

Agenda Item 7 Board of Commissioners Meeting Memo No 12/17
29 June 2017

EQUAL PAY AUDIT 2017

Purpose

1. The purpose of this paper is to present a summary of the 2017 Equal Pay Audit to Commissioners for information.

Background

2. The Forestry Commission commissioned Statistics Branch to carry out its first Equal Pay Audit in 2002, which identified a gender pay gap of 22%. Subsequent actions were taken and a further audit took place in 2009. At this point the gender pay gap had reduced to 14%.
3. In 2011 the Government implemented a two-year pay freeze and the next audit was carried out in 2014. At this point in time the gender pay gap had reduced to 9.07%.

Summary of the 2017 Audit

4. The 2017 audit shows the gender pay gap has now further reduced to 6.39%. However, this is partly due to a change in the method used to calculate the gender pay gap, as outlined in Appendix 1.
5. The Audit involved comparing the average pay of protected groups who are doing equal work using the five step model recommended by the Equality & Human Rights Commission.
6. Other key statistics and data from the Audit are outlined in Appendix 2.
7. Recommended actions are to continue to: further reduce the pay band spans; ensure future pay awards consider the impact on the gender pay gap; and ensure equality monitoring of criteria used during post-filling and recruitment. These actions will all have a positive impact on the gender, working pattern, ethnicity, disability and age pay gaps.

Risk Assessment

8. Until equal pay issues are completely eradicated there is always a risk of an equal pay claim.

Communications Issues

9. The Audit has been shared with the Forestry Commission Trade Unions, HR Management Board and Executive Board. It will be published on the Intranet and made available to staff after this meeting.

Conclusion

10. The gender pay gap has continued to reduce. However, with 1% average pay awards, eradication of equal pay issues will take time to achieve.

Recommendations

11. The Board is asked to note the key data outlined at Appendix 2.

Jean Lindsay
Director Central Services
May 2017

Method for calculating the Gender Pay Gap

The gender pay gap has been calculated in line with current best practice and the new Gender Pay Gap Reporting Regulations.

Therefore, we have used the average hourly rate of females as a percentage of the average hourly rate of males in each pay band and calculated using the formula:

