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Derbyshire County Council

Equality Impact Assessment of Proposed Single Status Pay and Grading Structure



October 2009 (Rev1)

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Note: The analysis and conclusions in this report are based on data in the pay model provided to us, which we take to be accurate. TMS Consultants Ltd cannot be held responsible for any inaccuracies that might arise. All advice and commentary is made in good faith and without liability.
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Scope and conduct of the Equality Impact Assessment

Since April 2007 public authorities have been subject to the Gender Equality Duty, which requires them to eliminate unlawful sex discrimination and to promote gender equality. This duty requires a public authority to look at its employment policies, including its pay policies, to see how these impact on men and women in the workforce. It also requires the authority to conduct an equality impact assessment in relation to any proposed changes to such policies, of which single status would be a major example. There are similar equality duties in relation to race and disability.

There is a growing level of scrutiny and legal accountability for those parties who are involved in such assessments – employers, trade unions and consultants.

In the light of this context, we proposed to conduct an Equality Impact Assessment (EIA) by gender as a minimum of Derbyshire County Council's proposed single status pay and grading review which meets prevailing standards of good practice, would satisfy the usual requirements of trade unions, and which would stand up to rigorous third-party scrutiny. Whilst there is no agreed template for an EIA of a new pay and grading structure, there are emerging conventions, to which TMS has contributed, that guide their conduct. The Green Book includes broad guidance based largely on guidelines from the Equality and Human Rights Commission.

To meet these emerging standards of good practice, an Equality Impact Assessment of a single status pay and grading review should include two broad sets of checks:

Statistical impact

- Comparing information on current and proposed basic pay for male and female employees to assess the relative impact of the new pay structure by gender (and by race or disability). This involves such checks as identifying 'winners and losers' by gender, reviewing the relative impact of grade boundaries by gender and comparing 'old' and 'new' gender pay gaps. Depending on the outcome of this analysis, further checks may be required

Pay policies and processes and additional elements of pay

- Reviewing pay policies, underpinning processes and proposed changes to other elements of pay to identify any gender (and ethnicity or disability related) inequalities arising from the proposals. This includes reviewing the impact by gender of:
 - How the job evaluation scheme has been chosen and implemented
 - Proposed pay policies and processes, such as starting pay, pay progression, performance pay, market-related pay, and pay protection...
 - Proposed changes to other elements of pay including allowances, working time payments and other benefits.

Essentially, an equality impact assessment focuses on whether any aspect of the pay proposals has an *adverse impact* on one sex (or other protected group e.g. ethnic group). Adverse impact is assessed statistically in relation to the proportion of that sex (or other protected group) in the workforce overall, by grade and, where relevant, by job categories.

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Whilst adverse impact in pay can affect either women or men, in practice the focus of much of the analysis in local government is on ensuring that the historical pay disadvantage experienced by women (particularly at lower levels) is not perpetuated and, indeed, is reduced, by single status. That was one of the main aims of the move to single status and is stated to be a central plank in the design of the NJC job evaluation scheme.

We should point out that the main focus of an EIA is on possible *systemic* disadvantage – disadvantage experienced by one gender, or by relatively large groups of employees of one gender. As a result, even an overall ‘clean bill of health’ after an EIA does not preclude unequal pay for particular individuals/comparators and the potential for equal pay claims.

Conduct of EIA

The main aspects of the pay proposals that we have reviewed are:

- Gender distribution of workforce - statistical basis for checking relative impact by gender
- Design of proposed pay and grading structure
- Basic Pay
 - Gaps in basic pay by gender - current, proposed and protected pay
 - ‘Greens, reds and whites’ by gender by grade and overall
 - ‘Headroom’ analysis by gender
 - Grade line sensitivity by gender

- The overall financial impact of the proposals by gender
- Impact of the ‘Derbyshire Package’

- Pay gaps by ethnicity and by disability data.

The treatment of bonus payments to former (predominantly male) manual workers is an important consideration in single status and impact assessments. When the Council commissioned this impact assessment they outlined the process used to resolve this issue in Derbyshire, prior to the pay and grading review under consideration. We understand advice was taken on this and consideration of the prior resolution of bonus payments has not formed part of our assessment. A brief note of the process, prepared by the Council, is appended (appendix 1).

For the purposes of the initial EIA, in May 2009 Derbyshire CC provided us with a wide range of statistical information relating to two single status pay and grading models and further, extensive statistics relating to allowances. The job population excluded schools based staff and the data set related to May 2009. The two pay and grading models were Model 5, a model which took account of Hay’s Additional Working Elements (AWE) job evaluation factor in determining Hay points scores, grades and basic salaries, and Model 6, which excluded AWE job evaluation points for grading and basic pay.

We were asked to concentrate the EIA on Model 6, the favoured model at that time, though we considered Model 5 as a basis for comparison and to assess AWE impact. We also began to consider the complex picture of allowances – almost 30 allowances analysed by gender, by each grade etc.

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We undertook extensive EIA checks on the proposed pay and grading Model 6 as well as comparing its impact to that of Model 5. We also reviewed the proposals for allowances. We met with the senior management team responsible for single status on two occasions.

As part of the EIA, we also spent some time discussing and examining records of how job evaluation has been conducted and reviewing summaries of the outcomes. It is clear that a great deal of effort went into the evaluations and that recommended processes appear to be in place. However, given the scale of the exercise, it is not within the scope of this impact assessment to check whether jobs have been appropriately evaluated and assigned to the correct grade. For the purposes of our statistical analysis we have to assume that jobs are in the correct grade.

After conducting the EIA on Model 6 and having compared Model 5, we expressed concerns about the proposal to pay jobs scoring high AWE points with an allowance because we believed that failing to take full account of significant job demands could lay the Council open to a basic challenge about whether their job evaluation scheme was flawed. We were also concerned about the gender impact of Model 6 because of its greater impact on women compared to men.

We then reviewed a revised proposal in which the Council proposed to pay AWE as a graduated allowance dependent on the number of AWE points awarded. This, together with some relatively small changes to the pay structure at the lower grades, constituted Model 6B. The population of the dataset had also been refreshed to include craft employees, joiners and leavers, and posts that had been re-evaluated since May. The cumulative effect of these changes required us to repeat much of the EIA, based on the dataset as at Aug 5 2009.

As a result of continuing concerns about AWE, the Council then decided to adopt Model 5C. That Model - the subject of this EIA report - takes full account of AWE demands in determining grade and basic pay. We recognise that the Council has made an important change to its single status proposals and we welcome its willingness to do so.

We have majored on the impact by gender of the proposals, as women comprise almost 80% of employees. The proportions of Black and Minority Ethnic staff and staff with disabilities are small (c.2% and c.3.1% respectively of those who have declared their status). We have analysed the impact of the proposals by ethnicity and disability in so far as this is possible and prudent, given questions concerning the statistical validity of small sample sizes.

We have had no direct contact with the trade unions in Derbyshire during this review. One of our aims is to ensure that the impact assessments we conduct meet the usual requests made by trade unions to employers. To that end we have reviewed some correspondence between the trade unions and the authority. Unison's information requirements for PGR assessment follow what Unison describes as 'strict internal protocols'. The requirements set out in their 8 April 2009 letter to the Chief Executive include information on JE scores for each evaluated job; and pre and post PGR pay analysis (including pre and post PGR salaries for individuals); a copy of a model (including details of assimilation etc.); and a financial model to show the cost of PGR implementation, exemplified by a specimen model which shows the format. Unison also asked for a copy of the Equality Impact Assessment (including, as a minimum, gender and race). These requirements reflect generally established conventions with which we are familiar. Given that the detail of EIAs will vary between local authorities, dependent on their circumstances, we believe that this EIA meets Unison's requirements in its important respects.

