



Arolygiaeth Ei Fawrhydi dros Addysg a Hyfforddiant yng Nghymru
His Majesty's Inspectorate for Education and Training in Wales

Equal Pay Audit 2022

Introduction

1. In Estyn we support the principle of equal pay for work of equal value. We produce this Equal Pay Audit Report as part of our wider commitment to monitoring equality and to provide analysis and recommendations in relation to reward management policy and practice for our staff.
2. As a public body covered by the Public Sector Equality Duty (created by the Equality Act 2010), we are required to publish information demonstrating compliance with the duty, such as reporting on the gender pay gap. We are also covered by the Wales specific duties that requires us to consider pay gaps across all of the protected groups. This report helps us to meet this duty and supports the objectives of our Strategic Equality Plan, which can be found on our [website: www.estyn.gov.wales](http://www.estyn.gov.wales).
3. Our pay grade structure analogues with the structure adopted by Welsh Government for its staff and is underpinned by the same job evaluation schemes used by Welsh Government.
4. We currently operate an incremental progression pay system which would normally allow members of staff to reach the maximum of the pay scale within either two or three years of joining (dependant on grade), subject to satisfactory performance.
5. The current pay scales are set out below:

Job Role/Grade	Scale Point	Salary
Administrative Officers (AO)	1	£21,300
	2	£22,960
	3	£24,630
Executive Officer (EO)	1	£25,860
	2	£26,820
	3	£29,430
Higher Executive Officer (HEO)	1	£31,210
	2	£33,190
	3	£35,180
	4	£38,160
Senior Executive Officer (SEO)	1	£40,100
	2	£41,980
	3	£44,200
	4	£47,470
Grade 7	1	£51,380
	2	£54,280
	3	£57,190
	4	£61,440
Grade 6	1	£64,520
	2	£66,900
	3	£70,390
	4	£75,480

6. Joiners usually start on the minimum scale point for the grade but we may offer a higher starting salary within the scale in some circumstances in order to secure the best candidate and ensure value for money.
7. As part of the commitment to putting equal pay principles into practice we carry out regular monitoring of the impact of our pay practices. This equal pay audit uses existing human resource data to provide an overview of pay patterns across the organisation.

Context

8. Equal pay is now firmly part of the social and political agenda. Since the introduction of equal pay legislation in Britain in 1975, a series of government initiatives have been undertaken in order to address the gender gap in pay in the UK workforce.
9. The Equality Act 2010 (the Act) ensures consistency in what organisations need to do to make their workplace a fair environment and to comply with the law. While the Act does not require employers with a headcount of 250 employees or fewer to publicly declare their gender pay gaps, the Civil Service remains committed to promoting greater transparency on gender employment issues in the workplace, aligning to the Think, Act, Report reporting framework.
10. The 'equality of terms' provisions in the Act entitle a woman doing equal work of equal value with a man in the same employment, known as her comparator, to equality in pay and other terms and conditions. The Act automatically implies a sex equality clause into a contract of employment, ensuring that a women's contractual terms are no less favourable than a man's.
11. The Act retains the existing framework so a challenge to pay inequality, and other contractual terms and conditions, normally has to be made by comparison with a real comparator. However, the Act also permits a claim under sex discrimination of direct pay discrimination to be made if a claimant can provide evidence that shows they would have received better remuneration from their employer if they were of a different sex, even if there is no comparator.
12. It's a fundamental principle that we treat and reward all staff fairly and not to pay men and women differently for work of equal value.

What is an equal pay audit?

13. An equal pay audit is the most effective way for employers to establish if staff are paid fairly. An equal pay audit involves:
 - comparing the pay of men and women doing equal work
 - identifying any pay gaps
 - explaining and justifying gaps using objective criteria

- addressing any gaps that can't satisfactorily be explained on the grounds of work content
 - ongoing monitoring
14. Comparisons have been made against each grade population, comparing the pay of staff by gender on the basis of equal pay for work of equal value, therefore determining the true gender pay gaps between differing roles.
 15. The gathering of audit information is not regarded as an end in itself; it's used to understand our staff profile and provides a lever to good employment practice.

Data collection and methodology

16. A pay gap report gives details of pay comparisons between men and women by grade and by overall staff groupings. These analytical reports inform the equal pay audit and are summarised in this report. Detailed comparisons by grade are undertaken but not shown in this report as this would enable individuals to be identified.
17. The information covers the 111 staff directly employed by us and is accurate as at 31 March 2022. Senior Civil Servants are not included in this analysis as they are covered by centralised reward arrangements governed by Cabinet Office. The small population size would also potentially enable individuals to be identified.
18. Our overall organisational workforce equality profile is detailed in Annex A: Workforce profile on 31 March 2022.
19. The pay gap data indicates the percentage value of any pay gaps. Pay gaps are the best practice unit of measurement for comparing and analysing salary differentials within the protected characteristics. Pay gaps are shown as a negative percentage if the target group, for example females, are paid less on average within the comparator group. A pay gap does not indicate that men and women are being paid differently for equal work, but may indicate that, for example, there are more women in lower-paid roles and more men in higher-paid roles, which affects the average pay for each gender.
20. We compiled pay gap data for existing staff in post on 31 March 2022 on the following basis:
 - all staff: gender
 - part-time staff only: gender
 - full-time staff only: gender
 - disability
 - ethnicity
 - age: gender
 - length of service

