

**PERTH & KINROSS COUNCIL****Strategic Policy and Resources Committee – 13 February 2013****EQUAL PAY POLICY****Report by Head of Human Resources****ABSTRACT**

This report provides the rationale for a review of the Equal Pay Policy and a revised Equal Pay Statement taking into account new legislative requirements and non statutory guidance.

**1 RECOMMENDATIONS**

It is recommended that the Strategic Policy and Resources Committee:

- 1.1 Approve the amended Equal Pay Policy in Appendix 1.
- 1.2 Delegate the Depute Chief Executive to further make changes to the policy following any statutory changes.
- 1.3 Approve the amended Equal Pay Statement in Appendix 2 for publication on [www.pkc.gov.uk](http://www.pkc.gov.uk)
- 1.4 Submit this report to the Equality & Diversity Member Officer Working Group for information.

**2 BACKGROUND**

- 2.1 The Equality Act 2010 (Specific Duties) (Scotland) Regulations (2012) requires Perth & Kinross Council to publish gender pay gap information, and a statement on equal pay. The statement must contain the Council's policy on equal pay and information on occupational segregation and be published no later than 30 April 2013.
- 2.2 The opportunity has also been taken to review the language and presentation of the Equal Pay Policy to ensure it is consistent with the new legislation.

**3 PROPOSALS**

- 3.1 It is proposed that the Council approves the revised:
  - Equal Pay Policy in Appendix 1.
  - Equal Pay Statement in Appendix 2 for publication on [www.pkc.gov.uk](http://www.pkc.gov.uk)

- The key changes in the revised Equal Pay Policy and Equal Pay Statement are;
  - a. These now reflect the requirements of the Equality Act (2010) and the Equality Act 2010 (Specific Duties) (Scotland) Regulations (2012).
  - b. Extends the scope of the Policy and Statement to include the protected characteristics of race, disability and age.
  - c. Commit to carrying out biennial equal pay audits for all employee groups.

## **4 CONSULTATION**

- 4.1 Legal Services and Corporate Organisational Development have been consulted in the preparation of this report. The Trade Unions will be consulted in due course, following approval of this report.

## **5 RESOURCE IMPLICATIONS**

- 5.1 There are no resource implications arising from this report.

## **6 COUNCIL CORPORATE PLAN OBJECTIVES 2009-2012**

- 6.1 The recommendations within this report support the delivery of the Corporate objective of confident, active and inclusive communities within Perth & Kinross.

## **7 EQUALITIES IMPACT ASSESSMENT (EqIA)**

- 7.1 This report was considered under the Corporate Equality Assessment Framework and assessed in relation to the age, race, gender and disability. The determination was made that the Equal Pay Policy is expected to support and advance equality of duty. No contradictory indicators have been identified.

## **8. STRATEGIC ENVIRONMENTAL ASSESSMENT**

- 8.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS).
- 8.2 The plan, programme or strategy presented in this report was considered under the Environmental Assessment (Scotland) Act 2005 and the determination was made that the items summarised in this report do not require further action as they do not qualify as a plan, programme or strategy as defined by the Act.

## 9. CONCLUSION

- 9.1 The review of the Council's Equal Pay Policy and the Equal Pay Statement ensures compliance with the legislative requirements and continuous improvement in accordance with the non statutory guidance.

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## **EQUAL PAY POLICY**

### **Statement**

Perth and Kinross Council is committed to ensuring equal pay for its workforce; our Equal Pay Policy complies with the legal duties under the Equality Act (2010) and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 and that our Equal Pay Statement is published in accordance with the legislative timetable.

The General Equality Duty of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 requires the Council to have due regard for the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act (2010).
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

In order to ensure equal pay the Council will;

- Regularly review its pay and reward systems, to eliminate any bias including taking appropriate measures to ensure fair promotion, development opportunities, and tackle occupational segregation
- Conduct regular equal pay audits for all employees to monitor the application of the Equal Pay Policy
- Work in partnership with the recognised Trade Unions to ensure that employees have confidence in the process of eliminating any bias in its pay and reward systems

These steps will support the Council's Our People Strategy and the Council's commitment to equality will promote a positive image of the Council as an employer of choice.

## **1. INTRODUCTION**

### **1.1 What does this document do?**

The purpose of this document is to state and publicise Perth and Kinross Council's commitment to equal pay for work of equal value for all employees, ensuring they are paid fairly and that the Council operates pay and reward systems which are transparent, based on objective criteria and free from bias.