The main role of this report is to alert the Council to any instances of statistical adverse impact by gender of its pay proposals (and to an extent by ethnicity and disability). It is then for the Council to consider whether they agree with the analysis and, if so, whether their proposals can be objectively justified, or

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whether they wish to amend the proposal – as they did in respect of the treatment of AWE job evaluation points. Particular issues may require legal advice. By their nature EIAs of proposed pay and grading structures are inevitably technical and, potentially, somewhat negative.

We appreciate that the design and implementation of a new pay and grading structure as complex as single status inevitably involves the employer in balancing conflicting priorities such as cost, equal pay, the aspirations of trade unions and broader employee relations issues. It was clear during the conduct of the EIA that cost containment has been a key constraint in Derbyshire.

A number of other issues have arisen as we have analysed the data, which are summarised below, together with references to the section in the report where more detail can be found.

Our views are given in good faith and are based on extensive experience of conducting equality impact assessments. Our analysis has to be viewed within the context of complex and emerging case law on matters of gender pay inequality, disparate impact and so forth.

Summary of key Findings

Positive features of the EIA

There are a number of positive aspects of Derbyshire's single status proposals:

- The Council has adopted a single, analytical job evaluation scheme;
- The new pay structure provides pay progression for a number of lower graded employees formerly on spot salaries;
- The overall gender pay gap reduces and gender pay gaps by grade generally reduce after the pay protection period expires;
- The distribution of green/red circles favours women, which goes some way to addressing past pay disadvantage in local government;
- Steps have been taken to eliminate inconsistencies in allowances;
- We found no gender bias in the positioning of grade lines;
- There are generally positive results from the EIA by ethnicity and disability. The pay gaps in the proposed scenario are generally small and favour the minority groups.
- Importantly from our perspective, the Council responded positively to our concerns about the gender impact of the previously proposed treatment of AWE job evaluation points and about limited salary progression within the lower grades;
- More fundamentally, there is the potential for gender pay gaps by grade to continue to reduce over the next few years, (subject to, for example, labour turnover) as employees progress to the top of their scale.

Gender Profile (section 1)

Women comprise c.78% of Derbyshire's workforce. Women disproportionately occupy the lower grades: c.66% of women are in grades 1-5 compared to 34% of men.

Women are relatively well represented throughout the grades, at least by national employment standards. For example, up to grade 11, women typically represent c. 65% - 70% of employees.

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There are a very large number of jobs in the dataset occupied by just one or a few people. There are relatively few jobs occupied by many jobholders, such as Home Help with over 1400 incumbents. There is also very marked gender segregation of jobs: in over 900 of the 1000 jobs in the data set one gender comprises 70% or more of the job holders.

Proposed Pay Structure (section 2)

In line with what is currently regarded as good practice, the scales for the 17 grades do not overlap: they show a gap between each of one increment. The scales are short, comprising 2-3 increments (3 or 4 SCPs) - though grade 3 has only 2 increments.

We expressed some concern during early discussions with the Council about the higher % progression available to more senior staff within the grades. The Council has gone some way to addressing those concerns in the development of Model 5C and there is now a less marked variation in available progression.

Given the heavy concentration of women at the lower grades in the Derbyshire structure, the greater available progression at senior grades has, to some extent, a negative impact on women. However, we recognise that this is a common feature of many modern pay structures where it is considered to take longer to achieve maximum proficiency in senior jobs. Some jobs at the lower levels will also benefit from progression for the first time because they are currently on 'spot salaries'.

Gaps in Basic Pay by Gender (Section 3)

An important consideration in an EIA is the impact of the proposed pay and grading structure on the overall gap in average pay between men and women (the 'gender pay gap'), as well as the impact by grade. We have adopted the definition of 'significance' recommended by the EHRC in relation to those pay gaps.

The overall gender pay gap for proposed pay after the implementation of Model 5C (after the protected period has ended) reduces from 22.3% to 19.6%. The gender pay gap during the protected period shows a decrease to 19.9% and to that extent, the headline impact of Derbyshire's Model 5C single status proposal has a beneficial impact on women.

There are 16 grades in Derbyshire in which men and women feature (there are no employees in grade 17). That provides 16 gender pay gaps for analysis.

For current pay by grade, the gaps in basic pay by gender favour men in 12 of the 16 grades. This is a clear and marked pattern favouring men. A number of the gaps are c.2% or less but there are 'significant' gaps at 8 grades. All these gaps by grade should - all things being equal such as labour turnover - reduce substantially or even be eliminated as job holders progress to the maximum of their grade and protection ends. However, the 'current' pattern and size of the current pay gaps by grade could invite concern about the possibility that there is *currently* systemic disadvantage to women in pay in Derbyshire County Council.

For proposed basic pay - the position without protection - the marked *pattern* of gaps in basic pay favouring men remains: but the size of the gaps reduces substantially compared to those for current basic pay. Only 1 of the pay gaps (Gr10) remains significant and that is substantially reduced from the current figure. That is an encouraging reduction in gender pay gaps by grade.

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For protected pay - the real starting point at the commencement of single status with salaries protected - 12 of the 16 gaps favour men. But only 3 pay gaps remain significant – at Gr1, Gr 4 and Gr 10

The gender pay gaps across the 16 grades are generally reduced following single status compared to the 'current basic pay' position. Projecting forward a few years provides another perspective on pay gaps. Given that none of the 17 grades has more than 3 increments, there is the potential for gender pay gaps by grade to close over the next few years (subject to, for example, labour turnover) as employees progress to the top of their scale.

The Council has satisfied itself that protecting basic pay for 3 years is reasonable.

'Reds, greens and whites' (Section 4)

Given that one of the main objectives of single status in local government generally is to address historical underpayment of 'women's work', larger proportions of green-circled women are to be expected. So it proves in Derbyshire.

Model 5C leads to c.53% women being green circled and c.38% men and for most grades a higher proportion of the women in the grades are green circled than men. Women represent c.83% of all green circles - rather more than their overall representation in the workforce, so women benefit on basic pay rather more from single status than men, both proportionately and, obviously, in absolute numbers.

There are, as would be expected, proportionately rather more men than women red circled: c.26% men compared to c.21% women. The overall picture for white circles is, clearly, a direct reflection of the combination of greens plus reds. The picture with regard to reds/greens and whites is partial and needs to be viewed with some caution because it only takes account of basic pay.

Grade line sensitivity (Section 5)

An important aspect of an EIA is to check whether any gender-dominated jobs sit close to grade lines, which might indicate differential impact. Such a check is sometimes termed a 'proximity analysis'.

We asked the Council to conduct such a proximity analysis by identifying jobs performed by more than 25 people and with 70% or more gender dominance that sit within 10% of the grade lines – above or below. Although 9 jobs were revealed by proximity analysis - 2 female jobs just below a grade line and 7 jobs (2 male/5female just above a grade line), we did not find evidence, based on the parameters we set for the checks conducted, of consistent disadvantage or advantage to either gender as a result of the Council's proposed job evaluation grade lines. The Council has satisfied itself that the evaluations of those jobs are appropriate.

Headroom Analysis (Section 6)

'Headroom analysis' by gender is an expected component of an EIA. It compares the relative average progression available by gender between proposed basic pay and the top of the scale for the post. It simply indicates where men and women are within the grade; the greater the headroom the nearer the bottom of the grade.

