the Single Status Agreement was agreed for former manual staff, and when generic job descriptions were introduced in 2000, it was possible to get accurate estimates of the cost implications. The Department also emphasised that the generic evaluations cover 95 per cent of the total evaluations, hence the provision of accurate costings has been possible for the majority of the staff within the job evaluation exercise.

NIAO Conclusions on Financial Planning and Control

5.23 We note that DCAL was concerned at the Boards' failure to alert them to the financial implications of job evaluation in the Library Service - they should have assessed the substantial scale of those costs and advised the Department when it became clear to the Boards in 1997 that the exercise was going to take a number of years to complete. It is clear that the Department had similar problems with the adequacy of financial information emanating from the Boards on this exercise. The Boards should have been required to brief the Department regularly, right from the outset, on progress on the job evaluation exercise, apprising them of the results of the job evaluation process on the grading of posts in Headquarters and Outcentres, the Library Service and schools, and the actual and projected costs of the exercise as it rolled out. The Department told us that it has made this a requirement on the Boards since the establishment of the Central Management Support Unit in 1999.

5.24 The inadequacy of financial information on the actual historical pay bill costs involved, underlines the serious deficiencies in financial planning and control which have existed from the start of the process. The sudden, unanticipated impact of the extent of upgrading in the Library Service, along with the extension of the job evaluation scheme in 2000 (five years after the scheme's introduction), to cover former manual school staff, led to an unplanned concentration (over a three-year period from 2001-02 to 2003-04) of sizeable bids by both the Department and DCAL on the Northern Ireland Block of Public Expenditure. Closer monitoring of the Boards' progress by the Department would have alerted it much sooner to the likely future financial commitments involved and facilitated better financial planning and control on its part, with a more measured phasing in of bids to the Department of Finance and Personnel. NIAO accepts, however, that the extension of the scheme to former manual staff could not have been reasonably predicted when job evaluation was first introduced in the Boards.

5.25 One of the purposes of the initial pilot exercise commissioned by the Boards was to provide an assessment of the additional pay bill costs of using the Greater London scheme. The conclusion from the pilot of a likely upgrading of only 10-15 per cent of posts would have indicated that the financial implications of implementing the scheme would be relatively modest. In the event, the extent of upgrading was considerably higher, particularly in the Library Service where the level of upgrading was in excess of 90 per cent (see Appendix 4), which meant that the assessment of the financial implications of applying the job evaluation scheme, as based on the results of the pilot study exercise, grossly underestimated the likely impact.

5.26 It is our view that the financial implications resulting from the unexpectedly high levels of upgrading arising from the job evaluation of former non-manual AECP&T staff in the Library Service and schools, and the financial impact of the unforeseen extension of the scheme to former manual staff in schools, contributed to the financial pressures which resulted in major overspends, in 2003-04, in two Boards which were the subject of an investigation commissioned by the Minister for Education into financial management in these two Boards¹¹.

5.27 The Department told us that there is no evidence to support this view and that the major factors contributing to these overspends were the level of expenditure on classroom assistants and special education; the impact of some schools overspending their delegated budgets; and the inappropriate accounting treatment of some items. Significant funding had been made available to all Boards for some years, specifically to assist with job evaluation, and the cost of job evaluation should not, therefore, have contributed directly to the Boards' surplus or deficit. It acknowledged that weaknesses within the financial planning and control structure operated in the Boards have already been identified and reported on¹², and that it has already committed substantial resources to implementing the recommendations arising.

5.28 However, we consider that, as the Boards have been unable to ascertain the actual costs of the job evaluation exercise there is no way of confirming that the allocations provided were adequate and covered all job evaluation costs. The requirement to provide these large, unplanned for allocations must have contributed to the pressures elsewhere in the Northern Ireland Block by pre-empting resources in the years concerned.

11 Department of Education - Report of E&LB Inquiry: Financial Management in Education and Library Boards: Belfast and South Eastern Boards, 4 April 2005

12 Department of Education - Review of Education and Library Boards' Resource Budgeting, Accounting & Financial Control, Monitoring and Reporting, April 2005.

5.29 Moreover, we note that the Inquiry Report (the Jack Report) into financial management in the **South Eastern Board** found that *“the Department has over the years taken on the provision of additional funds to pay for certain items of expenditure, for example job evaluation costs and some elements of teachers’ pay. Because of this, Board staff had not been forced to estimate the costs in detail to include in their own estimates”*¹³. The Report noted that *“There appears to have been a failure to attempt to make even crude estimates of the possible effect of pay related changes”*. The Report concluded that *“The difficulty of forecasting for services dependent on external factors, such as statementing and its associated transport, or job evaluation requiring negotiations, is not a reason for not attempting to make an estimate”*¹⁴, and that *“Closer co-operation with the Central Management Support Unit on the progress of their job evaluation could have allowed better forecasts of the end year position and assisted the determination of the following year’s budgets”*.¹⁵ The Report also highlighted the fact that *“Concerns over the re-grading and substantial arrears of job evaluation costs were expressed at a number of the Department/CFOs meetings. The Department noted that such pressures were of the Boards own making.”*¹⁶

5.30 A similar situation pertained in the **Belfast Board**. The Inquiry Report noted that *“There does not appear to have been a rigorous attempt to forecast the likely cost of ongoing policies such as job evaluation either in advance or when partially completed and some indication of the magnitude should have been available. Had this been done, action could have been taken in-year to make allowance for future costs”*¹⁷. The Report concluded that *“Such factors had a major influence on end of year carry over and on expenditure pressures in subsequent years”*¹⁸.

