

**Redditch Borough Council**

**Gender Equality Impact Assessment for the Proposed  
Pay and Grading Structure.**

Andrew Worth  
Principal Reward Consultant  
NorthgateArinso Reward Solutions  
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## 1 Purpose of Report

- 1.1 Like all local authority organisations Redditch Borough Council (Redditch) has been required to undertake a pay and grading review. This requirement arose from the 'Single Status' agreement which was agreed nationally as part of the 1997 national pay agreement and subject of a further national agreement in 2004.
- 1.2 With the increasing importance of equal pay within the public sector and across the economy as a whole, it is essential that whenever such a review is undertaken, the proposed outcomes are subject to a gender impact assessment. In addition, it should also be recognised that the integrity of the new pay and grading arrangements are maintained and that regular equal pay audits are undertaken in the future as part of the review and maintenance process.
- 1.3 The purpose of this report is therefore to assess the gender impact and any equality implications arising from Redditch's proposals. The proposals have been developed through joint working with the trade unions.
- 1.4 The report is based on a data set provided by Redditch in November 2015 and replaces a previous dataset from May 2015. All employees in Leisure and Culture services have been excluded from this report at the joint request of the Trade Unions and Council.
- 1.5 Further legal advice maybe required in relation to some of the issues referred to in this report.

## 2 Scope of Report

- 2.1 The pay and grading review affects the majority of the overall workforce including all employees who are employed under the terms of the 1997 national agreement for Local Government Services. This includes all National Joint Council (NJC) employees.
- 2.2 The report is based on the proposals developed locally with the trade unions. The analyses included within this report are based on the details of 443 employees undertaking 149 discreet jobs. Vacant posts have not been included in the analysis for this report.
- 2.3 This report considers a range of issues including;
- The choice of job evaluation scheme
  - The job evaluation process
  - The proposed pay and grading structure
  - Allowances
  - Gender pay gap
  - Proximity analysis

2.4 In addition, detailed reports have also been produced that illustrate the implications for employees based on gender and the proposed grading structure. For clarification purposes:

- Red circle = a job that will see a reduction in basic pay
- Green circle = a job that will see an increase in basic pay
- White circle = a job where current basic pay levels will be maintained

2.5 The statistical analysis includes the following breakdowns:

- Red, Green and White Circles by Gender
- Red, Green and White Circles by Gender and Grade
- Red Excess and Green Costs
- Headroom Winners and Losers.
- Proximity – to grade above and grade below.
- Gender Pay Gap

### 3 Composition of the Workforce

- 3.1 In terms of considering the equality impact of the proposed structure, it is important to understand the current composition of the workforce. Based on the table below it is evident that the workforce has more female employees accounting for 76.07% of all NJC employees with 59.05% of female employees being in part time employment.
- 3.2 Unless otherwise stated all financial information is based on full time equivalent (FTE) analysis in order to determine costs at a full time rate. However, where 'actual' figures are pertinent, these are shown accordingly
- 3.3 The largest proportion of employees are in Housing Services (34.1%) and Community Services (30.7%). The gender composition of the workforce should be considered when reviewing the statistical analysis contained in the Gender pay gap section of the report.

Composition of the Workforce							
Service	Total Employees	Male	Female	Male		Female	
				Full Time	Part Time	Full Time	Part Time
BUSINESS TRANSFORMA & OD	15	0	15	0	0	9	6
CHIEF EXECS UNIT	14	1	13	1	0	7	6
COMMUNITY SERVICES	136	26	110	15	11	25	85
CUSTOMER SERVICES	88	11	77	7	4	43	34
FINANCIAL SERVICES	23	3	20	2	1	11	9
HOUSING SERVICES	151	62	89	59	3	34	55
PLANNING & REGENERATION	16	3	13	1	2	9	4
<b>Grand Total</b>	<b>443</b>	<b>106</b>	<b>337</b>	<b>85</b>	<b>21</b>	<b>138</b>	<b>199</b>
<b>% of Gender</b>				<b>80.19%</b>	<b>19.81%</b>	<b>40.95%</b>	<b>59.05%</b>
<b>% of Overall Workforce</b>		<b>23.93%</b>	<b>76.07%</b>	<b>19.19%</b>	<b>4.74%</b>	<b>31.15%</b>	<b>44.92%</b>

#### 4 Choice of Evaluation Scheme

- 4.1 The choice of a suitable job evaluation scheme is essential to the successful outcome of a pay and grading review such as that undertaken by the Council. As part of the 1997 national agreement the national employer's organisation and trade unions developed the NJC scheme which has been used for the majority of jobs across the Council up to and including Scp 49.
- 4.2 The NJC scheme is considered to be compliant with the criteria originally established by the Equal Opportunities Commission (now part of the Equalities and Human Rights Commission) for bias free job evaluation. The NJC scheme was specifically designed to be used by local authority based organisations for such pay and grading reviews and designed to take account of equal pay requirements.
- 4.3 The following table lists the factors that are included in the NJC scheme which exist to a greater or lesser extent in all jobs.

