

APPENDIX 1

Thurrock Council – Equal Pay Analysis

July 2018

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Contents

- 1. Executive Summary**
- 2. Background**
- 3. Workforce Composition**
- 4. Current Pay Structure**
- 5. Gender Pay Gap**

1. Executive Summary

- 1.1 The purpose of this report is to provide an update of the current position based on the current pay structure prior to the job evaluation review using the GLPC Job Evaluation scheme which the council has agreed to implement.

Data

- 1.2 The overall data set provided by the Council is based on the April payroll and includes 2,209 employees in total. This includes 2,099 employees currently paid via the main grading structure, Bands 1 to 10. There are a number of other negotiating bodies including Soulbury and Youth and Community Workers included within the overall employment group which are included in the composition of the Workforce (Table 1) but excluded from the analysis.

Workforce Composition

- 1.3 The composition of the workforce for Bands 1 to 10 shows that the workforce is predominantly female (69.22%) and 30.78% male (Table 2). The distribution of males and females is similar although the highest percentage of male employees is at Band 4 compared to the highest grade for female employees falling at Band 3. The composition of the workforce and distribution across the grading structure will affect the overall gender pay gap.

Gender Pay Gap

- 1.4 The Equalities and Human Rights Commission advise that the pay gap should be investigated where it exceeds 5.00%. The overall mean gender pay gap Band 1 to 10 based on basic pay is 9.82% which compares to 17.40% for the mean pay gap for the economy as a whole. There are no individual grades where the pay gap exceeds 5.00% with the exception of Band 9.
- 1.5 The overall gender pay gap based on median basic pay is 11.14% which compares to 18.40% for the economy as a whole.

The mean gender pay gap based on total pay is 8.79%

The median gender pay gap based on total pay is 8.51%

1. Background

- 1.1 Thurrock Council is undertaking a review of its pay and grading structure which will be based on the outcomes of a Job Evaluation review using the GLPC Job Evaluation scheme.
- 1.2 The purpose of this report is to provide an up dated Equal Pay Analysis and confirm the key issues that need to be addressed through the design of a new pay structure. The report is primarily based on the Band 1 to Band 10 population but also provides some further analysis of the overall workforce.
- 1.3 The data set that has been used for this report is based on the workforce as at April 2018 and the pay data includes increments applied from April. The total workforce is 2,209 employees of which 2,099 are paid within the main Band 1 to 10 pay scales.

2. Workforce Composition

- 2.1 Table 1 illustrates the overall composition of the workforce. As can be seen the main population is concentrated in Bands 1 to 10 and this group contains the roles that will be subject to evaluation using the GLPC Jo Evaluation scheme. In addition to those employees paid within Bands 1 to 10 there are a number of other employment groups that includes Colleges, Soulbury and Youth and Community.
- 2.2 Table 2 illustrates the composition of the workforce within Bands 1 to 10 only. As can be seen Bands 1 to 10 accounts for 95.02% of the total workforce (2099/2209 employees). Within this group 30.78% of the workforce is male and 69.22% are female.