21. Unless otherwise stated, the information in this report summarises the staff data drawn from the HR database and the groupings reflect our staff grading structure. Information is broken down by the two key staff categories: Central Services Staff (AO to Grade 7) and Inspection and Assistant Director Staff (Grade 6). Pay gaps in favour of men/non-protected characteristics are shown as negative (-) percentages; those in favour of women/protected characteristics are shown as positive (+) percentages.
22. The Equality and Human Rights Commission equal pay review kit advises that any gaps of 5% or more between the average pay of men and women in the same grade is 'significant' and should be investigated. The threshold for significance and recommended further investigation drops to gaps of 3% or more where there is a pattern of gaps favouring one gender.
23. All salary data is based on full time equivalent (FTE) salary.

Pay data analysis and evaluation

Gender

24. Chart 1 illustrates the composition of the workforce by gender and grade. There are a higher number of females compared to males in all grades, except Grades 6 and HEO where numbers are equal. AO and EO grades show the biggest variance with around double the amount of females compared to males. There are no males at SEO grade.

Chart 1: Gender breakdown by grade – All staff

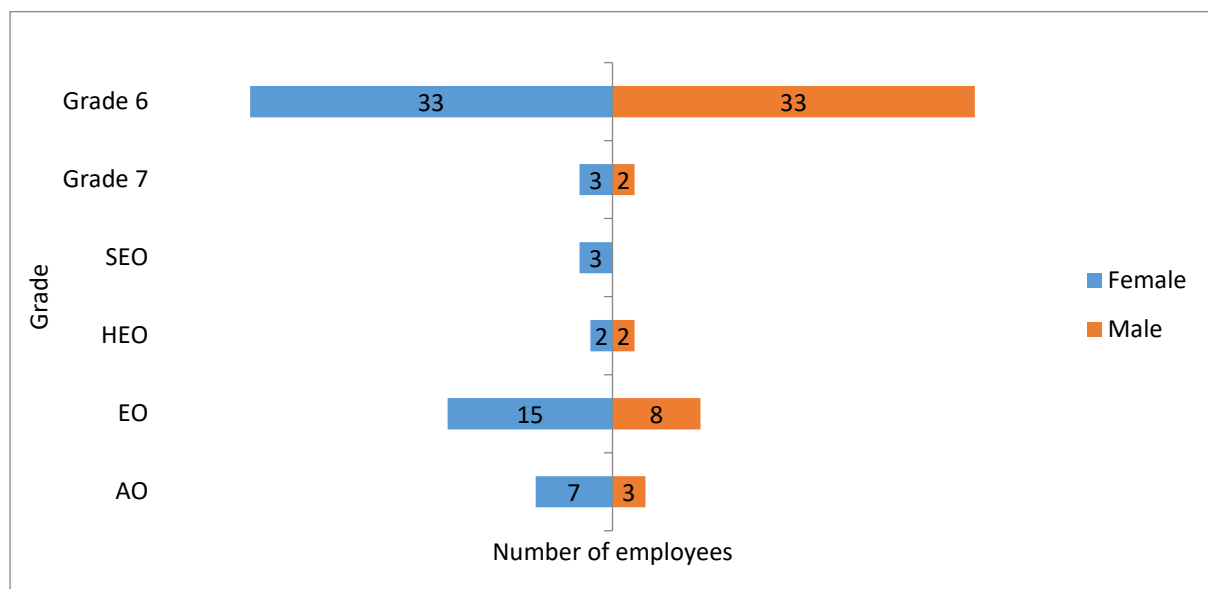
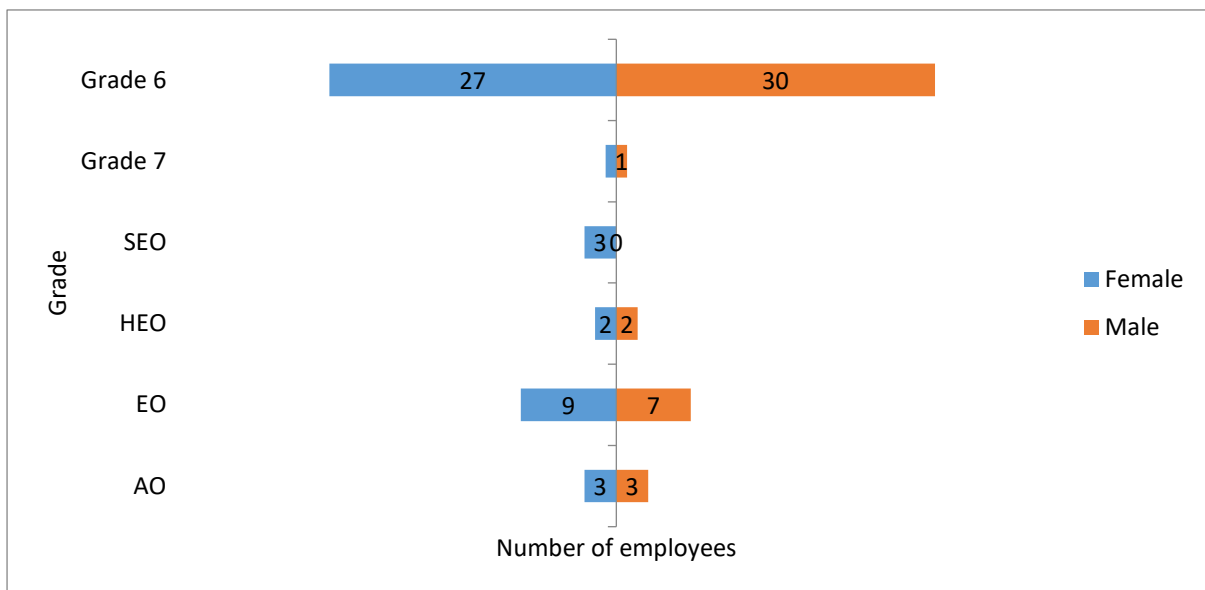