Factor	Levels	Points per level	Weighting %
Knowledge*	8	20	16.3
Mental Skills	6	13	7.8
Communication Skills	6	13	7.8
Physical Skills	5	13	6.5
Initiative and Independence	8	13	10.4
Physical Demands	5	10	5.0
Mental Demands	5	10	5.0
Emotional Demands	5	10	5.0
Responsibility for People	6	13	7.8
Responsibility for Supervision	6	13	7.8
Responsibility for Financial Resources	6	13	7.8
Responsibility for Physical Resources	6	13	7.8
Working Conditions	5	10	5.0

\* Levels 6 to 8 increase by 21 points

- 4.4 A factor level analysis has been undertaken of all evaluations completed using the NJC scheme. This shows that the full range of all factors has been applied.
- 4.5 The overall distribution of factor levels appears consistent with the typical outcomes of such a review in relation to the job population. The score distribution across evaluated roles within Redditch would suggest the range of evaluations is consistent with other Authorities in the application of the scheme.

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## 5. Job Evaluation Process

- 5.1 Having selected an appropriate job evaluation scheme it is essential that effective local procedures are developed so that the scheme can be applied in a fair, consistent and transparent way. Following discussions with Redditch, it is evident that the procedures put in place locally have been developed jointly with the trades unions taking account of the guidance and principles incorporated into the NJC scheme.
- 5.2 Prior to the start of the review, the Council and trades unions reached agreement on the overall approach to the review in 2008. It is clear from the agreement that the project would be undertaken as a joint exercise co-ordinated by a Project Manager, Head of Human Resources and a Job Analyst, provided externally by West Midlands Councils with significant experience in the NJC evaluation scheme.
- 5.3 Prior to starting the full review a pilot exercise was undertaken. This was carried out using the paper based NJC job evaluation scheme and face to face job evaluations to compare the two approaches. Subsequently the Council made the decision to pilot the computerised NJC scheme known as Gauge. The purpose of this stage was to test the application of Gauge and ensure that the processes that had been developed and agreed locally were appropriate. This also created the opportunity to test the Gauge 'Help Text' and develop appropriate local conventions that reflected the specific requirements of Redditch in a local context.
- 5.4 The overall application of the JE process is shown below:

**Staff Briefings –newsletter to all staff explaining the process and departmental management briefings.**



**Issue of Job Questionnaires**



**Analysis of Questionnaire by analysts which included interviews. Job Interviews could be attended by Union representation where requested.**



**Question Trace and Job Overview Issued to post holder for any comment on the evaluation**



**Job Evaluation outcomes were audited and passed where required to an audit meeting**



**Results were then passed to a Sorethumbing Group for moderation**



**Formal Appeal Process**



- 5.5 A standard briefing was developed which all employees were invited to attend. The briefing jointly delivered clearly outlined the reason for the review and how it would be conducted. In addition, further guidance was given on how to complete the agreed Job Questionnaire, information about the NJC evaluation scheme and the role of all those involved in the process. Throughout the review there has been regular communication with employees using a variety of methods including dedicated newsletters, Frequently Asked Questions, Employee E-mail, internal newspaper articles along with an e-mail address for employee questions.
- 5.6 In addition, before, during and after the evaluations were completed a Joint Steering Group was established to have an overall input into the process to ensure queries, issues and other JE related matters were dealt with promptly.
- 5.7 Following briefing sessions, job holders were issued with an agreed Job Questionnaire which was developed to assist job holders to provide as much information about their role in order that the post could be analysed in some depth. The development of the questionnaire was an important element in ensuring that all job holders were given the same information about the scheme and sufficient time to consider the requirements of their job in terms of the 13 factors within the NJC scheme.
- 5.8 As part of the process it was agreed that job holders had to meet and agree the questionnaire with their line manager which was then signed by the line manager before the job interview meeting took place. Where there was more than one job holder, representative(s) were responsible for completing the questionnaire but all job holders were given the opportunity to input into the process and received a copy of the overview report. All employees were given a copy of the Question Trace and Job Overview following the evaluation which has ensured that all job holders have been involved in the process and have the ability to seek an audit review or formal appeal once the pay and grading model had been implemented.
- 5.9 All evaluations were subject to moderation again based on a procedure and protocols agreed with the trade unions. Any changes or amendments to the original evaluation score were recorded on a factor by factor basis. Once this process was completed job holders were sent a copy of the Question Trace and Job Overview relating to their job based on the evidence given by the job holder. All overview reports were distributed to job holders. Job holders were given the opportunity to seek a review of the evaluation either in terms of disagreeing with the statements in the report or that the overview report did not provide an accurate overview of their job.
- 5.10 It is clear that all stages of the overall process have been agreed with the trade unions and that the process has directly involved job holders, managers and the trade unions.

