

SOUTH GLOUCESTERSHIRE COUNCIL

JOINT CONSULTATIVE COMMITTEE

2nd November 2011

Equal Pay Audit 2011

1. Introduction

- 1.1. South Gloucestershire Council supports the principle of equal pay for work of equal value and recognises that we should operate a pay system that is based on objective criteria. The council's commitment to avoiding pay discrimination and to rewarding staff fairly is set out in its Equal Pay Policy¹.
- 1.2. Since the last equal pay audit in 2008 there has been the introduction of the Equality Act 2010. The Act replaced previous legislation including the Equal Pay Act 1970 and the Sex Discrimination Act 1975, and the equality provisions in the Pensions Act 1995. The Act implies a "provision into every contract of employment giving a woman or man the same right to contractual pay and benefits of the opposite sex engaged in 'like work', 'work of equal value' or 'work rated as equivalent', usually in the same employment. That is, if the terms of a contract do not include (whether directly or by reference to a collective agreement or otherwise) a sex equality clause, they are deemed to include one."²
- 1.3. Whilst the Act deals with discrimination in pay and other terms and conditions of employment for gender related reasons only, it places a higher burden on public sector bodies. A new equality duty was created by section 149 of the Act, replacing the race, disability and gender equality duties. This new duty now covers age, disability, gender, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation. People with these characteristics are referred to as protected groups.
- 1.4. Guidance issued by the EHRC says that for larger public sector bodies (such as Whitehall departments, county and city councils) it may be 'proportionate to provide staff information disaggregated by protected groups ... including pay gap information for other protected groups'.³

2. Context

- 2.1. To ensure that the council's approach to equality of pay for employees undertaking equal work remains robust a further equal pay audit has been undertaken to validate the council's position.
- 2.2. The framework and methodology of the audit are largely based on the Terms of Reference from 2008 and have been used with amendments following the updated guidance on the equal pay tool kit issued by the Equality and Human Rights Commission (EHRC)⁴.

¹ See Appendix 1

² <http://www.cipd.co.uk/hr-resources/employment-law-faqs.FAQ.aspx>

³ EHRC, 'Essential guide to the public sector equality duty', page 17

⁴ [EHRC - Tools: Equal pay](#)

- 2.3. The scope of the audit was again limited to those South Gloucestershire Council employees who are subject to the Council's Hay job evaluation scheme. This point was agreed on the grounds that the Council is not in a position to negotiate and agree agreements relating to groups of employees such as teachers and Soulbury workers. The council should be aware that this would not stop an equal pay claim from some Hay graded posts in comparison to similar Soulbury posts from being lodged and possibly being successful.
- 2.4. The availability of data on the workforce means that the focus of this audit is curtailed to an examination of basic pay across the protected groups of gender, race and disability. In future years the equal pay audit will include the remaining protected groups of age, gender reassignment, pregnancy and maternity, religion or belief and sexual orientation.

3. What is an Equal Pay Audit?

- 3.1. An equal pay audit involves comparing the pay of protected groups who are doing equal work, investigating the causes of any pay gaps by gender, race, and disability or working pattern and planning to close any gap that cannot be justified on grounds other than one of those characteristics.
- 3.2. An equal pay audit is concerned with an important, but narrow, aspect of potential discrimination in employment - unequal pay for equal work. It does not directly address other aspects of inequality, such as the glass ceiling, but such aspects - which may well contribute to overall pay gaps between, for example, men and women - may be highlighted by the pay audit.
- 3.3. Equal work is defined in one of three ways.
 - 3.3.1. *Same*, or broadly similar (known as like work)
 - 3.3.2. *Different*, but which is rated under the same job evaluation scheme as equivalent (known as work rated as equivalent)
 - 3.3.3. *Different*, but of equal value in terms of demands such as skill and decision making (known as work of equal value)

It is the second of these three definitions that is used within South Gloucestershire. The council continues to use the Hay method of job evaluation. This is a well respected and widely used method of job evaluation in private, public and not-for-profit organisations. The Hay method is gender-neutral and has not been found to be discriminatory or unlawful in any reported legal decision.

