

**JOINT STAFF CONSULTATIVE COMMITTEE
26 SEPTEMBER 2018**

PART 1 – PUBLIC DOCUMENT

TITLE OF INFORMATION NOTE: EQUAL PAY REVIEW 2017 – OUTCOMES

INFORMATION NOTE OF THE CORPORATE HUMAN RESOURCES MANAGER

1. SUMMARY

- 1.1 This is an overview of the outcomes of the recently undertaken Equal Pay Review.

2. STEPS TO DATE

- 2.1 This note is one provided to the Joint Staff Consultation Forum to update the Committee on the recent equal pay review.

3. INFORMATION TO NOTE

- 3.1 Overall the picture at the Council regarding equal pay has been very stable for a number of years, with the figures remaining largely unchanged. We are satisfied that there are no significant inequalities and many examples show those with protected characteristics are earning the same or more than the comparison group.
- 3.2 In the 2015 Report it was noted that there had been a significant increase in the number of staff for whom we have no information on certain protected criteria. Since that time there have been frequent messages issued to staff through Insight and other media reminding them that the self service option on SAP can be used to complete their equalities information in a confidential way. This has resulted in an increase in those disclosing their characteristics regarding disability and sexuality which is a positive step. However in respect of religion, the size of the group where information about this characteristic has not been disclosed has barely changed since the last Report which remains a cause for concern. Regular efforts will therefore continue to encourage the recording of protected characteristics via the HR and Payroll system.

- 3.3 A high number of female workers is a feature of Local Government and North Herts District Council is no different, with 66% of the workforce being women. Nationally over 48% of local Government female workers are part-time and these figures have changed very little for a number of years. Part-time working is an excellent means of balancing work and the responsibilities of childcare and can be regarded as flexible working. Despite the introduction of statutory shared parental leave and other family friendly measures, the trend is still for women to be the principal carers and this is the main contributor to the demand for part-time work. Looking at the average pay for part time staff at the Council, there has been a move towards part time staff earning more than their full time colleagues since the last Report with over 80% of comparisons now being in favour of part time staff. Women working full time at the Council earn more than their male counterparts in 75% of the comparisons that can be made. When looking at all female and all male Council employees almost 70% of the comparisons are in favour of women. This reinforces that whilst the workforce profile, where the majority of women, 80%, are concentrated in the grades up to Grade 9, has a significant effect on the gender pay gap figures, there are no underlying gender based equal pay issues at the Council.
- 3.4 The most striking feature with regard to the age profile of those who work at the Council remains that over 80% of staff are aged over 35, 57% of staff are aged between 35 and 54 and only 6% of staff are under 26. Despite the success of the Council's Apprentice Scheme over a number of years, this latter figure compares unfavourably with Shire districts as a whole.

By contrast, the proportion of staff over 65 has increased since the last Report and compares favourably with both the Shire districts and local government as a whole, but still shows that compared to the percentage of the national population in this age group, (17.4%), very few NHDC employees are in work past the traditionally accepted retirement ages. Measures such as flexible working and the retirement policy have not yet been successful in increasing the numbers of workers over 65 and might be a reflection of the long standing generous nature of pensions' provision in local government which reduces the need for individuals to work past retirement age for economic reasons. The significant changes to the pension scheme in recent years do not yet appear to have had a great impact in increasing the numbers of those in this age group working in local government. This may however change in the future and the opportunity to capitalise to a greater degree from the use of this valuable and flexible resource may still occur. With respect to pay for this group, all comparisons that could be made showed salaries at the top of the range for both men and women which reflects the incremental nature of progression through the salary grade scale points based on length of service and therefore indirectly on age.

- 3.5 The ethnic background of the Council is largely unchanged from previous reviews and there are no real concerns regarding equal pay in this area. In fact, continuing the trend from the last Report, there has been positive progress in comparing average salaries of those of Asian backgrounds with all other groups, despite a slight decrease in the overall percentage of employees with this characteristic.
- 3.6 The percentage of those at the Council with a declared disability has declined slightly since the last Report which continues a previously noted trend. Whilst the number of disabled staff at the top of their grade has dropped from 79% in 2015 to 31% of all disabled staff, it is still high when compared with the percentage of non disabled staff at the top of their grade. Although the rationale for this could be the significantly longer service of disabled staff, care should be taken that the reason for this figure is not lack of opportunity for disabled staff to progress to higher grades and further work will be carried out in this area.
- 3.7 The numbers who declare themselves to be Christians at the Council remains stable and there are still very few staff that come from the other religious groups. There is little evidence of discrimination against these groups, but the small numbers can cause distortion. The gathering of more information regarding this protected characteristic would enable a more accurate picture to be obtained and underlies the proposed efforts to increase the number of staff who are willing to complete the equalities section on the SAP system.
- 3.8 The decline in the percentage of staff declaring themselves to be gay, lesbian or bisexual follows a pattern from the previous two reports. The numbers in these groups are however extremely small and the fall represents only one employee. The three comparisons which could be made might indicate a tendency to for average salaries to favour the heterosexual group. The very small numbers in the non heterosexual group might have distorted the figures, but these comparisons will be monitored to ensure discrimination is not occurring.
- 3.9 The study of allowances and starting salaries at the Council did not indicate discrimination was occurring in the way these were being applied, however there are a few points of note.
- The revision of the circumstances in which Additional Responsibility Payments can be made has led to a 100% increase in the number of such payments being made since the last Report and reflects the need for pay mechanisms to ensure appropriate reward for those taking on additional responsibility in difficult economic times for the Council. There has been a significant increase in ARP made to female staff and the proportion receiving these now better reflects the overall female/male split at NHDC.

