

Equality Impact Assessment (EIA) Report Form

(a) This EIA is being completed for a...

Service/ Function	Policy/ Procedure	Project	Strategy	Plan	Proposal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	√

(b) Please name and describe below...

Implementation of the New Local Government Services (LGS) Pay Spine

The National Joint Council (NJC) for Local Government Services confirmed in April 2018 that agreement had been reached between the National Employers and the NJC Trade Union Side on rates of pay applicable from 1st April 2018 and 1st April 2019 (please see **Appendix 1**). The agreement provided for a % increase pay award to apply from 1st April 2018, and a new pay spine to apply from 1st April 2019. This new pay spine introduces the following:

- A new spinal point range from SCP 1 - 43
- A bottom rate of £9.00 per hour (£17,364) on new Spinal Column Point (SCP) 1 (equivalent to old SCPs 6 & 7)
- 'Pairing off' old SCPs 6 – 17 incl. to create new SCPs 1 – 6 incl.
- Equal steps of 2% between each new SCPs 1 to 22 incl. (equivalent to old SCPs 6 – 28 incl.)
- By creating equal steps between these pay points, new SCPs 10, 13, 16, 18 and 21 are generated to which no old SCPs will assimilate. This means that the current number of pay points in a grade might change.
- For new SCPs 23 and above (equivalent to old SCPs 29 and above), a 2% increase on the 2018 rate.

In June 2018 the NJC issued guidance developed jointly by the National Employers and the National Trade Union Side, to support the implementation of the new pay spine. This guidance is attached at **Appendix 2**.

This guidance sets out clearly that adoption of the 2019 pay spine is mandatory as agreements reached by the NJC are collective agreements. The new pay spine will replace entirely the current spine and accordingly employees should assimilate across from their current SCP to the new corresponding SCP in April 2019. The guidance sets out that in order to adopt the new pay spine, changes may need to be made to locally agreed grading structures, and that these should be the subject of local negotiations with a view to reaching agreement. In order to measure the impact of any changes an equality impact assessment will need to be carried out on proposals prior to implementation.

Section 1 – Aims:

What are the aims?

1. To implement the NJC for LGS national collective pay agreement as it applies with effect from 1st April 2019, ensuring that every LGS employee receives a minimum 2% pay increase.
2. To do so in a way that ensures the Council continues to have an equality proofed pay and grading structure.
3. To do so in a way that does not increase the Council's gender pay gap.
4. To develop our pay model and agree it in partnership with our three LGS representing trade unions, UNISON, GMB and UNITE.

Who has responsibility?

The Council as an employer.

Who are the stakeholders?

LGS employees will be directly affected by the implementation of the pay spine. The LGS recognised trade unions (UNISON, GMB, UNITE) Corporate Directors, Heads of Service and Elected Members are all key stakeholders.

Section 2 - Information

(a) Service Users (in this context service users = employees)

Please tick what information you know about your service users and provide details / evidence of how this information is collected.

Age	✓	Race	✓
Disability	✓	Religion or belief.....	✓
Gender reassignment	✓	Sex	✓
Marriage & civil partnership	✓	Sexual orientation.....	✓
Pregnancy and maternity	✓	Welsh language.....	✓

What information do you know about your service users and how is this information collected?

Background information

The Council holds a range of data in relation to the people it employs, via the 'VISION' database, a legacy HR system and via the Employee Portal, a recent development that enables employees to enter data updates via self-service. 70% of the total workforce has registered for the Employee Portal, as at December 2018.

The data we hold includes **job data** and **personal data** as it relates to each individual employee.

Job data includes the 'Job Evaluation ID' for the job held by an employee indicating that the job has been job evaluated and allocated a score. Scores equate to pay grades as set out in the Council's current pay and grading structure for LGS employees. The Job Score data is provided at **Appendix 3**.

Personal data includes the information in relation to each of the protected characteristics, as provided by employees. It should be noted here that whilst we know how many employees are currently in receipt of maternity pay (snap shot data), we do not know how many employees in the workforce are pregnant.

Summary of key data

Of the Council's 6036 employees, 5242 are employed on LGS 'Green Book' terms and conditions of employment.