## 6 Proposed Pay and Grading Structure

6.1 A series of proposed pay and grading structures have been developed and tested and consulted on with the trade unions. Further discussions with the trade unions have taken place in developing the final proposals that have been reviewed as part of this assessment. The principal features of the proposed structure are as follows:

- Eleven grades of between 5 and 6 incremental points or 4 to 5 incremental steps to reach the grade maximum.
- The proposed grading structure applies to all employees within the NJC for Local Government Services and Craft workers.
- The pay spine has been developed using the agreed national pay spine from scale point 6 to scale point 49.
- Incorporation of some overlaps and abutted grades in the structure which has the effect of reducing the number of employees that will be red circled and therefore require pay protection.

6.2 The proposed pay structure is shown in the tables below.

Proposed Pay and Grading Structure							Increments	
Grade	Minimum Score	Maximum Score	Minimum SCP	Minimum Salary	Maximum SCP	Maximum Salary	Points	Steps
Grade 1		227	6	13614	10	14338	5	4
Grade 2	228	289	9	14075	14	16231	6	5
Grade 3	290	340	13	15941	18	17714	6	5
Grade 4	341	392	17	17372	22	20253	6	5
Grade 5	393	445	21	19742	26	22937	6	5
Grade 6	446	492	25	22212	30	26293	6	5
Grade 7	493	549	29	25440	34	29558	6	5
Grade 8	550	611	33	28746	38	32778	6	5
Grade 9	612	674	37	31846	42	36571	6	5
Grade 10	675	741	41	35662	46	40217	6	5
Grade 11	742	-----	45	39267	49	42957	5	4

6.3 The following table shows the distribution and value of increments within each of the proposed grades.

Grade	Increments and values					
	1	2	3	4	5	6
Grade 1	13,614	13,715	13,871	14,075	14,338	
Grade 2	14,075	14,338	15,207	15,523	15,941	16,231
Grade 3	15,941	16,231	16,572	16,969	17,372	17,714
Grade 4	17,372	17,714	18,376	19,048	19,742	20,253
Grade 5	19,742	20,253	20,849	21,530	22,212	22,937
Grade 6	22,212	22,937	23,698	24,472	25,440	26,293
Grade 7	25,440	26,293	27,123	27,924	28,746	29,558
Grade 8	28,746	29,558	30,178	30,978	31,846	32,778
Grade 9	31,846	32,778	33,857	34,746	35,662	36,571
Grade 10	35,662	36,571	37,483	38,405	39,267	40,217
Grade 11	39,267	40,217	41,140	42,053	42,957	

6.4 In terms of the proposed structure, the number of grades represents a significant reduction from the current range of possible grades. Under the current structure there are over 40 variations of grades this includes some career grade arrangements in the new structure there are just 11. This is important in that it is more likely that with fewer grades, the grade attached to an individual job is linked to a consistent job evaluation outcome as opposed to a range of grades being applied to any one job.

6.5 The proposed grading structure includes 11 grades with between 5 and 6 increments (or between 4 and 5 incremental steps).

6.6 With the use of incremental grades for all NJC employees, some Councils have also considered introducing a greater element of performance related incremental progression.

6.7 Incremental progression will continue on an annual basis within Redditch and under the structure will take an employee a maximum of 5 years to reach the top of the grade which is consistent with the upper level of the recommended timeframe for service based pay structures.

6.8 The following table shows the distribution of jobs and job holders by proposed grade. The distribution is typical in that there are a smaller number of jobs at the lower end of the proposed structure but typically this includes those jobs that are more populated than the jobs at the upper end of the structure which tend to be undertaken by individuals.

