

# APPENDIX M

## WAVERLEY BOROUGH COUNCIL

### EXECUTIVE - 30 NOVEMBER 2010

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**Title:**

#### **PAY AND GRADING STRUCTURE**

**[Portfolio Holder: Cllr Mike Band]  
[Wards Affected: N/A]**

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**Summary and purpose:**

Waverley has undertaken a review of the pay and grading structure following recommendations from the Equal Pay Audit, which was discussed on 4 November 2010 at the Joint Negotiating Committee (JNC) with staff representatives who expressed their agreement with the proposals.

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

The revised structure supports the value for money priority which aims to provide good value for money from all of our services.

**Equality and Diversity Implications:**

The new pay and grading structure will have no adverse impact on any of the equality strands. Please refer to the paragraph on Equalities and Risk Implications.

**Resource/Value for Money implications:**

The introduction of the new pay and grading structure is estimated to be cost neutral.

**Legal Implications:**

The new pay and grading structure will satisfy equal pay requirements. Please refer to the paragraph on Equalities and Risk Implications.

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**Background**

1. Waverley Borough Council has undertaken a review of the pay and grading structure following the recommendations of the Equal Pay Audit to ensure that there is a transparent and fair approach to the way that all members of staff are remunerated and compliance with equality legislation, particularly equal pay for work of equal value.

2. Current staff will continue to be paid in line with the current pay and grading structure. There has been consultation with the trade union representatives.
3. This report highlights proposed changes to the pay structure, which were discussed at a Joint Consultative Committee (JCC) meeting with trade union representatives on 29 October 2010 at the start of a one-month formal consultation period. It is proposed that the new structure is implemented on 1 January 2011, subject to the approval of Council in December 2010.

### **Proposed Changes to the Pay & Grading Structure**

#### Key Aims:

- Satisfies Equal Pay requirements
- No detriment to current employees
- Transparency
- No grade overlaps
- Budget neutral – additional costs paid for by withdrawing a\* and a\*\* grades for new starters

#### Implementation Issues:

- Letters to all staff outlining the new structure and how it links to old one.
  - A requirement that all new starters would start on bottom of grade
  - Keep new grading structure under review
4. It is proposed that the current structure (Annexe 1) is replaced with a new structure (Annexe 2). The main principles applying to the new structure:-
    - **Equalities** - The new structure retains main pay bands that are linked with HAY Job Evaluation i.e. each post is allocated a grade depending on the allocation of HAY job units. HAY is commonly used throughout the public sector and particularly in local government and will help to ensure that the Council remains compliant with equalities legislation and particularly equal pay for work of equal value. The Council will be able to demonstrate that, as part of the collective agreement with the trade unions, the proposed salary structure is based on the principles of job evaluation and that this would represent a 'genuine material factor' if ever challenged on the basis of equal pay for work of equal value.
    - **Apprentices and National Graduate Scheme Salaries** - There are additional spinal column points for a special Apprentice Grade linked to the minimum wage and a National Graduate grade applying the National Graduate Development Programme.

## **Equalities and Risk Implications**

5. It is important to undertake an Equality Impact Assessment, particularly at the time of any proposed change of policy, procedure or process as this may uncover possible discriminatory aspects of a change. It is proposed that the pay and grading structure will be changed so that either the top salary point (for Grades 8, 10 and 12) or the top two salary points (for Grades 1,2,3, 4, 5, 6, 7, 9 and 11) will now be "shaded" removing an opportunity to progress to these salaries. In practice this will mean that new staff will reach their highest salary (i.e. salary ceiling) on their grade earlier than under the current pay and grading structure. It should be emphasised that staff who are already on the "shaded salaries" or will be progressing to those salary points shortly, will be protected without any time limitation. The proposed new salary structure also provides for lower starting salaries on some grades, but this affects newly appointed, rather than existing, staff.
6. This proposal has been discussed with the Staffside representatives at the meeting of the Joint Negotiating Committee on 4th November 2010 who have agreed that the proposed salary structure would not have a detrimental impact on existing staff due to the protection arrangements. Staff representatives were happy with the proposals and have welcomed the proposed introduction of Apprentice and National Graduate salaries.
7. There is always a risk that an employee may seek to make a claim against Waverley on equal pay grounds. The new pay structure mitigates against this risk as it abolishes overlaps in grades and removes 'hidden' pay bars that were previously operated. Waverley would rigorously defend any such claim should it arise in the future.

## **Conclusion**

8. The aim of the new pay and grading structure is to be cost neutral and in compliance with equal pay legislation.

## **Recommendation**

That the new pay and grading structure be recommended to the Council for implementation with effect from 1 January 2011.

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## **Background Papers**

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

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