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Men have more average headroom than women in 2 grades. In other grades women have more average headroom than men. The differences in the averages and the extent of the headroom are, as might be expected, rather bigger in some of the higher grades because of the wider pay ranges. At the lower grades the average headroom figures – with the exception of grade 4 - are, typically, fairly close – within c.£100 or so.

There are also some jobs, formerly on spot rates, which gain headroom from the introduction of incremental pay scales for all grades.

Some Job Evaluation Considerations (section 7)

We spent some time discussing and examining records of how job evaluation has been conducted and reviewing summaries of the outcomes. We used the EHRC's 'JE Check' for this purpose. It is clear that a great deal of effort went into the evaluations and recommended processes appear to be in place. However, given the scale of the exercise, it is not within the scope of this impact assessment to check whether jobs have been appropriately evaluated and assigned to the correct grade. For the purposes of our statistical analysis we have to assume that jobs are in the correct grade.

After conducting the EIA on Model 6, we expressed concerns about the proposal to pay jobs scoring high AWE points with an allowance. We believed that failing to take full account of significant job demands could lay the Council open to a basic challenge to the modified Hay job evaluation scheme. We were also concerned about the gender impact of Model 6.

We then reviewed a revised proposal in which the Council proposed to pay AWE as a graduated allowance dependent on the number of AWE points awarded.

As a result of continuing concerns about AWE, the Council then decided to adopt Model 5C. That model - the subject of this EIA report - takes full account of AWE demands in determining grade and salary. We recognise that the Council has made an important change to its single status proposals and we welcome its willingness to do so.

'Derbyshire Package' - Allowances (section 8)

An equality impact assessment must also consider other aspects of pay, such as allowances. At the outset of the initial EIA we were provided with extensive, detailed statistics¹ of the costs and potential savings to the numerous allowances being paid. We provided a detailed commentary on those statistics. Thereafter, as pay proposals were refined and developed by the Council, the key statistics were updated.

As a key part of single status the Council is proposing an extensive standardisation and rationalisation of allowances - the 'Derbyshire Package' - to replace the current mosaic of arrangements and to achieve greater consistency. That has resulted in substantial changes: some allowances increase, some decrease, some are unchanged and others are new.

There is a range of other changes to variable allowances, including the introduction of a consistent standby allowance. We understand the large projected increase in the cost of this allowance, which mainly benefits male job holders, largely reflects expenditure on emergency duties and winter maintenance, which is likely to be phased out.

¹ Model 6 Cost Centre Report 8.5.09 Derbyshire CC

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We are advised that the main changes are to 3 core variable allowances - unsocial hours, overtime and travel.

Substantial savings – c.£3.3M - are achieved from those changes to the 3 allowances. The total savings for men and women vary as a proportion of the overall proposed package pay of men and women, and women bear a disproportionate amount of the savings. The amount of the 3 allowances to be paid to men decreases by c.£582K whilst the amount paid to women falls by c.£2.7M. We are advised that this will be improved with the introduction of a night shift for Road Workers.

In the move from the 'current' to the 'proposed' scenarios under the single status proposals, the overall cost of basic pay to men declines by £400k, whilst the cost of basic pay to women increases by c.£2.8M. To that extent – an effective increase of c.£3.2 on basic pay - women gain compared to men. However, the changes in the 3 core allowances above part-fund the increases in basic pay and reduce the overall pay advantage gained by women from c.£3.2M on basic pay to c.£1.1M.

The Council has, we understand, carefully considered the justifications for the various changes to allowances as part of the 'Derbyshire Package'. It has satisfied itself that there is a business rationale and justification underlying every aspect of the changes to the Package and the gender impact of them.

Assessment of Impact by ethnicity and disability (section 9)

In this EIA we have majored on the impact by gender of the single status proposals, as women comprise almost 80% of employees. In addition, the Equal Pay Act is concerned with gender equality in pay. However, the equality duties covering the Council, and good practice, require some consideration of the impact of the single status proposals by ethnicity and by disability.

The proportions of Black and Minority Ethnic staff and staff with disabilities are small (c.2% and 3.1% respectively of those who have declared their ethnicity/disability statuses in the dataset). We have conducted some impact analysis of the single status proposals by ethnicity and disability in so far as is possible and prudent, given questions concerning the statistical validity of small sample sizes. The same analysis of gaps in basic pay overall and by grade - by ethnicity, then disability - were applied as for gender, using the same conventions recommended by the EHRC

Gaps in basic pay by ethnicity

The proportion of Black and Minority Ethnic (BME) staff at higher grades is greater than white staff (although the absolute numbers are low). This leads to an overall pay gap favouring BME staff.

The pay gaps by grade for ethnicity show a mixed picture generally slightly favouring BME staff. In the 'proposed' scenario, once pay protection has ended, the pattern of pay gaps favours BME staff. However, most of the pay gaps are very small and none is significant. That is a positive outcome.

Gaps in basic pay by disabled status

The overall pay gaps for current/proposed/protected basic pay all show staff with disabilities ahead of colleagues. That is a result mainly of the consistent pattern of gaps throughout the grades favouring disabled staff, as well as the slightly larger proportions of staff with disabilities at senior levels (albeit absolute numbers are low).

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Patterns of pay gaps favouring staff with disabilities are not uncommon in our experience and are sometimes associated with relative length of service in a job or grade. Even though the EIA pay outcome in relation to disabled staff is generally positive, the Council might wish to review the reasons and justifications for the pay gaps, given the strong pattern.

Future equality checks (section 10)

It is important that an equality impact assessment of the single status exercise is not seen as a one-off exercise.

There should be ongoing monitoring by gender (and other diversity strands) of all key aspects of pay and grading including, for example, new job evaluations/ re-gradings/ appeals /promotions/ pay progression...

All future proposed changes to pay policies and practice should be 'equality proofed' prior to their introduction.

It will also be important to conduct an Equal Pay Review once single status has been implemented to check the outcome, then periodically thereafter.

These steps will assist the Council to:

- meet its obligations under the equality duties
- satisfy itself and others that its pay policies and practices do not discriminate
- check that gender pay gaps are reducing in practice.

1. The Gender Profile of the Workforce².

The gender profile of the workforce overall, by grade, and by job type provides the statistical baseline against which we have assessed the gender impact of the proposed pay and grading arrangements.

"New" Grade	Male		Female	
	No.	%	No.	%
1	16	24.6%	49	75.4%
2	29	2.0%	1,428	98.0%
3	305	18.5%	1,340	81.5%
4	389	30.6%	884	69.4%
5	381	8.5%	4,087	91.5%
6	261	30.3%	599	69.7%
7	230	47.6%	253	52.4%
8	449	35.8%	806	64.2%
9	400	30.8%	899	69.2%
10	210	33.0%	426	67.0%
11	294	34.3%	563	65.7%
12	123	41.7%	172	58.3%
13	124	45.1%	151	54.9%
14	61	52.6%	55	47.4%
15	39	68.4%	18	31.6%
16	11	52.4%	10	47.6%
17	-	0.0%	-	0.0%
Overall	3,322	22.1%	11,740	77.9%

Women comprise c.78% of Derbyshire's workforce: 11,740 out of the total of 15,062. That is a key comparison statistic in calculating the gender impact of single status proposals. However, gender distribution by grade is also relevant because grade-based impact needs to be considered. In that respect, as the table above shows, women disproportionately occupy the lower grades: c.66% of women are in grades 1-5 compared to 34% of men.

² Unless noted otherwise, the effective date of the data in this report is 5 Oct 2009 and is based on 2008/9 rates of pay.

