

PERSONNEL COMMITTEE

14 January 2008

EQUAL PAY POLICY

REPORT OF THE HEAD OF ORGANISATIONAL DEVELOPMENT

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RECENT REFERENCES:

PER110 Equal Pay Audit - 22 January 2007

EXECUTIVE SUMMARY:

This report introduces an Equal Pay Policy for the Council which sets out the Council's principles on equal pay and aims to ensure that the Council complies with its statutory duty to promote equality and complies with the requirements of the Equal Pay legislation.

RECOMMENDATIONS:

1. That the Equal Pay Policy as set out in Appendix 1 be agreed.
2. That the Head of Organisational Development be authorised to implement the changes to the policy subject to no material changes arising from final consultation with Unison.

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Report of the Head of Organisational Development

DETAIL:

1. Introduction

- 1.1 The public sector has a duty to promote gender equality and as part of that the Council is required to develop and publish an Equal Pay Policy on how it is meeting its duty, having due regard to the need to eliminate unlawful discrimination, particularly in relation to employment and pay.
- 1.2 The Equal Pay Policy in Appendix 1 sets out the Council's approach to ensuring equality of pay as part of the gender duty in line with legal requirements and is in direct support of the Council's duty and policy on diversity and equality. The Policy is based on the key principles of equity, equality, inclusion, engagement, partnership, transparency and shared responsibility.

2 Aims of the Policy

- 2.1 The policy sets out the key ways in which the Council will ensure that equal pay structures are maintained for all our employees. These include:
 - Operating a pay system, which is transparent, based on objective criteria, and free from unlawful bias. The Council will continue to use the NJC Job Evaluation Scheme and HAY Job Evaluation Scheme to assist with determining equal pay.
 - Discussing and agreeing the Equal Pay Policy with trade unions and in partnership with the workforce.
 - Providing training and guidance to managers and supervisory staff involved in decisions about pay and benefits
 - Undertaking regular equal pay audits to examine our existing and future pay practices for all our employees.
 - Carrying out regular monitoring of the impact of our pay practices.

3 Legislation

- 3.1 The relevant legislation concerning equal pay is found within the Equal Pay Act 1970, the Equal Pay (Amendment) Regulations 1083 and the Pensions Act 1995. It is included in other UK legislation, EU law, the EU Directive on Fixed Term work and resultant UK regulations.
- 3.2 The legislation which applies to all workers regardless of full or part-time status, casual or temporary contract or length of service, requires employers to ensure that equal pay is given to workers carrying out like work or work seen as equivalent of or equal value.
- 3.3 This policy also meets the Council's specific duty under the Equality Act 2006 to 'consider the need to have objectives that address the causes of any differences between the pay of men and women that are related to their sex'.

4 Consultation

- 4.1 UNISON has been consulted on the development of the Equal Pay Policy and their comments taken into account. UNISON was involved at all levels of the development and implementation of the NJC Job Evaluation Scheme which is used to determine pay levels. They continue to play an active role in the implementation of the scheme through involvement in the job grading process.

OTHER CONSIDERATIONS:

5 CORPORATE STRATEGY (RELEVANCE TO):

- 5.1 The Equal Pay Policy links to the requirement for service and financial planning, for delivering services efficiently and offering value for money and to ensure equality in all that we do.

6. RESOURCE IMPLICATIONS:

- 6.1 There will be biennial reviews which will be undertaken within the Human Resource Directorate with no budget impact. Where resource implications arise through the monitoring of pay under this policy, they will be included in business plans and service plans and will be taken into account when setting budgets.

BACKGROUND DOCUMENTS:

Held within Human Resources Directorate.

APPENDICES:

Appendix 1 Equal Pay Policy

EQUAL PAY POLICY

Document Control

Version	V1.1 draft	Title	Equal Pay Policy
Issue Date	Dec 2007	Author	Principal HR Advisor

EQUAL PAY POLICY

1. EQUAL PAY STATEMENT

- 1.1 Winchester City Council supports the principle of equal opportunities in employment and believes as part of that principle that staff of different age, disability, gender (including staff who have proposed, commenced or completed gender reassignment), race, religion or belief or sexual orientation, and with or without trade union membership, should receive equal pay for the same or broadly similar work, for work rated as equivalent and for work of equal value.
- 1.2 It is good practice that pay is awarded fairly and equitably and is in direct support of the Council's duty and policy on diversity and equality.
- 1.3 The Council recognises that in order to achieve equitable pay, it should operate a pay system that is transparent and based on objective criteria.

2. THE LEGISLATIVE FRAMEWORK

- 2.1 The relevant legislation concerning equal pay is found within the Equal Pay Act 1970, the Equal Pay (Amendment) Regulations 1083 and the Pensions Act 1995. It is included in other UK legislation, EU law, the EU Directive on Fixed Term work and resultant UK regulations.
- 2.2 The legislation which applies to all workers regardless of full or part-time status, casual or temporary contract or length of service, requires employers to ensure that equal pay is given to workers carrying out like work or work seen as equivalent of or equal value.
- 2.3 This policy also meets the Council's specific duty under the Equality Act 2006 to 'consider the need to have objectives that address the causes of any differences between the pay of men and women that are related to their sex'.