Distribution of Jobs and Job Holders				
Proposed Grade	Total Job Holders	% of Total Job Holders	Job Count	% of Total Jobs
Grade 1	0	0.00%	0	0.00%
Grade 2	12	2.71%	2	1.34%
Grade 3	79	17.83%	24	16.11%
Grade 4	70	15.80%	18	12.08%
Grade 5	118	26.64%	28	18.79%
Grade 6	91	20.54%	29	19.46%
Grade 7	37	8.35%	24	16.11%
Grade 8	28	6.32%	16	10.74%
Grade 9	4	0.90%	4	2.68%
Grade 10	4	0.90%	4	2.68%
Grade 11	0	0.00%	0	0.00%
<b>Grand Total</b>	<b>443</b>		<b>149</b>	

6.9 The distribution of male and female employees by proposed grade shows a very similar pattern to that of the workforce as a whole. 82.49% of female employees and 86.79% of male employees are in grades 2 to 6. Grades 7 to 10 are occupied by 17.51% of the female population and 13.21% of the male population.

6.10 The overall proposal includes clear assimilation arrangements which will apply to all employees. An assessment of the numbers of red, white and green circles is included in the tables.

**White circles** – employees whose current spinal point is within the new grade will remain on the same point at the time of assimilation

**Green Circles** – employees whose current spinal point is below the minimum of the new grade will be placed on the minimum point at the time of assimilation

**Red circles** – employees whose current spinal point is above the proposed grade will be placed on the maximum of the new grade with pay protection for a period of no more than 24 months.

6.11 The principal findings are as follows:

- In overall terms, 7.22% of the workforce will be ‘red circled’ based on basic pay. In terms of gender 8.61% of female and 2.83% of male employees will be affected in this way.
- 10.16% of the workforce will be ‘green circled’ and will receive an immediate increase in their basic pay as a result of the proposed structure being implemented. 9.79% of female employees and 11.32% of male employees will be affected in this way.
- 82.62% of the workforce will not have basic pay affected initially by the proposed grading structure with percentages of male (85.85%) and female (81.6%) employees affected in this way, however, as a result of the new structure a proportion of these staff may have increased progression through the new grade.

6.12 The following tables provide more detailed information on the distribution of green, red and white circles by gender.

Percentage of Green, White and Red Circles							
Gender	Total Employees	Green		White		Red	
		Employees	% of Employees in Gender	Employees	% of Employees in Gender	Employees	% of Employees in Gender
<b>F</b>	337	33	9.79%	275	81.60%	29	8.61%
<b>M</b>	106	12	11.32%	91	85.85%	3	2.83%
<b>Grand Total</b>	<b>443</b>	<b>45</b>	<b>10.16%</b>	<b>366</b>	<b>82.62%</b>	<b>32</b>	<b>7.22%</b>

Proposed Grade	Gender	Total Job Holders	Green Circles		White Circles		Red Circles	
			Job Holders	% of Job Holders	Job Holders	% of Job Holders	Job Holders	% of Job Holders
Grade 2	F	9		0.00%	9	100.00%		0.00%
	M	3		0.00%	3	100.00%		0.00%
	Total	12		0.00%	12	100.00%		0.00%
Grade 3	F	65	22	33.85%	40	61.54%	3	4.62%
	M	14		0.00%	13	92.86%	1	7.14%
	Total	79	22	27.85%	53	67.09%	4	5.06%
Grade 4	F	64	4	6.25%	59	92.19%	1	1.56%
	M	6		0.00%	6	100.00%		0.00%
	Total	70	4	5.71%	65	92.86%	1	1.43%
Grade 5	F	101	5	4.95%	85	84.16%	11	10.89%
	M	17	2	11.76%	15	88.24%		0.00%
	Total	118	7	5.93%	100	84.75%	11	9.32%
Grade 6	F	39		0.00%	36	92.31%	3	7.69%
	M	52	9	17.31%	41	78.85%	2	3.85%
	Total	91	9	9.89%	77	84.62%	5	5.49%
Grade 7	F	28		0.00%	23	82.14%	5	17.86%
	M	9	1	11.11%	8	88.89%		0.00%
	Total	37	1	2.70%	31	83.78%	5	13.51%
Grade 8	F	24	2	8.33%	18	75.00%	4	16.67%
	M	4		0.00%	4	100.00%		0.00%
	Total	28	2	7.14%	22	78.57%	4	14.29%
Grade 9	F	4		0.00%	2	50.00%	2	50.00%
	Total	4		0.00%	2	50.00%	2	50.00%
Grade 10	F	3		0.00%	3	100.00%		0.00%
	M	1		0.00%	1	100.00%		0.00%
	Total	4		0.00%	4	100.00%		0.00%
Total		443	45	10.16%	366	82.62%	32	7.22%

6.13 The following table illustrates the average values by gender of both green circle costs and red circle excess. The average increase in terms of those employees that will be green circled and receive an immediate increase in pay is higher for female employee's. The average actual decrease is also higher for female employees.

