

## RESOURCES SCRUTINY COMMITTEE – 15 JUNE 2010

### EQUAL PAY AUDIT

#### REPORT BY CHIEF CONSTABLE

##### Introduction

- 1.1 The Force commissioned Hay Group in 2008 to conduct an Equal Pay Review. The objective was to review the current pay and allowances for Police Staff and identify any potential areas of risk or improvement for the organisation relating to equal pay.
- 1.2 The Equality and Human Rights Commission recommends equal pay reviews as the most appropriate method of ensuring that a pay system delivers equal pay free from gender bias. Therefore, the work specifically focused on the comparison of men and women, and different age groups, doing like work or work of equal value.
- 1.3 Following extensive data gathering by Force HR personnel and analysis by Hay, a final report was produced in February 2009 which recommended a number of positive practices relating to pay, together with some suggested areas of improvement for the future. This paper provides an overview of the findings, actions to date and future proposals.

##### Legal Requirements

2. The law on equal pay is principally contained in the Equal Pay Act 1970. It gives an individual the right to the same contractual pay and benefits as a person of the opposite sex in the same employment, where the man and woman are doing like work. The Equality Act 2006 placed a statutory duty on all public authorities, known as the 'general duty' to promote equality for men and women.

##### Equal Pay Audit Report Findings

- 3.1 There were no significant equal pay risks identified by Hay Group. There were however, some areas highlighted in the report that prompted further investigation to ensure any recognised pay gaps can be satisfactorily explained through a 'genuine material factor'. An example could be a payment for night work even though it is likely that more men than women work nights.

<b><i>Finding</i></b>	<b><i>Action</i></b>
A number of allowances should be removed and others need to be re-defined so that Sussex Police can be sure that the amount paid is relevant and correct for that role or region.	All allowances have been reviewed and analysed, in consultation with relevant stakeholders. Examples of allowances currently paid to police staff include;

	<ul style="list-style-type: none"> <li>• standby allowance (paid to 190 employees at 5% of base salary)</li> <li>• minor maintenance allowance (paid to 31 employees at 7% of base salary)</li> <li>• Crawley/Outer Fringe Allowance (paid to staff working in Crawley and Gatwick at £369 per year pro-rated for part-time employees).</li> </ul> <p>Proposals are currently being consolidated to include costs.</p>
<p>Sussex Police should re-examine the way that jobs are allocated to grades to reduce the risk of potential equal value claims. The organisation must ensure that how jobs are graded is clearly understood by all job evaluation panel members and should communicate the correct grade boundaries to them; it would also be useful to trace back the grading of roles and whether this was done on a current job evaluation score.</p>	<p>The Job Evaluation (JE) process has been reviewed and proactive recommendations were taken to HR Board in February and agreed. The revised process commenced in May 2010.</p> <p>Key changes in the JE process:</p> <ul style="list-style-type: none"> <li>• The whole process is now business focused</li> <li>• The force-wide impact and financial consideration are fully examined prior to evaluation</li> <li>• Quality assurance checks are integrated into process</li> <li>• PPP representative on every panel to ensure consistency of Hay evaluation</li> <li>• Refresher training is planned</li> </ul> <p>An electronic library of Sussex Police jobs is being compiled to include job description questionnaires and evaluation scores and rationales. This will ensure that information on job evaluation is more easily accessible and can be used for auditing purposes to monitor the issue of 'grade drift'.</p> <p>Initial scoping has also been undertaken to look into the costs and feasibility of offering refresher training to evaluators.</p>
<p>Sussex Police should examine their present system of hidden increments and understand why the additional increments change the gender salary</p>	<p>Hidden increments that form part of employees' basic pay have been reviewed and proposals are being considered to take the matter</p>