- 71% of employees are female 29% are male
- 1% of employees identify as from a Black Minority Ethnic background.
- 1.4% consider themselves to have a disability.
- 48.3% of employees are aged 44 and below and 51.7% are aged 45 and above.
- 14% of employees identify as Christian and 1% as either Buddhist, Jewish, Muslim Sikh or 'other religion'.
- 1% of employees identify as lesbian, gay or bisexual. No employees have identified as transgender.
- 54.1% of employees are married or in a civil partnership.
- On 12th December 2018, 40 women were in receipt of maternity pay.

Any Actions Required?

To use job related data and personal data to help inform the development of an equality proofed pay model.

(b) General

What information do you know and how is this information collected?

The Council knows how many employees are employed in each pay grade in the current NPT LGS Pay and Grading Structure and the Salary Scale Point they are paid within the grade.

Any Actions Required?

To use Pay Modelling software to help the Council understand the impact of the new LGS Pay Spine (see **Appendix 4**) on the Council's pay and grading structure.

Section 3 – Impact

(a) Impact on Protected Characteristics

	Positive	Negative	Neutral	Needs further investigation
Age	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Disability	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Gender reassignment	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Marriage & civil partnership	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Pregnancy and maternity	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Race	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Religion or belief	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Sex	➔ <input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Welsh language	➔ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓

Thinking about your answers above, please explain (in detail) why this is the case. Include details of any consultation (and/or other information) which has been undertaken to support your view.

Please refer to **Appendix 4** which sets out the Council's current pay and grading structure, and the impact on this structure by moving to the new LGS pay spine. Two adverse impacts have been identified as a result of implementing the new LGS pay spine:

1. Indirect discrimination as a result of longer pay grades

The Council has traditionally used length of service as a criterion in its pay and reward systems to reward experience - the Council's current LGS pay and grading structure includes grades of varying lengths, but of no more than 6 SCPs. Implementing the new pay spine, including the 5 new salary scale points, results in Grades 5 and 6 becoming 9 point pay grades and Grade 7 becoming a 7 point pay grade.

The Joint Guidance recommends limiting incremental progression to five years, with no more than a 6 point grade, as anything longer is harder to justify as being a proportionate means of achieving a legitimate aim.

Implementing the new pay spine will result in the Council's pay and grading structure being indirectly discriminatory against female employees, as women will be disproportionately affected by a criterion requiring 8 years to reach the maximum salary scale point of a grade.

2. Potential inequality of pay

The Council's current LGS pay and grading structure contains a number of overlapping pay grades. For example Grades 5 and 6 both contain SCPs 23, 24 and 25. Implementation of the new pay spine however increases the overlaps in the pay and grading structure – Grades 5 and 6 will share 4 overlapping pay points and Grades 6 and 7 will share 3 overlapping pay points.

Overlapping SCPs result in people being paid at the same rate of pay, whilst carrying out jobs that have been rated differently using a job evaluation process. One overlapping SCP is acceptable, however it becomes problematic when there is a greater degree of overlap as this carries an equal pay risk particularly where the disadvantaged group is predominantly female.

(b) Impact on the Welsh Language

What is the likely impact of the policy on:

- **Opportunities for people to use Welsh**
- **The equal treatment of the Welsh and English languages**

Please give details:

Implementation of the new LGS pay spine will not have any negative impacts on the opportunity for people to use the Welsh language.

Could the policy be developed to improve positive impacts or lessen negative impacts? Please give details

Welsh Language Standard 107 states that if you publish a policy relating to salaries or workplace benefits, you must publish it in Welsh.

Actions (to increase positive/mitigate adverse impact).

In order to facilitate the equal treatment of the Welsh and English languages information in relation to the agreed Pay Model will be provided bilingually, so there will be no adverse impact on employees in relation to the above.

Section 4 - Other Impacts:

Please consider how the initiative might address the following issues.

You could base this on service user information, data, consultation and research or professional experience (e.g. comments and complaints).

(a) Equalities

Public Sector Equality Duty (PSED)

- to eliminate discrimination, harassment and victimisation;
- to advance equality of opportunity between different groups; and
- to foster good relations between different groups

Please explain any possible impact on meeting the Public Sector Equality Duty

If action is not taken to address the two equality issues identified in Section 3 (a), the Council will fail to meet the objectives of the PSED.

What work have you already done to improve the above?

Partnership working with the trade unions was established at an early stage in order to identify joint solutions to address the adverse equality impacts and with the aim of equality proofing the pay and grading structure (see section 5 Consultation).