<b>Average Actual Value of Red Excess – Basic Pay Protection</b>		
<b>Gender</b>	<b>Job Holders</b>	<b>Average Value</b>
<b>Female</b>	29	2050
<b>Male</b>	3	1825
<b>Total/Overall Average</b>	<b>32</b>	<b>2029</b>

<b>Average Actual Value of Green Shortfall</b>		
<b>Gender</b>	<b>Job Holders</b>	<b>Average Value</b>
<b>Female</b>	33	1118
<b>Male</b>	12	2349
<b>Total/Overall Average</b>	<b>45</b>	<b>1447</b>

6.14 A detailed analysis below shows the average red circle loss by proposed grade

<b>Average Actual Red circle loss by Grade and Gender ( Basic pay)</b>				
<b>Proposed Grade</b>	<b>Males</b>	<b>Average Decrease (£)</b>	<b>Females</b>	<b>Average Decrease (£)</b>
Grade 1				
Grade 2				
Grade 3	1	3816	3	2,738
Grade 4			1	1959
Grade 5			11	2,004
Grade 6	2	830	3	1908
Grade 7			5	1100
Grade 8			4	2,655
Grade 9			2	2,696
Grade 10				
Grade 11				
<b>Grand Total</b>	<b>3</b>	<b>1,825</b>	<b>29</b>	<b>2,050</b>

#### **The impact of abutted and overlapping grades**

6.15 As stated the proposed grading structure includes a number of overlapping grades where the maximum of the lower grade is the same as the second scp in the grade above.

6.16 However, it is clear that the use of overlapping grades has been adopted for organisational reasons as without this approach the number of red circled employees would increase to an unacceptable level.

6.17 The following table shows the impact of adopting abutted grades throughout the structure based on removing an incremental point from the top of the existing overlapping grades. As can be seen the number of red circled employees will increase to 89(20.09 %) an increase of 36. The number of female employees increases from 29 (8.61%) of the female workforce to 79 (23.44%). Similarly there would also be an increase in terms of the number of male employees from 3 (2.83%) to 10 (9.34%) who would be red circled.

Percentage of Gender by Green, Red and White Circles - Fully Abutted Structure							
Gender	Total Employees	Green		White		Red	
		Employees	% of Employees in Gender	Employees	% of Employees in Gender	Employees	% of Employees in Gender
Female	337	33	9.79%	225	66.77%	79	23.44%
Male	106	12	11.31%	84	79.25%	10	9.34%
<b>Grand Total</b>	<b>443</b>	<b>45</b>	<b>8.66%</b>	<b>309</b>	<b>69.75%</b>	<b>89</b>	<b>20.09%</b>

6.18 The average actual protected amount and therefore loss to employees would decrease for female employees due to the increase numbers of red circles with the average protection for female employees reducing from £2050 to £1447 and the average protection for male employees reducing from £1825 to £1316 with the removal of the overlapping increments.

6.19 The use overlapping grades increases the potential for challenge arising from the proposed structure. Although it could be considered that a fully abutted structure would significantly reduce the potential challenge. The above tables demonstrate that this approach would potentially be unacceptable from an organisational perspective as the number of red circles or employees requiring pay protection would more than double from 7.22% to 20.09% of the workforce.

### Headroom Analysis

6.20 In addition to the assessment described above, a headroom analysis has also been undertaken which looks at any change to the maximum salary in terms of basic pay. This occurs where an employee's pay may not be affected immediately but the new maximum salary they receive is less than that they could achieve at present. This following analysis excludes those employees who are red circled.

6.21 As indicated above, employees are either considered as red, green or white circled. Those red circled will eventually see a reduction in their pay based on the extent that they are currently paid in excess of the proposed pay line. However, it is also important to consider other employees to determine any further long term implications.



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6.22 From the total employee complement of 443, 32 are red circled. When red circles are removed from the analysis 111 employees will lose headroom to some extent this reflects the significant reduction in the number of grades and the removal of linked and review of career grades which are often not supported by job evaluation at every level of the existing grade. 131 employees will gain headroom as a result of the proposed structure. To some extent this reflects the significant reduction in the number of grades and the removal of linked and review of career grades which are often not supported by job evaluation at every level of the existing grade. A further 152 employees are either unaffected by the overall proposal.

## **7 Allowances**

- 7.1 The national agreements also allow Councils to consider any potential changes to terms and conditions including the allowances currently paid to employees in addition to basic pay.
- 7.2 In terms of changing any allowances a basic principle has been established in that any allowances that are currently paid that are now accounted for by the evaluation process will be removed and not protected.
- 7.3 Changes to any allowances are not currently within the scope of this impact assessment.

