

PERTH AND KINROSS COUNCIL
EQUALITY IMPACT ASSESSMENT

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Perth and Kinross Council

Equality Impact Assessment report of proposed pay structure.

1. Introduction

This report provides a summary of the gender impact of implementing the proposed pay structure for Perth and Kinross Council. This assessment is based on the following caveat:

1. The data imported into the Link Pay Modeller is accurate and validated for all employees;
2. This impact assessment is not a full Equal Pay Audit and will concentrate on the structure and application of the proposed pay model from a gender point of view.
3. It is not within the remit of this report to examine the equality of pay for each separate pay element e.g. basic, bonus etc, but will instead concentrate on the structure of the recommended model and whether this model reduces the Equal pay gap in both short and longer term by reference to total contractual earnings only.
4. It is not within the remit of this report to examine the procedures applied to ensure a fair and equitable implementation of schemes of job evaluation.
5. In all aspects of Equal Pay, appropriate legal advice should be sought where areas of concern are raised.

It is important to state at the outset that a pay and grade structure should be a reflection on a number of important influencing elements including pay equity, recruitment and retention, rewarding excellence and supporting organisational business strategy. This analysis will focus on the pay equity component and where it appears that pay equity is not the main determinant of the pay and grade model, Perth and Kinross Council need to be in a position to define the steps taken by reference to clear, measurable and objective business justification.

Data and management information relating to this assessment has been processed by the 'Link Pay Modeller' software tool.

2. Equality Impact Assessment of Proposed Pay Model

The proposed pay structure

The proposed pay structure for Perth and Kinross Council is as follows

	LABEL	GRADELINE	MIN	SPINAL COLUMN POINTS												INC STEPS
1	GE1	229	3	4	5	6	7	8	9	10	11	12	13	14	15	12
2	GE2	262	11	12	13	14	15	16	17	18	19	20	21	22	23	12
3	GE3	295	19	20	21	22	23	24	25	26	27	28	29			10
4	TAS4	328	25	26	27	28	29	30	31	32	33	34	35	36	37	12
5	TAS5	361	33	34	35	36	37	38	39	40	41	42	43	44	45	12
6	TAS6	394	41	42	43	44	45	46	47	48	49	50	51	52	53	12
7	TAS7	427	49	50	51	52	53	54	55	56	57	58	59	60	61	12
8	PR8	460	57	58	59	60	61	62	63	63	65	66	67	68	69	12
9	PR9	500	65	66	67	68	69	70	71	72	73	74	75			10
10	TL10	540	71	72	73	74	75	76	77	78	79	80	81			10
11	TL11	580	77	78	79	80	81	82	83	84	85	86	87			10
12	TL12	620	83	84	85	86	87	88	89	90	91	92	93			10
13	SM13	672	89	90	91	92	93	94	95	96	97	98	99			10
14	SM14	724	95	96	97	98	99	100	101	102	103	104	105			10
15	SM15	n/a	101	102	103	104	105	106	107	108	109	110	111			10

 Transitional Points

The above structure is underpinned by the following key principles. Each of them will be analysed for the purposes of this Equality Impact Assessment in turn.

i. 15 Grade model based on the 2006 COSLA hourly rate Spinal Column.

The model is based on the 2006 COSLA hourly rate spinal column. The model includes all points on this COSLA spine and assumes a standard working week of 36 hours for all employees. This is a sound basis to any model and ensures that no inconsistent or unfair treatment is inherent within the proposed underpinning of the model. All employees will be remunerated at the number of hours contracted to work.

An exception to the standard 36 hour working week applies to 1877 employees (of which 1167 are employed in ECS and of which the vast majority, 1586 are female). These employees will retain their existing contractual hours due an assessment of service continuity within defined groups including Social Care, School Support and some Environmental Service Operatives. Thus we may have a situation where one employee in one grade receives an additional hour of paid work within the same grade, but they will be paid on the same hourly rate. I am satisfied that appropriate justification has been developed to accept these variations.

The model is, however, 'transitional' in nature and will change over time. Utilisation is made of specific 'transition points'. It is understood that to ease implementation of a new pay and grade model, certain pay points may be used in the short term but be removed over time. From an equal pay point of view however, we need to be

confident that the transitional point approach does not excessively curtail the equalisation of pay over an extended period.

In selecting the increment points to be removed, the main aim for pay equity, is to ensure that, after the transitional period, no overlaps exist between any of the grades.

The intention is to remove the transitional point from each grade (with the exception of GE1) in two yearly steps as follows.

- 1 April 2008 – the lowest two increments to be removed;
- 1 April 2009 – the third and fourth lowest increments to be removed.

It is noted that the transition arrangements do not apply to the lowest Grade GE1.

Thus, assuming implementation of a new pay and grade model on 1 July 2007, it will take a 21 month period for the model to settle into its full state. During this transitional period therefore, it is clear that there is a concern relating to equality of pay being the number of incremental steps in each grade. With some grades containing initially 12 increment points, with a significant number of grades containing overlapping, this is not promoting Equal Pay.

However, as the model is in a transitional state we must consider that the Council is taking pro-active steps towards equality of pay. After the transition period, the structure will settle into its full state. All ‘white circled’ jobholders who are placed within the grade structure, will receive two step annual increments through the structure. In effect, this halves the time it takes to progress from minimum to maximum. The model is anticipated to look approximately like this:



	LABEL	GRADELINE	MIN	SPINAL COLUMN POINTS											INC STEPS	
1	GE1	229	3	4	5	6	7	8	9	10	11	12	13	14	15	12
2	GE2	262	15	16	17	18	19	20	21	22	23					8
3	GE3	295	23	24	25	26	27	28	29							6
4	TAS4	328	29	30	31	32	33	34	35	36	37					8
5	TAS5	361	37	38	39	40	41	42	43	44	45					8
6	TAS6	394	45	46	47	48	49	50	51	52	53					8
7	TAS7	427	53	54	55	56	57	58	59	60	61					8
8	PR8	460	61	62	63	63	65	66	67	68	69					8
9	PR9	500	69	70	71	72	73	74	75							6
10	TL10	540	75	76	77	78	79	80	81							6
11	TL11	580	81	82	83	84	85	86	87							6
12	TL12	620	87	88	89	90	91	92	93							6
13	SM13	672	93	94	95	96	97	98	99							6
14	SM14	724	99	100	101	102	103	104	105							6
15	SM15	n/a	105	106	107	108	109	110	111							6

 Overlapping points

The above model contains one increment overlapping point between each grade. From an equal pay point of view, it is always advisable to create clear gaps between one grade and the next avoiding the potential situation where one female dominated group at the lowest point of a higher grade are paid the same as a male dominated group at the maximum of a lower grade. Whether this is a problem for Perth and Kinross can be analysed via the following analysis of gender breakdown by proposed grade.

