

Diversity and Inclusion: Equal Pay Audit, Gender Pay Gap and Ethnicity Pay Gap Reporting 2019

July 2019



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Introduction

Equal Pay Audit

An equal pay audit involves comparing the pay of protected groups who are doing equal work in an organisation, investigating the causes of any pay gaps by gender, ethnicity, religion/belief, disability or working pattern and planning to close any gaps that cannot be justified on grounds other than one of those characteristics. An equal pay audit provides a risk assessment tool for pay structures¹. It can help organisations examine whether their pay practices are free from unfairness and discrimination and that they are compliant with the pay provisions in the Equality Act 2010.

Essential features of a pay audit include:

- Comparing the pay of women and men; Black, Asian and Minority Ethnic (BAME) and white staff; disabled and non-disabled staff who are doing equal work;

- Explaining any equal pay gaps; and
- Closing those pay gaps that cannot satisfactorily be explained on grounds other than one of the protected grounds.

Each year, the Assembly Commission conducts an equal pay audit to accompany the Annual Diversity and Inclusion Report, along with corresponding workforce and recruitment equality data. This process involves:

- Deciding the scope of the audit and identifying the data required;
- Identifying where employees in protected groups are doing equal work;
- Collecting and comparing pay data to identify any significant equal pay gaps;
- Establishing the causes of any significant pay gaps and deciding whether these are free from discrimination; and

¹ Equality and Human Rights Commission – Equal Pay Audit Toolkit

- Developing if required, an equal pay action plan and continuing to audit and monitor pay.

This report reviews available pay data, identifies and explains any differentials and any improvement actions required.

Gender Pay Gap Reporting

In addition to the equal pay review, we have provided data for gender pay gap reporting purposes. As an employer, the Assembly Commission is required by law to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The gender pay gap is the difference in average pay between the men and women in your workforce. It is different to equal pay², which means you must pay men and women the same for equal or similar work.

This involves carrying out six calculations that show the difference between the average earnings of men and women in our organisation; it does not involve publishing individual employees' data. We are required to publish the

results on our own website and the UK Government's Gender Pay Gap Reporting website.

In line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, employers need to publish six calculations showing:

- mean gender pay gap in hourly pay;
- median gender pay gap in hourly pay;
- mean bonus gender pay gap;
- median bonus gender pay gap;
- proportion of males and females receiving a bonus payment; and the
- proportion of males and females in each pay quartile³.

This data can be viewed in table 14 of this report.

² Equality and Human Rights Commission – Equal Pay Audit Toolkit

³ Ibid.

Context

The data used in this report is as of 31 March 2019. The employee headcount as of this date was 470 members of staff which includes permanent and temporary staff. Staff on secondments and staff currently on career breaks are not included. The overall headcount for the workforce data is 478 by comparison.

Glossary

Mean and median

Mean is the average hourly rate of pay, calculated by adding the total hourly pay rate for all employees then dividing that figure by the number of employees.

To calculate Median, the pay rates for all employees are arranged in order from lowest to highest. The median is the hourly rate which appears exactly in the middle.⁴

Positive and Negative Pay Gaps

A positive gap for the figures for gender figures means that men are paid more than women, whilst a negative pay gap means women are paid more than men.

A positive gap for the ethnicity figures means that non-BAME people are paid more than BAME people, whilst a negative gap means that BAME people are paid more than non-BAME people.

⁴ Ibid.



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STANDING UP
AYESHA KHAN

As a young woman, Ayesha Khan was always interested in architecture and design. She studied architecture at the University of London and worked for several years in the industry. However, she felt that the industry was not diverse enough and that there were not enough opportunities for women of color. She decided to start her own company, Ayesha Khan Architecture, and to focus on creating a more inclusive and diverse workplace. She has since worked with several clients, including the British Council and the British Library, and has been recognized for her work in the industry.