- 3.4. An equal pay audit involves:
 - the comparison of pay of men and women doing equal work (for this audit race and disability are included);
 - the identification of any pay gaps;
 - the explanation and justification of gaps using objective criteria;
 - the addressing of any gaps that cannot satisfactorily be explained on the grounds of work content and
 - ongoing monitoring.

4. Data Collection

- 4.1. A *pay gap report* gives details of pay comparisons between men and women by grade. These reports inform the Equal Pay Audit for 2011 and are summarised in this document. Where detailed comparisons are not shown this is because it would enable individuals to be identified. The information is based on data held on ResourceLink as at 31 March 2011.
- 4.2. The categories of information that were extracted for the various tables are:
- grade/gender/age/length of service/ethnicity/disability/full-time or part/time
 - basic pay
- 4.3. The order of the various analyses are grouped as follows:
- pay by gender all staff
 - pay of part-time staff
 - pay by ethnicity
 - pay by disabled status
- 4.4. The tables indicate the percentage value of any pay gaps. For example, a -% if females are paid more than males and a +% if females are paid less than males.

5. Findings

5.1. Gender distribution and pay gap – all staff

Grade	Employee contracts		Average fte salary		Pay Gap %	
	Male	Female	Male	Female	2011	2008
HAY01	16	10	53,855	55,322	-2.72%	1.39%
HAY02	19	19	49,012	48,171	1.72%	1.42%
HAY03	42	41	42,590	42,047	1.28%	1.21%
HAY04	52	62	38,430	38,359		0.36%
HAY05	117	95	35,016	34,719	0.85%	1.10%
HAY06	104	155	31,515	31,154	1.15%	1.61%
HAY07	145	355	27,924	28,023	-0.35%	1.42%
HAY08	127	583	24,615	24,867	-1.02%	0.93%
HAY09	194	1005	21,332	21,451	-0.56%	-0.54%
HAY10	128	812	18,414	18,556	-0.77%	-1.06%
HAY11	184	606	16,592	16,662	-0.42%	-0.04%
HAY12	84	411	15,327	15,324	0.02%	0.10%
HAY13	62	987	13,805	13,714	0.66%	0.68%
HAY14	20	253	12,711	12,735	-0.19%	-0.02%
HAY15	66	448	12,256	12,282	-0.22%	-0.22%
Total	1360	5842	24,180	19,415	19.70%	21.68%

A minus indicates women ahead of men

- 5.1.1. Overall the gender pay gap in 2011 has fallen from the 21.68% identified in the 2008 audit to 19.70%. However, this doesn't compare 'like-with-like' for example, men and women doing equal work – which should be the basis for a pay audit. This is because men and women are likely to be spread unevenly throughout the jobs and grades in an organisation. So this overall gender pay gap can more accurately be seen as an 'equal opportunity gap'. It generally favours men because they tend to occupy

more of the higher paid jobs and men are more heavily represented at senior levels.

- 5.1.2. Across individual grades there has been a narrowing of the gender pay gap. In 2008 there were only five grades where females earned more on average than males. In 2011 this number of grades has increased to eight. The biggest change has been in HAY01 where the gender gap has swung from 1.39% in 2008 to -2.72% in 2011. This can be explained by; there being more women and fewer men in the grade
- 5.1.3. The council wide gender pay gap between female and male employees of 19.7% is explained by the preponderance of female staff in lower graded posts. This imbalance is in turn explained by the nature of the roles (catering, cleaning and home care) that allow greater opportunities for people to work part-time. In the main it is women who take up these jobs, possibly for work-life balance reasons, and thereby create occupational segregation.
- 5.1.4. The table shows that across the Hay graded workforce the gender pay gap falls within the limits set out in the EHRC guidelines⁵. As a general guide, any differences of 5% or more, or 3% or more if there is a pattern of gaps favouring one sex (or other protected characteristic), will require exploration and explanation. So, if any of the checks reveal either:
- 'Significant' differences between the average basic pay or average total earnings of men and women performing equal work (any differences of 5% or more), or
 - Patterns of basic pay difference e.g. women consistently earning less than men on average for equal work at most, or all, grades or levels in the organisation (differences of 3% or more) then further investigation is needed.