Proposed Grade	Job Title	GENDER	JHldrs	Greens	Reds
TL10	SENIOR SOCIAL WORKER	Female	14	13	0
TL10	SENIOR SOCIAL WORKER	Male	8	7	0
PR9	SOCIAL WORKER	Female	64	44	1
PR9	SOCIAL WORKER	Male	16	11	0
PR9	SOCIAL WORKER	Female	30	30	0
PR9	SOCIAL WORKER	Male	7	5	0
TAS7	SENIOR SOCIAL CARE OFFICER	Female	32	19	0
TAS7	SENIOR SOCIAL CARE OFFICER	Male	4	3	0
TAS7	SENIOR SOCIAL CARE OFFICER	Female	18	4	0
TAS7	SENIOR SOCIAL CARE OFFICER	Male	2	0	0
TAS6	SOCIAL CARE OFFICER	Female	58	58	0
TAS6	SOCIAL CARE OFFICER	Male	13	13	0
TAS6	DAY CENTRE OFFICER	Female	33	24	0
TAS6	DAY CENTRE OFFICER	Male	12	9	0
TAS5	COMM LEARNING ASSISTANT	Female	33	26	1
TAS5	COMM LEARNING ASSISTANT	Male	11	9	1
TAS5	EARLY CHILDHOOD PRACTITIONER	Female	200	193	0
TAS5	CHILDCARE SUPERVISOR	Female	26	20	0
TAS5	CHILDCARE SUPERVISOR	Male	2	1	0
TAS5	REVENUES ASSISTANT	Female	25	3	0
TAS5	REVENUES ASSISTANT	Male	2	1	0
TAS5	BENEFITS ASSESSOR	Female	15	6	0
TAS5	BENEFITS ASSESSOR	Male	7	3	1
TAS4	COMM LEARNING ASSISTANT	Female	20	16	0
TAS4	COMM LEARNING ASSISTANT	Male	5	4	0
TAS4	ENVIRONMENT SERVICES OPERATIVE 4 (DRIVER)	Male	51	0	0
TAS4	SOCIAL CARE OFFICER	Female	154	27	44
TAS4	SOCIAL CARE OFFICER	Male	14	3	3
TAS4	SOCIAL CARE OFFICER	Female	21	3	4
TAS4	SOCIAL CARE OFFICER	Male	6	3	1
TAS4	SOCIAL CARE OFFICER	Female	282	71	12
TAS4	SOCIAL CARE OFFICER	Male	6	3	1
TAS4	CHILDCARE WORKER	Female	23	16	0
TAS4	SOCIAL CARE OFFICER	Female	13	1	4
TAS4	SOCIAL CARE OFFICER	Male	7	2	3
TAS4	SUPPORT FOR LEARNING ASSISTANT	Female	32	32	0
GE3	ENVIRONMENT SERVICE OPERATIVE 3	Female	3	0	3
GE3	ENVIRONMENT SERVICE OPERATIVE 3	Male	49	0	49
GE3	SNR CLERICAL ASSISTANT	Female	36	0	0
GE3	SNR CLERICAL ASSISTANT	Male	2	0	0
GE3	SNR TYPIST/CLERICAL ASSISTANT	Female	23	0	0
GE3	SUPPORT FOR LEARNING ASSISTANT	Female	275	275	0
GE3	SUPPORT FOR LEARNING ASSISTANT	Male	7	7	0
GE3	FACILITIES ASSISTANT	Female	5	0	5

GE3	FACILITIES ASSISTANT	Male	54	0	54
GE3	DEPUTY CHILDCARE SUPERVISOR	Female	20	20	0
GE3	CLASSROOM ASSISTANT	Female	109	109	0
GE3	CLASSROOM ASSISTANT	Male	1	1	0
GE2	SCHOOL CROSSING PATROLLER	Female	30	30	0
GE2	SCHOOL CROSSING PATROLLER	Male	44	44	0
GE2	AUXILIARY/CLERK/STENOGRAPHER	Female	60	1	0
GE2	LIBRARY ASSISTANT	Female	40	29	0
GE2	LIBRARY ASSISTANT	Male	8	7	0
GE2	ENVIRONMENT SERVICES OPERATIVE 2	Female	1	0	0
GE2	ENVIRONMENT SERVICES OPERATIVE 2	Male	31	0	0
GE2	SHELTERED HOUSING WARDEN	Female	27	0	0
GE2	HOME SUPPORT WORKER	Female	40	40	0
GE2	HOME SUPPORT WORKER	Male	1	1	0
GE2	AUXILIARY/ASSISTANT	Female	75	19	0
GE2	AUXILIARY/ASSISTANT	Male	1	1	0
GE2	TYPIST/CLERICAL ASSISTANT	Female	95	9	0
GE2	TYPIST/CLERICAL ASSISTANT	Female	32	26	0
GE2	PLAY ASSISTANT	Female	71	59	0
GE2	PLAY ASSISTANT	Male	8	8	0
GE2	CLERICAL ASSISTANT	Female	64	25	0
GE2	CLERICAL ASSISTANT	Male	2	2	0
GE2	CLERICAL ASSISTANT	Female	39	13	0
GE2	CLERICAL ASSISTANT	Male	3	2	0
GE1	ENVIRONMENTAL SERVICE OPERATIVE 1	Male	14	0	14
GE1	SUPERVISORY ASSISTANT	Female	52	0	0
GE1	SUPERVISORY ASSISTANT	Male	3	0	0

 Female Dominated role adversely affected by overlaps
 Male Dominated role protected by overlaps

The above table summarises roles where we have more than 20 occupants and therefore represent the high occupancy jobs within the Council and hence the highest risk areas if dominated by gender. This represents 40 identified roles within the modelling software (some of these roles appear more than twice as unique jobs identified within the software).

For all grades, the utilisation of overlapping points needs to be carefully considered in the light of Equal Pay. Where a pay structure maintains incremental progression based on tenure, the use of *permanent* overlapping points is difficult to defend.

For example, in Grade GE3, we have 275 green circled Support for Learning Assistant females. The grade minimum point at spinal point 29 is the same point as the maximum of GE2. This happens to be where male dominated Environmental Service Operative 2 will be allowed to progress to. Thus all new recruited Support for Learning Assistants will be paid at the same point as longer service Environmental Service Operatives. The matter is complicated by the application of transitional points. As the longer term pay structure has one point overlap between grades, it could be argued that it takes four years for a green circled employee to fully justify a higher pay level than the grade below.

The argument to defend overlapping would be based on the lowest increment point being a 'development' increment which in some way is measurable and allows jobholders to progress to the same increment point and higher as jobholders in the grade below as soon as criteria are met. Alternatively the overlapping point in Grade GE2 (spine point 29) could be viewed as an extension point allowing progression for exceptional performance.

In summary this overlapping problem is clearly an issue in the following gender biased areas:

Grade GE1/2 Overlap: Environmental Service Operative 1 v Library Assistant/Home Support Worker/Auxiliary Assistant/Typist/Clerical Assistants & Play Assistants.

Grade GE2/3 Overlap: Environmental Service Operative 2 v Support for Learning Assistants & Classroom Assistants.

Grade GE3/TASS4 Overlap: Environmental Service Operative 3 & Facilities Assistants v Social Care Officers

Grade TAS4/TAS5 Overlap: Environmental Service Operative 4 v Early Childhood Practitioners

A one increment step overlap is often seen as a reflection of the fact that a newly recruited employee takes time to fully develop in their role and thus it is reasonable for the minimum point of this grade to be set one step lower than the maximum of the preceding grade.

It is my opinion that under normal circumstances, a one increment overlap can be defended on the basis that the lowest increment is a development point. However, with the application of transitional points to be phased over a full three year period, the maintenance of an overlapping point effectively further extends the achievement of equal pay.

The following statement in the Single Status proposal is pertinent here. 'In principle, the Council is committed to establishing a link between the attainment of job competencies and incremental progression in the longer term. However, it recognises that it is unrealistic to complete the extensive work required to develop and implement a competency assessment framework across all Services in the short term.'

The achievement of such a mechanism of competence pay progression provides for much greater flexibility in pay structure design and the application of overlapping points. Where this element is silent without commitment to develop such criteria, overlapping points are more difficult to defend.

The fundamental assumption that all employees will receive a 'double' increment from minimum to maximum point does encourage us to retain the increment points selected in the proposed model as this gives an even number of increment steps throughout the model and effectively halves the time it takes to rise from minimum to maximum point.

