

# APPENDIX I

## WAVERLEY BOROUGH COUNCIL

EXECUTIVE 1 SEPTEMBER 2009

---

**Title:**

**EQUAL PAY PROJECT UPDATE**

[Portfolio Holder: Cllr Ms Denise Le Gal]

[Wards Affected:N/A]

---

**Summary and purpose:**

To provide an update on the work being undertaken as a result of the Equal Pay Audit undertaken by South East Employers

---

**How this report relates to the Council's Corporate Priorities:**

This report supports the Council's value for money objective and also addresses legal requirements relating to equity in salaries for staff.

**Equality and Diversity Implications:**

Detailed in the report

**Resource and legal implications:**

Under the Equal pay Act employer are required to ensure that staff are paid fairly regardless of their gender. In addition in 2004 NJC agreement set a timetable for all authorities to have completed and implemented equal pay reviews by 31 March 2007. The agreement was designed to take into account the findings of the Local Government Pay Commission, which argued that local government had an equal pay, rather than low pay, problem An Equal Pay Audit enables Waverley to establish the extent to which it has, or has not, made progress towards the implementation of equal pay.

---

**Introduction**

1. The audit showed no overt inequalities of treatment between the genders, but raised concerns about the operation of the job evaluations scheme, pay scales, pay protections and supplementary payments. The law requires that there must be commonality in the basic elements of the terms and conditions for all staff, e.g. pay scales, pay rates, where an analytical job evaluation scheme is in use that it is applied consistently for all posts, etc.

**Job Evaluation (JE) system**

2. The use of an analytical JE scheme is good practice and ensures equity and transparency for all in grading of posts and salaries set for staff, as well as removing emotion from pay and grading. It is therefore vital that where such a scheme is in use that its operation and application are both rigorous and consistent. Waverley has used the Hay system since the late 1980s. The audit has highlighted that the scheme has not been operated systematically and other pressures have impacted on the grading of posts.

### **Progressing the project**

3. The key to progressing the project was to decide upon the way forward with Job Evaluation. A JE consultant was engaged to advise on the way forward for JE at Waverley. He considered the range of JE schemes and his conclusions were that:

If the Council's aim is simply to achieve better equality proofing of its pay and grading arrangements, in these circumstances, it will almost certainly be the case that the cheapest and least turbulent option for introducing a JE scheme with better equalities credential will be to continue to use Hay but switch to their single status Hay scheme (this introduces a new factor Physical Demands, Physical Effort and Working Conditions), and for the interim retain the pay structure. {Note: A number of posts need to be evaluated as they have not been through the evaluation process and it is proposed these evaluations should take place between September and December.}

4. The consultant suggests re-evaluating all posts. However this is a resource intensive task and bearing in mind that the audit found no overt inequalities in grading, CMT were of the view that only posts that had not been evaluated should be evaluated.
5. The Consultants alternative recommendation is that:

If the Council feels the need to achieve greater certainty on equality proofing and wishes to use a scheme, which enjoys the support of the national trade unions, using a completely new scheme is another option. The resource and financial implications and the challenge of implementing a new pay and grading structure based on an alternative JE scheme will be much greater.

6. In summing up the Consultant comments:

Fundamentally, therefore, the issue is one of whether the Council can afford to meet the higher investment costs of moving away from the Hay scheme, rather than simply making minor changes around equalities compliance.

7. If the Council were to decide to move away from Hay, and use either the Greater London scheme (GLPC) or National Joint Council Scheme (NJC), the resource implications for undertaking a full job evaluation exercise of all jobs is a resource intensive task. Waverley has 430 staff (389 FTEs) it is estimated to undertake a full evaluation of all posts would take approximately 18 months with a commitment of time from Heads of Service to support the process and at least 12 officers undertaking evaluations, appeals etc in addition to their normal duties.
8. The audit found no overt inequalities and in deciding the way forward on this project this has to be balanced against the risks of implementing a new scheme. The risks include uncertainty for a prolonged period for all staff (18 – 24 months), managing expectation and the upset caused when the JE scores are announced, time spend on appeals, risk of salary drift, and the risk of diverting the organisation from the job in had to concentrate on Job Evaluation.

### **Next Steps**

9. Once a way forward has been agreed on JE, the next step is to consider the pay and grading structure. Members will remember the Equal pay audit recommended the development of
  - a new pay structure and pay policy,
  - a policy determining finite time protection limits for salary and associated conditions of service matters
  - a policy on the payment of market supplements.
10. The development of a new pay structure and pay policy will necessitate the employment of an expert to research and advise CMT on revised pay and grading structures (expert to be funded from the budget allocated by the Executive in February 2009). The development of policies on protection and market supplements can be undertaken by the HR team once the pay and grading structure is agreed.

### **Recommendation**

It is recommended that the Council:

1. uses the Single Status Hay Job Evaluation system;
2. the Head of HR writes a Job Evaluation process document for approval by CMT;
3. that all posts not previously evaluated are evaluated during the period September to December 2009;
4. that the Deputy Chief Executive and Head of HR appoint within the existing budget a specialist HR adviser to research and advise CMT on a new pay structure and pay policy; and

5. the Head of HR reports to the Executive in January 2010 on progress on the project

---

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

---

**CONTACT OFFICER:**

**Name:** Alex Overington      **Telephone:** 01483 523385  
**E-mail:** alex.overington@waverley.gov.uk