

Redditch Borough Council

**Gender Equality Impact Assessment for Proposed Pay
Award 2019/20 Structure and Assimilation**

Model 2

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Client Confidential

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1 Purpose of Report

- 1.1 Redditch Borough Council (RBC) is required to implement the two year pay deal agreed between the Trades Union and the Employers, communicated via the National Joint Council for Local Government Services on the 10th April 2018.
- 1.2 The second year of the pay deal requires an assimilation to a new pay spine with new points being added and points in the lower end of the pay spine being amalgamated with the intention of evening out the pay spine and raising the minimum salary to £9.00 per hour.
- 1.3 In conjunction with the new pay award Redditch and Bromsgrove Councils have proposed a grading structure which is the same for both organisations due to the principle of shared working across both Authorities.
- 1.4 The purpose of this report is therefore to assess the gender impact and any equality implications arising from the assimilation to the new pay points and any revisions to the structure to adopt the new pay points.
- 1.5 The report is based on a data set provided by RBC in November 2018.

2 Scope of Report

- 2.1 The pay award 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 who are currently paid between spinal column points 13 and 46 within Redditch Borough Council.
- 2.2 This report considers the assimilation of the agreed national pay spine for 2019/20 and the revision of grades to accomplish this.
- 2.3 The statistical analysis (of the workforce as at November 2018) includes the following breakdowns:
 - Population By Gender and Grade
 - Gender Pay Gap by Grade
 - Average Percentage increase by Grade
 - Distribution of increase by Gender

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 is predominantly female accounting for 69.47% of all NJC employees.
- 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 following table illustrates the distribution of male and female employees by grade. A greater proportion of the female workforce is concentrated in the lower grades due to traditionally female dominated jobs typically being evaluated at a lower level. 31.5% of the total male population is in grades 1 to 5 whereas 70.24% of the total female population occupies these grades. This type of distribution of male and female employees will have an impact on the overall gender pay gap.

Grade	Grand Total	Female	Male	% of Females In Grade	% of Males in Grade	% of all Females In Grade as a percentage of the workforce	% of all Males in Grade as a percentage of the workforce
GRADE 1	5	4	1	80.00%	20.00%	1.38%	0.79%
GRADE 2	11	8	3	72.73%	27.27%	2.77%	2.36%
GRADE 3	51	41	10	80.39%	19.61%	14.19%	7.87%
GRADE 4	90	78	12	86.67%	13.33%	26.99%	9.45%
GRADE 5	86	72	14	83.72%	16.28%	24.91%	11.02%
GRADE 6	90	39	51	43.33%	56.67%	13.49%	40.16%
GRADE 7	53	23	30	43.40%	56.60%	7.96%	23.62%
GRADE 8	22	17	5	77.27%	22.73%	5.88%	3.94%
GRADE 9	3	3		100.00%	0.00%	1.04%	0.00%
GRADE 10	5	4	1	80.00%	20.00%	1.38%	0.79%
GRADE 11	0	0	0	0.00%	0.00%	0.00%	0.00%
Grand Total	416	289	127	69.47%	30.53%	100.00%	100.00%

4 The Pay Award and Proposed Assimilation in Year 2 19/20

4.1 The principal features of the Proposed Pay Structure are as follows:

- 11 grades, of which grades include between 2 and 6 incremental points.
- Increments have been awarded to employees under the current structure prior to assimilation to the new pay spine.
- All grades are abutted with the maximum of one grade sharing a SCP with the minimum of the grade above.
- The new combined proposed structure with Bromsgrove allows for Redditch employees to progress to the equivalent previous grade maximums and maintain headroom as the previous structure.

4.2 The following table shows the new distribution of points within each of the proposed grades

Grade	Increments and values at Apr 2019						
	1	2	3	4	5	6	7
GRADE 1	17,364	17,711					
GRADE 2	17,711	18,065	18,426	18,795			
GRADE 3	18,795	19,171	19,554	19,945	20,344		
GRADE 4	20,344	20,751	21,166	21,589	22,021	22,462	
GRADE 5	22,462	22,911	23,369	23,836	24,313	24,799	
GRADE 6	24,799	25,295	25,801	26,317	26,999	27,905	
GRADE 7	27,905	28,795	29,636	30,507	31,371		
GRADE 8	31,371	32,029	32,878	33,799	34,788		
GRADE 9	34,788	35,934	36,876	37,849	38,813		
GRADE 10	38,813	39,782	40,760	41,675	42,683		
GRADE 11	42,683	43,662	44,632	45,591			

4.3 The following tables demonstrate the average increase by grade and gender for employees based on each stage of the assimilation process. The tables are as follows:-

- I. Average increase based on increments in current structure
- II. Average increase based on the application of the pay award following increments i.e. Pay Award only.
- III. Combined average increase in basic pay from 2018 to implementation of 2019 pay award and new structure.