Table 1 – Workforce Composition – All Employees

Equal Work Group	Organisation	All Males			All Females		
	Total	Total	% of Group	% of All Males	Total	% of Group	% of All Females
Apprentice	29	12	41.38	1.76	17	58.62	1.11
Band 1	83	5	6.02	0.73	78	93.98	5.11
Band 2	60	15	25.00	2.20	45	75.00	2.95
Band 3	316	20	6.33	2.93	296	93.67	19.38
Band 4	481	222	46.15	32.55	259	53.85	16.96
Band 5	354	98	27.68	14.37	256	72.32	16.76
Band 6	298	85	28.52	12.46	213	71.48	13.95
Band 7	254	94	37.01	13.78	160	62.99	10.48
Band 8	155	62	40.00	9.09	93	60.00	6.09
Band 9	60	29	48.33	4.25	31	51.67	2.03
Band 10	38	16	42.11	2.35	22	57.89	1.44
CEX	1	0	-	-	1	100.00	0.07
CTLS	4	0	-	-	4	100.00	0.26
DIR1	5	1	20.00	0.15	4	80.00	0.26
DIR2	1	1	100.00	0.15	0	-	-
DIR4	1	1	100.00	0.15	0	-	-
DIR5	2	2	100.00	0.29	0	-	-
HOS3	3	3	100.00	0.44	0	-	-
HOS5	5	4	80.00	0.59	1	20.00	0.07
L00	2	0	-	-	2	100.00	0.13
LECTURERS	15	1	6.67	0.15	14	93.33	0.92
LSC	2	0	-	-	2	100.00	0.13
P05	1	0	-	-	1	100.00	0.07
PRINCIPAL	1	0	-	-	1	100.00	0.07
SOULA	1	0	-	-	1	100.00	0.07
SOULB	5	2	40.00	0.29	3	60.00	0.20
SOULC	11	4	36.36	0.59	7	63.64	0.46
Spot	12	2	16.67	0.29	10	83.33	0.65
VICEPRINC	1	1	100.00	0.15	0	-	-
YCSW	3	1	33.33	0.15	2	66.67	0.13
YTHPROF	5	1	20.00	0.15	4	80.00	0.26
Total	2209	682	30.87	100.00	1527	69.13	100.00

Table 2 – Workforce Composition – Bands 1 to 10							
Equal Work Group	Organisation	All Males			All Females		
	Total	Total	% of Group	% of All Males	Total	% of Group	% of All Females
Band 1	83	5	6.02	0.77	78	93.98	5.37
Band 2	60	15	25.00	2.32	45	75.00	3.10
Band 3	316	20	6.33	3.10	296	93.67	20.37
Band 4	481	222	46.15	34.37	259	53.85	17.83
Band 5	354	98	27.68	15.17	256	72.32	17.62
Band 6	298	85	28.52	13.16	213	71.48	14.66
Band 7	254	94	37.01	14.55	160	62.99	11.01
Band 8	155	62	40.00	9.60	93	60.00	6.40
Band 9	60	29	48.33	4.49	31	51.67	2.13
Band 10	38	16	42.11	2.48	22	57.89	1.51
Total	2099	646	30.78	100.00	1453	69.22	100.00

2.3 Table 2A shows the percentage of the workforce by Band as well as Gender and is also illustrated in Graph 1.

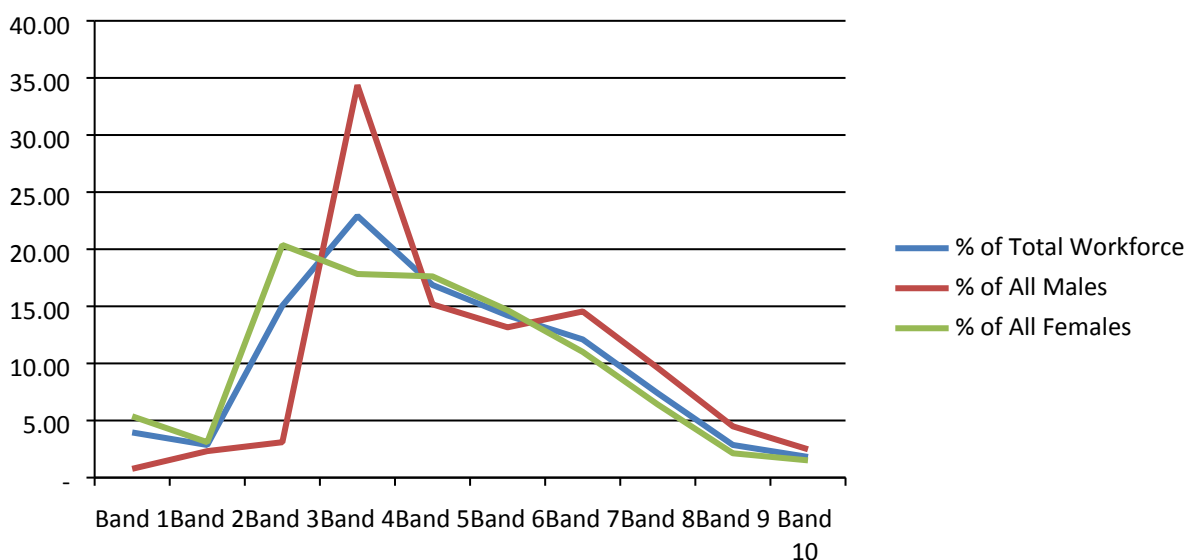
Table 2A – Percentage of Workforce by Band and Gender – Band 1 to 10			
Equal Work Group	% of Total Workforce	% of All Males	% of All Females
Band 1	3.95	0.77	5.37
Band 2	2.86	2.32	3.10
Band 3	15.05	3.10	20.37
Band 4	22.92	34.37	17.83
Band 5	16.87	15.17	17.62
Band 6	14.20	13.16	14.66
Band 7	12.10	14.55	11.01
Band 8	7.38	9.60	6.40
Band 9	2.86	4.49	2.13
Band 10	1.81	2.48	1.51
Total	100.00	100.00	100.00