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Women are relatively well represented throughout the grades, at least by national employment standards. For example, up to grade 11, women typically represent c. 65% - 70% of employees. At grade 12 and above their representation starts to fall but the 'glass ceiling' is not apparent until around grades 14/15. A detailed EIA by grade needs to take account of these statistics.

Gender representation by job is also relevant to EIAs because some proposed pay and grading practices might impact on certain job types more than others. In that respect, we note that there are a very large number of jobs in the dataset occupied by just one or a few people. There are relatively few jobs occupied by many jobholders, such as Home Help with over 1400 incumbents.

In common with other local authorities, there is very marked gender segregation of jobs i.e. jobs are likely to be held entirely or mainly by employees of one gender. There are over 1000 'jobs' in the list of Benchmark jobs (i.e. regarding each line as a separate job): in over 900 of these one gender comprises 70% or more of the job holders.

2. The Proposed Pay Structure: Model 5C

In arriving at a proposed pay and grading structure local authorities typically model a number of possibilities to enable them to assess the outcomes in terms of their costs, employee relations implications, impact on recruitment and retention ... and to ensure they do not produce unjustifiable adverse impact by gender, ethnicity or disability.

We have based the analysis and calculations in this report largely on Model 5C – the proposed model - where jobs have been evaluated using points awarded to all the HAY, factors to determine basic grade and basic pay. That is the job evaluation model used by Derbyshire to underpin allocation of jobs to grade and basic salary. The adoption of Model 5C came about, in part, because of concerns we expressed about the proposed treatment of AWE. The grading structure and pay ranges under Model 5C, together with Derbyshire's stated principles underlying them, are set out below.

Model 5C: Pay structure.

Proposed Grade	Hay Points	Grade Max	No of Inc	Value of Inc	Grade Min	Gap Between Grades £	Gap Between Grades %
GR 17	880 - 1055						
GR 16	735 - 879	£59,300	3	£1,650	£54,350	£1,650	3.13%
GR 15	614 - 734	£52,700	3	£1,600	£47,900	£1,600	3.46%
GR 14	519 - 613	£46,300	3	£1,600	£41,500	£1,600	4.01%
GR 13	439 - 518	£39,900	3	£1,050	£36,750	£1,050	2.94%
GR 12	371 - 438	£35,700	3	£975	£32,775	£975	3.07%
GR 11	314 - 370	£31,800	3	£950	£28,950	£950	3.39%
GR 10	269 - 313	£28,000	3	£925	£25,225	£925	3.81%
GR 9	228 - 268	£24,300	3	£550	£22,650	£550	2.49%
GR 8	192 - 227	£22,100	3	£550	£20,450	£550	2.76%
GR 7	161 - 191	£19,900	3	£550	£18,250	£550	3.11%
GR 6	135 - 160	£17,700	3	£425	£16,425	£425	2.66%
GR 5	114 - 134	£16,000	3	£325	£15,025	£325	2.21%
GR 4	98 - 113	£14,700	3	£325	£13,725	£325	2.43%
GR 3	85 - 97	£13,400	2	£250	£12,900	£250	1.98%
GR 1 & 2	63 - 84	£12,650	3	£250	£11,900		

The stated principles underlying Derbyshire County Council's pay and grading structure are expressed as follows.

Increments	Provide incremental progression for all grades to enable career progression & use of qual bars, experience & skills assessment. Establish meaningful increment values for all grades that equate to a broadly similar % of the salary for the grade.
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Grade Structure:	Establish a differential between grades based on the increment value for that grade.
Protection	Minimise the volume and value of protections required to allow cost of living increases to reduce protection costs over the next 3 years. A 3-year cliff edge protection period assumed at current salary and not protected current grade.
Consistency	Application of similar criteria at all grading levels within the structure to balance out the % of winners, losers and no change employees.
Framework	Simplify to ease understanding and administration.
Allowances	Establish a threshold above which most working requirements (and hence associated allowances) are reflected in the grade. Reduce value and complexity and standardise across the Council as service demands permit.

In line with what is currently regarded as good practice, the salary scales for Grades 1-16 show a gap between each of one increment rather than overlapping; the scales are short, comprising, 2-3 increments (3 or 4 SCPs). Grade 3 has only 2 increments. We comment on protection and allowances later in the report.

Increments

We note that one of the Council's expressed principles of the single status pay structure is that increments equate to a broadly similar % salary for the grade. We expressed some concern during early discussions with the Council about the higher % progression available to more senior staff within the grades. The Council has recognised those concerns in the development of Model 5C and there is now a less marked variation in available progression, though there is still variation. For example, the 3 x £250 increments at grade 1/2 provide c.6.3% progression in that grade: the 3 x £925 increments at grade 10 provide c.11%.

The heavy concentration of women at the lower grades in the Derbyshire structure – and the overall lower incremental % progression in those grades than at senior grades - invites the conclusion that the available progression has, to some extent, a negative impact on women. However, we recognise that this is a common feature of many modern pay structures where there is felt to be more 'growth' within senior jobs. We are also conscious that some jobs at the lower levels will benefit from progression for the first time because they are currently on 'spot salaries'.

3. Gaps in Basic Pay by Gender - Model 5C

An important consideration in an EIA is the impact of the proposed pay and grading structure on the gap in average pay between men and women ('gender pay gap') overall, and the impact on the gender pay gaps by grade for both basic pay and total pay. This section deals with basic pay. In summary, the table below shows an encouraging reduction in gaps in basic pay by gender in most of the grades on implementation of single status, and particularly when pay protection ceases.

Derbyshire Model 5C Gender Pay Gaps.

Grade	Male No.	Female No.	Current Average Basic Pay			Proposed Average Basic Pay			Proposed Average Basic Pay With Protection		
			Male £	Female £	Pay Gap (%)	Male £	Female £	Pay Gap (%)	Male £	Female £	Pay Gap (%)
GR 1	16	49	£13,898	£12,690	8.7	£12,511	£12,421	0.7	£13,944	£12,774	8.4
GR 2	29	1,428	£12,242	£12,074	1.4	£12,317	£12,226	0.7	£12,421	£12,229	1.5
GR 3	305	1,340	£12,574	£12,120	3.6	£12,987	£12,913	0.6	£13,280	£12,948	2.5
GR 4	389	884	£13,402	£14,564	-8.7	£13,876	£14,261	-2.8	£14,043	£14,988	-6.7
GR 5	381	4,087	£14,724	£14,119	4.1	£15,311	£15,227	0.5	£15,786	£15,495	1.8
GR 6	261	599	£18,254	£18,645	-2.1	£17,176	£17,381	-1.2	£18,552	£18,816	-1.4
GR 7	230	253	£18,778	£18,867	-0.5	£19,223	£19,191	0.2	£19,286	£19,582	-1.5
GR 8	449	806	£21,393	£20,907	2.3	£21,424	£21,235	0.9	£21,790	£21,909	-0.5
GR 9	400	899	£23,029	£22,433	2.6	£23,452	£23,242	0.9	£24,268	£23,891	1.6
GR 10	210	426	£27,492	£22,638	17.7	£27,361	£26,164	4.4	£28,034	£26,493	5.5
GR 11	294	563	£31,493	£30,461	3.3	£31,118	£30,666	1.5	£31,803	£31,156	2.0
GR 12	123	172	£35,351	£33,147	6.2	£34,963	£34,175	2.3	£35,854	£34,855	2.8
GR 13	124	151	£38,457	£37,176	3.3	£38,681	£38,078	1.6	£39,338	£38,555	2.0
GR 14	61	55	£45,064	£45,070	0.0	£44,884	£44,787	0.2	£45,560	£45,381	0.4
GR 15	39	18	£53,176	£52,759	0.8	£52,331	£52,256	0.1	£53,612	£53,297	0.6
GR 16	11	10	£60,380	£58,929	2.4	£59,150	£58,970	0.3	£60,668	£59,514	1.9
GR 17	-	-	-	-	0.0	-	-	0.0	-	-	0.0
	3,322	11,740	£21,906	£17,016	22.3	£21,997	£17,676	19.6	£22,559	£18,064	19.9

12/16 gaps favour men. 1 gap 0%
8 gaps are significant

14/16 gaps favour men
One is significant

12/16 gaps favour men
3 are significant

*Minus sign indicates pay gap favours women. 'EHRC significant' pay gaps are shown in bold.