## 8 Gender Pay Gap

8.1 Having undertaken the analysis described above it is essential that there is an analysis of the impact on the gender pay gap. A number of analyses have been undertaken:

- Comparison of current basic pay to proposed basic pay.
- Comparison of current Total contractual pay to proposed contractual pay.

8.2 The analysis has been based on the proposed grading structure and the attached tables include a figure showing female earnings as a percentage of male earnings. The calculations have been based on averaged full time annualised pay rates. These tables indicate the gender pay gap for each individual grade as well as showing the gender pay gap for the total workforce (based on total employees and average pay) in accordance with nationally recognised calculations. Significant patterns of difference i.e. 3.00% or more have been highlighted in yellow and significant pay gaps i.e. 5.00% or more have been highlighted in red throughout the report in accordance with the advice of the Equalities and Human Rights Commission

**TABLE: Analysis of current and proposed basic pay by grade/JE points (excluding protection pay)**

Proposed Grade	Number of Females	Number of Males	Current Average Female	Current Average Male	Female Current Pay as a % of Males	Proposed Average Female	Proposed Average Male	Female Proposed Pay as a % of Males
Grade 2	9	3	15,207	15,207	100.00%	15,207	15,207	100.00%
Grade 3	65	14	16,486	16,451	100.21%	16,608	16,179	102.66%
Grade 4	64	6	18,150	18,806	96.51%	18,144	18,806	96.48%
Grade 5	101	17	21,500	20,548	104.63%	21,384	20,827	102.68%
Grade 6	39	52	23,956	22,796	105.09%	23,809	23,196	102.64%
Grade 7	28	9	28,502	26,728	106.64%	28,306	26,835	105.48%
Grade 8	24	4	30,762	30,935	99.44%	30,694	30,935	99.22%
Grade 9	4		35,557		0.00%	34,209		0.00%
Grade 10	3	1	39,296	40,217	97.71%	39,296	40,217	97.71%
<b>Grand Total</b>	<b>337</b>	<b>106</b>	<b>21,579</b>	<b>21,962</b>	<b>98.26%</b>	<b>21,513</b>	<b>22,176</b>	<b>97.01%</b>

8.3 If each grade is reviewed in its own right there is a visible narrowing of pay inequality through the revised structure with the exception of grade 4 and 8. The overall gender pay gap has increased slightly from Female pay being 98.26% of male pay to 97.01%. In terms of the future gender pay gap, it would be expected that this will continue to reduce on the basis that all employees will progress through their grade and that all new employees, irrespective of gender, will start at the bottom of the proposed pay grade. However, it is recommended that this is regularly monitored as part of the on-going equal pay audit process to ensure that the gap does continue to reduce.