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INTIMATE DISTANCE
TIMOTHY GWYN JOHN

Timothy Gwyn John is a writer and journalist who has worked for several years in the industry. He has written for a variety of publications, including The Guardian and The New York Times. He is currently working on a book about the history of the British Empire. He is also a frequent speaker at conferences and events, and has been recognized for his work in the industry.



Pay Grades

We have pay grades with relatively short pay scales which helps to minimise the likelihood of pay discrimination occurring. This information is available on the Assembly’s website at:

<http://www.assembly.wales/en/gethome/working/recruitment/Pages/pay-scales.aspx>

All pay information is per annum unless otherwise specified.

Table 1: Pay Scale by Grade (effective as of 01/08/18)

Grade	Minimum	Maximum
Apprentice	£17,383	£17,383
Team Support	£18,338	£23,013
Management 3 (M-3)	£21,683	£28,999
Management 2 (M-2)	£27,725	£37,647
Management 1 (M-1)	£36,321	£47,626
Executive 2 (E-2)	£47,004	£61,686
Executive 1 (E-1)	£58,221	£75,745
Senior Staff (S-3)	£79,442	£101,346
Senior Staff (S-2)	£99,166	£126,553
Senior Staff (S-1)	£126,770	£155,385

Source: Assembly Commission HR/Payroll IT System

Analysis:

- Our organisation makes minimal use of allowances, which helps to minimise potential for pay differentials;
- We do not pay bonuses to any of our employees;
- Usual practice is for new starters to begin on minimum pay point;
- Trade Union Side colleagues are involved in pay reviews and negotiations which take place every one to three years depending on economic conditions at the time; and
- Our Job Evaluation System is the Cabinet Office's JEGS system for most grades, and the Cabinet Office's JESP system for Directors.

Equal Pay Audit 2019

Gender Analysis

Our organisation's gender profile split is 49.1% men, 50.9% women (last year there was a slightly higher proportion of men 50.3% to women 49.7%). This result does not indicate a risk associated with the gender profile of the organisation.

Whilst both equal pay and the gender pay gap deal with the disparity of pay women receive in the workplace, they are two different issues:

- Equal pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010; and
- The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings.

Table 2: All Staff - Total Mean and Median Salary includes allowances

	Basic FTE salary				Total FTE salary		
	Male	Female	% Difference		Male	Female	% Difference
Mean	£35,285	£38,507	9.1%		£35,915	£38,895	8.3%
Median	£29,384	£37,647	28.1%		£31,046	£37,647	21.3%
Count	231	239					

Source: Assembly Commission HR/Payroll IT System

Analysis:

The pay lead that women have over men has decreased from 31.1% to 28.1% (median for basic salary) and has decreased from 29.4% to 21.3% on median for total salary. The difference is caused by a number of factors:

- a high concentration of men in the TS grade (largely in the Security Team);
- a high concentration of women in the M-2 grade (largely Translators) who receive a skills-based recruitment and retention allowance; and
- the proportion of women at grade M1 who have greater length of service than men in those grades (Table 3). The shortening of pay scales which takes effect from 1 April 2019 will help to mitigate the length of service factor.

Actions:

- We will continue to review the gender profile of our workforce across service areas, identifying whether there are any barriers to recruitment and progression and taking necessary steps to address this; and
- We will also continue to review and monitor our allowances (which is in accordance with equal pay legislation).

