



EQUAL PAY AUDIT 2015

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Background

The Equality Act 2010 gives women and men a right to equal pay for equal work. It replaces previous legislation, including the Equal Pay Act 1970 and the Sex Discrimination Act 1975. Under the Equality Act 2010, pay systems may also be open to challenge on grounds of race, age or other protected characteristics.

Employers in the public sector are subject to a specific public sector equality duty in respect of their functions. They must have due regard to the need to eliminate discrimination and advance equality of opportunity.

The Equality and Human Rights Commission (EHRC) recommends that all employers regularly review and monitor their pay practices, although this is not a formal legal requirement. The EHRC Statutory Code of Practice on Equal Pay suggests that equal pay audits may be the most effective means of ensuring that a pay system delivers equal pay.

Under the 1997 National Joint Council (NJC) Single Status Agreement, councils undertook to review their pay and grading structures. A key driver for the agreement was the need to address equal pay. The Single Status Agreement aimed to bring together into a single structure the pay structures of manual workers and white collar local government officers. The 2004 NJC National Pay Agreement required local authorities to undertake and implement a local pay review (for all staff other than teachers) and set out timescales to achieve this.

Following the National Pay Agreement, Portsmouth City Council began negotiations with unions to conduct a Local Pay Review which was completed in 2009. As part of this review, a Local Pay and Conditions Document was developed setting out the Council's policy framework on local pay and conditions.

During the Local Pay Review all job types in the city council were evaluated using the JESS (Job Evaluation Support System) job evaluation scheme, and jobs were placed in the band which contained their job's evaluation score. The JESS scheme continues to be used to evaluate all new or amended posts.

Methodology

The Equality and Human Rights Commission has produced an Equal Pay Audit Toolkit to provide guidance for employers in carrying out an equal pay audit. The toolkit's recommended process and methodology have been adopted to undertake this audit.

Scope

The EHRC Equal Pay Audit Toolkit recommends that organisations determine the scope of their audit taking account of practical considerations such as availability of information. The toolkit suggests that organisations may want to take a staged approach, perhaps beginning with an audit of men's and women's pay and developing expertise in the audit process before extending the scope in subsequent audits.

The scope of this audit has been determined using the advice given above and has been shaped by the extent of the employee data which is currently available.

The Scope of the Equal Pay Audit 2015 has included:

- An analysis of pay across all PCC employees, including those working in schools (excluding teachers) as at 31st March 2015. The analysis has not included casual or agency staff.
- Comparing the average basic pay and total gross pay of men and women in each pay band (i.e. assessed as doing 'equal work'). (Basic pay is related to Spinal Column Points within the pay structure. Gross Pay includes all pay allowances including shift allowances, recruitment & retention payments, honoraria payments and Standby Payments. It does not include travel and subsistence reimbursements)
- Where any significant pay gaps were identified, undertaking further analysis to identify the causes of the pay gaps.
- An overview assessment of the Council's pay policies and job evaluation scheme.
- Making recommendations on further actions needed.

The Equal Pay Audit 2015 has not included analysis of pay across other protected groups where comprehensive data is currently unavailable, for example ethnicity and disabilities. The information currently available across these diversity strands is not adequate for the purposes of carrying out an audit. However, with the recent implementation of HR Self-Serve across the authority, employees will now have access and will be encouraged to update their personal data. The cleansed personal data will be available for subsequent Equal Pay Audits to include the analysis of other protected characteristics including ethnicity and disability.

It is recommended that the Council works to encourage employees to update their personal data on the HR self-serve system, to ensure that the next Equal Pay Audit can include analysis of other protected characteristics, for example ethnicity and disabilities, within its subsequent Equal Pay Audits.

Analysis of Basic Pay

An equal pay audit must compare the pay of employees in protected groups e.g. men/women, doing equal work. Under the equal pay provisions of the Equality Act 2010, men and women in the same employment who are performing equal work should receive equal pay. For the purposes of analysing pay within PCC, equal work can be determined by looking at work rated as equivalent under the JESS job evaluation scheme.