The definition of 'significance' used in this report in relation to pay gaps is taken from the EHRC's guidance on conducting equal pay audits and equality

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impact assessments. This suggests that any pay gap of 5% or more should be regarded as 'significant'³. Where there is a *pattern* of pay gaps favouring one sex (or ethnic group), any pay gap of 3% or more favouring that sex is 'significant'.

Model 5C: overall gender pay gap - current basic to proposed basic pay

The overall gender pay gap is an 'equalities' gap, rather than a pay gap for equal work, because it is affected more by the different distribution of men and women throughout the grades – especially the number of women in the lower grades in Derbyshire CC - than by gender differences in pay within grades. In spite of those limitations, the overall pay gap is a useful headline statistic – and it is being assigned more prominence by government as an equal pay indicator. The 'before and after' overall gender pay gap also provides a headline indication of the overall impact of the implementation of single status. There are 16 grades in Derbyshire in which men and women feature (there are no employees in grade 17). That provides 16 gender pay gaps for analysis.

The overall gender pay gap for proposed pay after the implementation of Model 5C (but assuming no protection) reduces from 22.3% to 19.6%. The position with protection shows a decrease to 19.9%. Those statistics are encouraging and to that extent, the headline impact of Derbyshire's Model 5C single status proposal has a beneficial impact on women.

Model 5C: gender pay gaps by grade - current basic to proposed basic pay

For current pay, the gaps in basic pay by gender favour men in 12 of the 16 grades (3 favour women/1 gap is zero). This is a clear and marked pattern favouring men, which means that any pay gaps by grade over 5% favouring men or women - or gaps over 3% favouring men – are regarded by EHRC standards as 'significant'. As the first section of the table shows, a number of the pay gaps for current pay are c.2% or less. However, there are 'significant' gaps at 8 grades (shown in bold in table above) including Gr5 (4.1% and affecting a large number of women) and Gr10 (especially large at 17.7%).

All these gaps by grade should, subject to, for example, labour turnover, reduce substantially or even be eliminated over time as job holders progress to the maximum of their grade and the proposed 3-year period of basic pay protection ends. However, the 'current' pattern and size of the current pay gaps by grade could invite concern about the possibility that there is *currently* systemic disadvantage to women in pay in Derbyshire County Council.

Turning to proposed basic pay (see second section of table above) - the position without protection - the *pattern* of gaps in basic pay favouring men remains. 14 of the 16 gender pay gaps by grade favour men, but the size of the gaps reduces substantially compared to those for current basic pay. In the 'proposed' scenario, only 1 of the pay gaps (grade10) across the 16 grades is significant and that is substantially reduced from the current picture. That is an encouraging reduction in gender pay gaps by grade.

Model 5C: gender pay gaps by grade - protected basic pay

The third section of the table shows the average basic pay by gender by grade with protection. This represents the real starting point at the commencement of single status; gender pay gaps based on actual salaries with red circles protected. The overall pay gap with protection for the Council is 19.9% favouring men, down from the 22.3% start point.

³The term is not synonymous with statistical significance. Rather it is intended as a 'rule of thumb' to indicate which pay gaps in particular require further exploration and explanation.

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The 'with protection' pay gaps across the grades shows 12 of the 16 gaps in protected basic pay favouring men. But only 3 pay gaps by grade remain significant – at Gr1 Gr 4 and Gr 10.

The gender pay gaps across the 16 grades are, generally, substantially reduced following single status compared to the 'current basic pay' position. Projecting forward a few years provides another perspective on pay gaps. Given that none of Grades 1-16 has more than 3 increments, all other things (such as labour turnover) being equal, gender pay gaps by grade will be eradicated in 4 years.

The Council has satisfied itself that protecting basic pay for 3 years is reasonable.

4. Model 5C: 'Reds, greens and whites' by gender by grade

This analysis is an alternative expression of the movement of employees from their old grades/salaries into the proposed new grading structure. The categories 'reds, greens and whites' are used in pay modelling to designate employees whose current basic salary is increased to the minimum basic salary for their new proposed grade (greens); those whose pay remains the same or increases slightly on assimilation to the new incremental point (whites) and those whose pay is red-circled because they are currently 'overpaid' in relation to their place in the new structure. The table below shows the distribution of reds/greens/whites by grade and overall by gender.

Derbyshire Model 5C

GRADE	ALL					MALE				FEMALE					
		TOTAL	Red	Green	White		TOTAL	Red	Green	White		TOTAL	Red	Green	White
17	No	0	0	0	0	No	0	0	0	0	No	0	0	0	0
	%	0%	0%	0%	0%	%	0%	0%	0%	0%	%	0%	0%	0%	0%
16	No	21	11	0	10	No	11	7	0	4	No	10	4	0	6
	%	100%	52.38%	0%	47.62%	%	100%	63.64%	0%	36.36%	%	100%	40%	0%	60%
15	No	57	31	3	23	No	39	24	2	13	No	18	7	1	10
	%	100%	54.39%	5.26%	40.35%	%	100%	61.54%	5.13%	33.33%	%	100%	38.89%	5.56%	55.56%
14	No	116	51	22	43	No	61	25	10	26	No	55	26	12	17
	%	100%	43.97%	18.97%	37.07%	%	100%	40.98%	16.39%	42.62%	%	100%	47.27%	21.82%	30.91%
13	No	275	65	65	145	No	124	36	19	69	No	151	29	46	76
	%	100%	23.64%	23.64%	52.73%	%	100%	29.03%	15.32%	55.65%	%	100%	19.21%	30.46%	50.33%
12	No	295	115	101	79	No	123	64	23	36	No	172	51	78	43
	%	100%	38.98%	34.24%	26.78%	%	100%	52.03%	18.70%	29.27%	%	100%	29.65%	45.35%	25%
11	No	857	298	189	370	No	294	112	43	139	No	563	186	146	231
	%	100%	34.77%	22.05%	43.17%	%	100%	38.10%	14.63%	47.28%	%	100%	33.04%	25.93%	41.03%
10	No	636	179	275	182	No	210	100	23	87	No	426	79	252	95
	%	100%	28.14%	43.24%	28.62%	%	100%	47.62%	10.95%	41.43%	%	100%	18.54%	59.15%	22.30%
9	No	1,299	293	564	442	No	400	108	142	150	No	899	185	422	292
	%	100%	22.56%	43.42%	34.03%	%	100%	27%	35.50%	37.50%	%	100%	20.58%	46.94%	32.48%