Actions (to mitigate adverse impact or to address identified gaps in knowledge).

1. To meet with the Trade Union LGS Forum (29th August 2018) and Staff Council (17th September 2018) to share information in relation to the new LGS pay spine and the impacts of implementing the pay spine in NPT.
2. To ask the Joint Trade Unions to nominate representatives to join the Council's Joint Pay Modelling Team.
3. To convene the Joint Pay Modelling Team and consider alternative Pay Models developed by the Council, that is Pay Models A, B, C and D **Appendix 5** (meeting of 18th October 2018) and any other Pay Models.

(b) Reduce Social Exclusion and Poverty

Please explain any possible impact

There will be a positive impact on income; as a result of implementing the National Pay Agreement every LGS employee will receive a minimum 2% pay increase.

There is however a potentially negative impact on job security if the costs of implementing the pay and grading structure place additional pressure on the Council's financial position. The 2019 / 20 Draft Budget, currently out to stakeholder consultation, seeks to address a projected budget gap for the year ahead of over £12million, off-set by service cuts and income generating proposals of £8million. The remaining gap of £4million will come from Council reserves. The unfunded Forward Financial Plan (FFP) gap for the 4 year period ending March 2023, is currently estimated to be £55 million.

What work have you already done to improve the above?

The Council's Cabinet has provided additional funds over and above a general 2% pay award increase into the FFP from 2019/ 20 to 2022/23.

As the Council is one of the largest employers within the County Borough, a key aim of the Council has been to maintain continuity of employment and minimise compulsory redundancy. Since 2010, the Council has developed a number of measures which seek to do this in partnership with the recognised trade unions, including active redeployment, voluntary redundancy schemes and restrictions on external recruitment.

Actions (to mitigate adverse impact or to address identified gaps in knowledge).

To consider the affordability of proposed pay models.

(c) Community Cohesion

Is the initiative likely to have an impact on Community Cohesion?

This is unlikely to have an impact on Community Cohesion.

Section 5 Consultation

What consultation and engagement has been undertaken (e.g. with the public and/or members of protected groups) to support the views in section 3 and 4?

Information sharing and consultation has taken place with the following groups:-

- Joint Trade Unions at the Local Government Services (LGS) Forum (29th August 2018)
- Corporate Directors Group (11th September 2018)
- Staff Council (17th September 2018)
- Joint Pay Modelling Team meeting (18th October 2018)
- Regional Officer of GMB (25th October 2018)
- Regional Officer of UNISON (29th October 2018)
- Regional Officer of UNITE (8th November 2018)
- Joint Pay Modelling Team meeting (13th December 2018)

Any actions required (to mitigate adverse impact or to address identified gaps in knowledge)

Action: The Joint Pay Modelling Team to consider the 4 Pay Models developed by the Council (see **Appendix 5**).

This was actioned at the meeting held on 18th October 2018 and the four pay models were considered as follows:

Pay Model A – Assimilate, Increment and Abut

This Pay Model was rejected on the grounds that Grade 5 retains 9 incremental points and therefore continues to pose the risk of indirect discrimination against female employees.

Pay Model B – Assimilate, Increment, Abut and remove SCPs 10 and 11

This pay model removes overlapping incremental points and produces grades of 6 incremental points or under. It was agreed to consider this Pay Model further.

Pay Model C – Assimilate, Increment, Abut and remove SCPs 10, 13, 16, 18 and 21

This Pay Model was rejected on the grounds that Grade 6 is reduced to 4 incremental points, out of kilter with the grades either side of it and resulting in an uneven Pay and Grading structure.

Pay Model D – Assimilate, Increment, Abut and remove SCPs 13 and 16

This pay model removes overlapping incremental points, produces grades of 6 incremental points or under and additionally reduces the number of incremental points in Grade 13 after year 1 – this action was taken to ‘balance out’ the pay and grading structure. It was agreed to consider this Pay Model further.

Phasing-in arrangements

All Pay Models propose using overlapping grades as a temporary measure, as a means of phasing in the new structure and ‘rolling off’ the overlapping points after one year. The Council is aware that phasing-in arrangements must be capable of being objectively justified as they delay the immediate implementation of equal pay and consulted with the trade unions in the Joint Pay Modelling Team. The Council explained to the trade unions that using phasing-in arrangements will deliver a more affordable means of moving to the new pay arrangements providing a better opportunity for the Council to safeguard jobs and deliver services to communities over the next 4 years.