The analysis of basic pay included all employees employed by PCC on all pay bands within the JESS Job Evaluation scheme as at 31st March 2015. The pay of part time employees was included in the analysis with pay being scaled up to a full time equivalent rate. The data used in the analysis reflects the basic pay attached to posts. A number of employees have two or more posts, often at different grades, and these have been analysed separately. The totals do not therefore correlate directly with the numbers of actual employees within the organisation.

An analysis was carried out for all staff including non-teaching staff within schools (see table 1 and graph 1) and a separate analysis was carried out for all staff excluding those in schools (table 2 and graph 2).

Schools based staff (non-teaching) were included in the basic pay analysis as these staff are employed by the council within the same pay evaluation system and therefore could be included as either comparators or claimants within an equal pay investigation. Teaching staff are paid under national pay scales for teachers and were not included in the analysis.

Table 1: Basic Pay Analysis of all PCC staff within the JESS scheme (including schools)

Pay Band	Number of Females	Number of Males	Total number of employees	% female	% male	Mean average pay of females	Mean average pay of males	Average pay gap	In favour of
Band 1	590	40	630	93.65%	6.35%	£13,849	£13,758	0.66%	Females
Band 2	125	20	145	86.21%	13.79%	£14,410	£14,512	0.70%	Males
Band 3	816	208	1024	79.69%	20.31%	£15,621	£15,556	0.42%	Females
Band 4	754	113	867	86.97%	13.03%	£16,862	£16,734	0.76%	Females
Band 5	562	177	739	76.05%	23.95%	£19,365	£19,397	0.16%	Males
Band 6	528	195	723	73.03%	26.97%	£22,352	£22,458	0.47%	Males
Band 7	366	173	539	67.90%	32.10%	£26,234	£26,297	0.24%	Males
Band 8	370	123	493	75.05%	24.95%	£28,935	£29,020	0.29%	Males
Band 9	144	86	230	62.61%	37.39%	£32,176	£32,271	0.30%	Males
Band 10	142	94	236	60.17%	39.83%	£35,746	£36,018	0.76%	Males
Band 11	39	47	86	45.35%	54.65%	£39,466	£39,633	0.42%	Males
Band 12	87	78	165	52.73%	47.27%	£43,374	£43,986	1.39%	Males
Band 13	25	30	55	45.45%	54.55%	£51,899	£52,601	1.33%	Males
Band 14	18	32	50	36.00%	64.00%	£59,162	£58,742	0.72%	Females
Band 15	9	10	19	47.37%	52.63%	£66,305	£65,518	1.20%	Females
Band 16	0	5	5	0.00%	100.00%	£0	£73,187	No Comparator	
Band 17	4	5	9	44.44%	55.56%	£78,882	£82,006	3.81%	Males
Band 18	0	3	3	0.00%	100.00%	£0	£91,421	No Comparator	
Band 19	3	2	5	60.00%	40.00%	£109,430	£109,430	0.00%	Equal
Band 20	0	1	1	0.00%	100.00%	£0	£148,885	No Comparator	
All	4582	1442	6024	76.06%	23.94%				

Table 2: Basic Pay Analysis of all PCC staff within the JESS scheme (excluding schools)