Table 3: Breakdown of Grade by Gender*

Grade	Male	Female
Apprentice	1	1
TS	72	48
M-3	36	24
M-2	55	85
M-1	33	43
E-2	26	27
E-1	6	8
CEO and Directors	2	3

Source: Assembly Commission HR/Payroll IT System

*No staff have identified as non-binary

Table 4: Mean Salaries of Men and Women by Grade

Grade	Basic FTE mean salary				Total FTE mean salary		
	Male	Female	% Difference		Male	Female	% Difference
Apprentice	£17,383	£17,383	0.0%		£17,383	£17,383	0.0%
TS	£21,979	£21,492	-2.2%		£22,709	£21,715	-4.4%
M-3	£27,761	£28,422	2.4%		£28,220	£28,750	1.9%
M-2	£34,730	£35,428	2.0%		£35,401	£36,070	1.9%
M-1	£44,340	£45,535	2.7%		£44,815	£45,993	2.6%
E-2	£58,502	£58,273	-0.4%		£58,739	£58,273	-0.8%
E-1	£75,745	£75,745	0.0%		£77,007	£75,745	-1.6%
CEO and Directors	£101,346	£107,747	6.3%		£106,413	£107,747	1.3%

Source: Assembly Commission HR/Payroll IT System

Table 5: Median Salaries of Men and Women by Grade

Grade	Basic FTE median salary				Total FTE median salary		
	Male	Female	% Difference		Male	Female	% Difference
Apprentice	£17,383	£17,383	0.0%		£17,383	£17,383	0.0%
TS	£23,013	£23,013	0.0%		£23,013	£23,013	0.0%
M-3	£28,999	£28,999	0.0%		£28,999	£28,999	0.0%
M-2	£37,647	£37,647	0.0%		£37,647	£37,647	0.0%
M-1	£43,158	£47,626	10.4%		£43,158	£47,626	10.4%
E-2	£61,686	£61,686	0.0%		£61,686	£61,686	0.0%
E-1	£75,745	£75,745	0.0%		£75,745	£75,745	0.0%
CEO and Directors	£101,346	£101,346	0.0%		£106,413	£101,346	-4.8%

Source: Assembly Commission HR/Payroll IT System

Analysis:

- We have attempted to recruit more women into the Security Team over the last few years and whilst the increase in women security officers has been gradual it has been positive;
- M-1 pay band total salary differential of 10.4% is, in part, due to a higher number of women in the Translation and Reporting Service who are also in receipt of a recruitment and retention allowances for specialist roles. The gap has increased from the previous year (4.9%). There is also an element of comparative length of service contributing to this pay lead;

- The CEO and Directors differential of 0.0% basic and -4.8% total salary is due to the small cohort involved and to protect privacy of individuals it is not possible to analyse this data further.

Table 6: Distribution of Allowances as at 31 March 2019

	Temporary Working Allowance		Responsibility Allowance		Recruitment and Retention Allowance		Shift Disturbance Allowance	
	Male	Female	Male	Female	Male	Female	Male	Female
Total	7	2	4	2	12	24	12*	

Source: Assembly Commission HR/Payroll IT System

*merged for privacy

Analysis:

- In this reporting year, a total of 63 members of staff are in receipt of an allowance; and
- All specialist role allowances (with the exception of one type of skills based recruitment and retention allowance) came to an end on 31 March 2016, however the remaining allowance continues to be subject to ongoing review.

Action:

- Continue to monitor and review all allowances.

Table 7: Comparison between Full-time and Part-time Employees

	Basic FTE Salary						
	Male		Female		% Difference		
	Full-time (FT)	Part-time (PT)	Full-time (FT)	Part-time (PT)	Male PT vs Male FT	Female PT vs Female FT	Female PT vs Male FT
Mean	£35,676	£31,164	£38,467	£38,609	-12.6%	0.4%	8.2%
Median	£31,046	£28,999	£37,647	£37,647	-6.6%	0.0%	21.3%
Count	211	20	172	67			

	Total FTE Salary						
	Male		Female		% Difference		
	Full-time (FT)	Part-time (PT)	Full-time (FT)	Part-time (PT)	Male PT vs Male FT	Female PT vs Female FT	Female PT vs Male FT
Mean	£36,365	£31,164	£38,879	£38,937	-14.3%	0.2%	7.1%
Median	£32,653	£28,999	£37,647	£37,647	-11.2%	0.0%	15.3%
Count	211	20	172	67			

Source: Assembly Commission HR/Payroll IT System

Analysis:

- Part-time women earn more than full-time men – this again is due to the prevalence of men in the Security Team on TS pay band and the prevalence of women translators in the higher pay bands; and
- Last year Female PT versus Male FT difference in total median pay was 31.2%, compared to 15.3% this reporting year. Due to the small numbers concerned the data is sensitive to small changes e.g. a slight increase in the number of full-time and a slight decrease in the number of full-time men.

