

**BABERGH DISTRICT COUNCIL**

**FROM: HR Panel**

**REPORT NUMBER    **F88****

**TO:     STRATEGY COMMITTEE**

**DATE OF MEETING 28 September 2006**

**IMPLEMENTATION OF THE EMPLOYMENT EQUALITY (AGE) REGULATIONS 2006**

1.     **SUMMARY**

1.1     The HR Panel have received two papers covering the new age regulations effective from 1<sup>st</sup> October 2006. Paper HR109, received at their meeting on 12<sup>th</sup> June 2006 outlined the detail of the legislation and the action that was required. Paper HR112, confirmed the action that had been taken and recommended further action required to change current practice and Policy to meet the new legislative requirements.

2.     **RECOMMENDATION**

2.1     That the following changes be made to ensure that this Council meets the Age Regulations coming into effect from 1<sup>st</sup> October 2006:-

- (a)     Remove the qualifying age limit on the contractual benefit of free Health Insurance, for those staff employed on Performance Grade 8.
- (b)     Change the Eye Testing Policy to provide free eye tests every 3 years for all staff replacing the current two-tier frequency levels, which are reliant on age.
- (c)     Delete “length of service” from the list of criteria used to select for compulsory redundancy within the Council’s Policy.

The Committee is able to resolve this matter.

3.     **FINANCIAL IMPLICATIONS**

3.1     The cost of extending the benefit of free Health Insurance to cover all current staff on PG8 and above would be £5,705 p.a. at current rates. This has been referred to the Service and Financial Planning Group.

4.     **KEY INFORMATION**

4.1     **Equality Policy**

This has been updated to include age and is being brought to the attention of all staff.

4.2     **Recruitment, Selection and Promotion**

The forms, processes and procedures followed have all been updated in accordance with ACAS recommendations.

#### **4.3 Training for all Staff**

All staff will receive Age Discrimination Awareness Training over the coming months. Elected Members will be invited to attend.

#### **4.4 Retirement**

The formal process and procedure that is recommended by ACAS to ensure retirements are dealt with fairly and in accordance with the Regulations has been developed and will be in use for all retirements after 1 October 2006. This will be made available on BEN for all staff.

#### **4.5 Salary and Benefits**

Any benefit earned by five years service or less is exempt. However, use of more than 5 years service for benefits will be lawful only if it can be demonstrated to meet certain criteria and evidence found that there is a benefit to the organisation.

This impacts directly on current Annual Leave arrangements where enhanced leave is awarded on some grades after 10 years service and on the Policy for Long Service Awards at this Council. In order to retain current arrangements and comply with legislation, a staff survey will be conducted to ascertain whether officers regard these benefits in line with the criteria given and therefore determine whether the benefits can be continued or not. If further change is necessary, a report will be referred to the HR Panel.

#### **4.6 Health Insurance provisions**

At present all staff on performance grades 8 and above who are over 40 years of age are entitled to receive free health insurance as a benefit within their personal contract. Eligibility to a benefit on the basis of age will become unlawful. Removal of the benefit for all officers on grades 8 and above would be a contractual change to their detriment.

At present there are 74 posts graded at Performance Grade 8 or above. Of these, 54 are currently filled by Officers over 40 years of age. The cost of Health Insurance Benefits increases with age. To extend these provisions to all staff on PG8 and above would cost an additional £5,705 p.a.

#### **4.7 Policies and Procedures**

All policies and procedures have been checked to determine whether any changes are required to comply with the new regulations. In some cases there have been only minor adjustments required and these have been made. The legislation has had a greater impact on the specific policies detailed in paragraphs 4.8 to 4.10 below.

#### **4.8 Eye Testing Policy**

The frequency of free eye tests for staff using VDU equipment and work stations is determined by their age with an entitlement to an eyesight test once every 4 years if under 40 years of age, or once every 2 years if 40 years or over.

This differential benefit will need to be changed to meet the new regulations. In order to retain current costs it is proposed that the frequency for tests is changed to 3 years for all staff (Neighbouring Authorities vary from 2-4years). The Policy does allow the Head of OD to use his discretion to enable testing at more frequent intervals where there someone is experiencing particular visual difficulties.

#### 4.9 **Policy on Compulsory Redundancy**

The current policy includes length of service as one of the selection criteria for compulsory redundancy. To comply with the age legislation any reference to length of service or work experience should be removed to avoid indirect discrimination.

#### 4.10 **Policy on Voluntary Retirement/Redundancy**

Current arrangements, which enable the enhancement of redundancy payments and added years for pension purposes where there is an early retirement/ redundancy, will be discriminatory.

The Government is removing the power within the Discretionary Compensation Regulations to award compensatory added years to eligible employees over the age of 50. It will therefore be necessary to develop a new Policy on the award of discretionary payments. The East of England Regional Assembly (EERA) is currently advising Authorities across the Region on this matter. When further information becomes available a new policy will be developed for the Authority addressing this issue and referred to the HR Panel.

### 5. **APPENDICES**

None

### 6. **BACKGROUND PAPERS REFERRED TO:**

Paper HR109 to HR Panel –Employment Equality (Age) Regulations  
Eye Testing Policy  
Policy on Compulsory Redundancies

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