- It is recommended that the Market Forces Supplement is revisited. Equal Pay reviews have reflected the same two members of staff have received this supplement to salary for at least the past 8 years, which questions whether in fact this payment is a permanent addition to salary, contrary to the provisions of the Policy.
- In a similar way, the provision of an IT standby allowance should be reviewed as due to the number of years over which it has been paid to the same recipients, it can no longer be regarded as a temporary allowance as was originally intended. The fact that 100% of recipients of this allowance are male, and this has been the case for many years, contributes to the negative gender pay gap at the Council and requires the application of this allowance to be investigated to ensure no discrimination is occurring.
- The tripling of the number of starting salaries which were above the bottom of the grade to 44% of all starting salaries, means that this method of raising initial remuneration is being increasingly employed to attract good quality candidates to the Council. The fact that 60% of those receiving starting salaries above the bottom of the grade were male, compared to a population at the Council which is 34% male, is in line with published evidence that women are less likely to negotiate their starting salaries than men and contributes to a negative gender pay gap. Those with other protected characteristics were also under represented in the numbers receiving a starting salary above the bottom of the grade compared with their profile across the Council.

3.10 As a final point to make in respect of carrying out an equal pay review, it is important to remember that not every member of staff wants senior, professional or managerial roles. There is a wide range of motivations in attending work including financial, social and personal aspects. Having said this, at North Herts District Council we are committed to developing all our staff and we have an excellent track record of supporting staff through mentoring, coaching and training in professional and managerial qualifications which we intend to maintain.

4. NEXT STEPS

- 4.1 The Equal Pay Review 2017 Report will be published as appropriate.
- 4.2 Messages will continue to be included in Insight and on the Message Board on a regular basis to encourage employees to complete their personal data using the employee self service function of the SAP payroll system. A report will then be commissioned during next year to identify whether significant gaps in data still exist and further action taken as required.
- 4.3 Work will be undertaken in conjunction with the group developing the Gender Pay Gap Action Plan to determine that the proposed steps will not only address the negative gender pay gap at the Council, but also any concerns regarding equal pay.

5. APPENDICES

- 5.1 Appendix 1 – Local Government Demographics

6. CONTACT OFFICERS

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7. BACKGROUND PAPERS

- 7.1 None.

Appendix 1

Local Government Demographics

According to figures produced by the Local Government Association from the Local Government Earnings Survey 2014/2015 which is the most recent report available, the following are the current demographics for local government:

- **Gender**

Around three quarters of the total local government workforce in England and Wales are female, but in the shire districts just over half the workforce are female. This has not changed since the previous two Equal Pay Reviews in 2015 and 2012.

- **Working Time**

Just over 45% of local government staff are full time, which is in line with the last Equal Pay Review in 2015 (down from just under 46% in the 2011/2012 survey and over 47% in the 2009/2010 survey). Male full time staff represent 17.5% of the workforce, which has not changed since the last review in 2015 (just under 18% in the 2011/2012 Survey and 18.5% in the one before this). Female full time staff continue to make up just under 28% of the workforce as they did at the time of the two last Reviews, down from 28.7% in 2009/2010. Male part time staff constitute 6.5% of the workforce (6.6% in the last two Reports in 2015 and 2011/2012, 6.4% in 2009/2010) and female part time staff 48.1% (48% in 2015, 47.8% in 2011/2012 and 46% in 2009/2010).

The corresponding figures for the shire districts are 64.3% full time staff, 37.9% male full time staff, 26.4% female full time staff, 8.9% male part time staff and 26.6% female part time staff. These figures have barely changed since the last Review when they were 64%, 37.7%, 26.1%, 9.6% and 26.6% respectively, but do show a drop in male part time staff.

- **Age**

The percentage of employees under the age of 22 across the workforce is just over 2%, in line with the last Review (2.3% in 2011/2012). Those aged over 65 comprise 3% of the total workforce, up from 2.7% last time and 2.3% in the Review prior to that. This compares with a national population in 2014 where 17.7% were over the age of 65. In the shire districts the number under age 22 is higher at 4.2% whilst those over age 65 is the same at 3%. In the shire districts the number of staff under the age 35 is 23.1% of the workforce, down from 25.4% in 2015. This compares to just under 20% across the whole workforce, a figure which has not changed since the last Review. As in 2015 the highest number of staff are in the 45 to 54 age group both across the whole workforce and in the shire districts at 33.9% (34% in 2015) and 31.1% (30% in 2015) respectively. 80.4% (80.1% in 2015) of the workforce are over the age of 35 and in the shire districts this figure is 76.9% (up from 74.5% in 2015).

- **Ethnicity**

10.9% of the local government workforce are Black, Asian and Minority Ethnicity. The figure rises to 38% in the London Boroughs but is 3.4% in the shire districts. The figures for the total local government workforce and the London Boroughs show an increase since the last Review of almost 2% and 1% respectively, and a small increase of 0.3% for the shire districts.