3. DEFINITIONS

- 3.1 For the purposes of this policy and in line with relevant legislation, pay is defined by Article 141 of the Treaty of Rome as:

'The ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives, directly or indirectly, in respect of his (or her) employment from his (or her) employer'

- 3.2 Pay therefore includes allowances, discretionary bonuses and sick pay as well as other non-financial benefits such as vocational training, etc.
- 3.3 The following terms are contained in the Equal Pay legislation:
 - 'Like work' is defined as work which is the same or broadly similar
 - 'Work related as equivalent' is defined as work which has achieved the same or a similar number of points under a job evaluation scheme.

- 'Work of equal value' is defined as work which is of broadly equal value when compared under headings such as effort, skill and decisions.

4. ACTION TO IMPLEMENT THE POLICY

4.1 In order to show commitment to equal pay in practice, the Council:

- Operates a pay system, which is transparent, based on objective criteria, and free from unlawful bias. The Council will use the NJC Job Evaluation Scheme and HAY Job Evaluation Scheme to assist with determining equal pay.
- Has discussed and agreed the equal pay policy with trade unions and in partnership with the workforce.
- Will provide training and guidance to managers and supervisory staff involved in decisions about pay and benefits
- Undertake regular equal pay audits to examine our existing and future pay practices for all our employees.
- Carry out regular monitoring of the impact of our pay practices.

4.2 In order to implement this policy, the Council will apply the following procedures in respect of pay, pay rates and the review mechanism that will be used to determine future pay movements.

4.2.1 Pay Agreements

The Council will apply the pay agreements reached by the National Joint Council Agreement on Pay and Conditions of Service, with local variations where appropriate.

4.2.2 Market Position

The Council will benchmark its pay rates against a comparator group and will seek to position itself at the median quartile in terms of pay.

For the purpose of benchmarking, the comparator group normally comprises:

Test Valley Borough Council
Basingstoke & Deane District Council
New Forest District Council
Havant District Council
Eastleigh Borough Council
East Hants District Council
IOW Council

Hampshire County Council
Southampton City Council
Portsmouth City Council

Audit Commission Family Group

Additional comparators may be used from time to time as required.

4.2.3 Pay Benchmarking

The Council will use pay benchmarking data extracted from a representative comparator group of public and private source, as detailed in 4.2.2 above, to carry out biennial reviews of a range of comparable posts. Relevant findings will be presented by the Head of Organisational Development to Corporate Management Team and to UNISON.

4.2.4 Salary Progression

All posts are subject to grading by job evaluation. The starting salary on appointment will normally be at the lowest level of the salary scale, subject to negotiation based on the appointee's level of skill and relevant experience. Progression beyond the starting salary will be in accordance with the conditions set out in the Council's Performance Appraisal Scheme and will take effect from 1 April each year. There will be no further pay progression once an employee reaches the maximum spinal column point for their salary scale.

4.2.5 Staff Turnover

It is expected that normal staff turnover will be contained within the range of 10% – 18% of the establishment. A quarterly review of staff turnover rates will be undertaken. Should trends indicate that it will fall outside of this range, the Council will consider appropriate remedial action.

4.2.6 Market Supplements

The Council will consider the use of market supplements to be applied to specific post in the event of recruitment difficulties. Where such supplements are introduced, they will be applied, reviewed and withdrawn in accordance with Council policy. UNISON has been consulted in the development of Council policy and will be consulted on any changes to the policy.

4.2.7 Flexible Benefits

A range of flexible and family friendly benefits will be offered to all employees. The range of benefits may increase or decrease over time. Benefits will be subject to periodic review. The purpose of such benefits is to enhance the attractiveness of the Council's pay and remuneration package and to take account of work life balance while at the same time assisting staff to fulfil their duties to the maximum effectiveness for the benefit of the Council, its residents and clients.

4.2.8 Performance Related Payments

Following the recommendations of the relevant manager to their Director and the Head of Organisational Development, a one off honorarium payment may be made in order to recognise a high level of performance over the previous year.

4.2.9 Local Government Pension Scheme (LGPS)

The LGPS is recognised as an important part of the Council's pay and remuneration package for its employees.

5. COMPLAINTS PROCEDURE

- 5.1 Complaints about the lack of equal pay should, in the first instance, be made to the relevant line manager or Head of Organisational Development. If these informal practices do not satisfy the employee, the complaint may be dealt with through the Council's Grievance Procedure.
- 5.2 The Council will work in partnership with UNISON to find resolutions to any legitimate concerns regarding equal pay.

6. MONITORING

- 6.1 The results of the equal pay audit will be reviewed by Corporate Management Team and Personnel Committee. Complaints about unequal pay will be monitored on an annual basis and statistical information produced by the Human Resources Division for consideration by Corporate Management Team and Personnel Committee.

7. RESPONSIBILITIES

- 7.1 The Chief Executive, through the Head of Organisational Development, is responsible for ensuring that employees are treated equitably. Personnel Committee is also responsible for ensuring the success of this policy.
- 7.2 Managers and selection panel chairs have an additional responsibility to ensure that initial starting salaries are consistent with this policy.

8. FURTHER INFORMATION

- 8.1 Further information and advice about equal pay and associated matters can be obtained from the Human Resources Division.