13 Report of E&LB Inquiry, 4 April 2005 - Part 5: SEELB findings - para D.2.8.

14 Report of E&LB Inquiry, 4 April 2005 - Part 5: SEELB findings - para D.2.13

15 Report of E&LB Inquiry, 4 April 2005 - Part 5: SEELB findings - para D.4.6

16 Report of E&LB Inquiry, 4 April 2005 - Part 5: SEELB findings - para E.1.1

17 Report of E&LB Inquiry, 4 April 2005 - Part 4: BELB findings - para D.3.7

18 Report of E&LB Inquiry, 4 April 2005 - Part 4: BELB findings - para D.5.6

PART 6: Job Evaluation Costs and the Drive for Efficiency Gains

Staff Inspection/Organisational Review was originally expected to run parallel with job evaluation

6.1 It was recognised by the Department, at the outset, that there would be limited value in Boards establishing a formal job evaluation system if there was no means of determining whether or not staff numbers were appropriate and that only essential work was undertaken in the most efficient and effective way possible.

6.2 It was also envisaged that a central efficiency unit would be established, at an early stage, with responsibility for the ongoing development and application of staff inspection and job evaluation procedures within Boards. This did not happen. The Central Unit was not set up until 1999, after the management review of the scheme in 1997, and has no role in carrying out specific staff inspection/organisational reviews directly in support of job evaluation. The Department told us that the Central Unit has only six staff to cover fundamental Best Value reviews, trade union negotiations on terms and conditions of employment and job evaluation, as well as a range of other activities. However, the unit has been overseeing the implementation of job evaluation in the Boards and has played an important role in this work. NIAO recognises that the unit was responsible for a marked improvement in the handling of this exercise. Indeed, the Department pointed out that they have now built up a level of skill and expertise that is in much demand right across the public sector here and that they are sharing that expertise and their own experiences of job evaluation in the Board context and more widely.

There has been no specific staff inspection process linked directly to the job evaluation exercise

6.3 We asked the Boards if they had carried out any staff inspection or staffing/efficiency reviews on the staff/grades covered by the job evaluation scheme. They told us that there has been no specific staff inspection process linked directly to job evaluation. However, they pointed out that efficiencies in staffing have been achieved during the job evaluation process through the following measures:

- the annual pressure by the Department to contain Board Headquarters running costs;
- restructuring and redesign of working arrangements in Board services;
- reviews by line managers/strategic managers of the need to replace posts as vacancies arise;
- Best Value fundamental reviews of services, conducted by the Central Unit, which include analysis of staffing complements;
- local Best Value reviews by Boards;
- benchmarking exercises;
- a scheme for the premature retirement of Board Officers on grounds of redundancy (in the Western Board);
- the staff appraisal system introduced by the Boards in 1995 which helps to ensure that job descriptions are kept up-to-date and that there is no unnecessary overlap or duplication of duties; and
- Local Management of Schools arrangements introduced in schools since 1991 whereby individual schools are held responsible for financial planning and budgetary control to ensure that expenditure is contained within the school's approved delegated budget share. This will include expenditure on teaching and non-teaching staffing costs so that schools have primary responsibility for ensuring that staffing levels are appropriate.

6.4 We asked the Department if it had sought any assurance from the Boards that the costs of the job evaluation exercise were being offset by efficiency and productivity savings and whether the exercise was supported by staff inspection/organisational reviews. The Department told us that under each Board's Financial Memorandum and Management Statement, the Chief Executive is always required to have regard to the principles of economy, efficiency and effectiveness and to the need for forward planning in relation to staffing. The Department also told us that these procedures are in line with central DFP guidance on the responsibilities of a Non Departmental Public Body Accounting Officer which states that *"the accounting officer has responsibility which only he or she is in a position to discharge, for the overall*

organisation, management and staffing of the NDPB and for its procedures in financial and other matters". Additionally, the Education and Libraries (NI) Order 1986 clearly indicates the scope of the delegation to Board Chief Executives in the area of staffing matters.

