

PERSONNEL COMMITTEE – 9TH SEPTEMBER 2019
Report of the Head of Strategic Support

Part A

ITEM 8 EQUAL PAY AUDIT 1ST APRIL 2018 to 31ST MARCH 2019

Purpose of Report

The purpose of this report is to provide Personnel Committee with information regarding the outcome of an Equal Pay Audit which was carried out on the Council's workforce employed during the period 1st April 2018 to 31st March 2019.

Recommendation

That the conclusions and recommendations of the Equal Pay Audit as set out in Part B of this report be noted.

Reason

The Equalities Act 2010 includes an Equality Duty which requires public sector employers to publish employment data, and the National Agreement covering Local Government Services (the "Green Book") requires councils to undertake equal pay audits; which are considered to be best practice for employers wishing to develop the whole of their workforce, regardless of gender.

In addition the Council has an Equality and Diversity Work Plan identifying that an Equal Pay Audit is required.

Policy Justification and Previous Decisions

SMT approved the Equal Pay Audit at its meeting on 19th June 2019 and it was discussed at JMTUM on 18th July 2019.

Equal Pay Audits have been carried out for the period 1st April 2011 to 31st March 2012 and 1st April 2014 and 31st March 2015.

Implementation Timetable including Future Decisions

The recommendations from the Equal Pay Audit will be implemented following agreement by Personnel Committee.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no financial implications arising from this decision.

Risk Management

The risks outlined within this report are highlighted in Part B below.

Background Papers: None

Officer to contact: Adrian Ward
Head of Strategic Support
Telephone: (01509) 634573
Email: adrian.ward@charnwood.gov.uk

Part B

Background

1. The Equalities Act 2010 includes an Equality Duty which requires public sector employers to publish employment data, and the National Agreement covering Local Government Services (the “Green Book”) requires councils to undertake equal pay audits; which are considered to be best practice for employers wishing to develop the whole of their workforce, regardless of gender. In addition the Council has an Equality and Diversity Work Plan identifying that an Equal Pay Audit is required.
2. The Council's first Equal Pay Audit was completed for the period 2011/12. Following the first audit the Council’s pay scale structure was reviewed and to reduce the long pay scale at Scale 1. The amendment resulted in there being 2 incremental points within Scale 1 and a further 2 incremental points within Scale 2. The principles of the Living Wage were also adopted in 2013. However, no commitment was made to adopt the Living Wage year on year. Instead it was agreed that increases would be in line with the National Pay Award.
3. The second Equal Pay Audit was completed for the period 2014/15 which resulted in a review of standby and call out arrangements and revised policy, review of pay protection arrangements and a review of identified posts to ensure consistency of grade.
4. SMT commissioned Leicestershire County Council’s HR Service to undertake this audit for the year commencing 1st April 2018 to 31st March 2019.

Outcome

5. The purpose of the audit was to scrutinise the Council’s compliance with various legal requirements and to detect any areas of discrepancy within the Council’s pay policies, practices and systems.
6. The audit has:
 - gathered and scrutinised pay data across all pay scales, including gross pay, basic pay, and a number of allowances;
 - excluded data where information is incomplete, or where data makes it impossible to analyse without significant further investigation, for example:
 - Employees who had not completed a full year of service during the audit period;
 - Posts that had not been the subject of job evaluation;
 - Employees who had no recorded full time equivalent (fte) value.
 - found no evidence of sex, ethnicity or age-based pay discrepancies in the areas tested.

7. The conclusions of the audit are as follows:-

- Preliminary examination of the data suggested that there may be sex, ethnicity or age-based differentials in pay where certain allowances are paid. Further examination suggests that there appears to be no evidence of direct or indirect discrimination and that the differentials highlighted are related to the requirements of the post, not discrimination towards the post holder.
- The implementation of the Hay Job Evaluation system across jobs within the Council has ensured that there should now be no significant sex, ethnicity or age-based discrepancies in basic pay.

Recommendations

8. The recommendations following this audit are to:-

- give further consideration to the 17% of the workforce whose additional payments are between 5% and 10% over salary. Additionally, to the 10% of the workforce whose additional payments are 10% or above over salary.

The additional pay and allowances that were taken into consideration for the purpose of this audit were:

- Additional Working/overtime/public holiday payments/unsocial hours payments;
- Standby and call out payments;
- Honorarium payments
- Security payments;
- Essential car user lump sum;
- Market supplements;
- Additional job payments (First Aid, Emergency Response, Interpretation, Broadband, Asbestos, Needle Removal, Phone Rental, Tool Money)

The allowances given that were the greatest in terms of cost were:

- Essential car user allowance
- Additional hours
- Standby
- it was identified in the last equal pay audit that some job descriptions within Repairs and Maintenance in Landlord Services were incomplete. Whilst some job descriptions have been reviewed since the last audit, work remains outstanding on some job descriptions. It is recommended that the job profiles be completed in full for this service area and a review is undertaken of Skills Groups job profiles and grades.
- continually review any Market Supplement payments awarded to those identified as having additional payments above 10% for a duration in excess of the principles of the policy.

- SMT requested a review of Essential Car User allowance to ensure there is no equality impact.