However, be aware that any pay difference, even when less than 3 % or 5%, may be open to legal challenge.

- 5.1.5. As in this table, the data shows that women are ahead of men in the majority of grades and the differences are all under the $\pm 3\%$ threshold, it is possible to conclude that there is equal pay between women and men.

⁵ <http://www.equalityhumanrights.com/advice-and-guidance/guidance-for-employers/tools-equal-pay/toolkit-step-3-collecting-pay-data/calculating-and-comparing-average-basic-pay-and-average-total-earnings>

5.2. Gender distribution and pay gap – part time staff

Grade	Male		Female		Pay Gap %
	Part time	Ave salary	Part time	Ave salary	
HAY01	1	52,041	2	54,363	-4.46%
HAY02	1	49,728	5	47,892	3.69%
HAY03	2	43,393	11	42,656	1.70%
HAY04	5	38,610	18	38,226	1.00%
HAY05	11	35,350	35	34,873	1.35%
HAY06	14	31,689	57	31,440	0.79%
HAY07	13	28,212	156	28,221	-0.03%
HAY08	16	25,050	392	24,896	0.61%
HAY09	40	21,286	814	21,476	-0.89%
HAY10	42	18,121	671	18,522	-2.21%
HAY11	77	16,513	532	16,661	-0.90%
HAY12	35	15,325	386	15,322	0.02%
HAY13	28	13,670	983	13,713	-0.32%
HAY14	16	12,692	251	12,734	-0.33%
HAY15	64	12,257	448	12,282	-0.21%
Total	365	18,554	4,761	17,968	3.16%

A minus indicates women ahead of men

- 5.2.1. The overall gender pay gap of 3.16% for part time staff whilst just falling outside the EHRC's guidelines of $\pm 3\%$, it does fall within the spread of the maxima and minima for the council's pay grade ranges. At grades HAY01 and HAY02 the respective pay ranges are 9.10% and 9.90%. Given the small numbers of people involved it is not unreasonable for these variances to exist. As in the table in 5.1 above, women are ahead of men in the majority of grades; eight out of fifteen.

5.3. Gender distribution and pay gap – full time staff

Hay Grade	Headcount		Average salary		Pay Gap %
	Male	Female	Male	Female	
HAY01	15	8	53,976	55,562	-2.94%
HAY02	18	14	48,973	48,270	1.43%
HAY03	40	30	42,550	41,823	1.71%
HAY04	47	44	38,411	38,413	0.00%
HAY05	106	60	34,982	34,629	1.01%
HAY06	90	98	31,488	30,988	1.59%
HAY07	132	199	27,895	27,867	0.10%
HAY08	111	191	24,553	24,808	-1.04%
HAY09	154	191	21,344	21,346	-0.01%
HAY10	86	141	18,557	18,716	-0.86%
HAY11	107	74	16,650	16,667	-0.10%
HAY12	49	25	15,328	15,351	-0.15%
HAY13	34	4	13,916	13,874	0.30%
HAY14	4	2	12,787	12,773	0.11%
HAY15	2		12,229		
Total	995	1081	26,243	25,789	1.73%

A minus indicates women ahead of men

5.3.1 This table highlights two points. Firstly that the ratio of full-time male to full-time female is 1:1.1 compared to the overall workforce ratio of 1:4.4; and that the pay gap of 1.73% is significantly lower than the overall gap of 19.70% in favour of men. These two large differences show the impact of part-time female working within the council.