6.5 It also pointed out that the Boards continue to revise their staffing needs in the light of changing administrative needs, changing customer needs and financial and other resources. It notes that this is supported by an ongoing process of efficiencies within the Boards as general administration budgets are required to release efficiency savings and Best Value fundamental reviews are undertaken on the Boards' major services. The Department cited, by way of example, that in 2004-05 the Boards had to realise two per cent savings (£0.5million) in core administration costs and keep those costs at that level in the subsequent year. Best Value reviews have been undertaken on the School Catering Service, Home to School Transport, The Youth Service, Building Maintenance, and the Curriculum Advisory and Support Service. On procurement, Boards had to realise one per cent efficiency savings in 2005-06 and a further one per cent in 2006-07 (£3 million across the five Boards in each year).

Board non-teaching staff numbers have increased in recent years

6.6 An analysis of teaching and non-teaching staff numbers over the last eight years shows that, whilst teaching staff numbers have remained constant at around 21,000, non-teaching staff numbers have increased from 28,500 in 1998-99 to 29,900 in 2005-06. Staff costs for both teaching and non-teaching staff have, as is to be expected, increased steadily in this eight year period (see Figure 2).

6.7 The Department explained that there are valid educational reasons for the increase in non-teaching staff numbers in recent years, for example, the Making a Good Start Initiative for Primary 1 and 2 pupils which saw a large increase in classroom assistant numbers, and the growth in classroom assistant numbers arising from implementation of government policies on promoting inclusion and the new Special Education Needs legislation. The Department also told us that, for comparative purposes, teaching support (i.e. non-teaching) staff in English schools have increased by almost 155,000 (115 per cent) during the past decade.

The Boards' Headquarters staff numbers have increased over the last seven years

6.8 Board Headquarters staff numbers have increased by some 14 per cent in the seven-year period between 1999-2000 and 2005-06 (see Figure 3). However, we understand that the Boards achieved more than the required two per cent efficiency saving target for core administration costs for 2004-05 after inflation was taken into account and only very marginally fell short of the requirement to keep the 2005-06 costs at the 2004-05 level.

Figure 2: Boards' Teaching and Non-Teaching Staff Numbers and Staff Costs: 1998-99 to 2005-06

	1998-99		1999-00		2000-01		2001-02		2002-03		2003-04		2004-05		2005-06		Trend	
	'000	£m	'000	£m	'000	£m	'000	£m	'000	£m	'000	£m	'000	£m	'000	£m	% +/-	% +/-
Teaching	21.8	474.1	20.5	507.7	20.4	542.6	20.4	573.6	20.6	605.6	20.7	636.6	21.3	653.5	21.2	797.0	-2.75	+68.10
Non-teaching	28.5	180.8	28.8	199.6	28.6	218.3	29.3	238.7	29.6	273.5	30.7	312.2	30.2	328.1	29.9	341.3	+4.91	+88.77

Source: Board Annual Accounts

Figure 3: Boards' Headquarters Staff Numbers: 1999-2000 to 2005-06

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Trend % +/-
HQ Staff Numbers	981	1,000	1,103	1,125	1,193	1,195	1,121	+14.27%

Source: Department

NIAO Conclusions and Recommendations on the costs of job evaluation and the demands for efficiency savings and 'Best Value'

NIAO has a concern that job evaluation may have been overlaid on excessive staffing levels

The Department and DCAL should seek specific assurance that non-teaching staff levels in Boards' educational services and in their library services are appropriate

6.9 Non-teaching staff numbers have been on the increase over the last seven years while the numbers of teaching staff have decreased slightly. The Department told us that our concerns about excessive staffing levels do not take account of key policy changes specifically designed to increase the number of non-teaching support staff, for example, classroom assistants supporting children with special educational needs in ways that allow them to be educated alongside their peers in mainstream school settings.

6.10 It is NIAO's view, however, that in the absence of independent staff inspections and organisational reviews in support of the job evaluation exercise, as originally envisaged, there can be no real assurance that staffing levels are not excessive. Indeed, as Figure 3 shows, Board Headquarters staff numbers have increased by 14 per cent over the seven year period from 1999-00 to 2005-06. The Department pointed out that, in 2005-06, Headquarters administrative staff numbers decreased by over 6 per cent. They expect this to be sustained within an overall drive to achieve efficiency and productivity savings. The Department

also told us that overall staffing levels in the five Boards are being reviewed to inform staffing structures as part of the move to the Education and Skills Authority (ESA) from April 2008. We consider that if a central efficiency unit had been established at the outset to examine staffing levels and organisational efficiency across the Boards, as had been jointly agreed in the original Action Plan for implementation of the job evaluation scheme, this unit could have provided assurance, through staff inspections and organisational reviews, that non-teaching staff numbers in each of the Boards and their schools were adequate and not excessive, and that only essential work was being undertaken in the most efficient and effective way possible.

6.11 Given the significant costs that have been incurred over the last twelve years under the job evaluation exercise, we recommend that both the Department and DCAL seek specific assurance that non-teaching staffing levels in the educational and library services provided under the new Education and Skills Authority and the new Northern Ireland Library Authority are not excessive.

