

# EQUAL PAY

## AUDIT SUMMARY

2003

**dti**

A DTI SERVICE



*Companies House*

— for the record —

## Companies House, Executive Agency of the DTI

### Equal Pay Audit Summary - 2003

Following publication in January 2001 of 'Just Pay', the report of the Equal Opportunities Commission's Task Force, the Government committed departments and agencies to review their pay systems.

Companies House is also required, as a condition of Pay Delegation, to undertake 'equality proofing' of our pay systems (we have delegation for grading structure and the pay of our employees, excepting Senior Civil Service (SCS)) and to comply with the Equal Opportunities Commission's 'Code of Practice for Equal Pay' as part of a regular 3 yearly review.

### What action has Companies House taken?

Companies House conducted an initial review of its pay and reward system in March 2001. As a result of this review a transitional pay system was implemented that reintroduced progression to a reference point (below the maximum of the pay scale) based on length of service within grade.

A Market rates exercise was then undertaken prior to the 2002 pay round to compare salaries across the private and public sector on comparable posts. The key drivers identified by the Companies House Board for change in the Pay and Reward policy fall into four broad categories; equality, grading structure, market competitiveness and performance related bonus arrangements.

The Companies House Pay Offer: August 2002 – July 2005 now included a more flexible grading structure, progression to a target rate (based on market rates) within a defined period and the elimination of pay overlaps between grades. All of these actions were designed to eliminate, as far a possible, any inequalities that might be inherent in the original structure.

An Equal Pay Audit report was completed in April 2003 following the implementation of the new (2002/5) pay and grading system. An **Action Plan** was formulated as part of this review and a working group has been set up, which includes Trade Union representation that will agree and prioritise a programme of work, initially based on the Action Plan.

The Action Plan will continue to evolve over time as both management and Trade Union identify other issues which need to be addressed, as well as those resulting from central directives, changes in legislation and following the findings of annual pay audits.

## **Companies House Equal Pay Action Plan - 2003**

**Stage One:** to formulate an equal pay policy that is agreed with the Trade Union and staff and disseminated to all. [The EOC has a draft policy template that Companies House might want to consider].

**Stage Two:** we should take the following action:

- continue to monitor equality in pay on an annual basis;
- look more closely at other aspects of discrimination in pay i.e. disability, ethnic minorities and age;
- equality check our grading and recruitment systems and be sure there is no hidden discrimination mechanism;
- consider what action might be needed to redress the under representation of women within Band F;
- ensure the PDR system is not biased against women, part timers, those who have had a career break, or other minorities;
- ensure that our promotion system does not contain any hidden bias against the categories above;
- action taken needs to conform with the Cabinet Office Guidance for conducting equal pay reviews.

In terms of our **pay system**\_we should:

- ensure that over time, the system reduces the number of people above the target rate and who are on personal maximums;
- equality check any new pay proposal before the remit is sent to the DTI.

Our current system has already addressed most of the issues that result in equal pay disputes in that we have a target rate based on competitive market rates that everyone can aspire to within a reasonable time. There are no overlaps and those above the final target rate are not given consolidated increases.