Like many Local Authorities, Perth and Kinross face a severe financial burden to implement revised pay and grade arrangements to promote equal pay and the costs and required savings have been quantified.

The Council has identified significant costs associated with the introduction of the new pay structure, costs being greater than anticipated as a result of the Councils wish to minimise the number of employees on detriment. The Council has estimated that, even taking account of the phased implementation, the Council will need to achieve significant savings to fund the costs of the new pay structure. The Council has provided evidence to me that there will be a significant increase in costs over a 6 year period which results in a final recurring savings requirement of £4.6 million to fund the proposals.

As the Council has already made significant savings to help fund the cost of Single Status in addition to the utilisation of Council reserves to help fund the peak in costs associated with the new structure, the use of transitional points is understandable.

The phasing in of the new structure allows the Council to try and manage these costs without the need for cuts in services and job losses. In the longer term it is likely that the savings required will be achieved through the redesign of services, jobs and efficiency savings.

Perth and Kinross Council will, however, need to assess the risks associated with applying transitional points and delaying the application of the full structure for 21 months. Clearly an individual is entitled to make an Equal Pay claim following the implementation of SJC and this, in combination with Equal Pay compensation payments makes a clear statement to employees re historical liability, a liability which is now being challenged as a result of transitional pay points being applied over time. The Council needs to be confident in the justifiable business defence case to support the use of the transition.

In general, it is acceptable to utilise transitional points, but the Equal Pay liability issue is complicated by compensation payments recognising historic liability having been paid.

The substantive grade model appears to contain an anomaly in GE1. This grade contains no transition points and therefore contains 12 substantive incremental points. Given that employees are expected to progress via the award of double increments on the COSLA spine, it takes six years for a new recruit to progress to the maximum point. In general, it is strongly advised that in a tenure based pay structure, no employee takes longer than five steps to move from minimum to maximum point in any grade. As this initial grade contains the lowest scoring roles, it is difficult to justify why it takes six double increment steps in this grade to progress whereas it will take only a maximum of four steps in the remaining grades. In further discussion with the Council it is agreed that a revision is made to GE1 as follows:

LABEL	GRADELINE	SPINAL COLUMN POINTS										INC STEPS
1	GE1 229	7	8	9	10	11	12	13	14	15	8	

This amendment would raise the lowest entry point for any employee into the Council and make a strong statement on low pay and a relatively low cost. Supervisory Assistants are already paid at a higher level than spinal point 5 on the COSLA spine. The amendment would bring GE1 in line with the structure of GE2 and provide a consistent, fair treatment throughout all grades.

ii. Gradelines defined by scattergram analysis of job ‘clusters’ as a result of the SJC job evaluation outcomes.

The selection of gradeline position for each grade is an important determinant of Equal Pay. We need to be confident that each gradeline position does not adversely affect gender pay without appropriate justification.

Firstly if we examine the width of each grade in terms of SJC points, that gives an initial view:

Proposed Grade	Points	Gradewidth
GE1	229	n/a
GE2	262	33
GE3	295	33
TAS4	328	33
TAS5	361	33
TAS6	394	33
TAS7	427	33
PR8	460	33
PR9	500	40
TL10	540	40
TL11	580	40
TL12	620	40
SM13	672	52
SM14	724	52
SM15	n/a	

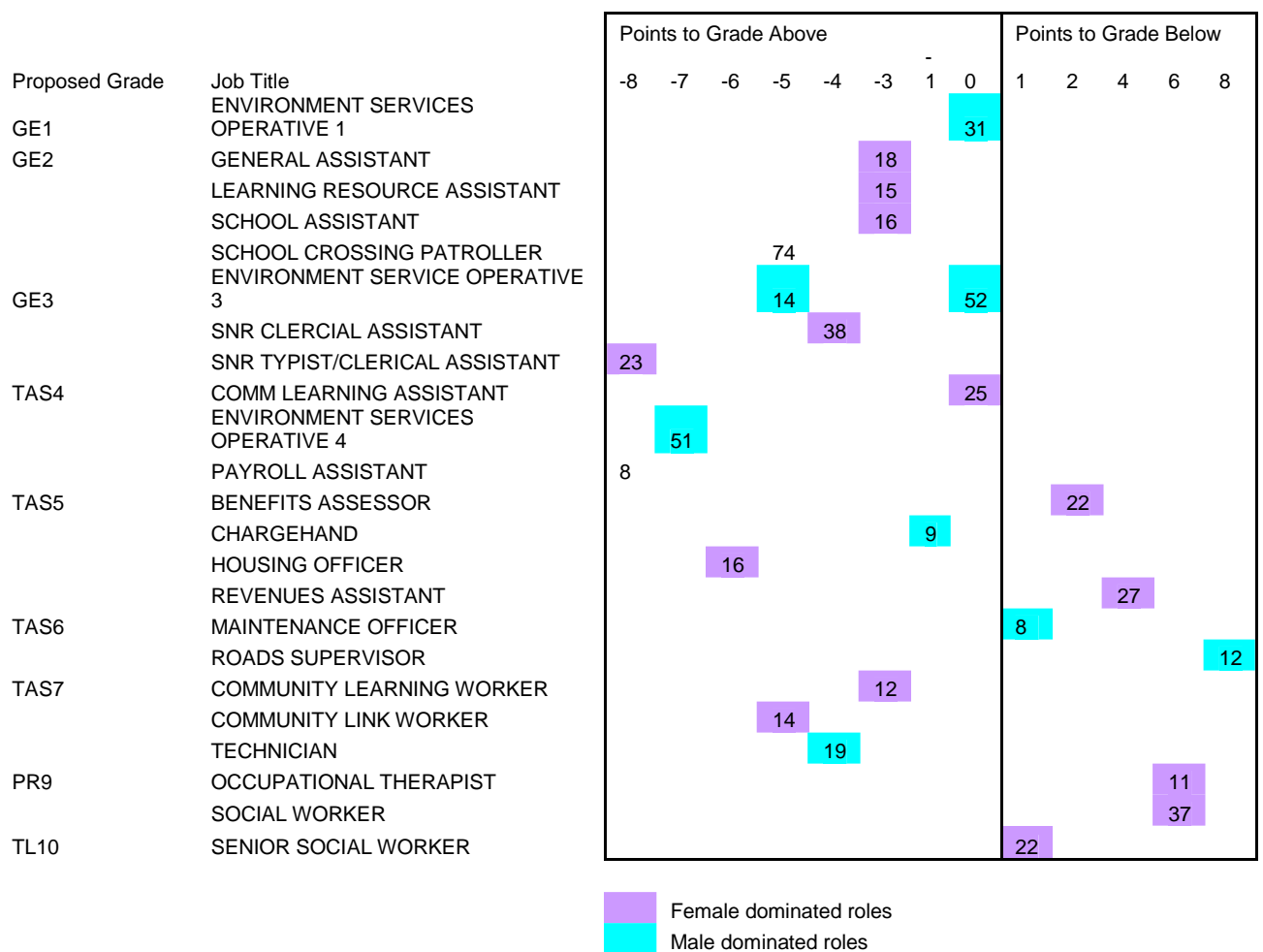
The positioning of gradelines has a clear equality of application throughout the model. The first 8 grades contain an equal 33 point widths, followed by 4 grades of 40 points and the remaining grades at 52 points. This is a fair reflection of the SJC job evaluation scheme application in terms of points allocation within the factor plan. Of particular importance here is the avoidance of manipulating gradelines to prevent certain job categories being placed into specific grades. With the even handed approach applied here it is more easily defended where we have equal treatment throughout the structure.