6.12 Both Departments have informed us that a review of the five Boards' current staffing will be necessary to inform staffing structures in moving to a single Education and Skills Authority and a new Northern Ireland Library Authority from April 2008. Indeed, DCAL told us that they will be undertaking a study in 2007 to inform senior and middle management staffing structures in the new Library Authority. As noted at paragraph 6.10 above, following the appointment in December 2006 of the Chief Executive designate of the ESA, staffing structures are already also being considered to ensure that the new ESA is appropriately resourced.

Job Evaluation and its costs - a best use of resources and value for money?

6.13 Equality issues were an important consideration in the introduction of job evaluation and the scheme seems to have fully met expectations in this respect. There have been no equal pay claims against the Boards since the beginning of the exercise. While the potential cost of equal pay claims, which might otherwise have occurred in the Boards, cannot be quantified, experience in local authorities in GB has shown that such claims can be extremely costly. The absence of equal pay claims does not, of course, in itself establish that the scheme has been value for money.

6.14 NIAO asked the Department whether it was satisfied that the considerable costs of implementing the job evaluation scheme, in terms of the upgrading of posts and the level of arrears paid, had not pre-empted resources that could otherwise have been directed to teaching provision in schools. The Department emphasised the fundamental purpose of the job evaluation scheme which was to ensure that jobs of equal weight were given equal value and that there was fairness and consistency of approach, particularly in areas where some jobs were predominately carried out by one gender or the other. The Department also highlighted the importance of having school-based and other staff who are equally and fairly valued for the job that they do and the positive impact that this can have on the education of children. It further commented that, in a situation where pupil numbers have been falling significantly and against a backdrop of specific policies on inclusion and “making a good start”, it is wrong to draw conclusions that the increase in non-teaching staff has been at the expense of front-line teaching provision.

6.15 In NIAO’s view, there is a concern that, because the substantial cost of the job evaluation exercise was never properly recognised at the outset, insufficient attention was paid to securing the potential value for money benefits which should have accompanied expenditure on this scale. As a result implementation was taken forward in the early years without sufficient attention to affordability. In particular, by failing to put in place a staff inspection function as part of the exercise, an opportunity was missed to establish a strong link to efficiency and productivity. We see this as perhaps the most important lesson to emerge from this study.

Appendix 1

(paragraph 2.1)

Milestones in the development and implementation of the Job Evaluation Scheme

- **December 1991**

Meeting held between Department of Education (the Department) and Education and Library Board (Board) Officers concerning arrangements for measuring and controlling Board running costs. This focused on the importance of establishing job evaluation to ensure that appropriate grading standards were being maintained.

- **February 1992**

Chief Executives agreed that a joint Department/5 Board Committee be established to consider the arrangements for introducing job evaluation into the Boards;

Action plan prepared by the Committee for consideration by the Association of Board Chief Executives.

- **May 1992**

Action Plan prepared and agreed by the Association of Board Chief Executives.

- **July 1992**

First meeting of Chief Executives' Working Party on Job Evaluation - Membership comprises Boards/Department plus Staff Commission.

Terms of reference were to develop the detailed requirements of the introduction of Job Evaluation into the Boards.

Pilot Exercise

- **June 1993**

Chief Executives' Working Party Meeting - proposals sought from Greater London Employers Association to pilot the Greater London Whitley Council (GLWC) Job Evaluation Scheme.

- **September 1993**

Approval granted by Chief Executives for plan of action and pilot exercise.

- **January 1994**

Report on pilot exercise produced by Greater London Employers Association.

Implementation

- **February 1994**

Chief Executives approved implementation of GLWC Job Evaluation Scheme.

- **May 1994**

Chief Executives' Working Party - implementation plan agreed including training plan.

- **1994 - late 1995**

AECP&T Working Party set up to agree procedural arrangements etc.

Development of Job Evaluators Handbook.

Rolling programme developed for first tranche of posts to be evaluated.

- **1994-1995**

Procedures developed and training plan implemented which included the training of 90 evaluators, line managers and staff.

- **January 1995**

Job Evaluation scheme implemented.

Rolling programme agreed re posts to be evaluated.

Priority for outstanding grading appeals.

- **November 1996**

The need to prioritise the evaluation of posts in Further Education Colleges because of forthcoming incorporation is recognised.

- **March 1997**

Two full time co-ordinators appointed on secondment.

Review of the Scheme

- **November 1997**

Report of a management review of the Job Evaluation scheme presented.

- **Late 1998**

Central Management Support Unit (CMSU) established.

- **1999**

Appointment of a Senior Principal Officer in CMSU with responsibility for the scheme and the appointment of full-time Job Evaluation Officers in each Board.

CMSU develops the generic approach to the Job Evaluation exercise for implementation across all school-based and library staff.

Job evaluation in the Library Service commenced in May 1999

Department of Culture, Arts and Leisure (DCAL) assumed responsibility from the Department for Job Evaluation in the Library Service in December 1999.

- **2000**

Implementation of the national Single Status agreement extended Job Evaluation to a further 15,000 manual posts.