<p>balance in favour of male employees.</p>	<p>forward.</p> <p>Work to address the issue of hidden increments in general (which are awarded to employees who work shifts and weekends) is on-going. Shift pay has also been analysed to ensure that employees in receipt of additional incremental pay for shift and weekend working are actually working the correct shifts that correspond with the rate of pay they are receiving.</p> <p>Individual cases where the rates of pay do not correspond will be addressed.</p>
<p>Sussex Police should monitor starting and current salary data to assess equality. This information should be monitored and methodically analysed to determine its meaning and relevance.</p>	<p>A new Salary &amp; Grading Policy was published in early 2010. Recent starting salaries have been reviewed to assess equality and additional guidance will also be drafted for line managers to ensure all starting salaries are objectively justified.</p> <p>Starting salaries will now be audited on an annual basis to ensure good practice, fairness and consistency.</p> <p>Probationary period lengths are being reviewed to ensure relevance to roles and organisational need. Currently, some probationary periods are longer than a year and once employees have more than a year's service they then have employment rights. This review will be completed by the end of September.</p>
<p>Sussex Police should improve communication with employees around reward, particularly creating a handbook so that employees can have a basic understanding of pay decisions.</p>	<p>The Staff Handbook was published in April 2009 which includes information for police staff regarding pay and benefits.</p>
<p>To ensure all employment policies are compliant with equal value requirements. Sussex Police should update the policies to ensure they are consistent and understood by employees and to ensure age discrimination legislation is taken into account.</p>	<p>All policies are now impact assessed and regularly reviewed for compliance with legislative requirements.</p> <p>All new employees are now required to read the Harassment &amp; Bullying, Dignity at Work and Equality &amp;</p>

	Diversity policies as part of their initial induction.
To review individual cases where employees are in receipt of lifelong salary protection (the current salary protection policy, introduced in 2001, has a protection period of 4 years) or cost of living payments.	Individual cases of lifelong salary protection and cost of living payments have been reviewed and recommendations will shortly be made.
It is recommended that a clear procedure is established that defines what is meant by "progression criteria" for linked grades (this is roles that span two or more grades).	Once the electronic job evaluation library is complete, we can ensure that all linked grade roles have clear progression criteria that is properly documented to ensure consistency of approach.
<p>Sussex Police should re-examine their pay and grading structure and in line with current practice in other public sector organisations and police forces, should consider moving from the current system of incremental pay towards a performance related pay scheme.</p> <p>At the time of the audit, there were four grading structures within Sussex Police: SPA and M Grades, IS Grading, Occupational Health Nurses and Pilots (there are now three as Occupational Health Nurses no longer have a separate pay scale). In this respect, it was recognised that some of the grades span more than five spinal columns, which might raise equal value issues.</p>	<p>A pay and grading review for police staff has been put on hold at the current time and will be revisited in the next 12 to 18 months. In the meantime, IS grading (which spans a number of spinal columns) will be addressed and incorporated into the equal pay implementation project plan.</p> <p>For IT grades, we will be using XpertHR Benchmarking to allow us to have a better understanding of salary data, particularly in relation to IS.</p> <p>The current method of remunerating shift and weekend working is also being addressed through the equal pay project implementation.</p>

## Conclusion

- 4.1 The Equal Pay Audit (EPA) has enabled the Force to conduct a thorough review of the pay and allowances of police staff in order to recognise potential areas of risk relating to equal pay and also identify positive practices that can be developed for the future.
- 4.2 The EPA did identify that some practices, such as the adoption of hidden increments, does pose some risk to the organisation and in these circumstances the organisation needs to be satisfied that any such practices are justified, i.e. due to a genuine material factor. These issues are being addressed through the implementation project plan.
- 4.3 Taking the recommendations from the Hay report forward, the organisation will be in a position to ensure pay practices are fair and consistent and any

variations in pay arrangements can be justified due to a genuine material factor.

- 4.4 All police staff have contracts of employment and we need to seek agreement if we want to make changes to their terms and conditions. Where the recommendations affect the terms and conditions of employees, negotiation will take place with Unison and/or individuals which may be challenging. It is planned to commence consultation in June and complete by December 2010.

**Recommended** – That the Authority note the position and progress made on Equal Pay Audit.

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