Despite this conclusion, it is prudent to understand whether we have a problem with the gradelines confirmed at their proposed positions. To do this, we must undertake a 'proximity analysis'.

Proximity Analysis:

It is indicative of a potential Equal Pay problem if a large group of female postholders are evaluated to within 8 points of the gradeline above their evaluation score in comparison to a group of male postholders evaluated within 8 points of the grade above the gradeline. The Council should be able to justify the position of that gradeline to defend the design of the model.

The following is a summary of potential areas of concern



The above table summarises any gender dominated roles with more than 8 employees within the role, who have placed within 8 points either side of the defined gradeline either below the line (minus numbers) or above the line (positive numbers).

We are particularly concerned if we have a gender dominated role within 8 points of the boundary line with an opposite gender dominated role within 8 points of the gradeline but on the other side of the line.

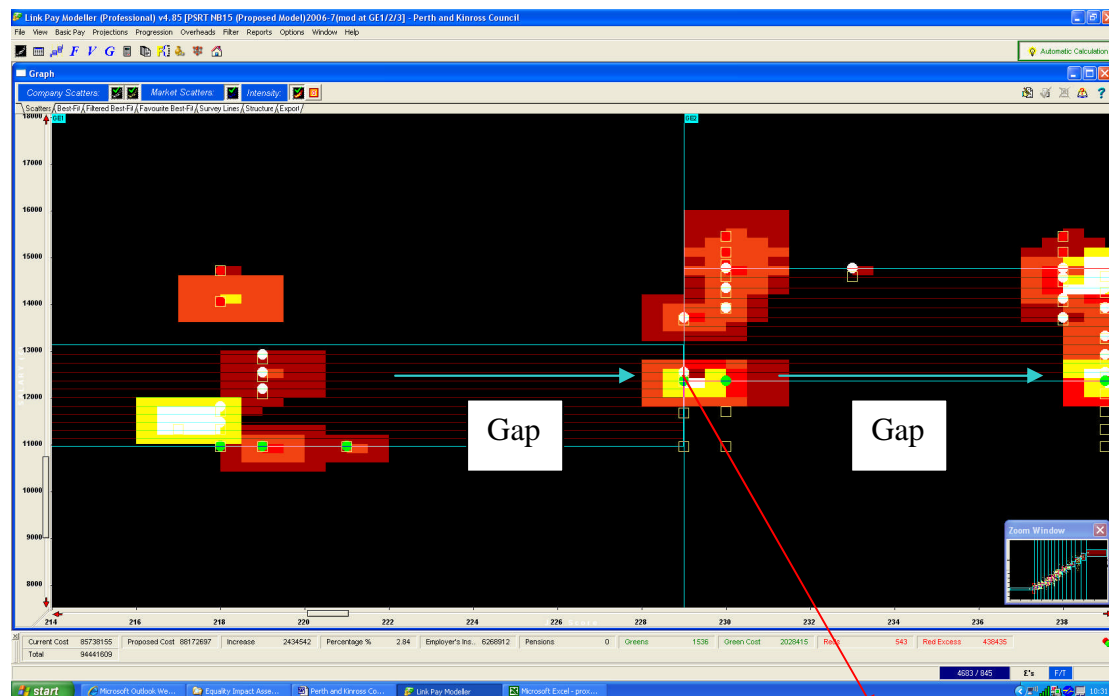
From the above, we do not have a significant problem with the exception of the following.

It is noted that three significant roles have scored the same number of points as represent the maximum of the specific grade concerned. These are:

- Environmental Service Operative 1 in GE1;
- Environmental Service Operative 3 in GE3 and;
- Community Learning Assistants in TAS4.

Gradeline of GE1/2 – 229 points

The definition of this first gradeline defines the remaining grade structure by application of the standard 33,40 and 52 point gradewidths and is therefore fairly significant. From the scattergram we note the following:



Environmental Service Operative 1

It is notable that the gradeline is set at 229 points, i.e. the beginning of GE2 is any job scoring 230 points. Most commonly, the gradeline position is set by reference to the first obvious 'cluster gap' of job evaluation points in the scattergram. This would most obviously be apparent at 226 points or at 236 points.

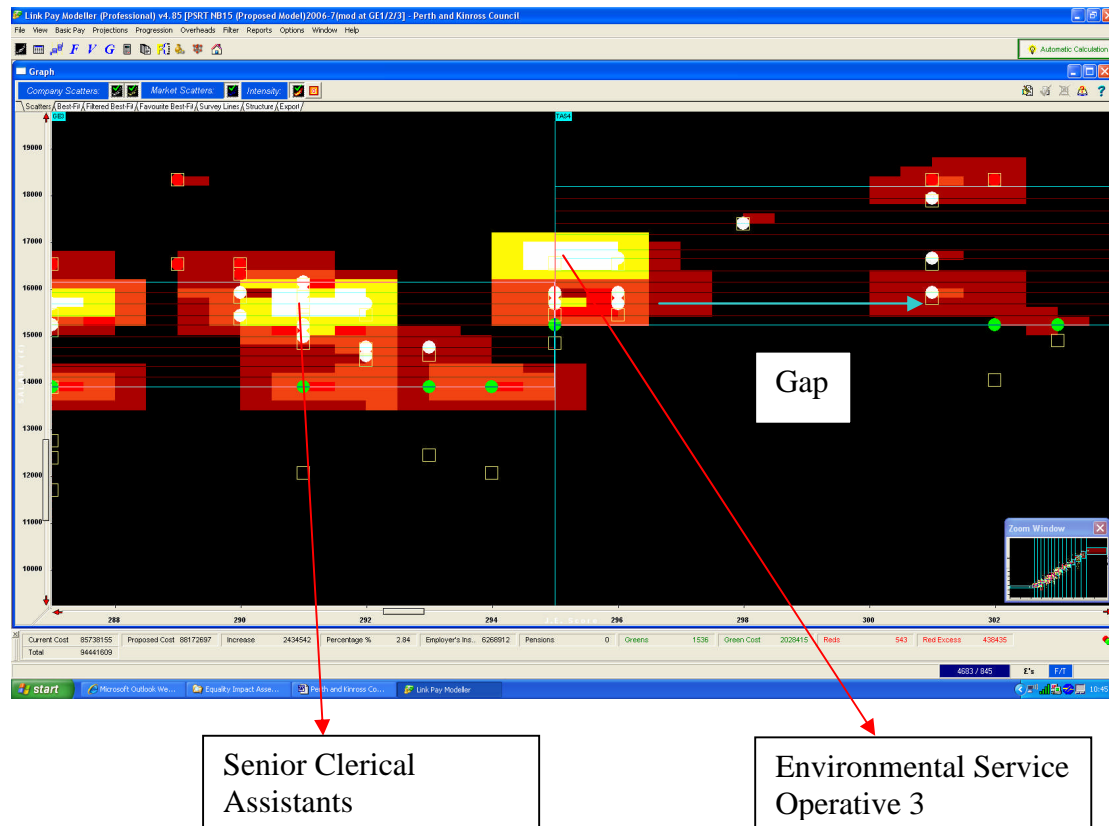
In discussion with the Council, the gradeline separating grades GE1 and GE2 was originally established back in 2005 on the basis of the 75% sample of employees in the working model. At that time there was clear evidence of a gap in the scattergram in the working model and a decision was taken to establish 230 points as the threshold for GE2. The pay structure was then developed on the basis of the 33, 40 and 52 point

spreads within the rest of the pay structure. The proposed pay structure was formally presented to the trade unions in November 2005.