### **1.2 Why do we need an Equal Pay Policy?**

The Equal Pay Act (1970) requires that employees doing equal work in the same employment must receive equal pay. Equal work is work that is the same; or broadly similar work that has been rated as equivalent; or work that is of equal value.

The Council's Equal Pay Policy sets out how Perth and Kinross Council will comply with these requirements.

This policy has been reviewed and developed in line with the Equality and Human Rights Commission Statutory Code of Practice on Equal Pay and the non statutory guide for Scottish Public Authorities (Scotland).

### **1.3 Scope of Equal Pay Policy**

The scope of the policy extends to all Council employees, irrespective of their employment status and length of service, that is;

- Single Status employees
- Chief Officers
- Teachers
- Craft employees

## **2. Aims of the Equal Pay Policy**

The main aim of the policy is to state and publicise Perth and Kinross Council's commitment to the principles of equal pay for work of equal value, to enable the management of equal pay at a corporate and service level. Specifically this includes;

- To commit to the principle of equal pay for work of equal value for all employees
- To eliminate any unfair discrimination, unjust or unlawful practices that impact on pay equality
- To reward fairly the skills and experience of all employees
- To work in partnership with the recognised Trade Unions to ensure employees have confidence in the process of eliminating any bias identified, advance equality of opportunity and foster good relations
- To operate pay and reward systems which are transparent, based on objective criteria and free from bias
- To secure the future together with our employees by attracting and retaining employees who are committed to delivering excellent public service and making us a dynamic and innovative Council by supporting equality of opportunity and valuing diversity within our workforce

### **3. Management of Equalities Policy**

Perth and Kinross Council will:

- Undertake regular equal pay audits and provide appropriate analysis in a report format to Senior Management.
- Examine existing and future pay practices for all employees to ensure that they comply with any future developments in employment legislation.
- Continue to seek improvements to the equal pay practices it operates by monitoring and impact assessing any developments in best practice.
- Provide information to employees on the Council's equal pay responsibilities by publishing the outcomes of regular pay audits.
- Provide appropriate training and guidance for those involved in making decisions about pay and benefits.
- Plan and implement actions in partnership with the relevant Trade Unions.
- Carry out equality impact assessments prior to the introduction or revision of any pay related condition of employment, either corporate or at a Service level.
- Ensure equal pay developments are subject to an equalities impact assessment and that these are consistent with the Council's Equal Pay Policy.
- Provide management information about the Council's workforce and analyse the findings and take any appropriate action in relation to equal pay.
- Regularly analyse and publish equal pay related data for the workforce on the Council's website. Appropriate positive action strategies may be identified to address any areas of concern such as occupational segregation.
- Provide appropriate mechanisms that allow individual employees to raise pay and grading issues, specifically through the Job Evaluation Request Process for single status employees and through Job sizing for promoted teaching posts.

### **4. Roles and Responsibilities**

The principle of equal pay is mandatory for the Council. Successful application of the Equal Pay Policy will depend on appropriate steps being taken at a corporate and service level and on ongoing partnership with the recognised Trade Unions.

## Corporate

- to ensure the policy complies with legislation
- to ensure appropriate training is available for employees responsible for the application of the policy
- to develop a corporate reporting framework
- to report, monitor, analyse and publish equal pay data on the Council's workforce
- to provide a scrutiny role
- to work in partnership with the recognised trade unions to address areas of concern

Executive Directors and Service Management Teams	<ul style="list-style-type: none"><li>• to comply with the Council's Equal Pay Policy</li><li>• to ensure employees involved in the application of the policy receive training</li><li>• to allocate resources appropriately to ensure the Service complies with the Council's policy to provide a scrutiny role</li></ul>
Employees	<ul style="list-style-type: none"><li>• to become familiar with the Council's Equal Pay Policy</li><li>• to raise any concerns with their line manager in the first instance</li></ul>
Trade Union representatives	<ul style="list-style-type: none"><li>• to become familiar with the Council's Equal Pay Policy</li><li>• to work in partnership with the Council to address any areas of concern</li><li>• to raise any concerns with regard to the application of the policy through appropriate procedures</li></ul>

## 5. Policy Review

The outcomes of equal pay audits will be reviewed at least 2 yearly. If any trends emerge these will be analysed and appropriate steps taken, potentially including a full review of the policy.

