



Leicester
City Council

CABINET

26 JANUARY 2009

JOB EVALUATION - PROJECT MANAGEMENT COSTS

Report of the Chief Operating Officer & Deputy Chief Executive

1. Introduction

- 1.1 As members will be aware, implementation of a new pay and grading system was intended to take place in 2008. This did not happen, following a stock-take of the scheme which had been developed up to that point.
- 1.2 A new project has been initiated, with a view to establishing a job evaluation system by 2009/10. Of necessity, this means that additional work needs to be undertaken on project management.
- 1.3 This report seeks approval to the creation of a project management budget to continue the work of job evaluation.

2. Recommendations

- 2.1 Cabinet is recommended to:
- (a) approve the commitment and incurring of up to £1m of expenditure on project management during 2008/09, in advance of the 2009/10 budget;
 - (b) consider the above recommendation to be urgent, and therefore prevent any exercise of call in.

3. Report

- 3.1 A decision to cease work on job evaluation inevitably means additional work is required to develop a new approach. This will need dedicated project resource over and above that which would have been necessary had the scheme been implemented in 2008.
- 3.2 Nonetheless, one of the problems with the previous, suspended, proposals was a concern about long-term cost drift. It is intended that the new scheme will give the Council better ability to control its long-term costs.
- 3.3 A project board has been set up to deliver the new scheme, which I chair, and has prepared a cost and resource plan. The board has sought to minimise the costs of the project as follows:
- (a) by defining a new approach by considering using job families, which means that legal requirements can be met whilst reducing the time and resources required to evaluate jobs;
 - (b) by using as much existing data from the previous project as possible;

- (c) by detailed planning to minimise risk, and identifying responsibilities at the project outset;
 - (d) by identifying internal resources wherever possible to fill project roles.
- 3.4 However, one of the lessons learnt from the stock-take exercise was the need to resource the project properly, securing sufficient legal support, and working closely with both trade unions and service management.
- 3.5 A total budget of £2.37 million is proposed, which includes a contingency of £250k. This budget will cover all project and job evaluation costs, legal costs and the costs of subsequent appeals.
- 3.6 The budget will be managed by the project board, and will only be made available to the project manager in tranches.
- 3.7 The current draft budget for 2009/10 includes the £2.4m of estimated cost. However, due to the urgent need to complete job evaluation, monies will need to be committed and incurred prior to April 2009. Any such sums will, in effect, be spent from reserves and reimbursed if the budget is approved.

4. Financial Implications

- 4.1 The report seeks approval to spend up to £1m in advance of the budget for 2009/10, but within the provision proposed in the draft budget. Should the budget not be approved, this sum will fall to be met from reserves.
- 4.2 Other budgets associated with job evaluation remain unchanged. This includes the £3m per annum set-aside for the expected overall increase in the pay bill.

Mark Noble, Chief Finance Officer (Ext.297401)

5. Legal Implications

The proposal is within the virement limits set by Council.

Peter Nicholls, Service Director Legal Services (Ext.296302)

6. Report Author/Officer to Contact

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Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)