Since that date the job evaluation programme has been concluded and both corporate and service validation exercises completed to ensure the robustness to job evaluation outcomes. This resulted in some movement in job evaluation outcomes, thus changing the appearance of the scattergraph. This had resulted in a small number of jobs being on or close to the original gradeline of 229 pts. I am satisfied that there was a good reason for the original placement of the grade boundary at 229 pts and do not believe there to be any gender discrimination in the fact that some jobs sit on 229 points, indeed these are primarily male dominated jobs. The female dominated jobs i.e. clerical posts sit on 230 pts which is within the GE2 bandwidth. We have no female comparator role in GE1 within 8 points of this set gradeline, so within this group of jobs at the margin of GE1/2, a position can be defended. However as this first gradeline sets the base point for the rest of the grade structure, we need justification to defend its set position. I am satisfied that appropriate justification has been provided

Gradeline of GE3/TAS4 – 295 points

The ‘knock-on effect’ of the setting of the first gradeline has an impact at this gradeline position. As we move through the gradeline position incrementally by 33 points we note the following scattergram.



The gradeline position here exactly matches the number of job evaluation points scored by a large cluster of male Environmental Service Operative 3s. This is in

comparison to female dominated Senior Clerical Assistants at 291 points. Again, there are more obvious cluster gaps at 293 or more clearly at 299 points.

We do not have a specific gender pay problem in this gradeline placement however, as all Environmental Service Operative 3s will remain in GE3 rather than be placed in TAS4.

Gradeline of TAS 5/6 – 285 points.

The position of this gradeline results in the following female dominated jobs being placed within 8 points below this gradeline:

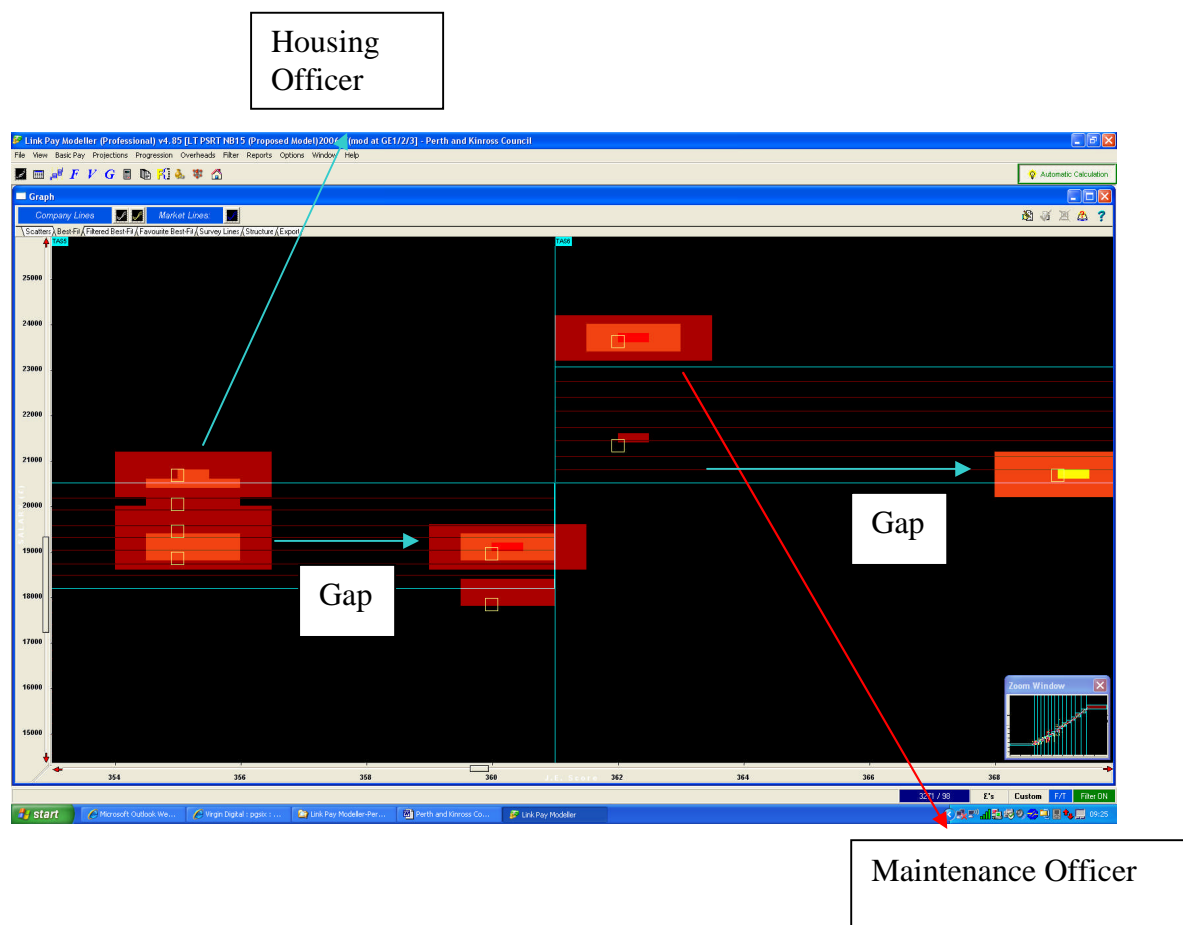
Housing Officer

This can be compared to male dominated jobs within 8 points of the gradeline above.

Maintenance Officer

Roads Supervisor

However, the placement of gradeline has been very specifically positioned to continue the consistent application of 33 points gradewidths. Despite the fact there are more obvious cluster 'gaps' at points 358 or 366, I can confirm that this gradeline has not been placed by any reference to gender based roles.



I can confirm the gradeline positioning as appropriate to the promotion of Equal Pay.

iii. Progression through the structure will be based on annual incrementation by tenure.

The complex nature of the transitional pay structure complicates what is, in effect a standard tenure based incremental structure. This is acceptable as long as the time it takes to progress through the structure is not excessive. In the widest grade, Grade GE1 , a newly recruited Supervisory Assistant may take 6 years to reach the maximum point. Six years is on the high end of acceptability for service based progression, but no legal challenge has yet been successful against such a model and whilst good practice advice recommends no more than 5 tenure increment steps, if an alternative form of progression based on competence is developed in the longer term, longer grades are acceptable.

It is noted that a variety of career grades and accelerated incremental progression will be developed and enhanced over time and these will have an effect on the progression rules within each grade. Care must be taken in applying these incremental options that we do not re-introduce pay inequality via gender based application of accelerated incrementation. I note within the single status proposal the following.

‘All Services will have the opportunity to develop local Career Grade Structures where appropriate. However, all local career grades must be established in accordance with equal pay principles, supported by job evaluation and consistent with corporate grading arrangements.’

This principle is key to the Equality Impact of developed career grade options and needs to be regularly monitored.

iv. Pay Protection

The standard single status pay protection of three years cash conservation needs to be carefully reviewed. Recent legal challenge has surrounded protecting specific pay elements which are discriminatory in nature e.g. bonus payments.

Within the single status proposal in January 2007 the following key statements are important.

‘In accordance with the Single Status Agreement adopted in 1999 all employees whose existing salary value is above the proposed new salary maximum for the post will have their salary preserved on a cash protected basis for a 3 year period. At the end of the 3 year period those employees remaining on a preserved salary will be assimilated to the maximum spinal column point of the new grade for that post.

It is proposed that the 3 year cash preservation arrangements are extended to include any net loss of earnings as a result of the proposed changes to the following conditions – Weekend Enhancements, Unsocial/Irregular Hours payments, Shift Allowances, Night-Working Allowances or Contractual Overtime.

This would ensure that existing “contractual” earnings for all these staff are protected for a 3 year period.