Pay Band	Number of Females	Number of Males	Total number of employees	% female	% male	Mean average pay of females	Mean average pay of males	Average pay gap	In favour of
Band 1	17	22	39	43.59%	56.41%	£13,744	£13,690	0.39%	Females
Band 2	46	15	61	75.41%	24.59%	£14,487	£14,579	0.63%	Males
Band 3	176	166	342	51.46%	48.54%	£15,694	£15,590	0.67%	Females
Band 4	476	77	553	86.08%	13.92%	£16,890	£16,750	0.83%	Females
Band 5	428	171	599	71.45%	28.55%	£19,428	£19,437	0.05%	Males
Band 6	333	152	485	68.66%	31.34%	£22,436	£22,519	0.37%	Males
Band 7	319	161	480	66.46%	33.54%	£26,251	£26,265	0.05%	Males
Band 8	320	105	425	75.29%	24.71%	£28,934	£29,066	0.45%	Males
Band 9	125	84	209	59.81%	40.19%	£32,150	£32,280	0.40%	Males
Band 10	139	94	233	59.66%	40.34%	£35,741	£36,018	0.77%	Males
Band 11	32	45	77	41.56%	58.44%	£39,472	£39,607	0.34%	Males
Band 12	86	78	164	52.44%	47.56%	£43,369	£43,986	1.40%	Males
Band 13	24	29	53	45.28%	54.72%	£51,935	£52,601	1.27%	Males
Band 14	18	32	50	36.00%	64.00%	£59,162	£58,742	0.72%	Females
Band 15	9	9	18	50.00%	50.00%	£66,305	£65,216	1.67%	Females
Band 16	0	5	5	0.00%	100.00%	£0	£73,187	No Comparator	
Band 17	4	5	9	44.44%	55.56%	£78,882	£82,006	3.81%	Males
Band 18	0	3	3	0.00%	100.00%	£0	£91,421	No Comparator	
Band 19	3	2	5	60.00%	40.00%	£109,430	£109,430	0.00%	Equal
Band 20	0	1	1	0.00%	100.00%	£0	£148,885	No Comparator	
All	2555	1256	3811	67.04%	32.96%				
Part Time	1338	240	1578	84.79%	15.21%				
Full Time	1217	1016	2233	54.50%	45.50%				

