

CITY HOSPITALS SUNDERLAND NHS FOUNDATION TRUST

DEPARTMENT OF HUMAN RESOURCES

BOARD OF DIRECTORS

NOVEMBER 2007

HR UPDATE

HEALTH MINISTER BEN BRADSHAW WELCOMES FINAL AGREEMENT FOR NHS PENSIONS

Health Minister Ben Bradshaw today accepted the final agreement for changes to the NHS Pension Scheme and implementation from April 2008.

The NHS Pension Scheme Review, led by a partnership between NHS Employers and NHS trade unions, was tasked with developing a sustainable pension scheme fit for the NHS in the 21st Century.

Existing staff, and those joining the NHS Pension Scheme up to 31 March 2008, will keep their normal pension age of 60. Major changes include the introduction of a new scheme for new staff with a normal pension age of 65. The minimum age for drawing a reduced pension will also increase from 50 to 55 for new entrants.

Other changes include:

- Earnings related, tiered contributions so that higher paid staff pay more fairly for the benefits they draw
- Cost sharing arrangements between employers and staff to limit the cost of the Pension Scheme and to contain long-term costs to the NHS
- Survivor benefits for all nominated partners – not just spouses and civil partners. These benefits will now be payable for life
- A new purchase facility for members who wish to increase their benefits
- New step-down arrangements so that final salary staff approaching retirement can transfer to less demanding duties without loss of pension entitlement
- More flexibility for members who wish to convert part of their pension into a lump sum on retirement

Health Minister Ben Bradshaw said:

“NHS Employers and NHS Trade Unions have done an excellent job of listening to both staff and employers. The new NHS Pensions Scheme strikes the right balance between the security that staff deserve in their retirement

and affordability for the taxpayer.

“The existing scheme has provided well for staff, but has changed little over the past 60 years. It is right that we recognise the vast shift in working patterns since the 1940s, the reform of the tax regime for pensions in recent years, and changes to employment legislation.

“The new arrangements will give staff more control over how they save for their retirement, as well as how and when they retire, whilst managing costs.”

GOVERNMENT LAUNCHES CONSULTATION ON PROPOSALS FOR SINGLE EQUALITY ACT

The Government has issued a consultation document containing proposals for amendments to the law and the creation of a Single Equality Act, on which it is seeking views. The consultation period ended on 4 September 2007.

Three proposals have been developed as a result of the Discrimination Law Review (DLR), which was launched by the Government in February 2005 and ran in parallel with the Equalities Review. Its aim was to examine the numerous pieces of domestic and European legislation that currently make up the ever-expanding body of discrimination law in the UK and to consider the opportunities for creating a clearer and more coherent legislative framework capable of producing substantive improvements to equality in society. The Equalities Review examined the broader sociological issues leading to inequality in society and presented its final report to the Prime Minister on 28 February 2007. The Government is expected to respond to it in full later this year.

From the DLR, the proposals contained in the consultation document span equality law in its widest sense and cover private members' clubs, education, positive duties of public authorities, and the provision of goods and services, as well as employment. In the employment field the major issues on which views are sought include:

- Whether the requirement for a comparator in direct discrimination cases should be retained.
- Whether a genuine occupational requirement test should be introduced for all strands of discrimination (except disability).
- Harmonising the definition of indirect discrimination.
- Whether the concept of 'reasonable adjustments' should be extended beyond disability discrimination.
- Whether parents and carers should continue to be covered by targeted provisions rather than as part of a streamlined Act.
- Whether to streamline equal pay law and sex discrimination law within the Single Equality Act.
- Creating a single definition of disability discrimination.
- Promoting compliance and good practice through guidance to be issued primarily through the new Commission for Equality and Human Rights.

- Promoting the use of alternative dispute resolution.

Legislation to enact a Single Equality Act would then probably be on the statute books in either late 2008 or early 2009.

ELECTRONIC STAFF RECORD (ESR)

Whilst work continues to ensure the Electronic Staff Record system works as effectively as possible from an operational perspective, the top priority currently is to set up, and maintain standard reports for the Trust, particularly from a workforce perspective. In common with other local Trusts, the re-establishment of standard reports has involved significantly more work than expected, with "conditions" having to be attached to the standard reports in the system to enable them to report accurately and meaningfully on issues such as sickness, workforce turnover etc.

Although considerable work has been done to ensure the system records financial cost centre and subjective code information as accurately as possible, more work is needed to "cleanse" the system of duplicate jobs (particularly where a single job has loaded into the ESR system as several different ones, due to cost centre and/or occupational code differences), incorrect staff group information, obsolete cost centre details etc, some of which will have an effect on reports.

Other aspects of the ESR system continue to be developed including the Training and Learning Administration modules (Oracle Learning Management). A roll out plan for use of this is being prepared, with all centrally recorded programmes including mandatory training, now being recorded within ESR. This will enable the Trust to extract information from a single system when preparing reports for Risk Assessment reports. The system is also being used to book staff onto centrally booked courses, and reports are being tested currently. The next steps will be to consider whether competence and qualification information can be recorded within ESR, which would be particularly useful for clinical staff, where such information can be utilised to prioritise future training and target "hot spots" where gaps in training delivery may compromise patient care if not addressed.

Preparatory work to pilot use of the Bank Administration module is also being done. Whilst this does not link directly with the pay system, it will provide a no cost means of recording bank activity, and matching shifts requested to staff availability.