Furthermore, many of these employees will have been assimilated to a grade within the Councils new pay and grading structure which gives scope for incremental advancement. This would allow Services some flexibility in making use of accelerated incremental advancement as an alternative to preservation for any net loss of earnings as a result of changes to conditions. This should be considered by Services in any preservation calculations made for the employee groups outline above.’

The Council is committed to examining all options to ensure that the minimum number of employees suffer any long term loss of earnings as a result of its Single Status proposals’.

The above principles are entirely understandable from the overall principle of managing employee relations and supporting those who would suffer financial loss but great care needs to be taken. In particular, protecting any pay element that can be demonstrated to be discriminatory by reference to gender could be challenged. It is beyond the scope of this report to investigate this further, however a more rigorous analysis of the protection of pay elements is advised.

3. Equal Pay Analysis.

The ultimate test of a pay structure based on Equal Pay principles is whether the model reduces the pay gap in both the short and longer term.

The following provides a summary of this.

i. Equal Pay Analysis of initial transitional model.

On implementation, the model assumes:

- all green circles raised to the lowest transition point;
- all red circled jobholders remain as protected jobholders at current pay levels;
- all remaining jobholders are assimilated to the nearest higher COSLA pay point..
- Based on the figures made available to me, all statistical analyses includes proposed base pay inclusive of bonus and profit share consolidation undertaken on 1 June 2006. No other pay element is included in the analysis.

The gender pay impact is: (all figures based on full-time equivalent salaries for direct comparison):

Gender	Job Holders	Average Current Pay	Average Proposed Pay	Increase	Percentage
Female	3408	17365	17883	517	2.98%
Male	1275	20830	21282	453	2.17%
Pay Gap		3465	3399	-66	0.81%

The immediate impact on gender pay is minimal, with male and female earning rising statistically very closely. However the overall pay gap is reducing and therefore we can conclude that the proposed model does contribute towards pay equity but the initial impact is not statistically significant. What is statistically significant and remains so after the initial model is the extent of the pay gap. This gap will never be fully closed due to staffing profile of female employment in the UK economy but we are expecting to see a notable move.

ii. Equal Pay Analysis without transitional points.

After a period of three years, however, the following occurs:

- The removal of all transitional pay points;
- The removal of pay protection for red circled jobholders;
- Progression for all staff through the model.

A similar gender pay comparison reveals the following:

Gender	Job Holders	Average Current Pay	Average Proposed Pay	Increase	Percentage
Female	3408	17365	18662	1297	7.47%
Male	1275	20829	21933	1103	5.30%
Pay Gap		3464	3271	-193	2.17%

After the transitional period, we see a reduction in the pay gap, positively towards increases for female jobholders. The ‘pay gap’ between male and female postholders reduces from a current average gap of 83% female pay to male pay ,to an estimated average gap of 85% after three years. Whilst this obviously does not close the pay gap, the new pay structure reduces the pay gap. This is a welcome outcome. The complex relationship between gender and pay needs to be fully realised in a full Equal Pay Audit to identify the root causes of inequalities and to create an action plan. This is beyond the scope of this report.

Red* and Green Circle Analysis.

An indication of the promotion of Equal Pay for any pay structure is the impact it has on the 'winners' and 'losers' as a result of the evaluation and proposed pay structure. These 'green' and 'red' circles provide a strong indication of gender pay impact.

Again the picture is complex due to the use of the transitional points. On implementation the following is an analysis of the red and green circles by proposed grade.

Proposed Grade	Gender	Job Holders	Green Circles	Red Circles
SM15	Female	7	0	0
SM14	Female	6	0	1
	Male	16	0	2
SM13	Female	15	8	1
	Male	31	4	7
TL12	Female	9	0	0
	Male	12	2	2
TL11	Female	22	3	3
	Male	36	5	4
TL10	Female	54	7	0
	Male	46	1	3
PR9	Female	178	79	4
	Male	99	23	3
PR8	Female	78	10	26
	Male	82	17	23
TAS7	Female	176	33	27
	Male	105	25	14
TAS6	Female	252	115	44
	Male	141	48	41
TAS5	Female	411	240	66
	Male	87	23	19
TAS4	Female	690	50	104
	Male	170	15	20
GE3	Female	675	372	25
	Male	230	48	119
GE2	Female	758	234	35
	Male	178	97	6
GE1				

Female	77	17	1
Male	42	15	20
	4683	1491	620

* Please note that for this analysis, red circles are identified using a 36 hour working week basis for all employees, some will retain a 37 hour contract and will therefore not be red circled in reality.

On implementation we have 620 red circles and 1491 green circles. The main occupational groups affected are:

- GE1 - Environmental Service Operative 1
- GE2 - Typist/Clerical Assistant
- Play Assistant
- GE3 - Facilities Assistants
- Environmental Service Operative 3.
- Support for Learning/Classroom Assistants
- TAS4 - Social Care Officers
- TAS5 - Early Childhood Practitioners

Notwithstanding the comments made earlier relating to overlapping points, the most obvious challenges would come therefore from those who have been evaluated in the same grade and are paid differently due to transitional points and the incremental basis of the model.

The following provides a summary of the most likely Equal Pay challenge that remains even after implementation. I have concentrated on roles with more than 10 occupants for this analysis.

I identified no major risk element in grades TAS5 and higher. Therefore this summary concentrates on GE1 to TAS4.

Proposed Grade	Job Title	Gender	Jhldrs	Average Proposed Pay	Pay Gap	Total Annual Gap
TAS4	COMM LEARNING ASSISTANT	Female	20	15868	-1247	-24940
TAS4	COMM LEARNING ASSISTANT	Male	5	15868		
TAS4	ENVIRONMENT SERVICES OPERATIVE 4 (DRIVER)	Male	51	17115		
TAS4	SOCIAL CARE OFFICER	Female	154	17434	319	49126
TAS4	SOCIAL CARE OFFICER	Male	14	17229		
TAS4	SOCIAL CARE OFFICER	Female	21	17370	255	5355
TAS4	SOCIAL CARE OFFICER	Male	6	16648		
TAS4	SOCIAL CARE OFFICER	Female	282	16724	-391	-110262
TAS4	SOCIAL CARE OFFICER	Male	6	16850		
TAS4	ADMINISTRATION ASSISTANT	Female	14	16524	-591	-8274
TAS4	CHILDCARE WORKER	Female	23	15746	-1369	-31487
TAS4	SOCIAL CARE OFFICER	Female	13	17596	481	6253
TAS4	SOCIAL CARE OFFICER	Male	7	17588		
TAS4	ENVIRONMENT SERVICES OPERATIVE 4	Male	19	16924		
TAS4	AREA TEAM ASSISTANT (GENERAL)	Female	12	16084	-1031	-12372
TAS4	AREA TEAM ASSISTANT (GENERAL)	Male	3	16167		
TAS4	SUPPORT FOR LEARNING ASSISTANT	Female	32	15223	-1892	-60544