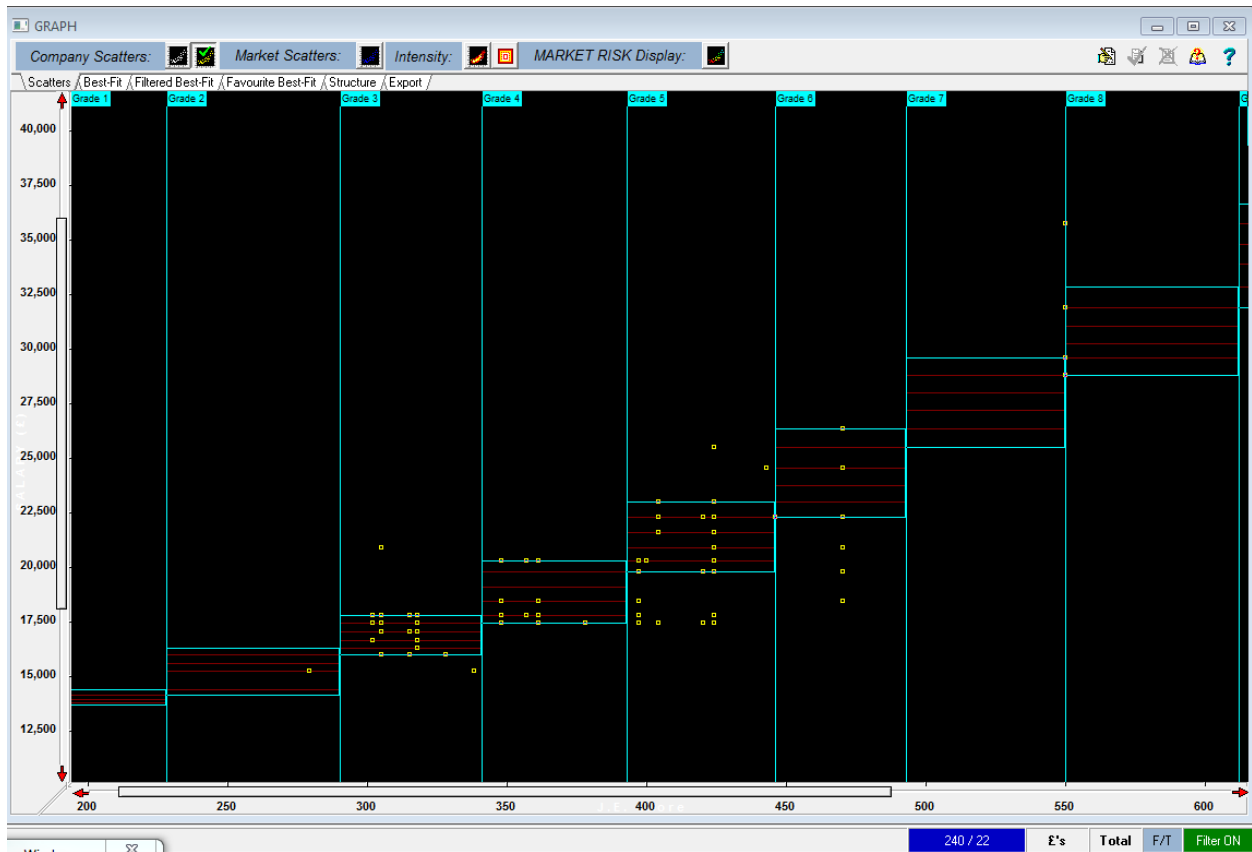
- 8.4 In terms of current basic pay against the proposed structure it is clear that male employee earnings would be considered 'significantly' higher than female earnings in grade 4. Female earnings are significantly higher than males in grades 6 and 7. This is based on guidance from the Equalities and Human Rights Commission that anything over 5% should be investigated further. In the proposed structured based on the assimilation arrangements the grade 7 is still greater than 5.00% however grades 4 and 7 are showing an improvement in the gender pay gap by grade.
- 8.5 Based on the proposed structure and the agreed assimilation process that all green circle employees move to the minimum of their new grade (but excluding protection payments) it is clear that the differences in pay on a grade by grade basis have been reduced (with the exception of grade 4 as stated in section 8.4). The overall gender pay gap has reduced slightly with female basic pay moving from 98.26% to 97.01% of male pay. This is significantly below the National Average pay gap of 80.9% (2014).

## **9 Proximity Analysis**

- 9.1 An analysis has been undertaken to assess the impact of the proposed grade boundaries used to determine each grade. This analysis has been based on all jobs that are either 12 points below the grade above or above the grade below based on the value of factor levels in the NJC scheme. The purpose of this is to identify if the grade lines have been set in such a way that they potentially discriminate in favour or against specific groups of employees.
- 9.2 It is equally important in such an analysis to be mindful of the overall approach and processes that have been taken towards the review. These have been outlined in detail elsewhere in the report and it is clear that the process has been undertaken jointly with the trade unions who have been involved throughout the review in both the evaluation and moderation of job scores. It is not therefore suggested that the evaluation score of a particular job or the final rank order is incorrect as the purpose of this stage of the report is to consider where the grade lines have been placed.
- 9.3 It is evident from the overall rank order that there very few obvious places to set grade lines at natural break points. The NJC scheme like many others also creates a continuum of scores whereby the point's difference between one job and the next is significantly less than one factor. This creates a situation whereby there is no natural clustering across the full range of evaluations which reduces the ability to draw grade lines at natural cluster points. Inevitably this leads to some jobs being in close proximity to the proposed grade line but should not be interpreted as there being any issue with the evaluation outcome.
- 9.4 The rationale for the grade lines being placed in their current positions is to reflect the same points to grade boundaries as neighbouring Bromsgrove District Council. This is an

organisational decision based on the same job evaluation scheme being used and the increasing requirement for shared services between the two organisations.

9.5 The scatter graph below shows jobs with more than 5 incumbents or higher populated roles and where the roles sit in relation to the grade boundaries.



9.6

The table below shows the distribution of Red, Green and White circles by gender for the highly populated roles.

<b>Percentage of Gender by Green, Red and White Circles in Jobs with more than 5 employees</b>							
<b>Gender</b>	<b>Total</b>	<b>Green Circles</b>	<b>% of Total</b>	<b>Red Circles</b>	<b>% of Gender Total</b>	<b>White Circles</b>	<b>% of Total</b>
<b>Females</b>	179	17	9.50%	10	5.59%	152	84.92%
<b>Males</b>	61	11	18.03%	0	0	50	81.97%
<b>Overall</b>	240	28	11.67%	10	4.17%	202	84.17%

9.7 A detailed table for each grade showing upward and downward proximity is below. The tables show the number of jobs less than 12 points of the grade above or below and list any job with 5 or more occupants. Where there is a predominant gender (more than 75%) the table is highlighted in blue for predominantly male roles and pink for predominantly female roles.

