



# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Overview and Audit Committee, 21 July 2021

**Report title:** Equal Pay Audit

**Lead Member:** Councillor Steven Lambert; People, Equality and Diversity and Assurance

**Report sponsor:** Mick Osborne; Chief Operating Officer / Deputy Chief Fire Officer

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**Action:** Noting

## **Recommendations:**

1. It be noted the Authority is achieving equitable pay between genders, and the other protected characteristics of age and race
2. The action plan and recommendations, as detailed in Appendix one, be noted

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## **Executive summary:**

Under the Equality Act 2010, it is unlawful for an employer to discriminate between men and women in terms of their pay and conditions where they are in the same employment and are doing the same or similar work, work rated as equivalent, or work of equal value.

An equal pay audit is the most effective way of checking the Service is complying with its equal pay obligations, ensuring it delivers a pay system free from bias. In addition to gender, analysis was also undertaken for additional protected characteristics of age, disability, and ethnicity. An equal pay audit involves comparing pay of employees doing equal work and has three main purposes:

- to identify any differences in pay between those doing equal work
- to investigate the causes of any differences in pay between those doing equal work, and
- to eliminate instances of unequal pay that cannot be justified

In 2013, the outcome of the last equal pay audit was presented to the Executive Committee. This audit confirmed the integrity of the Service's pay and grading structures. Whilst no equal pay issues were identified within that audit, opportunities for simplification of processes, procedures and practices were identified, including a

review of the Support Services pay and grading system design, which then formed part of a wider review of Support Services terms and conditions of employment.

To ensure impartiality, an external consultant was appointed in January 2020 to undertake the Service's equal pay audit. The snapshot date for the equal pay audit was 1 January 2020. The meaningful comparator data included base salary and 12-months' worth of allowance data for protected characteristics of gender, age, disability, and ethnicity.

The equal pay audit has confirmed the Service is achieving equitable pay between gender, and the other protected characteristics of age and race. There is insufficient data on disability to be able to analyse effectively.

Recommendations have been made, as detailed in the Action Plan in Appendix one, and these will be addressed throughout 2021/22.

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### **Financial implications:**

The on-going cost of the pay protection arrangements is £20,412 per year. This is contained within the existing revenue budget.

It is anticipated that other actions contained within the action plan in Appendix one will be cost neutral.

### **Risk management:**

The Service must ensure its pay structures meet the requirements of the Equality Act 2010. An equal pay audit is an appropriate method of ensuring the Service has a fair, transparent, inclusive pay and reward structure, free from bias, which therefore mitigates risk of equal pay claims in the future.

Equal pay claims are usually brought in an employment tribunal, which can make a declaration of the claimant's rights and require payment of any arrears of pay (in the case of pay) or damages (in the case of a non-pay contractual term). However, in some circumstances a claim can be brought in the civil courts.

Whilst no unjustifiable differences in pay have been identified between protected characteristics of gender, age and race, and there are therefore no underlying indirect discrimination issues, the equal pay audit has highlighted several recommendations where there are potential risks. To mitigate these risks, an action plan has been drafted, as detailed within Appendix one.

### **Legal implications:**

The Equality and Human Rights Commission (EHRC) issued 'Equal Pay: Statutory Code of Practice' under section 14 of the Equality Act 2006 (as amended). This is focussed on gender pay discrimination under the Act and recommends that all employers carry out regular equal pay audits.

However, it also recommends that methods used to identify and remedy unlawful gender pay discrimination can also be used to remedy unlawful pay discrimination on other grounds (such as race or disability).

The equal pay audit has been undertaken in accordance with the 5–step model in EHRC’s Statutory Code of Practice.

An employer can pay a man more than a woman (and vice versa) for doing equal work, but only if it can prove that the variation in pay is due to a material factor which is not directly or indirectly discriminatory on the grounds of gender. Pay protection arrangements following a job re-grading exercise can in principle amount to a valid material factor defence.

**Privacy and security implications:**

The Authority is committed to protecting and respecting the privacy of employee and the responsible handling of data. Due to the Equal Pay Audit detailing personally identifiable information this will not be shared, however the content has formed the basis of this report and the recommendations.

**Duty to collaborate:**

Each employer must ensure their pay structures meet the requirements of the Equality Act 2010. Other than for best practice sharing, collaboration has not been appropriate for the Service’s 2020 equal pay audit.

**Health and safety implications:**

There are no health and safety implications arising from this report.

**Environmental implications:**

There are no environmental implications arising from this report.

**Equality, diversity, and inclusion implications:**

The Authority’s annual Pay Policy Statement sets out its position regarding equality, fairness, and transparency.

Undertaking an equal pay audit demonstrates the Service’s commitment as an employer to remove unfair pay practices.

Whilst both gender pay and equal pay deal with the disparity of pay women receive within the workplace, it is important to note that the gender pay gap is different to equal pay.

The gender pay gap examines the difference in the average earnings of men and women, irrespective of role or seniority. It captures any pay differences between men and women on a broader level and is not unlawful. The Service recognises the business benefit of ensuring it attracts, retains, and rewards the right calibre of individuals, and is committed to reducing its gender pay gap.

Equal pay is the legal requirement for men and women to be paid the same for undertaking the same or similar work or work of equal value. It applies to all contractual terms, not just pay, and requires all elements to be equal.

An equal pay audit ensures employees are not paid differently for doing the same or similar work, and this on its own, does not prevent a gender pay gap. Employers can have an effective equal pay policy and still have a gender pay gap, this is often due to having more men in senior and highly paid positions and women in lower paid and part-time roles.

**Consultation and communication:**

Appropriate changes to processes, procedures and working practices will be implemented to drive improvements.

Recommendations identified within the equal pay audit, and as detailed within the action plan will be worked on with key stakeholders throughout 2021/22.

Effective communication and consultation with employees, staff representatives and managers are key components to the successful implementation of change. Every effort will be made to ensure individuals are fully involved and their feedback captured and considered during any process.

**Background papers:**

[24 March 2021: Executive Committee report](#) - Gender Pay Gap Report 2020

[17 February 2021: Fire Authority report](#) – Pay Policy Principles and Statement 2021/22

[30 July 2014: Executive Committee report](#) - Review of pay, grading, and terms and conditions for staff covered by the Buckinghamshire and Milton Keynes Fire Authority, Support Services Staff, Scheme of Conditions of Service

[The Equality Act 2010](#)

[Equalities and Human Rights Commission](#)

[Statutory Code of Practice on equal pay](#)

[ACAS: Equal pay](#)

Appendix	Title	Protective Marking
1	Recommendations for action	