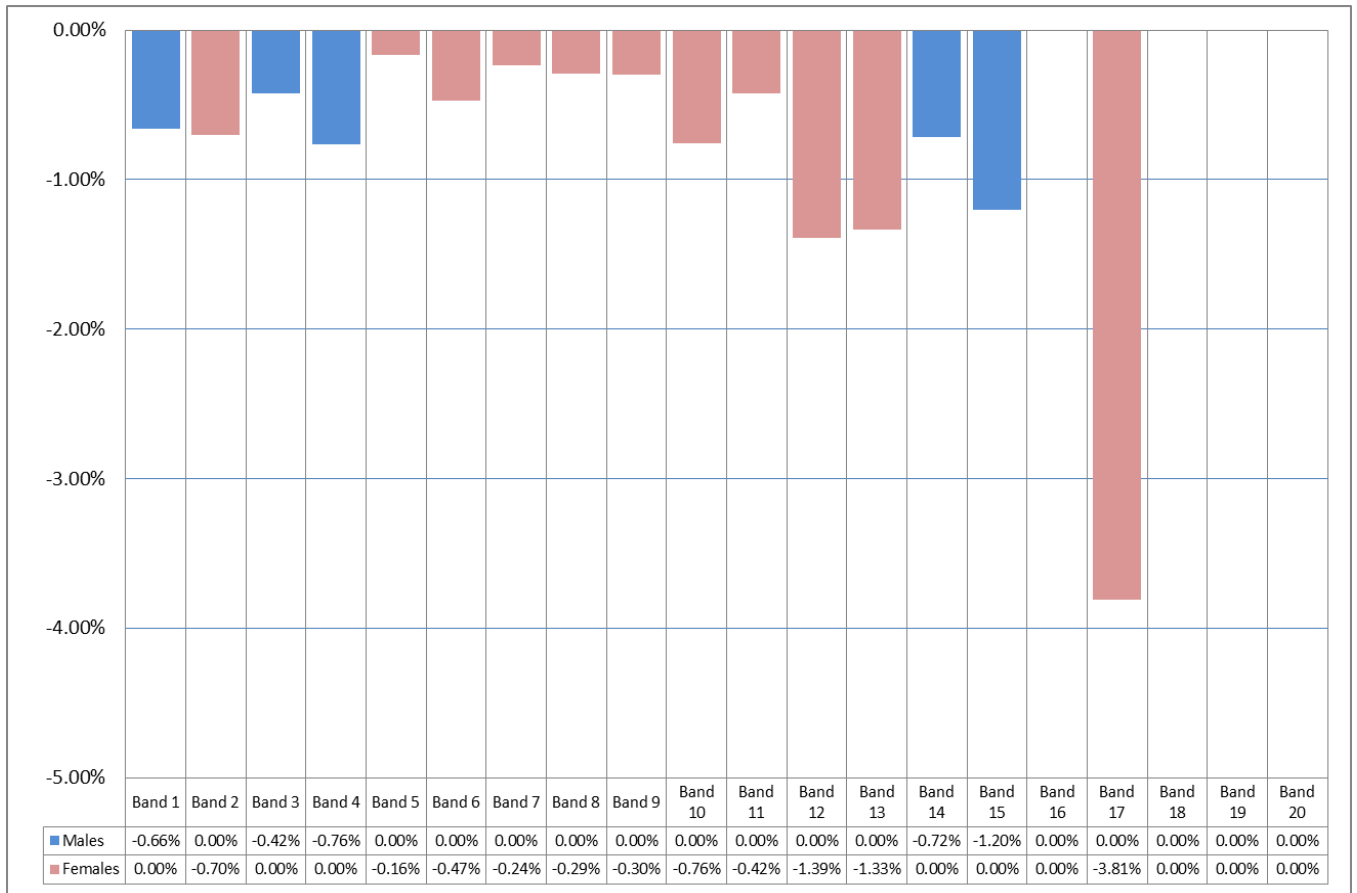
Gender Pay Gap – Basic Pay

The EHRC Equal Pay toolkit suggests that a ‘significant’ pay gap is a gap of 5% or more difference in the pay of men and women doing equal work, or where there is a consistent pattern of differences favouring one sex or another, a 3% difference.