5.4. Ethnicity distribution and pay gap

Grade	Contracts		Average Salary		Pay Gap %
	White	BME	White	BME	
HAY01	24		54,520		
HAY02	33	2	48,558	49,146	-1.21%
HAY03	82	1	42,309	43,393	-2.56%
HAY04	110	2	38,395	38,961	-1.47%
HAY05	190	7	34,903	35,051	-0.42%
HAY06	236	12	31,338	31,187	0.48%
HAY07	441	34	28,008	28,055	-0.17%
HAY08	663	27	24,843	24,774	0.28%
HAY09	1,115	35	21,479	21,091	1.81%
HAY10	867	16	18,561	18,301	1.40%
HAY11	711	22	16,659	16,723	-0.38%
HAY12	456	19	15,341	15,214	0.83%
HAY13	971	27	13,729	13,714	0.11%
HAY14	238	4	12,738	12,780	-0.33%
HAY15	465	10	12,282	12,253	0.23%
Total	6,602	218	20,359	21,532	-5.76%

A minus indicates BME ahead of White

- 5.4.1. Of the Hay graded workforce 94.7% have responded to the question of their ethnic origin. Of these 3.3% have declared themselves to be from a BME group.
- 5.4.2. The overall BME pay gap is 5.76% ahead of their White counterparts and outside of the EHRC guideline limits. On a grade by grade analysis the BME pay gap was ahead in seven of the 15 grades. The only grade where there is no declared BME representation being HAY01. Given the small BME population across the grades (1.22% in HAY02 to &.71% in HAY07), it would seem acceptable that this 'positive' pay gap is acceptable.

5.5. Disability distribution and pay gap

Grade	Contracts		Average FTE Salary		Pay Gap
	Non-Disabled	Disabled	Non-Disabled	Disabled	
HAY01	24	2	54,327	55,522	-2.20%
HAY02	37	1	48,561	49,728	-2.40%
HAY03	79	3	42,337	41,917	0.99%
HAY04	108	5	38,365	38,961	-1.55%
HAY05	204	7	34,887	34,779	0.31%
HAY06	246	11	31,289	31,523	-0.75%
HAY07	467	28	27,983	28,185	-0.72%
HAY08	691	14	24,815	25,169	-1.43%
HAY09	1,158	27	21,432	21,437	-0.02%
HAY10	905	27	18,522	19,021	-2.69%
HAY11	748	30	16,645	16,660	-0.09%
HAY12	485	7	15,326	15,241	0.55%
HAY13	1,013	25	13,718	13,784	-0.48%
HAY14	259	12	12,733	12,725	0.06%
HAY15	491	20	12,278	12,298	-0.16%
Total	6,915	219	20,286	21,256	-4.79%

A minus indicates Disabled ahead of Non-Disabled

- 5.5.1. Of those who have responded to the question about disability, 3.2% of the Hay graded workforce declared themselves to have a disability.
- 5.5.2. The overall Disability pay gap is 4.79% ahead of their Non-disabled counterparts. In 11 out of 15 grades those declaring a disability are ahead in terms of pay than their non-disabled counterparts.
- 5.5.3. On a grade by grade basis, the pay gap falls within the $\pm 3\%$ guidelines, whilst the overall figure is within the $\pm 5\%$ EHRC limit.

5.6. Other protected groups

Sexual Orientation	n
Bisexual	4
Gay Man	3
Gay Woman	10
Heterosexual/Straight	791
Other	2
Prefer not to say (blank)	54
Total	6338
	7202

Religion	n
Buddhist	7
Christian	466
Hindu	2
Jewish	5
Muslim	5
No religion	315
Other	14
Prefer not to say	50
Sikh	1
(blank)	6337
Total	7202

- 5.6.1. The requirements of the Equality Act focus mainly on the ensuring that men and women who are performing equal work should be paid the same. There is an implied extension to cover equal work done by ethnic or disabled employees. This audit has set out to meet the requirements for these three protected groups. However, for large public sector bodies the Act requires them to look at the pay gap of all protected groups (age, disability, gender,

gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation) who are undertaking equal work.

5.6.2. The council is beginning to collect data on sexual orientation and religion for its new starters; hence the small numbers of data in the table in 5.5 above. The collection of data on the remaining protected groups has yet to begin

5.6.3. With such small amounts of data available in response to the two questions any work in terms of establishing a pay gap would not produce a meaningful outcome. Therefore no further analysis in this area has been undertaken.

6. Good practice to maintain and improve the pay gap

6.1. Now that that the sizes of the pay gaps of Hay graded posts have been identified, the council will continue to improve the narrowing and elimination of any significant gaps that remain.

