

**BODY:** CABINET

**DATE:** 11 December 2013

**SUBJECT:** Equal Pay Audit – Progress Report

**FROM:** Head of Corporate Development

**Ward(s):** ALL

**Purpose:** To update Cabinet on the actions taken following the Equal Pay Audit conducted in 2011 and further actions scheduled for the next 12 – 18 months.

**Contact:** Becky Cooke, Strategic Organisational Development Manager. Telephone 01323 415106 or internally on extension 5106.

**Recommendations:** That Cabinet:

1. Note the actions taken to date and the work undertaken by the Equal Pay Working Party
2. Agree the action plan for the next 12 – 18 months
3. Commit to a further Equal Pay Audit in 2015/16 following the completion of Phase 2 of Future Model

## **1.0 Introduction**

1.1 Following the introduction of a revised pay and grading structure for Eastbourne Borough Council in 2008, a commitment was made to test the model via an equal pay audit once the full suite of pay and reward processes had embedded.

1.2 The audit took place during the period April to July 2011 and the findings were reported to Cabinet in December 2011. The Cabinet were told of the key findings and further work that was required to ensure that we continued to improve equality in pay. To recap these are summarised in the next section.

## **2.0 Main Findings of the Equal Pay Audit**

2.1 The Audit provided reassurance that the Council's job evaluation scheme and the processes within which it operates are robust and meet equality requirements.

2.2 The Audit also pointed out that the Council's equality profile remained adrift from that of the local community in relation to the disabled and non white British employed but since our percentages are so small, no meaningful conclusions could be drawn from them.

2.3 The main focus of the Audit was therefore on the Gender Pay gap and potential equal pay issues within grade bands.

### **3.0 Eastbourne's Gender Pay Gap**

3.1 The pay gap in Eastbourne was reported at that time as 12.3%. This was largely attributable to the small number of females in senior positions in the Council.

3.2 When we excluded Chief Officers and the Chief Executive from the overall figures, the gender pay gap narrowed considerably to 5.2%. Whilst this was considered to be a relatively small pay gap, no pay difference was desirable and therefore it was felt that work was required to close it.

3.3 Most importantly, the Audit found no evidence in EBC that the gender pay gap is attributable to direct or indirect unfair discrimination in our processes or decision making. Other reasons for the pay gap were identified to be as a result of:

- The labour market experience of women: length and breaks in employment
- Female self selection for part-time work
- Elements of occupational segregation

3.4 Interestingly, but not surprisingly, a report on Women in the labour market published as recently as September 2013 identified that men tend to work in the professional occupations associated with higher levels of pay than women, they also tend to work in higher skilled jobs and make up the majority of workers in the top 10% of earners for all employees.

### **4.0 Equal Pay Working Party**

4.1 In the Autumn of 2011, the HR team was restructured and we entered the consultation period for Future Model phase one. Work on implementing the recommendations of the Audit was therefore deferred until the outcome of these changes had had an opportunity to bed in.

4.2 In Spring 2013, a Working Party made up of officers from across a range of services and a representative of the Unison Branch was established. The Working Party has met several times to consider the recommendations and actions arising from the Audit.

4.3 The Working Party has agreed an action plan which has been circulated separately in the confidential part of the agenda as it comprises exempt information. This identifies those actions that have already been taken, as well as areas for further development and action.

4.4 One of the challenges the Working Party faced in considering the outcomes of the Audit was the significant change that has occurred in our staffing structures following the implementation of Phase 1 of Future Model, and the impact this has had on the data available.

4.5 Before the Working Party could progress matters therefore, the original results of the Equal Pay Audit had to be tested against current data.

- 4.6 It would not be appropriate time for the Working Party to undertake a revised full scale equal pay audit given where we are in the Future Model transition, so the figures were updated using basic salary information only. Although the new data is not directly comparable, it does give some indication of whether the issues identified in the original audit remain in our new structures.
- 4.7 The Group determined that the gender pay gap remained similar to the original audit at about 15% and when the CO roles were excluded this reduced to 5.28%. Although these figures can only be regarded as indicative, they demonstrate that the same issues remain in relation to the pay gap.
- 4.8 It is important that equality aspects continue to be taken into account in further structural change and consideration of fairness and equality issues is being integrated into many of the work streams in Future Model via the Equality and Fairness Project Board.
- 4.8 There have been significant positive changes where the issues identified in the audit have been resolved by changes to roles and grading as a result of the implementation of Future Model. It should be noted also that the Future Model means that some actions identified in the Audit will be better deferred until completion of Phase 2.
- 4.9 Previously, it had been identified that a further full Equal Pay Audit be undertaken in 2014. Given where we are with Future Model, the Working Party felt that this should be deferred until Phase 2 has been completed in 2015.

## **5.0 Financial and other implications**

- 5.1 It is not anticipated that there are any significant financial implications from this Equal Pay Audit. A small sum of monies had been earmarked to fund any actions identified by the Working Party. To date, these funds have not been drawn upon.
- 5.2 Equality Groups:  
We note that the proportion of disabled and ethnic minority staff is too small to draw any meaningful conclusions in relation to pay. Action planning will continue to consider ways in which those minority groups might be augmented within the Council's workforce.

## **6.0 Next steps**

- 6.1 The Working Party will continue to meet to further develop the Council's approach to ensuring equality of pay and address the key issue of how the Council reduces or eliminates the gender pay gap.
- 6.2 Key work streams will continue to be:
- Raising awareness of gender pay gap/imbalance at the top in future recruitment
  - Ensuring challenge for corporate change proposals which may

- compound pay gap, especially with part-timers
- Reviewing support and development for females over age 40 who are part timers and/or post-maternity leave
  - Identifying options for making the workforce more representative of the local community in terms of ethnic make up and disability.

## **7.0 Summary and Recommendations**

7.1 This Equal Pay Audit enabled the Council to understand better the nature of the pay gap locally. It also provided reassurance that our Pay and Grading structures protect and promote equality in pay.

7.2 Actions have been taken to address some of the specific issues raised by the audit. Other work continues to develop our approach further.

7.3 Cabinet is therefore asked to:

1. Note the actions taken to date by the Equal Pay Working Party
2. Agree the action plan for the next 12 – 18 months
3. Commit to deferring a further Equal Pay Audit until 2015/16 following the completion of Phase 2 of Future Model

**Peter Finnis**  
**Head of Corporate Development**