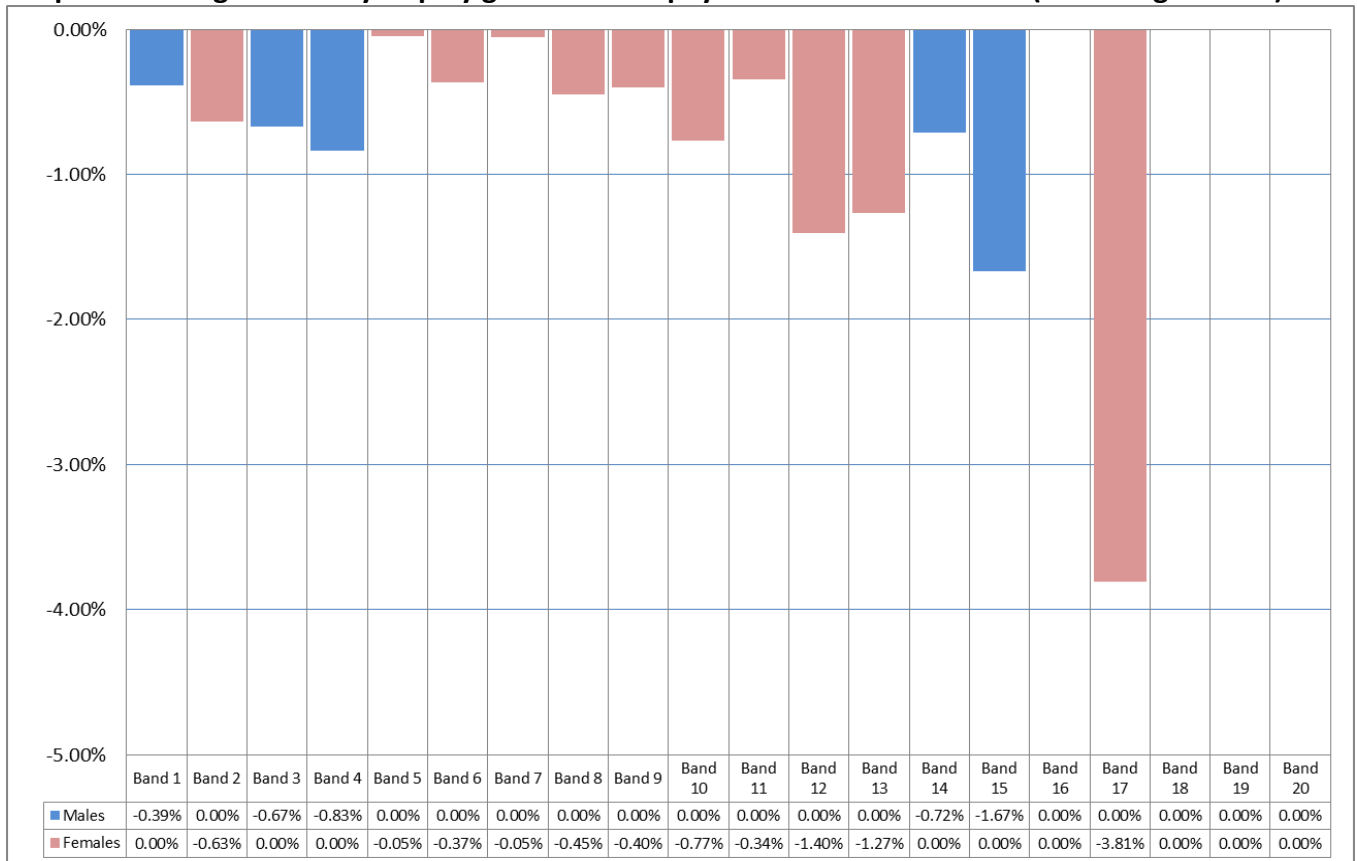
As the tables and graphs on pages 5 to 7 show, no significant pay gaps were found in the analysis of basic pay of male and female staff in the same pay band. Pay gaps were not significant in either the analysis including schools staff or the analysis excluding schools staff.