Age Analysis

Table 8: Analysis By Age Group

Age group	Mean Basic FTE Salary	Mean Total FTE Salary	Median Basic FTE Salary	Median Total FTE Salary	Count
Under 21	£18,559	£18,559	£18,338	£18,338	3
21-25	£24,295	£24,672	£23,013	£23,013	26
26-30	£27,674	£27,763	£26,905	£26,905	52
31-35	£34,580	£34,934	£34,303	£34,303	89
36-40	£40,215	£40,576	£37,647	£37,647	89
41-45	£42,929	£43,674	£37,647	£40,916	68
46-50	£41,474	£42,056	£37,647	£38,824	41
51-55	£42,620	£43,745	£37,647	£37,900	42
56-60	£38,547	£39,202	£28,999	£28,999	42
61-65	£32,155	£32,941	£23,013	£25,763	14
65+	£23,013	£23,013	£23,013	£23,013	4

Source: Assembly Commission HR/Payroll IT System

Analysis:

- As last year, the highest earners of total median salary are in 41-45 age bracket;
- Median salaries decrease for staff over 56 due to the predominance of older staff in the Security Team and Post Room at TS grade; and
- Based on the data presented, there does not appear to be a significant equal pay risk on grounds of age.

Disability Analysis

Table 9: Analysis by Disability Status

	Mean Basic FTE Salary	Mean Total FTE Salary	Median Basic FTE Salary	Median Total FTE Salary	Count
Disabled Staff	£32,324	£32,614	£29,384	£31,018	30
Non-Disabled Staff	£37,072	£37,575	£34,303	£34,499	410
No Reply	£39,484	£40,269	£37,647	£37,647	30

Source: Assembly Commission HR/Payroll IT System

Analysis:

- On a comparison of the entire workforce, rather than a grade by grade basis, staff who have declared themselves as disabled earn slightly less than staff who have reported that they are not disabled or who have not replied. However, due to the small numbers involved, the data is sensitive to even small changes in the cohort. As last year based on the data presented, there does not appear however, to be a significant equal pay risk for disabled staff.

Sexual Orientation Analysis

Table 10: Analysis by Sexual Orientation

	Mean Basic FTE Salary	Mean Total FTE Salary	Median Basic FTE Salary	Median Total FTE Salary	Count
Lesbian, Gay and Bisexual Staff (LGB)	£39,898	£40,733	£37,647	£37,647	18
Non-LGB Staff	£36,034	£36,516	£34,303	£34,499	369
No Reply/Prefer Not to Say	£40,233	£40,782	£37,647	£37,647	83

Source: Assembly Commission HR/Payroll IT System

Analysis:

- On a comparison of the entire workforce, rather than a grade by grade basis, staff who have declared themselves as LGB earn slightly more than those who identify as non-LGB and the same as those who have not replied. However, due to the small numbers involved, the data is sensitive to even small changes in the cohort. As last year, based on the data presented, there does not appear to be a significant equal pay risk for LGB staff.