Job ID	Job Title	Proposed Grade	Score	Service	F	M	Grand Total	Points from Grade Below	Points from Grade Above	Gender
<b>Grade 'Grade 10' Starts at 675 Points</b>										
<b>Grade 'Grade 9' Starts at 612 Points</b>										
A1355	HR & OD Adviser (3.6 FTE)	Grade 8	550	BUSINESS TRANSFORMA & OD	7		7	1		Female Only
<b>Grade 'Grade 8' Starts at 550 Points</b>										
<b>Grade 'Grade 7' Starts at 493 Points</b>										
A753	Benefit Officer	Grade 6	446	CUSTOMER SERVICES	11	1	12	1		Male and Female
<b>Grade 'Grade 6' Starts at 446 Points</b>										
A317	Rent/Welfare Officer - DESKTOP EVALUATION	Grade 5	443	HOUSING SERVICES	5		5		3	Female Only
A1773	Revenues Officer SS	Grade 5	404	CUSTOMER SERVICES	9		9	12		Female Only
A326	Customer Service Adviser	Grade 5	400	CUSTOMER SERVICES	9		9	8		Female Only
A217	Control Centre Operator - DESKTOP EVALUATION	Grade 5	397	COMMUNITY SERVICES	15	7	22	5		Male and Female
<b>Grade 'Grade 5' Starts at 393 Points</b>										
A1845	REPAIRS SERVICE ADMINSTRATOR	Grade 4	348	HOUSING SERVICES	6	1	7	8		Male and Female
<b>Grade 'Grade 4' Starts at 341 Points</b>										
A297	Care & Social Support Assistant	Grade 3	338	HOUSING SERVICES	12		12		3	Female Only
<b>Grade 'Grade 3' Starts at 290 Points</b>										
A214	Cleaner	Grade 2	279	CUSTOMER SERVICES	6	3	9		11	Male and Female

## 10 Policies

- 10.1 As part of a review of this nature it is inevitable that a number of policy issues will arise which need to be addressed. It is also essential that the job evaluation arrangements that have developed as part of the review are embodied in the Council's future pay and grading arrangements and therefore any future policy or procedural reviews should be agreed through the Council's collective bargaining process.

### Pay Protection

- 10.2 The principal issue usually associated with pay protection for those employees whose pay, as a result of the change in pay structure. The Council has proposed pay protection at 100% for 24 months. Excluded from the protected pay are any elements which are incorporated into the job evaluation score outcome.
- 10.3 Whilst this could be considered to be a reasonable period over which to move to the new pay structure and allow employees to adjust to a potential change in earnings, this is always a contentious issue and frequently subject to developments in case law. The above decision may warrant further Legal advice in light of Court of Appeal decisions and advice from Counsel.
- 10.4 It is also clear that the new pay and grading structure will apply to all new employees from the date of their appointment. Although existing employees undertaking the same role maybe in receipt of pay protection in a limited number of cases it is important that the former pay arrangements are not applied to new employees.

## Market Supplements

- 10.5 Having undertaken a significant review of pay and conditions, there is always the potential that there could be a detrimental effect on the ability to recruit and retain staff in the future. Any change in pay levels is not necessarily a reflection of the need to introduce a market element to pay, but consideration of such arrangement is needed.

## 11 Future Monitoring

- 11.1 The gender pay gap is likely to reduce as employees move through the proposed pay grade for their job. It should be noted that as a result of the Council's proposals all employees are employed on an incremental grade and therefore can progress through the grade for their job.

- 11.2 As part of its future arrangements Redditch should undertake regular equal pay audits in conjunction with the trade unions to ensure that the new pay and grading and job evaluation arrangements are maintained. This process should also identify further changes in the gender pay gap and recommend further action if required.

## **12. Conclusion**

- 12.1 The proposed pay structure improves the gender pay gap on a grade by grade basis in the majority of the grades. The overall gender pay increases slightly from Female pay being 98.26% of male pay to 97.01%. As employees progress through the structure with annual increments the gap will narrow even further on a grade by grade basis.
- 12.2 The application of the JE process and design of the grading structure is acceptable and demonstrates a robust approach to the development and implementation of the new structure.
- 12.3 The grading structure and development of a pay model was a joint exercise with the Trade unions with understanding of the organisational hierarchies, local arrangements with Bromsgrove and placement of grade lines.