The GLWC scheme was revised to meet the needs of the Single Status agreement. Revised version called the Greater London Provincial Council (GLPC) scheme.

- **2000 to date**

Job evaluation continues to be rolled out across the five Boards to cover manual staff.

- **2001**

DCAL commissioned a review of the Job Evaluation scheme.

DCAL made a successful bid for £30 million to fund the job evaluation exercise in the Library Service.

Agreement reached between the Department, the Department of Finance and Personnel (DFP) and Boards for revised monitoring and control arrangements for taking forward all further Job Evaluation related work.

- **2002-2003**

Department and DFP approval given to the use by the Boards of the GLPC scheme for former manual workers.

The Department made a successful bid for additional resources in respect of former manual workers (£14 million including arrears in 2002-03 and £11 million, £11.3 million and £11.6 million for 2003-04, 2004-05 and 2005-06 respectively).

- **2003-2004**

The Department made a successful bid for additional resources in respect of classroom assistants (£16 million in 2003-2004, and a further £3.2 million in 2004-2005 and £3.3 million in 2005-06). In addition, the Department is holding £3.2 million towards the costs and associated arrears for those assistants with responsibility for certain special needs provision.

- **2005**

An equality impact assessment, as required by Section 75 of the Northern Ireland Act 1998, commenced on the outcomes of the entire job evaluation exercise.

- **2006**

The job evaluation of some 6,000 classroom assistants to be completed pending resolution of dispute with staff side.

The Association of Public Service Excellence has been commissioned to undertake a benchmarking exercise on the outcomes of the evaluation of classroom assistant posts.

Appendix 2

(paragraph 2.19)

Board Headquarters and Outcentre Posts

Analysis, by Board, of generic versus individual job evaluations 1 January 1995 - 31 July 2006

BELFAST

	No. of evaluations	No. of generic evaluations	No. of generic uplifts	No. of individual evaluations	No. of individual uplifts
1995	11	0	0	11	3
1996	37	0	0	37	8
1997	13	0	0	13	2
1998	2	0	0	2	2
1999	1	0	0	1	1
2000	44	0	0	44	33
2001	28	4	4	24	18
2002	33	15	15	18	12
2003	9	0	0	9	3
2004	28	0	0	28	9
2005	30	0	0	30	8
2006	1	0	0	1	0
Total	237	19	19	218	99

SOUTH EASTERN

	No. of evaluations	No. of generic evaluations	No. of generic uplifts	No. of individual evaluations	No. of individual uplifts
1995	0	0	0	0	0
1996	82	0	0	82	18
1997	47	0	0	47	10
1998	3	0	0	3	3
1999	2	0	0	2	0
2000	18	0	0	18	10
2001	39	0	0	39	21
2002	9	0	0	9	6
2003	23	0	0	23	9
2004	26	0	0	26	6
2005	9	0	0	9	4
2006	3	0	0	3	2
Total	261	0	0	261	89

NORTH EASTERN

	No. of evaluations	No. of generic evaluations	No. of generic uplifts	No. of individual evaluations	No. of individual uplifts
1995	8	0	0	8	5
1996	97	42	35	55	2
1997	20	5	5	15	9
1998	0	0	0	0	0
1999	15	10	5	5	3
2000	4	0	0	4	0
2001	30	20	7	10	5
2002	19	0	0	19	5
2003	61	22	13	39	8
2004	79	12	12	67	13
2005	21	15	13	6	2
2006	1	0	0	1	0
Total	355	126	90	229	52

SOUTHERN

	No. of evaluations	No. of generic evaluations	No. of generic uplifts	No. of individual evaluations	No. of individual uplifts
1995	0	0	0	0	0
1996	20	0	0	20	4
1997	23	0	0	23	3
1998	0	0	0	0	0
1999	6	0	0	6	6
2000	21	0	0	21	17
2001	11	1	0	10	10
2002	8	1	0	7	6
2003	46	0	0	46	7
2004	111	0	0	111	28
2005	16	0	0	16	3
2006	4	0	0	4	1
Total	266	2	0	264	85

WESTERN

	No. of evaluations	No. of generic evaluations	No. of generic uplifts	No. of individual evaluations	No. of individual uplifts
1995	0	0	0	0	0
1996	77	36	36	41	10
1997	100	0	0	100	33
1998	1	0	0	1	0
1999	12	0	0	12	5
2000	12	0	0	12	9
2001	70	59	59	11	3
2002	14	10	10	4	3
2003	30	0	0	30	9
2004	67	0	0	67	39
2005	21	0	0	21	21
2006	23	14	14	9	8
Total	427	119	119	308	140
TOTAL	1,546	(17%) 266		(83%) 1,280	

Source: Boards

Appendix 3

(paragraph 2.34)

Analysis by Board of the impact of job evaluation on the grading of former non-manual staff

(January 1995 - July 2006)