GE3	ENVIRONMENT SERVICE OPERATIVE 3	Female	3	16546	-1504	-4512
GE3	ENVIRONMENT SERVICE OPERATIVE 3	Male	49	16546		
GE3	SNR CLERICAL ASSISTANT	Female	36	15541	-2509	-90324
GE3	SNR CLERICAL ASSISTANT	Male	2	15448		
GE3	ENVIRONMENT SERVICE OPERATIVE 3	Male	14	15654		
GE3	SNR TYPIST/CLERICAL ASSISTANT	Female	23	15653	-2397	-55131
GE3	CRECHE ASSISTANT	Female	11	14295	-3755	-41305
GE3	CRECHE ASSISTANT	Male	2	13909		
GE3	SUPPORT FOR LEARNING ASSISTANT	Female	275	13912	-4138	-1137950
GE3	SUPPORT FOR LEARNING ASSISTANT	Male	7	13909		
GE3	FACILITIES ASSISTANT	Female	5	18045	-5	-25
GE3	FACILITIES ASSISTANT	Male	54	18050		
GE3	ENVIRONMENT SERVICES OPERATIVE 3	Male	13	16165		
GE3	ENVIRONMENT SERVICES OPERATIVE 3	Male	15	14616		
GE3	DEPUTY CHILDCARE SUPERVISOR	Female	20	14356	-3694	-73880
GE3	CLASSROOM ASSISTANT	Female	109	14329	-3721	-405589
GE3	CLASSROOM ASSISTANT	Male	1	13909		
GE2	LEARNING RESOURCE ASSISTANT	Female	15	14341	-165	-2475
GE2	GENERAL ASSISTANT	Female	15	13755	-751	-11265
GE2	GENERAL ASSISTANT	Male	3	13990		
GE2	SCHOOL ASSISTANT	Female	14	13948	-558	-7812
GE2	SCHOOL ASSISTANT	Male	2	14754		
GE2	INSTRUCTOR/LEISURE ATTENDANT	Female	6	12351	-2155	-12930
GE2	INSTRUCTOR/LEISURE ATTENDANT	Male	10	12591		
GE2	SCHOOL CROSSING PATROLLER	Female	30	12351	-2155	-64650
GE2	SCHOOL CROSSING PATROLLER	Male	44	12351		
GE2	AUXILIARY/CLERKESSTYPIST	Female	60	14665	159	9540
GE2	SENIOR CLERICAL ASST (HOMECARE)	Female	12	15333	827	9924
GE2	SENIOR CLERICAL ASST (HOMECARE)	Male	1	15099		
GE2	LIBRARY ASSISTANT	Female	40	12971	-1535	-61400
GE2	LIBRARY ASSISTANT	Male	8	12651		
GE2	ENVIRONMENT SERVICE OPERATIVE 2	Female	12	12351	-2155	-25860
GE2	ENVIRONMENT SERVICE OPERATIVE 2	Male	5	12351		
GE2	ENVIRONMENT SERVICES OPERATIVE 2	Female	1	14115	-391	-391
GE2	ENVIRONMENT SERVICES OPERATIVE 2	Male	31	14156		
GE2	SHELTERED HOUSING WARDEN	Female	27	13940	-566	-15282
GE2	HOME SUPPORT WORKER	Female	40	12539	-1967	-78680
GE2	HOME SUPPORT WORKER	Male	1	12539		
GE2	DOMESTIC ASSISTANT	Female	17	12351	-2155	-36635
GE2	AUXILIARY/ASSISTANT	Female	75	13550	-956	-71700
GE2	AUXILIARY/ASSISTANT	Male	1	12351		
GE2	TYPIST/CLERICAL ASSISTANT	Female	95	14346	-160	-15200
GE2	TYPIST/CLERICAL ASISTANT	Female	32	12718	-1788	-57216
GE2	PLAY ASSISTANT	Female	71	12607	-1899	-134829
GE2	PLAY ASSISTANT	Male	8	12375		
GE2	CLERICAL ASSISTANT	Female	64	13697	-809	-51776
GE2	CLERICAL ASSISTANT	Male	2	12351		
GE2	CLERICAL ASSISTANT	Female	39	13805	-701	-27339
GE2	CLERICAL ASSISTANT	Male	3	13152		
GE2	ENVIRONMENT SERVICES OPERATIVE 2	Male	18	14506		
GE1	ENVIRONMENT SERVICES OPERATIVE 1	Female	1	14045	187	187
GE1	ENVIRONMENT SERVICES OPERATIVE 1	Male	13	13858		
GE1	SUPERIVSORY ASSISTANT	Female	52	11469	-2389	-124228
GE1	SUPERIVSORY ASSISTANT	Male	3	11469		

Potential equal pay challenge

Likely male comparator role

The above analysis highlights the fact that even after implementation we have an equal pay risk in all grades GE1 to TAS4 as a result of the combination of transition points and pay protection. From the above, Perth and Kinross retains an Equal Pay risk even after implementation and this risk will be carried during the transitional phase and for as long as pay protection is in place.

If we extrapolate this pay gap analysis assuming no transitional points and all red circles are placed on the proposed grade maximum, we get the following comparator analysis.

Proposed Grade	Job Title	Gender	Jhldrs	Average Proposed Pay	Pay Gap	Total Annual Gap
TAS4	COMM LEARNING ASSISTANT	Female	20	16244	-871	-17420
TAS4	COMM LEARNING ASSISTANT	Male	5	16244		
TAS4	ENVIRONMENT SERVICES OPERATIVE 4 (DRIVER)	Male	51	17115		
TAS4	SOCIAL CARE OFFICER	Female	154	17287	172	26488
TAS4	SOCIAL CARE OFFICER	Male	14	17105		
TAS4	SOCIAL CARE OFFICER	Female	21	17281	166	3486
TAS4	SOCIAL CARE OFFICER	Male	6	16653		
TAS4	SOCIAL CARE OFFICER	Female	282	16720	-395	-111390
TAS4	SOCIAL CARE OFFICER	Male	6	16866		
TAS4	ADMINISTRATION ASSISTANT	Female	14	16541	-574	-8036
TAS4	CHILDCARE WORKER	Female	23	16297	-818	-18814
TAS4	SOCIAL CARE OFFICER	Female	13	17435	320	4160
TAS4	SOCIAL CARE OFFICER	Male	7	17309		
TAS4	ENVIRONMENT SERVICES OPERATIVE 4	Male	19	16924		
TAS4	AREA TEAM ASSISTANT (GENERAL)	Female	12	16437	-678	-8136
TAS4	AREA TEAM ASSISTANT (GENERAL)	Male	3	16481		
TAS4	SUPPORT FOR LEARNING ASSISTANT	Female	32	16143	-972	-31104
GE3	ENVIRONMENT SERVICE OPERATIVE 3	Female	3	16143	0	0
GE3	ENVIRONMENT SERVICE OPERATIVE 3	Male	49	16143		
GE3	SNR CLERICAL ASSISTANT	Female	36	15541	-602	-21672
GE3	SNR CLERICAL ASSISTANT	Male	2	15448		
GE3	ENVIRONMENT SERVICE OPERATIVE 3	Male	14	15617		
GE3	SNR TYPIST/CLERICAL ASSISTANT	Female	23	15653	-490	-11270
GE3	CRECHE ASSISTANT	Female	11	14754	-1389	-15279
GE3	CRECHE ASSISTANT	Male	2	14754		
GE3	SUPPORT FOR LEARNING ASSISTANT	Female	275	14754	-1389	-381975
GE3	SUPPORT FOR LEARNING ASSISTANT	Male	7	14754		
GE3	FACILITIES ASSISTANT	Female	5	16143	0	0
GE3	FACILITIES ASSISTANT	Male	54	16143		
GE3	ENVIRONMENT SERVICES OPERATIVE 3	Male	13	16019		
GE3	ENVIRONMENT SERVICES OPERATIVE 3	Male	15	14754		
GE3	DEPUTY CHILDCARE SUPERVISOR	Female	20	14754	-1389	-27780
GE3	CLASSROOM ASSISTANT	Female	109	14754	-1389	-151401
GE3	CLASSROOM ASSISTANT	Male	1	14754		
GE2	LEARNING RESOURCE ASSISTANT	Female	15	14392	-114	-1710
GE2	GENERAL ASSISTANT	Female	15	13820	-686	-10290
GE2	GENERAL ASSISTANT	Male	3	13990		
GE2	SCHOOL ASSISTANT	Female	14	13963	-543	-7602
GE2	SCHOOL ASSISTANT	Male	2	14754		
GE2	INSTRUCTOR/LEISURE ATTENDANT	Female	6	13121	-1385	-8310
GE2	INSTRUCTOR/LEISURE ATTENDANT	Male	10	13284		