The pay gap was calculated as the difference between the mean average basic pay of female and male staff, as a percentage of the mean average basic pay of male staff. The negative values show where female staff have a higher average pay than male staff.

Graph 1: Average Basic Pay Gap by gender for all pay bands and all PCC staff (including schools)



Graph 2: Average Basic Pay Gap by gender for all pay bands and all PCC staff (excluding schools)

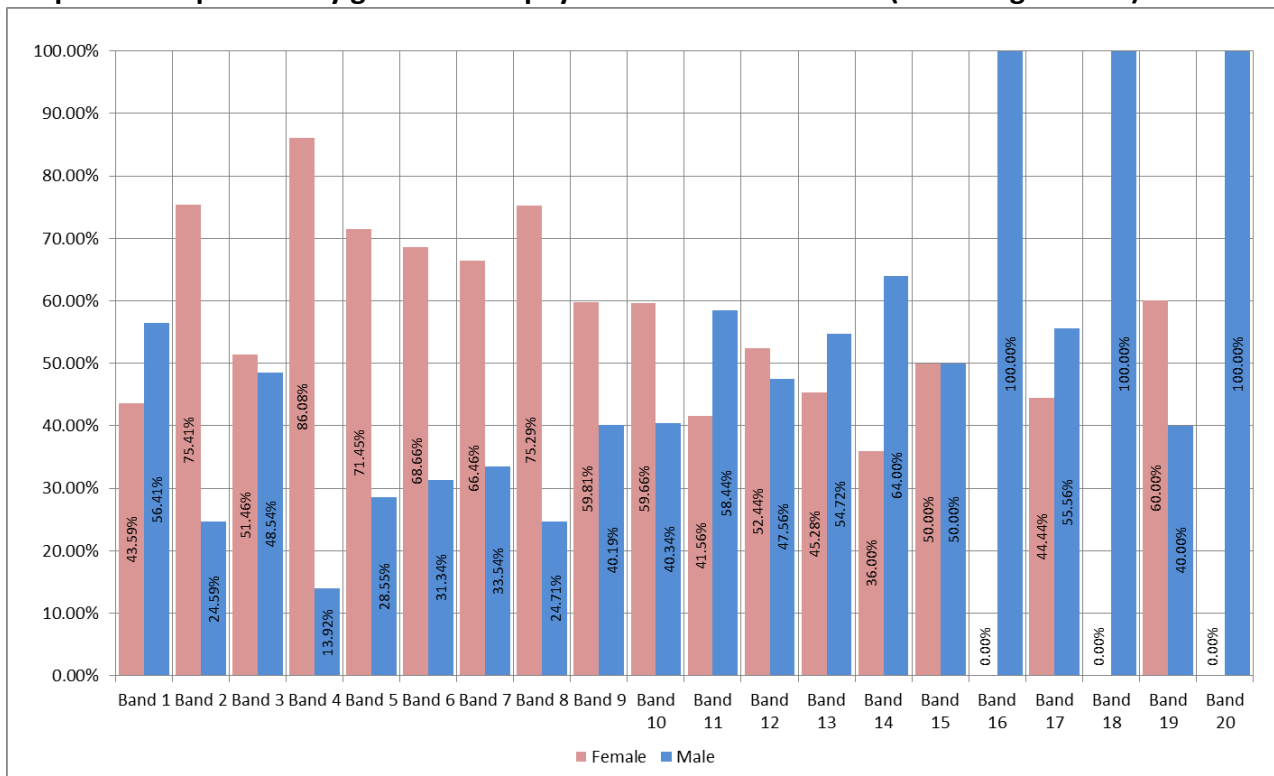


Overall Pay Analysis

Schools staff, although employed on pay scales within the JESS job evaluation scheme, have pay and conditions policies determined locally rather than PCC corporate HR policies. The analysis of overall average pay and total pay have not included schools staff as schools have separate policies and therefore promotion, progression and pay are not able to be influenced by PCC policies.

Overall, the average basic pay for female staff was less than that for male staff. One of the key reasons for the difference in average male and female pay is the higher predominance of female staff within the lower pay bands and the higher proportions of male staff within the higher pay bands. This is illustrated in Graph 3 below.

Graph 3: Composition by gender of all pay bands and all PCC staff (excluding schools)



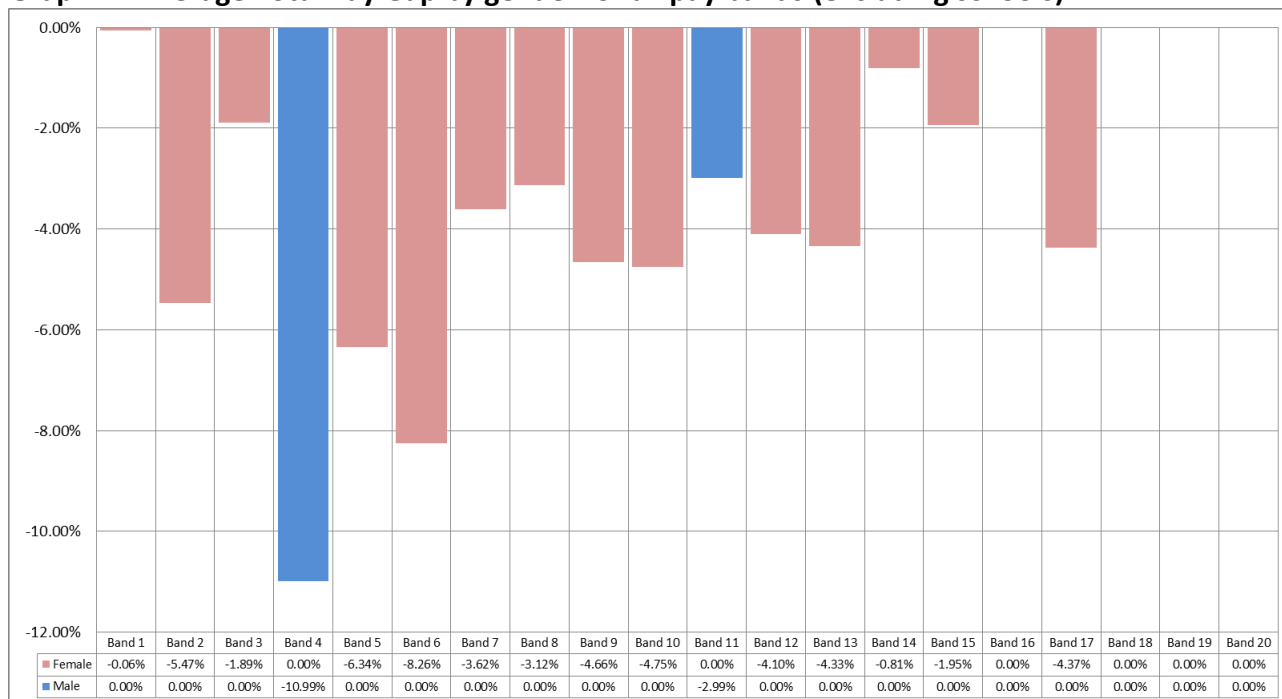
It is recommended that the Council continues to make efforts through its leadership and management development, succession planning and flexible working practices, to achieve a more representative gender distribution of staff.