Abutting pay scales:

The Joint Pay Modelling Team considered the use of abutting pay scales, where the maximum of the lower pay scale is the same spine point as the minimum of the next higher

grade, an acceptable measure, on the basis that an individual on the maximum of the lower scale has several years' experience, which probably means that they are doing work of equal value to a new starter in the higher grade.

Agreed actions:

- To carry out an Equality Impact Assessment informed by the full range of data held by the Council in relation to protected characteristics against each Pay Model (B and D) (see **Appendix 6**).
- To consult with Regional Trade Unions Officers in relation to Pay Models B and D and phasing-in arrangements.
- To reconvene the Joint Pay Modelling Team to consider the outcome of the two actions above and seek to agree a Pay Model for recommendation to the LGS Forum.

Update (13th December 2018)

The Joint Pay Modelling Team reconvened on **13th December 2018** to consider feedback from the Regional Officers and the Equality Impact Assessment set out in **Appendix 6**:

The Regional Officers did not provide any adverse comments in relation to the Councils proposals, but indicated that a full Equality Impact Assessment would be required in order to provide a definitive outcome.

Pay Model B

- Considering the EIA data in Appendix 6, this Pay Model has a more positive impact on female employees and younger employees (aged 40 and younger) in Grades 5 to 13, by accelerating incremental progression to the maximum point of the respective pay grades. Both of these groups tend to have more representation than males / older employees at the minimum point of pay grades.
- The proposed deletion of 3 salary scale points at the bottom of Grade 5 (SCPS 9, 10 and 11) in order to create a 6 point grade, creates a 6% gap between the top of Grade 4 and the bottom of Grade 5. There is a 2 point Job Evaluation Score difference at the Grade boundary between Grade 4 and Grade 5 (scores 358 and 360 respectively). This could present an equal pay risk if the 11 female employees with a JE score of 358 currently paid at the maximum point of Grade 4 are able to identify a male comparator amongst the 11 males with a JE score of 360 on the minimum point of Grade 5.
- This Pay Model includes phasing-in arrangements, and as a result Grades 5 and 6 will have 7 incremental points for the first 12 month period, and overlapping pay grades will persist temporarily. From 1st April 2020, these potential adverse equality impacts will be permanently removed.
- Taking into account the range of data provided in respect of the protected characteristics, no other adverse equality impacts were identified by the Joint Pay Modelling Team.

Pay Model D

- This Pay Model again has a more positive impact on female employees (aged 40 and younger) in Grades 5 to 13, by accelerating incremental progression to the maximum point of the respective pay grades. Both of these groups tend to have more representation than males / older employees at the minimum point of pay grades.

- In this Pay Model Grade 5 is again reduced to a 6 point grade, but in this model it is proposed to do so by removing SCP 9 after one year, and to not utilise the new SCPs 13 and 16. Whilst this does create a 3.1% step between SCP 12 and 14, and again between SCP 15 and 17, as this is within the pay grade as opposed to at a grade boundary, it does not pose an equal pay risk.
- This Pay Model also includes phasing-in arrangements, and as a result Grades 5 and 6 will have 7 incremental points for the first 12 month period, and overlapping pay grades will persist temporarily. From 1st April 2020, these potential adverse equality impacts will be permanently removed.
- No other adverse equality impacts were identified by the Joint Pay Modelling Team.

Section 6 – Post Consultation

What was the outcome of the consultation?

Taking into account the consideration summarised in Section 5, the Joint Pay Modelling Team agreed to recommend **Pay Model D Appendix 7** to the LGS Forum, subject to consultation with respective Regional Trade Union Officers, providing this Equality Impact Assessment and attached documentation.

The Joint Pay Modelling Team also agreed to support the objective justification set out for phasing-in arrangements.

Set out below is the revised impact on protected characteristics, utilising proposed Pay Model D.

Revised Impact on Protected Characteristics

	Positive	Negative	Neutral	Needs further investigation
Age	➔ ✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	➔ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Gender reassignment	➔ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Marriage & civil partnership	➔ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Pregnancy and maternity	➔ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Race	➔ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
religion or belief	➔ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Sex	➔ ✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	➔ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Welsh language	➔ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>

Section 7 - Monitoring arrangements:

Monitoring arrangements:

To ensure that the new pay and grading arrangements remain fit for purpose the Council will carry out equal pay audits on a regular basis.