Belfast

<i>Number of Posts Evaluated</i>	<i>Unchanged</i>	<i>Downgraded</i>	<i>Upgraded by one grade</i>	<i>Upgraded by more than one grade</i>
946	334 (35%)	24 (3%)	541 (57%)	47 (5%)

North Eastern

<i>Number of Posts Evaluated</i>	<i>Unchanged</i>	<i>Downgraded</i>	<i>Upgraded by one grade</i>	<i>Upgraded by more than one grade</i>
1,262	602 (48%)	56 (4%)	559 (44%)	45 (4%)

South Eastern

<i>Number of Posts Evaluated</i>	<i>Unchanged</i>	<i>Downgraded</i>	<i>Upgraded by one grade</i>	<i>Upgraded by more than one grade</i>
1,127	539 (48%)	29 (3%)	532 (47%)	27 (2%)

Southern

<i>Number of Posts Evaluated</i>	<i>Unchanged</i>	<i>Downgraded</i>	<i>Upgraded by one grade</i>	<i>Upgraded by more than one grade</i>
1,032	408 (40%)	15 (1%)	571 (55%)	38 (4%)

Western

<i>Number of Posts Evaluated</i>	<i>Unchanged</i>	<i>Downgraded</i>	<i>Upgraded by one grade</i>	<i>Upgraded by more than one grade</i>
1,071	366 (34%)	29 (3%)	629 (59%)	47 (4%)

Source: Boards

Appendix 4

(paragraph 2.35)

Impact of Job Evaluation on the grading of former non-manual staff by sector (January 1995 - July 2006)

Headquarters and Outcentres

Board	Number Evaluated	Unchanged %	Downgraded %	Upgraded %
Belfast	237	44	7	49
North Eastern	355	49	11	40
South Eastern	261	58	8	34
Southern	266	64	4	32
Western	427	32	7	61
Total evaluated	1,546			

Schools

Board	Number Evaluated	Unchanged %	Downgraded %	Upgraded %
Belfast	253	50	-	50
North Eastern	546	54	1	45
South Eastern	505	46	-	54
Southern	582	40	-	60
Western	488	46	-	54
Total evaluated	2,374			

Library Service

Board	Number Evaluated	Unchanged %	Downgraded %	Upgraded %
Belfast	197	1	-	99
North Eastern	200	8	-	92
South Eastern	198	24	-	76
Southern	185	5	1	94
Western	155	3	-	97
Total evaluated	935			

Further Education Colleges

Board	Number Evaluated	Unchanged %	Downgraded %	Upgraded %
Belfast	224	39	1	60
North Eastern	163	73	7	20
South Eastern	163	68	4	28
Southern	*	*	*	*
Western	*	*	*	*
Total evaluated	550			

Source: Boards

*The Southern and Western Boards are unable to supply these figures as all records pertaining to the matter were passed to individual colleges in their respective areas upon incorporation.

Appendix 5

(paragraph 2.40)

The re-evaluation of posts in the Payroll Section of the South Eastern Education and Library Board

1. Most payroll posts within the South Eastern Board were evaluated in 1996. At that stage Payroll Officers' grades remained unchanged (at *Senior Clerical Officer* level) as did the posts of *Executive Officer* and *Senior Administrative Officer*. The Payroll Manager post, however, was upgraded from *Administrative Officer* to *Senior Administrative Officer*. The *Senior Executive Officer* posts were not evaluated at this time (1996) and remained on the list of outstanding Headquarters and Outcentre posts to be evaluated.
2. The payroll staff became increasingly unhappy with the results of their job evaluation and sought to have their posts re-evaluated. The implementation of the Single Status Agreement from 2002 provided the opportunity for the Unions, through the joint negotiating arrangement, to agree special arrangements with management for the re-evaluation of posts in the Payroll Section because of the unprecedented situation which existed in relation to the volume of payments due to staff as a result of the job evaluation exercise.
3. The various posts in the Payroll Section were re-evaluated in May 2003. The post of Payroll Manager, which had been originally upgraded from *Administrative Officer* to *Senior Administrative Officer* in 1996, was downgraded back to *Administrative Officer*. At pre-appeal review (subsequent to the May 2003 re-evaluation) the post was re-graded back up to *Senior Administrative Officer* with this decision being upheld at full appeal stage in early 2004. The post of Deputy Payroll Manager, for which there had been no previous evaluation, was re-evaluated as remaining unchanged at *Senior Executive Officer* level. At pre-appeal review the post was upgraded to *Administrative Officer*. No further action was taken, with the effective date of upgrade backdated to 1 January 1995.
4. The posts of Payroll Team Leaders evaluated in 1996 as remaining unchanged at *Executive Officer* level again remained unchanged on re-evaluation. This determination was endorsed at pre-appeal stage but was upgraded to the post of *Senior Executive Officer* on full appeal with payment backdated to 1 May 1996.
5. The re-evaluation of the Payroll Officer posts resulted in no change to the original 1996 evaluation, determining that the posts remain at *Senior Clerical Officer* level. This determination was endorsed at pre-appeal stage but was overruled at a formal appeal on 27 January 2004, with the posts being uplifted to *Executive Officer*. The four member panel (two union representatives and a job evaluation officer from the Western and Southern Boards) reached a majority, but not a unanimous decision. The panel's chairperson disagreed with the decision.