Total Gross Pay Analysis

The analysis of total pay used data for all employees (excluding schools) and was based on 12 months' gross pay received from 1 April 2014 to 31 March 2015. This data was then scaled up in the case of part time employees, to give a full time equivalent.

The results for the analysis of total pay are illustrated in the graph below.

Graph 4: Average Total Pay Gap by gender for all pay bands (excluding schools)



The results indicated that for 13 of the pay bands there were no significant pay gaps and no comparators for another 3 pay bands. Four pay bands had average pay gaps of greater than 5% and were therefore deemed to be significant. These pay differences were investigated and in each case were found to be justified. The reasons for the significant pay gaps are set out in table 3 below.

Table 3: Average Total Pay Gap by gender for all pay bands (excluding schools)

Pay Band	Average total gross pay gap	Reason for significant pay gap (greater than 5%)
Band 1	0.06%	
Band 2	5.47%	This significant pay gap is due to Domestic and Laundry Assistant posts within Adult Social Care who receive a shift allowance which is applied due to the patterns of work. The shift allowance is applied equally to male and female post holders, however, there are a greater proportion of females in this role.
Band 3	1.89%	
Band 4	10.99%	This significant pay gap is due to Security Officer posts that attract a shift allowance due to the pattern of work. Whilst this is applied equally to male and female post holders, all posts are currently held by male workers.
Band 5	6.34%	This significant pay gap is due to Respite Night Officer, Residential Social Services Assistant, Waking Nights Officers and Respite Officer posts, all of which attract shift allowances due to the pattern of work. Whilst the allowances are equally applied to male and female post holders, the posts are predominantly held by female workers.
Band 6	8.26%	This significant pay gap is due to Community Warden, Shift Leader, Shift Leader (nights), and Rehabilitation & Re-enablement Officer posts, all of which attract shift allowances due to the patterns of work. Allowances are applied equally to male and female post holders but the posts are predominantly held by female workers (with the exception of Community Wardens).
Band 7	3.62%	

Band 8	3.12%	
Band 9	4.66%	
Band 10	4.75%	
Band 11	2.99%	
Band 12	4.10%	
Band 13	4.33%	
Band 14	0.81%	
Band 15	1.95%	
Band 16	No Comparator	At the time of data analysis, there were just four posts at Band 16, all of which were held by male employees.
Band 17	4.37%	
Band 18	No Comparator	At the time of data analysis, there were just three posts at Band 18, all of which were held by male employees.
Band 19	0.00%	
Band 20	No Comparator	There is just one post held at this level so no comparator is available.

Job Evaluation

The equal pay legislation does not require an employer to use job evaluation. However it advises that a job-evaluated system should reduce the risk of an equal pay claim, may provide a defence to an equal pay claim if one is made, and will greatly facilitate carrying out an equal pay audit.

The EHRC toolkit advises that employers who use analytical job evaluation schemes need to check that their scheme has been designed and implemented in such a way as not to discriminate on grounds of sex. A series of questions is contained within the guidance to help employers to check whether the scheme they are using is non-discriminatory.

PCC's job evaluation scheme has been checked against the EHRC checklists and the responses indicate that the scheme is at low risk of being discriminatory.

It is recommended that the Council continues to monitor and review the job evaluation scheme at appropriate intervals to demonstrate that the system is fair and non-discriminatory.