To ensure that the new pay and grading arrangements have not increased the Council's Gender Pay Gap, the Council will monitor the gender pay gap on an annual basis.

Actions:

To establish regular bi-annual Equal Pay Audits.

To produce Gender Pay Gap data, and to develop a Gender Pay Gap strategy.

Section 8 – Outcomes:

Having completed sections 1-5, please indicate which of the outcomes listed below applies to your initiative (refer to guidance for further information on this section).

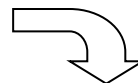
Outcome 1: Continue the initiative...

Outcome 2: Adjust the initiative...



Outcome 3: Justify the initiative...

Outcome 4: Stop and remove the initiative...



As detailed above the Council is required to implement the new LGS pay spine with effect from 1st April 2019. In order to address identified equality impacts, the Council proposes to amend its pay and grading structure, as set out in the attached draft Collective Agreement and utilising Pay Model D, as developed with the Joint Trade Unions.

Please note: the Council already operates an extended pay spine (Grade 13, SCP 49 – 52) and will extend the new LGS pay spine accordingly (Grade 13 SCP 43 – 46).

Regional Trade Union Officers will now be formally consulted on this revised pay model, pending a meeting of the LGS Forum scheduled for 16th January 2019 with the aim of reaching formal collective agreement with the LGS recognised trade unions.

Members of Personnel Committee will be asked to approve the arrangements for implementation.

Section 9 - Publication arrangements:

This EIA will be made available to Members at Personnel Committee and progress against the action plan will be reported to this committee.

Action Plan:

Objective What are we going to do and why?	Who will be responsible for seeing it is done?	When will it be done by?	Outcome How will we know we have achieved our objective?	Progress
To utilise pay modelling software to determine adverse equality impacts as a result of implementing the new LGS pay spine.	The Joint Pay Modelling Team.	18 th October 2018	Gender impact analysis of the new LGS pay spine	Completed
To commence consultation with the recognised trade unions and to share information in relation to the new LGS pay spine and the impacts of implementing the pay spine in NPT.	Head of Human Resources	December 2018	Local agreement	LGS Forum 29 th August 2018 Staff Council 17 th September 2018 Joint Pay Modelling Team meetings Meetings with Regional Officers
To ask the Joint Trade Unions to nominate representatives to join the Council's Joint Pay Modelling Team.	Head of Human Resources	September 2018	TU nominations	GMB and UNISON representatives confirmed as members of the Joint Pay Modelling Team.
To convene the Joint Pay Modelling Team and consider alternative Pay Models developed by the Council.	Director of Finance (Chair)	October 2018	Pay models presented for consideration.	Meeting held on 18 th October 2018

Equality Impact Assess Pay Models B and D for consideration by the Joint Pay Modelling Team.	Head of Human Resources	December 2018	EIA	Meeting held on 13 th December 2018.
Consultation with trade unions in relation to this EIA	The Joint Pay Modelling Team	December 2019	Amended EIA to take account of consultation outcomes.	Meeting held on 13 th December 2018.
Determine a recommended Pay Model in partnership with the Trade Unions	The Joint Pay Modelling Team	December 2018	Recommended pay model	Meeting held on 13 th December 2018
Consult with Regional Officers for mandate to vote in favour of recommended pay model	Trade unions	January 2018		Meeting of LGS Forum scheduled for 16 th January 2019
Formal agreement at the Local Government Services Forum	Chair of LGS	January 2019	Signed Collective Agreement	Meeting of LGS Forum scheduled for 16 th January 2019
Member authority for revised pay and grading structure	Head of Human Resources	January 2019	Approval from Personnel Committee	14 th January 2019
Employee engagement and bi-lingual communication	Principal HR Manager / Strategic Manager – Policy & Democratic Services	31 st March 2019	TO BE DETERMINED	
HR / Payroll to implement the revised pay structure	Principal HR Manager / Group Accountant	31 st March 2019	All employees paid in line with the revised pay structure by 31 st March 2019	
HR to update pay data on the VISION s	Principal HR Manager	31 st March 2019	As above	
Equal Pay Audit	Head of Human Resources	1 year post implementation of revised pay spine	Continuation of the equality proofed pay and grading structure	