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	ALL					MALE					FEMALE				
8	No	1,255	322	449	484	No	449	64	87	298	No	806	258	362	186
	%	100%	25.66%	35.78%	38.57%	%	100%	14.25%	19.38%	66.37%	%	100%	32.01%	44.91%	23.08%
7	No	483	73	105	305	No	230	8	33	189	No	253	65	72	116
	%	100%	15.11%	21.74%	63.15%	%	100%	3.48%	14.35%	82.17%	%	100%	25.69%	28.46%	45.85%
6	No	860	512	148	200	No	261	127	62	72	No	599	385	86	128
	%	100%	59.53%	17.21%	23.26%	%	100%	48.66%	23.75%	27.59%	%	100%	64.27%	14.36%	21.37%
5	No	4,468	818	3,334	316	No	381	84	237	60	No	4,087	734	3,097	256
	%	100%	18.31%	74.62%	7.07%	%	100%	22.05%	62.20%	15.75%	%	100%	17.96%	75.78%	6.26%
4	No	1,273	510	722	41	No	389	52	326	11	No	884	458	396	30
	%	100%	40.06%	56.72%	3.22%	%	100%	13.37%	83.80%	2.83%	%	100%	51.81%	44.80%	3.39%
3	No	1,645	83	1,555	7	No	305	52	252	1	No	1,340	31	1,303	6
	%	100%	5.05%	94.53%	0.43%	%	100%	17.05%	82.62%	0.33%	%	100%	2.31%	97.24%	0.45%
2	No	1,457	7	1	1,449	No	29	2	0	27	No	1,428	5	1	1,422
	%	100%	0.48%	0.07%	99.45%	%	100%	6.90%	0%	93.10%	%	100%	0.35%	0.07%	99.58%
1	No	65	17	0	48	No	16	9	0	7	No	49	8	0	41
	%	100%	26.15%	0%	73.85%	%	100%	56.25%	0%	43.75%	%	100%	16.33%	0%	83.67%
TOTAL	No	15,062	3,385	7,533	4,144	No	3,322	874	1,259	1,189	No	11,740	2,511	6,274	2,955
	%	100%	22.47%	50.01%	27.51%	%	100%	26.31%	37.90%	35.79%	%	100%	21.39%	53.44%	25.17%

Green circles – employees whose basic pay will benefit from single status. Model 5C leads to c.53% women being green circled and c.38% men. Women represent c.83% of all green circles (6274 of 7533) rather more than their overall representation of 78% in the workforce so women benefit on basic pay rather more from single status than men, both proportionately and, obviously, in absolute numbers.

Red circles: Across the 16 grades in which employees feature, 3385 employees have basic pay protected – ‘red circle’ status. There are, as would be expected, proportionately rather more men than women red circled: c.26% men compared to c.21% women.

The picture regarding green and red circles mirrors the change in the overall pay gap.

White circles: The overall picture for white circles - those whose pay is unchanged - clearly, is a direct reflection of the combination of greens plus reds.

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Red, green and white circles by grade

Given that one of the main objectives of single status in local government is to address historical underpayment of 'women's work', large numbers and proportions of green-circled women are to be expected at the lower grades. So it proves in Derbyshire.

In the 16 grades where employees are found, for most grades a higher proportion of the women in the grades are green circled than men. That is to be expected because it mirrors the overall picture. The exceptions are grades 6 and 4.

In some of the middle/higher grades, where absolute numbers of women and men are relatively small, it is noticeable that much higher proportions of women than men are green circled and a much higher proportion of men are red circled – for example, grades 10 and 12.

For red circles the picture by grade is somewhat mixed. As would be expected, in many grades a higher proportion of men are red circled than women but there are exceptions.

The picture with regard to reds/greens and whites is partial and needs to be viewed with some caution as it only takes account of basic pay. We address the impact of allowances later in the report.

5. Model 5C: Grade Line Sensitivity Check.

An important aspect of an EIA is to check whether any gender-dominated jobs – especially those occupied by relatively large numbers of people - sit close to grade lines. That is especially important if jobs occupied predominantly by one gender consistently sit just below grade lines because that might indicate adverse impact, which would require justification. Such a check is sometimes termed a ‘proximity analysis’.

We asked the Council to conduct such a proximity analysis by identifying jobs performed by more than 25 people and with 70% or more gender dominance that sit within 10% of the grade lines – above or below. There is no established convention about the statistical parameters of a proximity analysis, so we have used our judgment in setting them based on a review of the job population by grade. As mentioned earlier, there are large numbers of jobs performed by a small handful of people, or by a single job holder. Many of these will sit close to grade boundaries, but that is likely to be more a matter of chance than potential gender discrimination. As stated previously, our working assumption is that jobs have been correctly graded.

This proximity analysis identified 9 jobs close to grade lines with 25 or more job holders and 70% or more gender dominance. Seven of the 9 jobs are female-dominated: 2 are male dominated. Those jobs are shown below.

Proposed Grade	Min Score of Grade	Max Score of Grade	Job Code Description	Score	Female Job Holders	Male Job Holders	Grand Total
GR 12	371	438	UNIT MANAGER	372	28	2	30
GR 10	269	313	DEPUTY UNIT MANAGER	273	206	10	216
GR 9	228	268	RESIDENTIAL SOCIAL CARE WKR	229	174	52	226
GR 9	228	268	RESIDENTIAL CHILDRENS WORKER	229	228	131	359
GR 8	192	227	SKILLED ENGINEERING TRADES	194	1	64	65
GR 7	161	191	SWIM INSTRUCTOR	162	20	7	27
GR 6	135	160	DAY SERVICE WORKER	160	205	85	290
GR 5	114	134	COMMUNITY SUPPORT WORKER	132	101	29	130
GR 3	85	97	TRAFFIC ENUMERATOR	86	7	30	37
Grand Total					970	410	1,380

Two of the 9 jobs sit just below a grade line – Day Service Worker and Community Support Worker. Both are female dominated and employ relatively large numbers of people. The other 7 jobs sit just above a grade line – 2 are male dominated and 5 are female dominated. The Council has satisfied itself that these evaluations are appropriate.

Notwithstanding that the 9 jobs above were revealed by proximity analysis, we do not believe there is any evidence, based on the parameters we set for the checks conducted, that there is any consistent disadvantage or advantage to either gender as a result of the Council’s proposed job evaluation grade lines.

6. Model 5C: 'Headroom*' analysis by grade and gender.

Grade	Number of Females	Number of Males	Average Female Headroom £	Average Male Headroom £	Headroom Female % of Male
16	10	11	330	150	220.0%
15	18	39	444	369	120.3%
14	55	61	1,513	1,416	106.9%
13	151	124	1,822	1,219	149.5%
12	172	123	1,525	737	206.9%
11	563	294	1,134	682	166.3%
10	426	210	1,836	639	287.3%
9	899	400	1,058	848	124.8%
8	806	449	865	676	128.0%
7	253	230	709	677	104.7%
6	599	261	319	524	60.9%
5	4,087	381	773	689	112.2%
4	884	389	439	824	53.3%
3	1,340	305	487	413	117.9%
2	1,428	29	424	333	127.3%
1	49	16	229	139	164.7%
Total	11,740	3,322	757	703	107.7%

* Headroom has been calculated as proposed grade maximum minus proposed basic pay.

Headroom analysis' compares the relative average £progression available by gender between proposed basic pay and the top of the scale for the post. It simply indicates where men and women are within the grade; the greater the headroom the nearer the bottom of the grade.

It is, in some respects, a similar but alternative statistical expression of the gender pay gaps in current pay against proposed pay, so the 'picture' is similar but illustrated by different numbers. The relative proportions of reds, greens and whites in each grade also affect headroom. For example, if a hypothetical 100% of women were to be green circled into a grade compared to a few men, those women would all have maximum headroom progression from bottom to top of the grade and, clearly, a greater average headroom than the men. That could be viewed as positive. The opposite argument is that those women were historically under-graded and paid and have simply been given a belated opportunity to 'catch up'.