Allowances in Addition to Basic Pay

All allowances were reviewed on implementation of the Local Pay Review. A large number of previous allowances were considered in the job evaluation process and their monetary value is now included as part of basic pay, with the allowance being discontinued. The Local Pay Review developed a new allowances model along the principles of:

- Simplicity
- Transparency
- Consistency
- Equity
- Appropriateness

Payments for irregular working hours were rationalised within the Local Pay Review into 4 shift patterns. Each of the shift patterns has a set percentage enhancement on basic salary reflecting the degree of disruption to life that the particular shift pattern causes.

Standby payments are tiered payments, depending on the nature of the work and the likelihood of being called. The different rates are based on the job role and therefore applied equally to male and female employees in that job type. Clear rules are also set out for call-out payments. The council has policies setting out clear procedures for overtime payments, acting up allowances and honoraria.

A Recruitment and Retention Policy sets out the Council's policy to make such payments only in exceptional circumstances and to follow a clear and consistent framework for the determination of any market supplement payment. The policy specifies a three stage procedure to be followed whenever a case for a market supplement is considered. A biennial review process is also specified at which time a further assessment of market conditions and organisational requirements takes place to determine whether the supplements should be preserved, varied or withdrawn.

It is recommended that within its next Equal Pay Audit, the Council reviews access to, and amounts received of, each pay element.

For each pay element received by men and women doing equal work, the Council should review:

- 1. The proportion of men and women who receive this element.**
- 2. The average amount of each pay element received by men and women and the gap between them.**

Further guidance is detailed within the EHRC Toolkit.

Equalities Policies

The Council has an "Equal Opportunities in Employment Policy" statement which sets out the commitment of equality of opportunity and how this will be put into practise, whilst also ensuring there is no unlawful discrimination.

Comparison with Equal Pay Audit Outcomes 2012

The workforce breakdown of male and female employees has remained broadly the same with less than 1% difference from 2012. Whilst the average pay of both male and female workers has increased (in line with incremental pay increases and national pay awards) the pay gap has increased by 1%. One of the key reasons for this is the higher predominance of male workers in higher paid jobs, which correlates with the national trend.

Conclusion

The analysis of basic pay has not identified any significant pay gaps between the average pay of males and female employees in each band. The analysis of total gross pay has identified significant pay gaps in four of the Council's pay bands. The causes of the pay gaps have been investigated and relate in the main to shift allowances and the higher proportion of male or female within these roles. In each case the pay gaps have been found to be for justifiable reasons and not due to inequalities.

The Council has a simplistic pay structure where all posts fall into a single salary band structure, up to and including the chief executive. All jobs continue to be evaluated and allocated a pay band through the JESS job evaluation scheme, which is a factor-based analytical job evaluation methodology. This methodology is used for all new and amended posts. The job evaluation scheme has been checked against EHRC checklists and the responses indicate that the scheme is at low risk of being discriminatory.

The Council's allowances model is transparent and this lessens the risk of equal pay issues. However, it is recommended that within its next Equal Pay Audit, the Council reviews access to, and the amounts received of each allowance, to ensure there are no equal pay risks.

It is recommended that the Council carries out a regular equal pay audit on a biennial basis to ensure it continues to fulfil its statutory obligations with respect to equal pay.

Summary of Recommendations

1. That the Council works to fill the gaps in existing employee data through the implementation of the HR self-serve system, and includes analysis of other protected characteristics, for example ethnicity and disabilities, within its subsequent Equal Pay Audits.
2. That the Council continues to make efforts through its leadership and management development, succession planning and flexible working practices, to achieve a more representative gender distribution of staff.
3. That the Council continues to monitor and review the job evaluation scheme at appropriate intervals to demonstrate that the system is fair and non-discriminatory.
4. That the Council reviews access to, and amounts received of, each pay element within its next Equal Pay Audit. This will rely on the data being available and the appropriate reporting processes in place in order to analyse the data.
5. That the Council carries out a regular equal pay audit to ensure it continues to fulfil its statutory obligations with respect to equal pay.
6. That the Council develops and agrees an operational action plan to ensure delivery of the above recommendations.



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