However, as a minimum, an equalities impact assessment of the Equal Pay Policy will be carried out every three years in accordance with the Council's HR Policy Review programme. This will include an assessment for the protected characteristics of sex, race, disability, age band and sex/age band combined to ensure equal pay by these protected characteristics.



**EQUAL PAY POLICY STATEMENT- FEBRUARY 2013**

Perth and Kinross Council is committed to ensuring equal pay for its workforce and that our Equal Pay Policy complies with the legal duties under the Equality Act (2010) and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

The General Equality Duty of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 requires the Council to have due regard to the need to;

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act (2010).
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

➤ **Equal Pay Audits**

- Five annual Equal Pay Audits on the pay and grading structure have been carried out since implementation of Single Status on 1 August 2007 –
  - The first two audits were carried out for gender
  - The third audit included gender and age
  - The fourth and fifth audits factored in Disability and Ethnicity
  - Future audits will be expanded to include any other relevant protected characteristics
- In addition the Council commits to ensuring equal pay for people who are disabled and people who are not, and people who fall into a minority racial group and people who do not.

➤ **Equal Pay Audit for 2011/2012**

The Equal Pay Audit for 2011/2012 included analysis for all employee groups, i.e. Single Status, Teachers, Craft Workers and Chief Officers and for the protected characteristics of sex, race, disability, age and by sex/age combined. Resources will be allocated to carry out future audits on the same basis.

All relevant contractual pay elements applicable to each employee group were analysed. Where the analysis highlighted a pay gap of greater than 3% within discrete grades, the reasons were investigated and identified as below;

- a) Length of Service with the Council
- b) Salary Preservation
- c) Payment of Allowances (e.g. overtime)
- d) Implementation of Single Status Appeals
- e) Salary Placing and Progression
- f) Job Sizing (Teachers)

## **Conclusion**

Overall the findings of the Equal Pay Audit for 2011/12 were positive for all employees groups and there was no evidence of sex or age discrimination within the grading structures. Having identified pay gaps the differences can be explained for reasons other than age or sex as outlined above.

Having established a benchmark for the protected characteristic of disability and race the Council will include these protected characteristics in all future audits to ensure equal pay for people who are disabled and people who are not, and people who fall into a minority racial group and people who do not.

The Council uses the average (mean) figure as its gender pay gap. The Scottish Government have historically used the average (mean) figure and the EHRC in their publication of the Statutory Code of Practice on Equal Pay recommend Equal Pay Audits calculate average basic pay and total earnings to identify any significant inequalities. The Council believes that the mean best represents the gender pay gap.

The overall gender pay gap for all employees is 6.5%. This means the Council's male part time employees earn on average 6.5% more than their female counterparts. This compares favourably to the gender pay gap of 18.6% published by the Office of National Statistics in its publication of April 2012.

The gender pay gap for all full time females compared to full time males is 6%. This means the Council's female full time employees earn on average 6% more than their male counterparts. This compares favourably to the gender pay gap of 14.9% published by the Office of National Statistics in its publication of April 2012.

The gender pay gap for all part time females compared to part time males is 1.4%. This means the Council's male part time employees earn on average 1.4% more than their female counterparts. This compares favourably to the gender pay gap of 7.9% published by the Office of National Statistics in its publication of April 2012.

The findings of Equal Pay Audit for 2011/2012 can be accessed on the Council's website, [www.pkc.gov.uk](http://www.pkc.gov.uk).

## **Work Life Balance and Flexible Working**

The Council is committed to work life balance and provides a wide range of flexible working opportunities as a means to support, develop and retain employees at work and in particular women. Options which are available or accessible depend on the needs of the job and include part time hours, compressed hours, job share, flexitime, term time, time off in lieu, shift working, home working and annualised hours.

Like other Scottish Councils the majority of the workforce is female. Occupational segregation has been identified as an issue; actions are being prioritised and will be implemented and reported on as part of the Council's annual employment monitoring reporting arrangements.

The Statutory Employment Monitoring Report approved by the Strategic Policy and Resources Committee on 19 September 2012 (report 12/398 refers) sets out steps

the Council has taken to start to address occupational segregation and can be accessed on the Council's website, [www.pkc.gov.uk](http://www.pkc.gov.uk).