The table above shows men with more average headroom than women at grades 4 and 6 - the grades where the gender gaps in proposed pay favour women – and it is close at grade 7. In other grades (no employees in grade 17) women have more average headroom than men.

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The differences in the averages between men and women – and the extent of the headroom – are, as might be expected, rather bigger in some of the higher grades because of the wider pay ranges, though the averages are typically less than an increment at those senior levels. At the lower grades the average headroom figures – with the exception of grade 4 - are, typically, fairly close – within c.£100 or so.

Aside from the above table, there are also some jobs, formerly on spot rates, which also gain headroom from the introduction of incremental pay scales for all grades.

7. Some Job Evaluation Considerations

As part of the EIA, we also spent some time discussing and examining records of how job evaluation has been conducted and reviewing summaries of the outcomes, using the EHRC's 'JE Check'. It is clear that a great deal of effort went into the evaluations and recommended processes appear to be in place. However, given the scale of the exercise, it is not within the scope of this impact assessment to check whether jobs have been appropriately evaluated and assigned to the correct grade. For the purposes of our statistical analysis we have to assume that jobs are in the correct grade.

After conducting the EIA on Model 6, we expressed concerns about the proposal to pay jobs scoring high AWE points with an allowance. We believed that failing to take full account of significant job demands could lay the Council open to a basic challenge to the modified Hay job evaluation scheme. We were also concerned about the gender impact of Model 6.

We then reviewed a revised proposal in which the Council proposed to pay AWE as a graduated allowance dependent on the number of AWE points awarded. As a result of continuing concerns about AWE, the Council decided to adopt Model 5C. That model - the subject of this EIA report - takes full account of AWE demands in determining grade and salary. We recognise that the Council has made an important change to its single status proposals and we welcome its willingness to do so.

8. 'Derbyshire Package'

All of the foregoing commentary has been based on the impact of the proposed single status pay and grading structure on the *basic pay* of men and women. An equality impact assessment must also consider other aspects of pay, such as allowances, which for many employees are a significant component of total pay.

At the outset of the initial EIA we were provided with extensive, detailed statistics⁴ of the costs and potential savings to the numerous allowances being paid - both pay and 'non pay' (the latter being casual and essential travel, which is not related to pay). That detail related to each of the 16 grades by gender. We provided a detailed commentary on those statistics. Thereafter, as pay proposals were refined and developed by the Council the key statistics were updated.

As a key part of single status the Council is proposing an extensive standardisation and rationalisation of allowances - the 'Derbyshire Package' - to replace the current mosaic of arrangements and to achieve greater consistency. That has resulted in substantial changes: some allowances increase, some decrease, some are unchanged and others are new.

There is a range of changes to variable allowances, including the introduction of a consistent standby allowance to replace current arrangements. We understand the large projected increase in the cost of this allowance, which mainly benefits male job holders, largely reflects expenditure on emergency duties and winter maintenance, which is likely to be phased out.

⁴ Model 6 Cost Centre Report 8.5.09 Derbyshire CC

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However, we are advised that the main changes are to 3 core variable allowances which relate to unsocial hours, overtime and travel – casual and essential.

	Male saving	Female saving
Unsocial Hours	£129K additional cost	(£1.1M)
Overtime	(£11K)	£17K
Travel	(£700K)	(£1.6M)
Total saving	(£582K)	(£2.7M)

The table above shows substantial savings – c.£3.3M - being achieved from the 3 major changes to core variable allowances, but the changes in those 3 core elements of the Derbyshire Package have a different gender impact – the amount of these allowances to be paid to men decreases by c.£582K whilst the amount paid to women falls by c.£2.7M. We are advised this will be improved with the introduction of a night shift for Road Workers.

Clearly, the amount of savings attributable to jobs held by men and those held by women vary across the 3 payments in which major changes are occurring. The total savings from men and women also vary as a proportion of the overall proposed package pay of men and women – and women bear a disproportionate amount of the savings.

The savings from the 3 core allowances above go some way to funding increases to basic pay and to closing the gender pay gaps.

In the move from the 'current' to the 'proposed' scenarios under the single status proposals, the overall cost of basic pay to men declines by £400k, whilst the cost of basic pay to women increases by c.£2.8M. To that extent – an effective increase of c.£3.2 on basic pay - women gain compared to men.

However, the changes in the 3 core allowances reduce the overall pay advantage gained by women from the single status proposals from c.£3.2M (the 'gain' for women over men on basic pay) to c.£1.1M.

The Council has carefully considered the justifications for the various changes to allowances as part of the 'Derbyshire Package' in the light of our initial comments, both individual allowances and their overall impact. It has satisfied itself that there is a business rationale and justification underlying every aspect of the changes to the Package and the gender impact of them.

Equality Impact Assessment of Proposed Single Status Pay and Grading Structure by Ethnicity and Disability

9. Equality Impact Assessment of Proposed Single Status Pay and grading Structure by Ethnicity and Disability

In this EIA we have majored on the impact by gender of the single status proposals, as women comprise almost 80% of employees. In addition, the Equal Pay Act is only concerned with gender equality in pay. However, the equality duties covering the Council, and good practice, require consideration of the impact of the single status proposals by ethnicity and by disability.

The proportions of Black and Minority Ethnic staff and staff with disabilities are small (2% and 3.1% respectively of employees who have declared their ethnicity/disabled status). We have conducted some impact analysis of the single status proposals by ethnicity and disability in so far as is possible and prudent, given questions concerning the statistical validity of small sample sizes.

Ethnicity

The table below shows the impact of the proposals by grade and by ethnicity. Employees who have not declared their ethnic origin (174) are excluded from the analysis. All ethnic origins other than white are grouped as 'Black and Minority Ethnic' (BME)

Model 5C: Gaps in basic pay by ethnicity.

Grade	White No.	BME No.	Current Av Basic Pay			Proposed Av Basic Pay			Proposed Av Basic Pay With Protection		
			White £	BME £	Pay Gap (%)	White £	BME £	Pay Gap (%)	White £	BME £	Pay Gap (%)
GR 1	54	-	12,546	-	0.0	12,401	-	0.0	12,637	-	0.0
GR 2	1,430	24	12,076	12,067	0.1	12,227	12,256	-0.2	12,231	12,256	-0.2
GR 3	1,592	45	12,206	12,142	0.5	12,927	12,912	0.1	13,010	13,002	0.1
GR 4	1,249	10	14,213	15,341	-7.9	14,145	14,407	-1.9	14,701	15,722	-6.9
GR 5	4,331	50	14,193	14,260	-0.5	15,235	15,293	-0.4	15,527	15,559	-0.2
GR 6	836	22	18,496	19,774	-6.9	17,310	17,661	-2.0	18,711	19,786	-5.7
GR 7	462	2	18,834	18,937	-0.5	19,196	19,350	-0.8	19,442	19,350	0.5
GR 8	1,232	20	21,095	20,675	2.0	21,304	21,385	-0.4	21,870	21,873	0.0
GR 9	1,228	45	22,679	21,689	4.4	23,325	23,117	0.9	24,033	23,797	1.0
GR 10	622	14	24,230	24,732	-2.1	26,561	26,481	0.3	27,012	26,556	1.7
GR 11	821	36	30,783	31,546	-2.5	30,806	31,167	-1.2	31,357	31,852	-1.6
GR 12	285	10	34,047	34,593	-1.6	34,503	34,530	-0.1	35,252	35,822	-1.6
GR 13	267	7	37,835	34,939	7.7	38,386	37,200	3.1	38,961	37,200	4.5
GR 14	111	5	45,063	45,154	-0.2	44,815	45,340	-1.2	45,472	45,534	-0.1
GR 15	55	2	53,093	51,698	2.6	52,293	52,700	-0.8	53,542	52,700	1.6
GR 16	21	-	59,689	-	0.0	59,064	-	0.0	60,118	-	0.0
GR 17	-	-	-	-	0.0	-	-	0.0	-	-	0.0
	14,596	292	18,082	20,433	-13.0	18,608	20,924	-12.4	19,034	21,462	-12.8

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The same definition of 'significance' in relation to pay gaps has been applied as for the analysis by gender, in line with EHRC recommendations. Significant gaps are shown in bold.