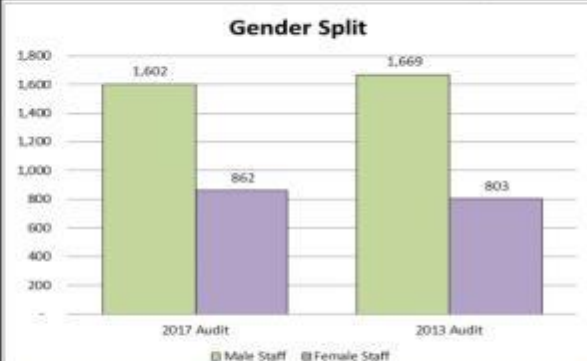
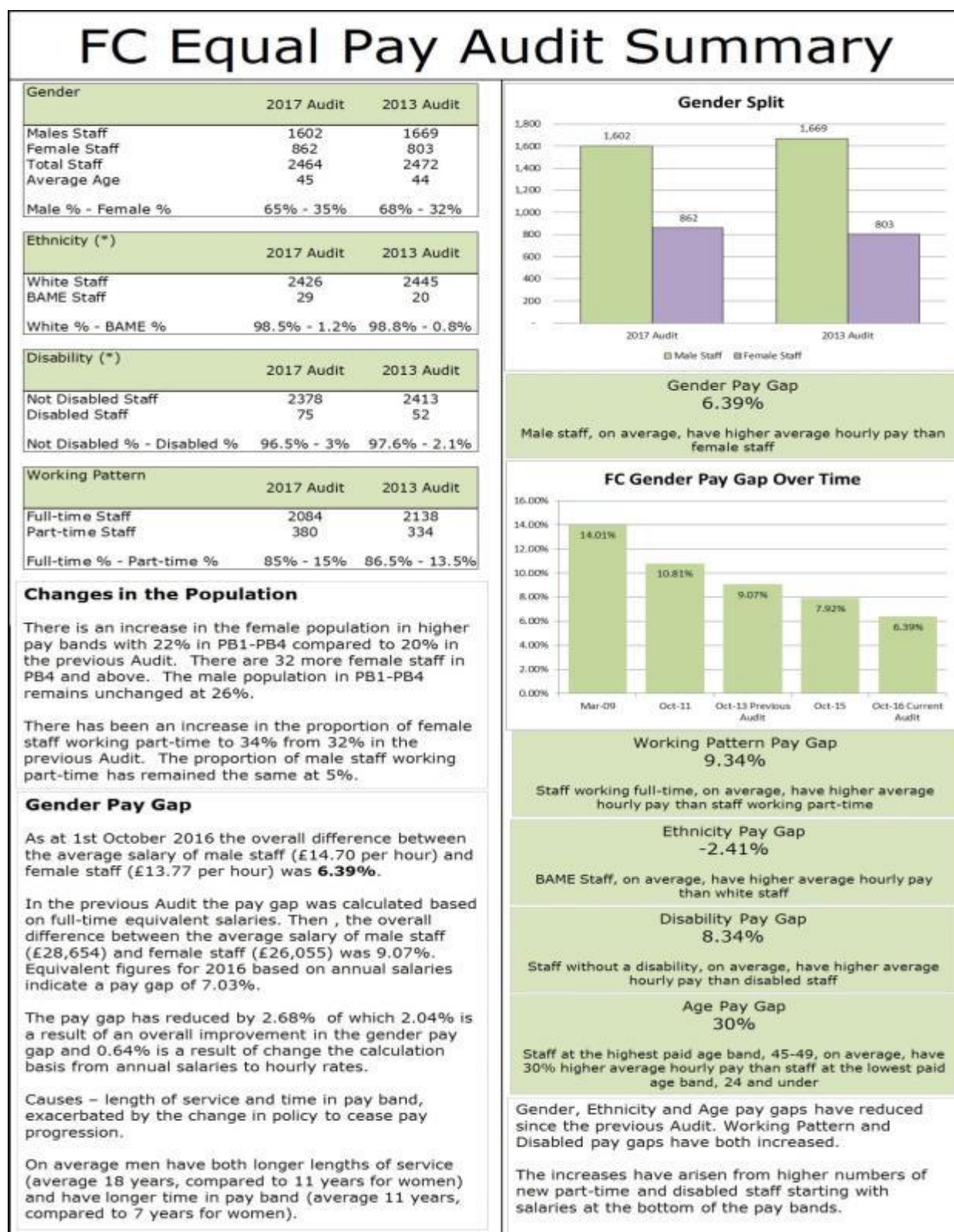
$$\frac{(\text{Average Male Hourly Rate} - \text{Average Female Hourly Rate}) \times 100\%}{\text{Average Male Hourly Rate}}$$

Full-time equivalent figures were used and salary was basic annual full-time equivalent pay excluding overtime or allowances – these were compared separately. These annual salaries were then converted to hourly rates using the same approach as defined in the Gender Pay Gap Regulations using 44 hours per week for operational roles and 37 hours per week for non-operational roles.

In the previous 2014 Audit the pay gap was calculated based on full-time equivalent annual salaries. Using equivalent figures for 2016 indicates a pay gap of 7.03%.

In other words, of the 2.68% reduction in the gender pay gap since the previous Audit, 2.04% is a result of an overall improvement in the gender pay gap and 0.64% is a result of the change in the calculation basis from annual salaries to hourly rates.

Key Data from the 2017 Equal Pay Audit



Gender Pay Gap
6.39%

Male staff, on average, have higher average hourly pay than female staff



Working Pattern Pay Gap
9.34%

Staff working full-time, on average, have higher average hourly pay than staff working part-time

Ethnicity Pay Gap
-2.41%

BAME Staff, on average, have higher average hourly pay than white staff

Disability Pay Gap
8.34%

Staff without a disability, on average, have higher average hourly pay than disabled staff

Age Pay Gap
30%

Staff at the highest paid age band, 45-49, on average, have 30% higher average hourly pay than staff at the lowest paid age band, 24 and under

Gender, Ethnicity and Age pay gaps have reduced since the previous Audit. Working Pattern and Disabled pay gaps have both increased.

The increases have arisen from higher numbers of new part-time and disabled staff starting with salaries at the bottom of the pay bands.

Key Data from the 2017 Equal Pay Audit