6.2. Areas that the council will monitor and work to strengthen include:

6.2.1. Consistent application of pay practices. The council's Recruitment and Selection training should provide guidance for managers in implementing robust and consistent processes in determining the starting salaries for all new employees.

6.2.2. Using existing work-life balance policies to actively support equality at work. These comply with the provisions of the Employment Act 2002 and include:- the Right to Request Flexible Working Procedure / Job Share Scheme / Flexible Working Hours Scheme / Parental Leave and Time off for Dependants Policy, and Maternity, Adoption and Paternity policies.

6.2.3. Working to ensure that there are no perceived barriers to progression for part-time employees.

6.2.4. Continued improvement to the council's monitoring processes and publication of the outcomes.

6.2.5. Restating the principles of access to training and career development across the council to ensure equality of opportunity in the council.

6.2.6. Work will be undertaken to populate the council's ResourceLink database with the details of those who are covered by the protected groups as set out in the new equality duty for public sector bodies.

7. Conclusions

7.1. The council, as a good employer, is committed to delivering equal treatment for all its staff. It will take action to address any act of discrimination (direct and or indirect), harassment and victimisation because of an employee's membership of a protected characteristic (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief sex and sexual orientation).

- 7.2. This audit concludes that the council does give equal pay for equal work irrespective of an employee's sex, race or disability. There is an overall pay gap of 19.7% in favour of men employed within the Hay-graded workforce. This reflects the greater incidence of men at the higher ends of the council's pay scales and of women at the lower; and of women to undertake part-time work. This mirrors existing patterns in local government and in the wider UK workforce.
- 7.3. This does not mean that the council's pay practices are flawed, but the council will continue to examine them regularly to check their justification, eliminate bias and maximise fairness. To achieve a better balance of women and men across disciplines and grades it is important to ensure that progressive policies and activities develop the careers of protected groups in equal measure.
- 7.4. In the fullness of time the council will be able to identify and quantify any pay gap that may exist within any of the protected characteristics.

Paul Scrivener
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On behalf of HR – Employee Relations
August 2011

South Gloucestershire Council

Equal Pay Policy

Under the provisions of the Equality Act 2010 there is a general gender duty placed on all public authorities to have a

'policy on developing equal pay arrangements – including measures to ensure fair promotion and development opportunities and tackle occupational segregation – between women and men which must be reviewed at regular intervals.

The policy below is part of how South Gloucestershire Council discharges its obligations under legislation and various codes of practice.