2.4 As can be seen from Table 2A the most populated Band for the workforce as a whole is Band 4. Band 4 is also the most populated Band for male employees whereas the most populated Band for females is Band 3. It is also evident that it is more likely that female employees will be in Bands 1 and 2 compared to male employees and those male employees are more likely to be in Bands 9 and 10 compared to female employees.

2.5 The type of role that is within Bands 1, 2 and 3 includes a range of Care related and Administrative roles which are more likely to be undertaken by female employees reflecting a level of occupational segregation. The employees within these grades are

also predominantly part time. There are 459 employees in Bands 1, 2 and 3 of which 419 are female and 349 work on a part time basis. Within the economy as a whole women are still more likely to work on a part time basis due to family responsibilities and it is therefore more likely that they will be in this type of role.

Graph 1 - Distribution of Workforce by Band and Gender



3. Current Pay Structure

3.1 The current pay structure is shown in Table 3. In addition to including the salary range the tables also indicate the pay span and the extent of the overlap as well as the number of pay points and steps between the grade minimum and maximum.

Table 3 - Current Pay Table								
Pay Band	Minimum SCP	Minimum Salary	Maximum SCP	Maximum Salary	Span	Overlap	Salary Points	
							Points	Steps
Band 1	5	16,881	6	17,094	1.26%	18.68%	2	1
Band 2	5	16,881	10	18,021	6.75%	18.77%	6	5
Band 3	8	17,556	16	20,034	14.11%	38.80%	9	8
Band 4	12	18,444	20	22,542	22.22%	22.76%	9	8
Band 5	18	21,255	26	26,910	26.61%	30.34%	9	8
Band 6	23	24,630	32	32,145	30.51%	20.09%	10	9
Band 7	30	30,285	39	39,543	30.57%	20.09%	10	9
Band 8	37	37,266	46	48,600	30.41%	17.72%	10	9
Band 9	44	45,828	54	61,467	34.13%	23.72%	11	10
Band 10	52	57,957	60	72,756	25.53%		9	8

3.2 The **Pay Span** is defined as;

Maximum Salary – Minimum Salary / Minimum Salary * 100% = Pay Span

E.g. Band 1 = £17,094 - £16,881 = £213 / £16,881 * 100% = 1.26%

3.3 The extent of the **Overlap** is defined as;

Maximum Salary of Lower Grade – Minimum Salary of Higher Grade

As a percentage of

Maximum Salary of Higher Grade – Minimum of Higher Grade

E.g. Band 1 =

£17,094 - £16,881 = £213

£18,021 - £16,881 = £1,140

£213 as a percentage of £1,140 = 18.68%

The current overlap ranges from 17.72% (Band 8) to 38.80% (Band 3)

3.4 Although there has been a change to Band 1 which has been reduced in length by removing the lower spine points the fundamental concerns with the pay and grading structure remain. These are primarily;

- the percentage pay span
- the number of increments in each grade; it could take up to 10 years to achieve the maximum salary point whereas it is recommended that the achievement of service related benefits should take no more than five years
- the use of overlapping points across grades

3.5 The use of overlapping grades whereby the same spinal points feature in consecutive grades is extensive. This creates the potential that an employee paid in Band 3 could be paid significantly more than an employee in Band 4. An employee paid at the maximum point of Band 3 (£20,034) could be paid up to £1,590 more than an employee at the minimum of Band 4 (£18,444) despite their role having been evaluated at a lower level.