Hierarchy of Grades:

Senior Administrative Officer
Administrative Officer
Senior Executive Officer
Executive Officer
Senior Clerical Officer
Clerical Officer

Appendix 6

(paragraph 2.45)



SOUTH EASTERN EDUCATION AND LIBRARY BOARD

Chief Executive: Irene M Knox BA MBA Dip Lib

Mr Will Haire
Permanent Secretary
Department of Education
43 Balloo Road
Bangor
BT19 7PR

13th September 2006

Dear Will

Job Evaluation in The Education and Library Boards

I refer to our request for comments on paragraphs 2.40-2.48 of the NIAO Draft Report on Job Evaluation which relates to posts within the Payroll Department of the SEELB.

As I understand it, the situation in relation to these posts is as set out below.

1. Agreement was reached between the former Chief Executive and the Chief Finance Officer that the posts in the Payroll Department of the Board should be subject to re-evaluation. The principal reason for this decision is detailed in Appendix 5 of the Draft Report i.e. there were major implications for Payroll staff associated with the complexities of the work involved in processing payments due to staff throughout the Board as a result of the implementation of the job evaluation exercise which resulted in calculations in many cases having to be made of payments due as far back as 1995, taking on board changes in entitlements, contractual conditions, tax, National Insurance and other deductions.
2. A member of senior management was instructed by the Chief Executive to act for the Payroll Staff in the presentation of cases to the Appeal Panel. As I understand it, having reviewed the Job Evaluation Scheme, the only people who are prevented from presenting a case on behalf of staff at an Appeal are line managers or staff who have been specifically trained to participate as representatives of management on job evaluation panels or appeal panels.
3. I note the comments made by the Chairperson of the Appeal Panel as set out in paragraph 2.41. I cannot comment on the perception of the Chairperson but I would take issue with his comment that the scheme was being misused. It is the case that the Chief Finance Officer was of the view that the posts in the Payroll Department were not appropriately graded however I have no reason to believe that the case presented was other than based on factual information. The Appeal Panel was established by the Staff Commission under the terms of the Scheme and thus comprised 2 representatives of management side and 2 representatives of trade

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union side. The decision reached was by a majority which again is in line with procedures and I can only presume that the decision was taken on the basis of the facts of the case. I understand that the facility exists for an Appeal Panel to question management about the facts of a case where they feel that clarification is required. I am not aware that the Appeal Panel sought comments from the Chief Finance Officer to confirm the facts of this case or help to inform their decision-making.

4. I note the conclusion reached by the NIAO as detailed in paragraph 2.47 that these were the most complex appeals within the history of the operation of the Scheme and would be interested to know the basis on which this judgement was made.
5. The SEELB notes the concerns expressed by the NIAO in relation to the involvement of senior management in presenting an appeal and will ensure that procedures are implemented to prevent a similar situation arising in the future. It is suggested that the scheme and/or the accompanying guidance be revised to incorporate such a requirement.

Yours sincerely



Irene M Knox
Chief Executive

Appendix 7

(paragraph 4.2)

Details of job evaluations completed and outstanding at 31 July 2006

Posts evaluated at 31 July 2006						
	BELB	NEELB	SEELB	SELB	WELB	TOTAL
Former Non-Manual	946	1,263	1,127	1,034	1,071	5,441
Former Manual	1,736	2,378	2,807	3,107	2,797	12,825
Posts evaluated at 31 July 2006 but not released to staff						
Former Non-Manual	685	1,427	1,585	1,791	1,307	6,795 [^]
Former Manual	630	853	658	781	732	3,654 [#]
Total posts evaluated	3,997	5,921	6,177	6,713	5,907	28,715
Posts still to be evaluated at 31 July 2006						
	BELB	NEELB	SEELB	SELB	WELB	TOTAL
Former Non-Manual	162	160	117	124	108	671
Former Manual	136	139	164	632*	53	1,124
Total Posts to be evaluated	298	299	281	756	161	1,795

[^] 6,795 classroom assistant posts have been evaluated but the results are currently in dispute with the Unions.

[#] 3,654 cleaners are currently being re-evaluated following the failure to reach agreement at formal appeal stage.

* this figure includes 600 Domestic/General Assistants. The Southern Board employs more of these posts than the other four Boards combined.