I. Average of % increase Increments			
Grade	Female	Male	Grand Total
GRADE 1	0.00%	0.00%	0.00%
GRADE 2	0.00%	0.00%	0.00%
GRADE 3	0.86%	0.90%	0.87%
GRADE 4	1.57%	1.58%	1.57%
GRADE 5	1.24%	1.94%	1.35%
GRADE 6	1.64%	2.67%	2.22%
GRADE 7	1.26%	2.45%	1.94%
GRADE 8	1.42%	1.57%	1.45%
GRADE 9	0.88%		0.88%
GRADE 10	0.62%	0.00%	0.50%
Grand Total	1.28%	2.15%	1.54%

II. Average Increase following Increment and Pay Award assimilation			
Grade	Female	Male	Grand Total
GRADE 1	6.84%	7.01%	6.87%
GRADE 2	6.39%	6.30%	6.37%
GRADE 3	3.88%	4.16%	3.93%
GRADE 4	3.41%	3.95%	3.48%
GRADE 5	3.81%	4.13%	3.86%
GRADE 6	2.29%	2.30%	2.29%
GRADE 7	2.14%	2.21%	2.18%
GRADE 8	2.00%	2.00%	2.00%
GRADE 9	2.00%		2.00%
GRADE 10	2.00%	2.00%	2.00%
Grand Total	3.34%	2.90%	3.20%

III. Average of % increase Combined increment and pay award			
Grade	Female	Male	Grand Total
GRADE 1	6.83%	7.01%	6.87%
GRADE 2	6.39%	6.30%	6.37%
GRADE 3	4.77%	5.10%	4.83%
GRADE 4	5.04%	5.60%	5.11%
GRADE 5	5.09%	6.15%	5.27%
GRADE 6	3.96%	5.03%	4.57%
GRADE 7	3.43%	4.72%	4.16%
GRADE 8	3.45%	3.60%	3.48%
GRADE 9	2.90%		2.90%
GRADE 10	2.64%	2.00%	2.51%
Grand Total	4.65%	5.11%	4.80%

4.4 Table I shows the average pay increase due to incremental progression is higher for male employees this is due to 71% of male employees not being at the top of their current grade whereas only 50% of female employees are not at their grade maximum.

4.5 As a result of the pay award and assimilation to the new structure (table II) 211 female (74%) and 52 male (41%) employees will receive in excess of a 2% pay rise. As the higher percentage increases are in grades 2 to 6 and these grades are populated by more female employees there is a slightly higher average for female employees when reviewing the new structure and assimilation only.

4.6 When the combined increase of any increment due and the assimilation to the new structure 84% of female employees and 85% of male employees will receive an increase of over 2%. Overall Female employees will receive an average increase of 4.65% and Male employees 5.11%.

5 Gender Pay Gap

5.1 Having undertaken the analysis described above it is essential that there is an analysis of the impact on the gender pay gap:

- Comparison of current basic pay to proposed basic pay.

5.2 The analysis showing female earnings as a percentage of male earnings. The calculations have been based on averaged full time annualised pay rates. The table indicates the gender pay gap for each individual grade as well as showing the gender pay gap for the workforce.

TABLE: Analysis of current and proposed basic pay by grade following 2019/20 Assimilation

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 1	4	1	17,081	16,881	101.18%	18,248	18,065	101.01%
GRADE 2	8	3	17,581	17,681	99.43%	18,704	18,795	99.51%
GRADE 3	41	10	18,510	18,361	100.81%	19,387	19,288	100.51%
GRADE 4	78	12	20,213	19,580	103.24%	21,211	20,655	102.69%
GRADE 5	72	14	23,034	22,621	101.83%	24,192	23,994	100.82%
GRADE 6	39	51	26,452	25,929	102.01%	27,480	27,220	100.95%
GRADE 7	23	30	30,164	29,311	102.91%	31,183	30,680	101.64%
GRADE 8	17	5	32,778	32,867	99.73%	33,891	34,038	99.57%
GRADE 9	3	0	37,419			38,492		
GRADE 10	4	1	40,898	41,846	97.73%	41,957	42,683	98.30%
GRADE 11	0	0						
Grand Total	289	127	23,396	25,300	92.47%	24,436	26,556	92.02%

- 5.3 The table above shows that following the progression of one increment where applicable then assimilation to the 2019/20 pay spine, there are no grades where the pay gap is greater than 2%. The overall pay gap increases marginally from female being 92.47% of male pay to 92.02%
- 5.4 The pay gap on a grade by grade basis has improved in all grades with the exception of grade 8 where there is a minor increase, this demonstrates that based on work rated as equivalent through a robust job evaluation process there are no apparent equal pay issues.
- 5.5 The pay gap in favour of male employees is due to the workforce distribution with a high proportion of female employees in grades one to five.

6 Future Monitoring

- 6.1 As part of its future arrangements Redditch should undertake regular equal pay audits in conjunction with the trade unions to ensure that the 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.

7. Conclusion

- 7.1 The proposal demonstrates a narrowing of the gender pay gap in basic pay on a grade by grade basis with the exception of Grade 8.
- 7.2 The proposal shows a greater percentage increase in salary for female employees as an impact of the pay award and assimilation.
- 7.3 Overall with increments due in 2018 and the pay award male employees on average will receive 5.05% increase and females 4.66%.
- 7.4 The Council has developed a proposed structure which ensures grades no longer overlap and are now abutted.