The proportion of BME staff at higher grades is greater than white staff (although the absolute numbers are low). This leads to an overall pay gap favouring BME staff.

There are no BME staff at grades 1, 16 or 17. Of the 14 remaining grade gaps in current basic pay between white and BME employees), 8 favour BME staff, so there is a slight 'pattern'. 3 gaps are significant - at grades 4 and 6 (favouring BME staff) and at Gr 13, favouring white staff. The number of BME employees at each of these grades is small so it would be easy for the Council to check the reasons and justifications.

In the 'protected' scenario there is no pattern of gaps (7 favour BME staff, 1 is zero) but grades 4 and 6 show EHRC-significant gaps favouring BME staff. Again, the numbers of BME staff are small enough to allow individual consideration of reasons and justifications.

In the 'proposed' scenario there is a marked pattern of gaps as 10 of 14 favour BME staff. However, most of the pay gaps are very small and none is significant by EHRC standards. That is a positive outcome.

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Model 5C: Gaps in basic pay by grade and disabled status

The table below shows the impact of the Model 5C proposals by grade and by disability. The sole employee who has not declared whether they have a disability is excluded from the analysis. Staff with disabilities represent c.3.1% of those who have declared their disability status.

Grade	Disabled		Current Av Basic Pay			Proposed Av Basic Pay			Proposed Av Basic Pay With Protection		
	Non.	No.	Non. £	Disabled £	Pay Gap (%)	Non. £	Disabled £	Pay Gap (%)	Non. £	Disabled £	Pay Gap (%)
GR 1	64	1	13,003	11,995	7.8	12,447	12,150	2.4	13,077	12,150	7.1
GR 2	1,429	28	12,076	12,132	-0.5	12,227	12,268	-0.3	12,232	12,268	-0.3
GR 3	1,591	54	12,196	12,463	-2.2	12,926	12,956	-0.2	13,003	13,216	-1.6
GR 4	1,238	34	14,179	15,265	-7.7	14,136	14,385	-1.8	14,678	15,455	-5.3
GR 5	4,343	125	14,160	14,513	-2.5	15,233	15,272	-0.3	15,520	15,529	-0.1
GR 6	825	35	18,492	19,332	-4.5	17,315	17,396	-0.5	18,705	19,446	-4.0
GR 7	469	14	18,820	18,955	-0.7	19,202	19,350	-0.8	19,444	19,350	0.5
GR 8	1,203	52	21,057	21,617	-2.7	21,294	21,508	-1.0	21,857	22,091	-1.1
GR 9	1,254	45	22,584	23,506	-4.1	23,299	23,518	-0.9	23,995	24,341	-1.4
GR 10	616	20	24,126	27,773	-15.1	26,532	27,399	-3.3	26,963	28,193	-4.6
GR 11	818	39	30,801	31,121	-1.0	30,812	31,021	-0.7	31,372	31,502	-0.4
GR 12	286	9	34,041	34,831	-2.3	34,490	34,942	-1.3	35,248	36,030	-2.2
GR 13	264	11	37,778	37,173	1.6	38,345	38,468	-0.3	38,896	39,208	-0.8
GR 14	115	1	45,044	47,646	-5.8	44,825	46,300	-3.3	45,456	47,646	-4.8
GR 15	55	2	53,110	51,225	3.5	52,293	52,700	-0.8	53,542	52,700	1.6
GR 16	19	2	59,563	60,889	-2.2	59,039	59,300	-0.4	60,037	60,889	-1.4
GR 17	-	-	-	-	0.0	-	-	0.0	-	-	0.0
	14,589	472	18,046	19,587	-8.5	18,596	19,652	-5.7	19,018	20,242	-6.4

The same definition of 'significance' has been applied as for the analysis by gender and ethnicity, in line with EHRC recommendations. Significant gaps are shown in bold. Employees who have declared themselves to have a disability number 472 - c.3.1% – and they are spread throughout the grades up to Gr16.

The overall pay gaps for current/proposed/protected basic pay all show staff with disabilities ahead of colleagues. That is a result mainly of the consistent pattern of gaps throughout the grades favouring disabled staff, as well as the slightly larger proportions of staff with disabilities at senior levels (albeit absolute numbers are low).

Of the 16 'current' pay gaps, 13 favour staff with disabilities, a particularly marked pattern. A number of the pay gaps are relatively small but 6 are significant by EHRC standards (over 3% favouring staff with disabilities or over 5% favouring staff without disabilities) – as emboldened above.

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In the 'protected' scenario the pattern favouring staff with disabilities is unchanged – 13 of the 16 grades. However, the size of the gaps generally reduces. 5 remain significant, 4 of which favour disabled staff.

In the 'proposed' scenario the pattern of gaps favouring staff with disabilities is even more marked - 15 of the 16 gaps. But only two – grades 10 and 14 - are significant against EHRC standards and both are only just over 3%. Eleven of the gaps are 1% or less.

Patterns of pay gaps favouring staff with disabilities are not uncommon in our experience and are sometimes associated with relative length of service in a job or grade. Even though the EIA pay outcome in relation to disabled staff is generally positive, the Council might wish to review the reasons and justifications for the pay gaps given the strong pattern.

10. Future equality checks

It is important that an equality impact assessment of the single status exercise is not seen as a one-off exercise.

There should be ongoing monitoring by gender (and other diversity strands) of all key aspects of pay and grading including, for example, new job evaluations/ re-gradings/ appeals /promotions/ pay progression...

All future proposed changes to pay policies and practice should be 'equality proofed' prior to their introduction.

It will also be important to conduct an Equal Pay Review once single status has been implemented to check the outcome, then periodically thereafter.

These steps will assist the Council to:

- meet its obligations under the equality duties
- satisfy itself and others that its pay policies and practices do not discriminate
- check that gender pay gaps are reducing in practice

Appendix 1

Note provided by Derbyshire on resolution of allowances

The Council in early 2006 recognised that a payment of certain allowances to specific male groups, ie Landscape and Roadworkers, presented a potential equal pay liability. As a consequence, the Council was the first Council in the East Midlands to utilise the COT3 agreements to settle potential claims from approximately 4,200 women at a cost of £14m.

In July 2008, the review of the Environmental Services Department gave the opportunity to assimilate Roadworkers onto a revised grading structure which was underpinned by job evaluation with a read across to the Council's existing pay and grading structure.

In October 2008, the Council removed the attendance allowance from Landscape employees. The implementation of the revised pay and grading structure for Landscape employees, again underpinned by job evaluation with a read across to the Council's existing pay and grading structure, was implemented using a truncated variation to contract process to ensure that the proposals were implemented as quickly as possible. In these circumstances a compensation payment for consenting to these changes in the terms and conditions of employment and to these changes being implemented without the usual notice procedure, was made to employees.

The developments in case law during that year made it apparent that the allowances paid to Craft workers also represented an equal pay liability. The Council therefore implemented a revised grading structure for Craft employees again underpinned by the principles of job evaluation with a read across to the Council's existing pay and grading structure. This was implemented in April 2009.