Race Analysis

Table 11: Analysis by Race/Ethnicity

	Mean Basic FTE Salary	Mean Total FTE Salary	Median Basic FTE Salary	Median Total FTE Salary	Count
Black, Asian and Minority Ethnic (BAME) and other ethnic origin	£28,098	£28,360	£23,013	£23,013	21
Non-BAME Staff	£37,009	£37,510	£37,647	£37,647	435
No Reply/Prefer Not to Say	£47,512	£48,568	£37,647	£38,544	14

Source: Assembly Commission HR/Payroll IT System

Analysis:

- On a comparison of the entire workforce, rather than a grade by grade basis, staff who identify as White earn significantly more than those who identify as any other category (other than those who did not reply/prefer not to say). However, due to the small numbers involved in categories other than White, the data is sensitive to even small changes in these cohorts;
- Workforce monitoring data indicates that 51.9% of staff who identify as BAME are concentrated at the TS pay band (including apprentices);
- Our workforce data also indicates that 9.1% of staff who identify as BAME are at Executive and Senior level and 77.3% of staff who identify as BAME are in the lowest two pay bands.

- Pay difference for median total FTE salary for non-BAME vs BAME and other ethnic origin is 38.9%

This differential warrants further examination as we have identified similar differentials in previous reporting years for race/ethnicity. The actions we are continuing to take to address this via our BAME action plan and strategy to address underrepresentation are:

- supporting existing BAME staff to fulfil their learning and development and career aspirations;
- Developing and rolling out an unconscious bias training module for all staff;
- Utilising our REACH network and our Senior BAME Champion to identify any areas for improvement in the workplace;
- Undertaking an inclusion audit and further organisational review of recruitment effectiveness our recruitment practices and processes;
- Developing an Attraction, Retention and Reward strategy which includes working with external partners as an employer of choice, looking at our offering for work placements and how we attract the widest range of talented people; and
- Developing cultural awareness learning and development opportunities to offer to staff.

Nationality Analysis

Table 12: Analysis by Nationality

	Mean Basic FTE Salary	Mean Total FTE Salary	Median Basic FTE Salary	Median Total FTE Salary	Count
British or Mixed British	£36,922	£37,324	£32,685	£33,494	218
English	£30,076	£30,763	£28,999	£31,749	8
Irish or Scottish	£29,384	£32,653	£29,384	£32,653	1
Welsh	£37,532	£38,078	£37,647	£37,647	222
Other Nationality	£32,713	£33,263	£28,999	£30,023	10
No Reply	£34,154	£35,544	£28,999	£29,384	11

Source: Assembly Commission HR/Payroll IT System

Analysis:

- Based on the data presented, there does not appear to be a major equal pay risk based on nationality other than that already identified on grounds of ethnicity. However, due to the small numbers involved in categories identified as being other than British/Mixed British or Welsh, the data is sensitive to even small changes in these cohorts.

Religion or Belief Analysis

Table 13: Analysis by Religion or Belief

	Mean Basic FTE Salary	Mean Total FTE Salary	Median Basic FTE Salary	Median Total FTE Salary	Count
Agnostic	£39,944	£40,777	£37,647	£39,346	8
Atheist	£43,447	£43,120	£39,548	£39,346	28
Christianity	£38,537	£39,127	£37,647	£37,647	146
Muslim	£20,952	£22,052	£23,013	£23,013	5
Other (includes those religions with less than three followers in the Commission's workforce)	£27,680	£27,680	£23,013	£23,013	7
None	£34,245	£34,644	£29,384	£31,046	180
Prefer not to say	£39,560	£39,917	£37,647	£37,647	26
No Reply	£38,576	£39,281	£35,312	£35,312	70

Source: Assembly Commission HR/Payroll IT System

Analysis:

- Based on the data presented, there does not appear to be an equal pay risk based on religion or belief. Whilst the staff who identify as Muslim are on lower pay when compared with the entire workforce, this is due to all five of these staff being employed in the lower pay grades. None are currently employed in higher grades. The action points identified under the Race Analysis should also impact on this area. However, due to the small numbers involved in categories identified as being other than Christian or No Religion, the data is sensitive to even small changes in these cohorts.

