

TO: Policy and Resources Committee

FROM: Deputy Chief Executive Officer, Matthew Warren

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DATE: 18 July 2019

EQUAL PAY AUDIT – RECOMMENDATIONS AND NEXT STEPS

1. Purpose

- 1.1 The purpose of this report is to inform the Policy and Resources Committee of the recommendations made in a recently conducted equal pay audit and of work being done to progress them.

2. Recommendation

- 2.1 The Policy and Resources Committee is asked to note the contents of this report for information and in particular to note the timescales for when further information will be provided and for when decisions are anticipated to be requested.

3. Risk Assessment

- 3.1 **Political** – there may be political risk in not properly implementing the recommendations from the equal pay audit, particularly given that our commitment to undertaking the audit is set out in the Integrated Risk Management Plan (IRMP) 2017-2020.
- 3.2 **Economic** – there may be on-going costs associated with fully implementing the recommendations from the equal pay audit. This is dependent on the outcomes of work to be carried out (detailed in section 4 below) and therefore these cannot be determined at this stage.
- 3.3 **Social** – implementing the recommendations from the equal pay audit will demonstrate to both current and prospective employees that the Authority is committed to ensuring equality, transparency and a feeling of fairness across the organisation. As well as directly contributing to our work to recruit and retain a more diverse workforce, research shows that this will also contribute to employee morale and engagement levels.
- 3.4 **Legal** – not pursuing the recommendations in the audit may place the Authority at risk of legal claims from employees that relate to equal pay issues.

4. Background

- 4.1 The IRMP 2017-2020 set out our commitment to undertake an equal pay audit. A specialist consultancy, who have significant experience in the area of employee pay and benefits, was commissioned to conduct an equal pay audit.
- 4.2 The audit was completed in Quarter 4 of 2018/19 and the findings and recommendations presented to Chief Officers at the end of April 2019.
- 4.3 The findings and recommendations from the audit are set out at Appendix 1.
- 4.4 The recommendation to review the combination of allowances paid to identified professional support staff roles (Part A, recommendation 5) will be progressed by Officers. This work is not expected to be at a level which will require any decisions by the Authority.
- 4.5 The recommendations to review the use of and selection for work attracting additional allowances for uniformed staff (Part B, recommendations 2 and 3) will also be taken forward by Officers. This work is also not expected to be at a level which will require any decisions by the Authority.
- 4.6 Work to review the management band grade structure for professional support staff (Part A, recommendations 1, 2 and 4) has begun, with a specialist consultancy commissioned to advise on the design of a proposed new grade structure for management band professional support staff (those staff currently paid at grades MB1 – MB5). It is proposed to introduce a new grade structure from April 2020.
- 4.7 A further paper will be brought to the Policy and Resources Committee meeting scheduled for December 2019/January 2020. It is anticipated that this will include a proposal for the new grade structure, with a recommendation for the Committee to consider and approve and to allow referral to full Fire Authority in February 2020. If approval is given this should enable the proposed introduction date of April 2020 to be achieved, subject to consultation with representative bodies and/or affected employees.

5. Equality Impact Assessment

- 5.1 Equality impact assessment will be completed in relation to each of the proposed actions. Any impacts are expected to be positive, as actions will directly respond to the recommendations of the equal pay audit.

BIBLIOGRAPHY

| Source Documents | Location | Contact Officer |
|----------------------------------|--|---|
| IRMP 2017-2020 | <p>Available online at https://www.cambsfire.gov.uk/media/2266/irmp-document-2.pdf</p> <p>or hard copy from</p> <p>Service HQ Hinchingsbrooke Cottage Brampton Road Huntingdon</p> | <p>Jon Anderson Assistant Chief Fire Officer 01480 444500 jon.anderson@cambsfire.gov.uk</p> |
| Full report from Equal Pay Audit | <p>Service HQ Hinchingsbrooke Cottage Brampton Road Huntingdon</p> | <p>Sam Smith Head of Human Resources 01480 444500 samantha.smith@cambsfire.gov.uk</p> |

Appendix 1 – Findings and Recommendations from Equal Pay Audit

Part A – Professional Support Staff

| | Findings/Conclusions | Recommendations |
|----|---|---|
| 1. | There is considerable grade overlap in the MB Grades. This has caused the average pay of female employees in Grades MB3 and MB4 to be considerably lower than male employees in those grades. | To review the grade structure with a view to reducing the span (and therefore overlap) of MB Grades. |
| 2. | The grade boundaries do not follow the standard Hay reference points. This means that some 'clusters' or jobs that should be in the same grade are in different grades. | To review the grade structure with a view to aligning the grade boundaries closer to the Hay standard reference points. |
| 3. | There are some pay differences in Grades Scales 4 and SO1 but these are explained by length of service or re-gradings. | No recommendations. |
| 4. | There are very few instances of pay gaps in the race analysis. There is one large pay gap in Grade MB1, which again is due to the wide span of the grade. | To review the grade structure with a view to reducing the span (and therefore overlap) of MB Grades. |
| 5. | The value of allowance paid to support staff is relatively low. The only concern is the combination of allowances that some jobs (predominately or exclusively male) attract. | Review the allowances highlighted in the report to ensure they pass the 'proportionate means to achieve a legitimate aim' test. |

Part B – Uniformed Staff (including Combined Fire Control)

| | Findings/Conclusions | Recommendations |
|----|---|---|
| 1. | There are few gender or race pay gaps within grades in the Fire Service. Any pay gaps identified are due to employees being on the development rate compared to the majority who are on the competent rate. | No recommendations. |
| 2. | Some allowances are paid disproportionately to the gender profile. | Review the use of some allowances. Review how employees are selected for specific additional duties that attract allowances for example, acting up. |
| 3. | There are some Officers who receive a combination of allowances. | Review the use of these allowances to ensure they meet the 'proportionate means to achieve a legitimate aim' test (for example some Officers receive *FDS, CPD, PO FDS, Telephone Allowance and Honoraria) which adds a third extra pay every month plus an annual addition of £2000. |

***FDS (Flexi Duty System), CPD (Continuous Professional Development), PO FDS (Principal Officer Flexi Duty System)**