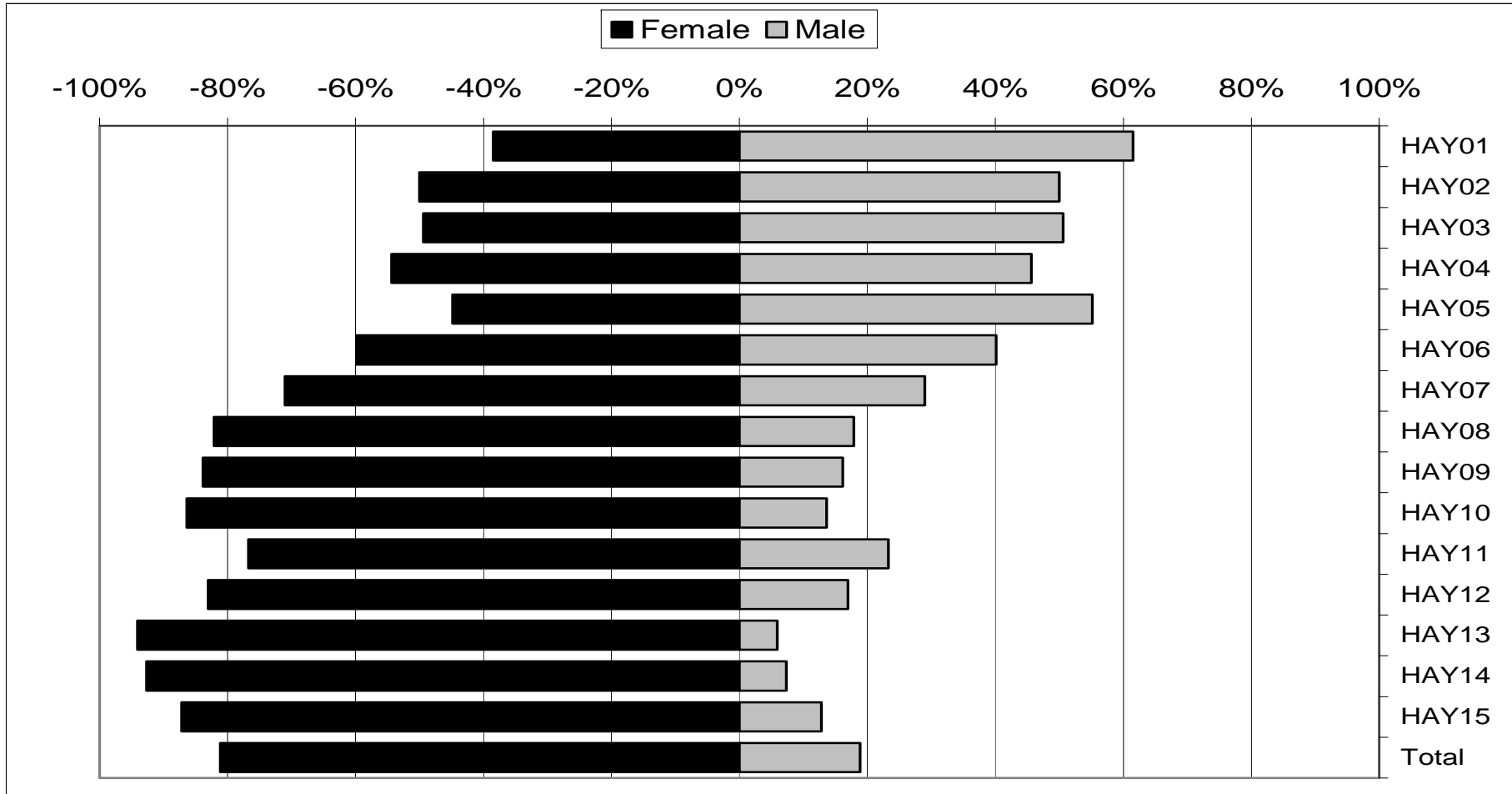
1. South Gloucestershire Council is committed to the principle of equal pay for all of its employees. The council aims to eliminate, if it exists, any bias on the grounds of sex, race, disability, age, sexual orientation, religious belief or any other discriminatory grounds from its pay, reward and recognition systems.
2. Equal pay between men and women is a legal right under both United Kingdom and European law.
3. It is in the interest of the council to ensure that it has a fair and just pay system. This includes a continuing commitment to using an agreed job evaluation process. It is important that employees have confidence in the process of eliminating bias on whatever grounds and the council is therefore committed to working in partnership with the recognised trade unions.
4. The council believes that in eliminating bias in its pay system it is sending a positive message to all staff. It is good sense to have a fair and transparent reward system. The council recognises that avoiding unfair discrimination will improve morale and enhance efficiency.
5. South Gloucestershire Council's objectives are
 - a. Eliminate any unfair, unjust or unlawful practices that impact on pay
 - b. Take appropriate remedial action

The council will

- a. Implement an equal pay review in line with the Equality and Human Rights Commission (formerly the EOC) guidance for all current staff and starting pay for new staff (including those on maternity/paternity/adoption leave, or non-standard contracts.)
- b. Plan and implement actions in partnership with trade unions.
- c. Provide training and guidance for those involved in determining pay.
- d. Work to ensure that all employees know how these practices work and how their own pay is determined.
- e. Respond to grievances on equal pay as a priority.
- f. In conjunction with trade unions, monitor pay statistics on a regular basis.

Appendix 2

Distribution of Hay-graded Staff by Gender and Grade



This chart depicts the incidence of men and women across the Hay pay grades in the council, visually demonstrating the findings that a greater proportion of women sit at the lower ends of our pay scales