Gender Pay Gap Reporting

The Gender Pay Gap calculations are as required by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. This differs from the calculations for our Equal Pay Audit (up to table 13) for a number of reasons. These include:

- Ordinary pay is calculated after salary sacrifice (e.g. for childcare vouchers, cycle to work scheme etc.) however, the childcare vouchers purchased by the salary sacrifice are excluded. This reduces the amount which is taken into account in the comparison. This has a greater effect on female hourly rates of pay than on male as women (in our workforce) are more likely to take advantage of the childcare voucher salary sacrifice scheme.
- The tables above are based on a snapshot of salary levels as at 31 March 2019. The calculations in Gender Pay Gap table are based on the salary for the whole of March and would therefore show a slightly lower figure if an employee had been promoted or received an incremental pay rise during the month of March.

The mean hourly rate for male and female employees under the specified method for Gender Pay Gap calculations was £18.69 and £20.28 respectively. The median hourly rate for male and female employees was £16.08 and £19.50 respectively.

We do not pay bonuses to any of our employees.

Table 14: Gender Pay Gap Reporting

		%
1. Mean gender pay gap – Ordinary pay		-8.49
2. Median gender pay gap – Ordinary pay		-21.26
3. Mean gender pay gap – Bonus pay in the 12 months ending 31 March		0.0
4. Median gender pay gap – Bonus pay in the 12 months ending 31 March		0.0
5. The proportion of male and female employees paid a bonus in the 12 months ending 31 March:	Male	0.0
	Female	0.0
6. Proportion of male and female employees in each quartile.		
Quartile	Female %	Male %
First (lower) quartile	42.6%	57.4%
Second quartile	41.7%	58.3%
Third quartile	57.4%	42.6%
Fourth (upper) quartile	56.5%	43.5%

Source: Assembly Commission HR/Payroll IT System

Analysis:

The median gender pay gap (ordinary pay for 2019 is a -21.26% pay lead for women. This has decreased from -29.39% last year which means the gap is decreasing. This is, at least in part, due to the length of service equalising between women and men, particularly at M-2 level. We still have more women at M-1 grade who have greater length of service than the men at that grade but the shortening of pay scales which took effect from 1 April 2019 will help to resolve this issue.

Ethnicity Pay Gap Reporting

In its Scrutiny of Accounts Report 2019, the Assembly's Public Accounts Committee recommended that

“the Assembly Commission builds on the work to engage with Black, Asian and Minority Ethnic Communities and leads the way across the Public Sector by including, in its annual report and accounts, disclosure of the ethnicity pay gap”.

We currently publish equal pay data on race/ethnicity (as we have done for previous annual reports). This year we have included a pay differential on equal pay on the grounds of race: difference for median total FTE salary for non-BAME vs BAME and other ethnic origin is 38.9%. This is explained by the prevalence of BAME staff in the lower pay grades.

We are awaiting the outcome of the UK Government's recent consultation on what its approach to Ethnicity pay gap reporting will be. The consultation closed in January 2019 and the timescales for reporting its findings are currently unknown. Nonetheless, we will continue to publish the equal pay differential for BAME and non-BAME pay and prioritise actions to address both BAME underrepresentation in our workforce and pay differentials.

In the meantime, we have used the gender pay gap calculation methodology to calculate our BAME pay gap which is **38.9%** (identical to our BAME equal pay differential), again attributed to BAME underrepresentation in senior, decision-making roles and not because BAME colleagues are paid less than non-BAME colleagues for the same job.

Improvement Actions

	Action	Lead	Target Date
1.	Continue to review our workforce profile across the protected characteristics (annual workforce diversity data monitoring) and use the outcomes of our recent review of recruitment to remove/minimise barriers to recruitment and progression.	HR	Ongoing
2.	Continue to monitor and periodically review any allowances (in accordance with Equal Pay Legislation).	HR	Ongoing
3.	Continue to implement our BAME action plan to address underrepresentation in our workforce, particularly from the M1 level paygrades and above.	HR	Ongoing