The Trust has been represented at the Regional User Group meeting, and all the regional Special Interest Groups to date. Most recently a series of Benefits Realisation events have been held, with the message being given by the national team, that they will be asking Trusts for reports on their progress in rolling out utilisation of the system, particularly aspects such as Manager Self Service and Oracle Learning Management, with the most recent event focussing heavily on the former.

Preparatory work is being done to consider the use of Manager Self Service within the Trust, with some departments keen to participate in a pilot of this work. It is likely however, that significant work will be needed to train managers who are to participate, to clarify HR and Payroll rules for some entries, and to resolve any issues which arise through use of the system. The message from the 2 Trusts where this is fully implemented to date, which include Northumbria Healthcare Trust, is that the benefits of this are significant. A regional Special Interest Group has been established to assist Trusts in taking forward this work, and further reports will include updates on this area.

EMPLOYMENT LAW

Managers' Gender Pay Gap Widens For The First Time In A Decade

According to research carried out by the Chartered Management Institute (CMI), the gender pay gap among managers expanded last year for the first time in more than a decade.

The survey of 42,205 people found that in 2006, women manager's earnings rose by 5.2% to an average salary of £43,571, whilst male managers saw their earnings rise by 5.4% to £49,647. This is the first time in 11 years that men's earnings have risen faster than women's.

The findings come despite women enjoying faster career progression than men. At 37, the average female team leader is 5 years younger than her male counterpart, at 40, the average female department head is 3 years younger than her male equivalent and at 44, women achieve director roles 4 years quicker than men.

3% Increase In National Minimum Wage

From 1 October 2007, the main rate rose from £5.35 to £5.52 per hour and the development rates from £4.45 to £4.60 per hour.

The rates for workers aged 16-17 increased from £3.30 to £3.40.

The current minimum hourly rate of pay under the Agenda for Change system is £6.02 per hour.

Equal Pay - What's New?

Issues surrounding equal pay have dominated the news recently.

A significant reason for the increase in Employment Tribunal cases has been attributed to a 155% increase in equal pay claims, the majority of which relate to claims that have been brought against Local Authorities and the NHS.

It has been reported that the Chair of the Equal Opportunities Commission (EOC) is urging Ministers to introduce a 3-year moratorium on equal pay claims while companies conduct internal pay audits.

Meanwhile, the Conservative Party wants to give Employment Tribunals the power to order firms that are found to have discriminated on grounds of pay to undertake formal pay audits. The Confederation of British Industry (CBI) has condemned this proposal, arguing that the move would "do little to tackle the underlying causes of the pay gap."

According to a recent report from the EOC, the full-time gender pay gap for hourly earnings remains at 17% and the part-time pay gap at nearly 40%, which has barely shifted in a generation.

At the current rate of change, it would take more than two decades to close the gap.

Holiday Entitlements

From 1 October 2007, all workers will be entitled to a minimum of 4.8 weeks paid holiday (which equates to 24 days for full time workers). The minimum can include the 8 bank and public holidays.

The following changes will apply to those employers that do not provide 24 days' holiday, as of 1 October 2007:

- All workers will be entitled to the equivalent of 4.8 weeks' annual leave regardless of length of service;
- The holiday entitlement for part-time workers needs to be calculated on a pro-rata basis (4.8 times their usual working week), regardless of whether or not they usually work on bank holidays;
- Partial days' holiday need not be rounded up to the nearest full day. The increase should be calculated proportionally depending on when the leave year starts.
- Due to concerns raised by employers about the difficulties in calculating workers' increased holiday entitlement during the transitional period, DEBRR have published a Ready-Reckoner table on their website at: <http://www.dti.gov.uk/employment/holidays/page40455.html>.
- Some or all of the additional holiday may be carried over to the following leave year by mutual agreement of the employer and worker;
- Payment in lieu of the additional holiday entitlement (the additional 0.8 weeks) will be permitted until 1 April 2009 and after this date, payment in lieu will only be allowed on termination of employment.

Equality Act 2006

A new Commission for Equality and Human Rights ("CEHR") was created from 1 October 2007 to bring together the Commission for Racial Equality, the Disability Rights Commission and the Equal Opportunities Commission.

The CEHR takes on all the powers of the existing Commissions as well as new powers to enforce legislation more effectively and promote equality for all, including powers to take on human rights cases.

The CEHR has stated that the benefits of a single commission are, that:

- It will be a single point of contact for individuals, businesses and the voluntary and public sectors;
- It will benefit those who are facing several types of discrimination and;
- It will help businesses by promoting awareness of equality issues, which may prevent costly court and tribunal cases.

Racial and Religious Hatred Act 2006

The Racial and Religious Hatred Act 2006 came into force on 1 October 2007. The Act extends the crime of incitement to commit racial hatred to cover religious hatred.

The offence applies to the use of words or behaviour, which are threatening and intended to stir up religious hatred against a group of people defined by reference to their religious belief or lack of belief.

This removes the previous anomaly, whereby the legislation prohibiting the incitement of racial hatred protected Sikhs and Jews, because they were included in the definition of a racial group, but not Muslims, Hindus, Rastafarians or Christians or other religions, which did not fall under the definition.

The offence is not limited to individuals; a company will also be guilty under this Act if "it is shown that the offence was committed with the consent or connivance of a director, manager, secretary or other similar officer". If found guilty of this offence, the officer of the company involved, as well as the company can be punished, which can be either a fine or a prison sentence of up to 7 years.

RECOMMENDATION

Directors are asked to note the content of this report.

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