3.6 The extent of the issue that arises as a result of the overlapping points is shown in Table 4.

Table 4 - Bands 1 - 10 - Distribution by Spinal Point and Grade

Spine Point	Band 10	Band 9	Band 8	Band 7	Band 6	Band 5	Band 4	Band 3	Band 2	Band 1	
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Table 4 - Bands 1 - 10 - Distribution by Spinal Point and Grade											
Spine Point	Band 10	Band 9	Band 8	Band 7	Band 6	Band 5	Band 4	Band 3	Band 2	Band 1	
44											
45											
46											
47											
48											
49											
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56											
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59											
60											

4. Gender Pay Gap

- 4.1 Table 5 illustrates the Gender Pay Gap based on Basic Pay only for each individual pay band in Bands 1 to 10. We have used Pay Band on the basis that roles have been evaluated and therefore roles that fall within each band are considered as Work Rated Equivalent.
- 4.2 Despite the length of each grade and a pay span which in many cases exceeds 30.00%, the gender pay gap does not exceed 5.00% in any grade with the exception of Band 9. The guidance issued by the Equalities and Human Rights Commission states that wherever there is a pay gap of more than 5.00% that this should be investigated.
- 4.3 We have looked at the average length of service for males and females in Band 9. The average length of service for males is 6.07 years and for females is 7.87 years. Although female employees have the greater average service; more male employees are paid at point 54 (16/29 or 55.17%) compared to female employees (8/31 of 25.81%). This has the effect of increasing the average male hourly rate. The reasons for this could include the rate or pay progression or differences in starting pay or time in post at this band.

Table 5 – Gender Pay Gap - Mean - Basic Pay						
Equal Work Group	All Males		All Females		Difference	
	Total	Avg Basic Hourly Rate	Total	Avg Basic Hourly Rate	Difference (£)	Pay Gap (%)
Band 1	5	8.79	78	8.81	-0.02	-0.13
Band 2	15	9.12	45	9.17	-0.05	-0.62
Band 3	20	9.67	296	9.79	-0.12	-1.24
Band 4	222	10.51	259	10.79	-0.28	-2.58
Band 5	98	12.94	256	12.82	0.12	0.92
Band 6	85	15.51	213	15.38	0.13	0.87
Band 7	94	18.97	160	19.06	-0.09	-0.48
Band 8	62	23.78	93	23.71	0.07	0.28
Band 9	29	29.83	31	28.25	1.58	5.29
Band 10	16	35.34	22	34.96	0.38	1.07
Total	646	15.45	1,453	13.94	1.51	9.82

Table 6 illustrates the gender pay gap based on basic pay using the median point. As can be seen the overall gender pay gap increases from 9.82% to 11.14%.

Table 6 – Gender Pay Gap - Median – Basic Pay						
Equal Work Group	All Males		All Females		Difference	
	Total	Median Basic Hourly Rate	Total	Median Basic Hourly Rate	£	%
Band 1	5	8.75	78	8.81	-0.06	-0.63
Band 2	15	9.04	45	9.34	-0.3	-3.32
Band 3	20	9.56	296	9.68	-0.12	-1.25
Band 4	222	10.08	259	11.02	-0.93	-9.27
Band 5	98	13.15	256	12.96	0.19	1.45
Band 6	85	16.18	213	15.7	0.48	2.96
Band 7	94	19.32	160	19.32	0	0
Band 8	62	25.19	93	24.46	0.73	2.89
Band 9	29	31.86	31	28.33	3.54	11.1
Band 10	16	35.65	22	35.16	0.49	1.38
Total	646	13.15	1453	11.68	1.46	11.14