GE2	SCHOOL CROSSING PATROLLER	Female	30	13121	-1385	-41550
GE2	SCHOOL CROSSING PATROLLER	Male	44	13121		
GE2	AUXILIARY/CLERK/SS/TYPIST	Female	60	14678	172	10320
GE2	SENIOR CLERICAL ASST (HOMECARE)	Female	12	14754	248	2976
GE2	SENIOR CLERICAL ASST (HOMECARE)	Male	1	14754		
GE2	LIBRARY ASSISTANT	Female	40	13529	-977	-39080
GE2	LIBRARY ASSISTANT	Male	8	13325		
GE2	ENVIRONMENT SERVICE OPERATIVE 2	Female	12	13121	-1385	-16620
GE2	ENVIRONMENT SERVICE OPERATIVE 2	Male	5	13121		
GE2	ENVIRONMENT SERVICES OPERATIVE 2	Female	1	14115	-391	-391
GE2	ENVIRONMENT SERVICES OPERATIVE 2	Male	31	14156		
GE2	SHELTERED HOUSING WARDEN	Female	27	13940	-566	-15282
GE2	HOME SUPPORT WORKER	Female	40	13121	-1385	-55400
GE2	HOME SUPPORT WORKER	Male	1	13121		
GE2	DOMESTIC ASSISTANT	Female	17	13121	-1385	-23545
GE2	AUXILIARY/ASSISTANT	Female	75	13677	-829	-62175
GE2	AUXILIARY/ASSISTANT	Male	1	13121		
GE2	TYPIST/CLERICAL ASSISTANT	Female	95	14391	-115	-10925
GE2	TYPIST/CLERICAL ASSISTANT	Female	32	13309	-1197	-38304
GE2	PLAY ASSISTANT	Female	71	13220	-1286	-91306
GE2	PLAY ASSISTANT	Male	8	13121		
GE2	CLERICAL ASSISTANT	Female	64	13954	-552	-35328
GE2	CLERICAL ASSISTANT	Male	2	13121		
GE2	CLERICAL ASSISTANT	Female	39	14023	-483	-18837
GE2	CLERICAL ASSISTANT	Male	3	13665		
GE2	ENVIRONMENT SERVICES OPERATIVE 2	Male	18	14506		
GE1	ENVIRONMENT SERVICES OPERATIVE 1	Female	1	13121		
GE1	ENVIRONMENT SERVICES OPERATIVE 1	Male	13	12955		
GE1	SUPERVISORY ASSISTANT	Female	52	11469	-1486	-77272
GE1	SUPERVISORY ASSISTANT	Male	3	11469		

Remaining Equal Pay risk areas
Likely male comparator role

The Equal Pay risk remains in the long term but it is significantly reduced in scale (e.g. Support for Learning Assistants at an average pay gap of £4138 on implementation reduce to £1389 after three years) to such an extent that with the effects of turnover in roles and incremental progression, this gap will close significantly. To examine further the overall the red and green circle picture is informative.

Gender	Job Holders	Green		Red	
		Circles	% of Jhldrs	Circles	% of jhldrs
Female	3408	1168	34%	337	10%
Male	1275	323	25%	283	22%
---- >	4683	1491	32%	620	13%

On implementation, we note that of our 1491 green circled jobholders, 1168 are females or 78% of the total number of green circles. This number represents 34% of all female jobholders.

On implementation we note that of our 620 red circled jobholders, 283 are male which represents 22% of the total male population.

Thus in relation to evaluation outcomes it is clear that a large proportion of female employees should, in principal see a rise in incomes relative to male employees.

If we estimate the effect by removing transitional points, we would note the following comparison.

Gender	Job Holders	Green Circles	% of jhldrs	Red Circles	% of jhldrs
Female	3408	1686	49%	337	10%
Male	1275	483	38%	283	22%
--- >	4683	2169	46%	620	13%

By removing all transitional points in the model, the effect is primarily on the number of green circled female jobholders. The number rises to 1686 or 49% of total female population. Thus we have approximately 520 additional female jobholders who are expecting pay increases via evaluation outcomes who will remain within the transition points.

4. Recommendations

i. Use of Transitional points

The long term proposed pay model for Perth and Kinross Council promotes Equal Pay but this is delayed due to the application of transitional points. Transitional points have been applied to smooth the transition to the new model and to minimise organisational disruption due to major movements in financial projections. A strong case has been made by the Council as to why the full model is not affordable without the use of transitional points. This can be seen as a justifiable business defence but caution must be expressed as to whether this is a legal defence on any challenge to equal pay. There remains a equal pay risk throughout transition and this must be closely monitored.

The scale of transitional point application to be phased out over 21 month period assuming an implementation from 1 July 2007, is not excessive and is appropriate in time period and scale.

ii. Revisions to proposed grade GE1

It is recommended that the changes highlighted in page 9/10 of this report are implemented in full. The grade currently contains an excessive number of incremental points for the lowest paid to progress from their minimum point to maximum, with no transitional points.

ii. Equal Pay Audits

It is of critical importance that Perth and Kinross commit to regular Equal Pay Audits. Pay protection arrangements of up to three years are generally acceptable as long as no element of pay protection can be deemed to be discriminatory in nature. In addition, the authority must carefully monitor the use and application of any accelerated incremental progression as a basis for protection pay. It is strongly

recommended that regular full Equal Pay Audits are undertaken to monitor the progress of the new grade structure to ensure that pay equity is being addressed over the full cycle of its implementation.

I am pleased to confirm that The Council has arrangements in place (via Link Equal Pay Reviewer) to conduct regular Equal Pay Audits covering all pay elements of the new pay and grading structure. The outcome of these audits will be reported to the Council Executive Officer Team on a regular basis to ensure that pay equity is being addressed over the full cycle of the implementation of the pay structure and conditions package. The Council is committed to sharing the outcomes of Equal Pay Audits with the trade unions.

iv. Application of overlapping points

A review of the use of overlapping points is recommended, although in my opinion the fact that only one increment point is overlapping between grades may be viewed as a development or induction point. However, the application of transitional points complicates matters somewhat as this effectively extends the period to achieve pay equity within the grade model. It is recommended that a review of the use of overlapping points be undertaken in the longer term pending the development of competence based criteria which would justify the use of development or induction points throughout.

v. Gradelines

The gradelines which define the grade of an employee by reference to their job evaluation score appears consistent and fair in design and application. The gradeline position set at GE1/2 at 229 points has no gender biased basis and is acceptable.

The proposed pay and grade model with the revisions discussed above, whilst not resolving equal pay, promotes pay equity in the longer term and has a sound justification. Where concerns have been raised in this report, the Council has presented an appropriate business case to justify the steps taken to build the model as it stands (with the exception of proposed grade GE1).

In all cases with the equality impact assessment of reward structures, no guarantee over equal pay 'proofing' can be given and indeed equal pay risks remain as highlighted in this report, it is for the Council to be satisfied that the appropriate defence can be presented.

This report is an independent objective assessment of the impact the recommended 15 grade model has on gender pay. Where specific recommendations are made, or where the Council remains concerned over any element, appropriate legal advice should be sought.

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13 February 2007.