Percentage of total evaluations carried out at 31 July 2006						
	BELB	NEELB	SEELB	SELB	WELB	TOTAL
Total posts to be evaluated	4,295	6,220	6,458	7,469	6,068	30,510
Total evaluated	3,997	5,921	6,177	6,713	5,907	28,715
Percentage evaluated	93%	95%	96%	90%	97%	94%

Source: Boards

Appendix 8

(paragraph 4.10)

The main reasons provided by the Education and Library Boards for the delay in implementation of the Job Evaluation Scheme

- the need, at the outset, for widescale awareness raising (for managers and staff) on job evaluation followed by specific training for managers on issues such as drawing up job descriptions and their roles and responsibilities within the process;
- there was no centralised unit during the period 1994-1999. Prior to the establishment of the Central Unit, job evaluation panels had to be established within each Board using staff from across the Board who had been trained in the Scheme. They undertook this role as an addition to their normal day-to-day job. It was difficult at times to establish panels because of competing priorities and also in such a way as to ensure fairness (e.g. balance of panels on religious/gender grounds);
- Job Evaluation Officers undertook other duties as well as Job Evaluation;
- it was necessary to develop job descriptions from scratch for most former 'white collar' salaried postholders (some 10,000) in a format conducive to the job evaluation scheme. Under the Scheme both job descriptions and job evaluation questionnaires had to be agreed and signed off by both the postholder and the manager - getting joint agreement to the content of these documents has, in many cases, been difficult;
- a significant number of postholders whose jobs were not upgraded lodged pre-appeals and formal appeals. The arrangements built into the JE scheme for pre-appeal and appeal have proved to be extremely cumbersome and time consuming. The appeals process involves two Management Side representatives from other Boards and two Trade Union Side Representatives - there have been difficulties getting trained staff to sit on appeals panels and trade unions appear to have had difficulty finding representatives to sit on appeals panels. The composition of appeals panels has made decision-making difficult at times;
- in 1997 a decision was taken to give top priority to staff in the Further Education (FE) sector in an attempt to complete the JE exercise before the legal incorporation of FE Colleges on 1 April 1998. This decision, inevitably, had a serious knock-on effect on the timetable for JE elsewhere within the Boards;
- there have been drawn out negotiations with trade unions regarding procedures, job descriptions, processes etc;
- the introduction of the Single Status Agreement in 1998 introduced a whole new group of former manual 'blue collar' staff (some 17,600 postholders) whose posts had to be evaluated. The existing Scheme did not take account of the different nature of these posts. A new Scheme had to be agreed on a 5-Board basis with trade unions and relevant staff required training in relation to the new Scheme. This included awareness raising for Principals who would be signing off generic job descriptions for staff in their schools (e.g. caretakers) as well as designated groups of staff;
- delays caused by problems in managers 'signing off' documentation.

Appendix 9

(paragraph 5.17)

NIAO sample of former non-manual posts upgraded by more than one grade

Board	Employee Reference	Date Evaluated	Date of Upgrade	Date Arrears Paid	Arrears (Gross) £
SELB	Employee 1	11-10-2000	01-01-1995	June 2001	34,967
SELB	Employee 2	26-04-2001	01-06-2000	June 2001	9,533
SELB	Employee 3	29-05-1996	01-11-1995	March 1998	5,581
SEELB	Employee 1	14-11-2001	01-01-1995	February 2002	37,896
SEELB	Employee 2	09-02-2000	01-07-1997	February 2000	22,001
SEELB	Employee 3	28-08-1997	01-01-1995	November 1997	16,004
SEELB	Employee 4	22-06-2000	15-06-1998	July 2000	13,472
NEELB	Employee 1	01-06-1995	01-05-1991	Mar. & Sept. 1997	26,948
NEELB	Employee 2	02-01-2002	01-01-1995	January 2002	23,551
NEELB	Employee 3	16-04-2004	01-01-1995	April 2005	22,221
NEELB	Employee 4	20-05-2003	01-01-1995	October 2003	15,992
NEELB	Employee 5	14-11-2001	01-01-1995	March 2002	14,060
NEELB	Employee 6	16-04-2004	01-01-1995	April 2005	1,189
NEELB	Employee 7	15-02-2005	01-01-1999	Oct. & Nov. 2005	33,750
WELB	Employee 1	21-01-2004	08-05-2001	June 2004	25,098
WELB	Employee 2	21-07-1997	01-01-1995	April 2000	20,567
WELB	Employee 3	17-07-1998	01-04-1996	April 1997	17,885
WELB	Employee 4	11-09-1997	01-01-1995	June 1997	14,811
WELB	Employee 5	01-12-1995	01-01-1993	May 1998	11,917
WELB	Employee 6	19-04-1996	01-01-1995	October 1996	1,694
BELB	Employee 1	16-11-2001	01-09-1996	March 2002	13,344
BELB	Employee 2	18-10-2001	01-01-1995	March 2002	38,792
BELB	Employee 3	22-11-2000	01-07-1995	February 2001	43,682
BELB	Employee 4	14-01-2004	01-01-1995	July 2004	74,920
BELB	Employee 5	17-02-2004	01-11-1996	May 2004	36,595

Source: Boards

Note: The sample was not statistically-based.

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