Chart 1.1: Gender breakdown by grade – Part-time staff



Chart 1.2: Gender breakdown by grade – Full-time staff



25. Table 1 calculates the average full time equivalent (FTE) salary of male and female members of staff in each grade. The table illustrates the average pay gap when comparisons are made within roles of the same grade (of equal work). Within Central Services there are no significant pay gaps. The pay gaps for each grade are due to length of service in post where staff are on different incremental points within the grades and because of the higher number of females in the AO and EO grades.

Table 1: Pay gap average salary and headcount

Inspection and Assistant Directors (Grade 6)

	Male		Female		Total	Pay Gap
	Average	Count	Average	Count	Average	
Grade 6	£74,888	33	£73,987	33	£74,438	-1.2%

Central Services

	Male		Female		Total	Pay Gap
	Average	Count	Average	Count	Average	
Grade 7	£56,410	2	£58,087	3	£57,248	+3%
SEO	-	0	£45,640	3	£45,640	-
HEO	£36,670	2	£38,160	2	£37,415	+4.1%
EO	£28,984	8	£28,542	15	£28,763	-1.5%
AO	£24,630	3	£24,391	7	£24,511	-1.0%
Total Average	£32,795	15	£32,879	30	£32,837	+0.3

Full time and Part time

26. Table 2 compares the gender pay gap separately for Grade 6 staff and Central Services staff, by working pattern. The overall pay gap for both groups of staff is not significant.
27. There is a significant pay gap between males and females who work part-time in Central Services which favours male employees. This gap is due to the higher number of females working part time in the AO and EO grades and length of service in post where staff are on different incremental points within the grade.
28. There is a significant pay gap between males and females who work full time in Central Services which favours female employees. This is due to the number of females who work full time in higher grades and no males at SEO grade.

Table 2: Working pattern pay gap

Inspection and Assistant Directors (Grade 6)

	Male		Female		Total	Pay Gap
	Average	Count	Average	Count	Average	
Part-time	£75,480	3	£75,480	6	£75,480	0.0%
Full-time	£74,829	30	£73,656	27	£74,273	-1.6%
All Grade 6	£74,888	33	£73,987	33	£74,438	-1.2%

Central Services

	Male		Female		Total	Pay Gap
	Average	Count	Average	Count	Average	
Part-time	£45,435	2	£33,165	12	£34,918	-27.0%
Full-time	£30,850	13	£32,688	18	£31,917	+6.0%
All Central Services	£32,795	15	£32,879	30	£32,851	+0.3%

29. Table 2.1 shows there is a higher proportion of females working part-time in lower grades compared to males.

Table 2.1: Part-time pay gap - Central Services

	Male		Female		Total	Pay Gap
	Average	Count	Average	Count	Average	
Grade 7	£61,440	1	£61,440	2	£61,440	0.0%
SEO	N/A	N/A	N/A	N/A	N/A	N/A
HEO	N/A	N/A	N/A	N/A	N/A	N/A
EO	£29,430	1	£29,430	6	£29,430	0.0%
AO	N/A	N/A	£24,630	4	£24,630	N/A

30. In Table 2.2, there are no significant pay gaps. Where there is a pay gap (for example in favour of female full-time HEOs and male EO and AOs) this is due to length of service in post where staff are on different incremental points within the grade.

Table 2.2: Full-time pay gap - Central Services

	Male		Female		Total	Pay Gap
	Average	Count	Average	Count	Average	
Grade 7	£51,380	1	£51,380	1	£51,380	0.0%
SEO	N/A	N/A	£45,640	3	£45,640	N/A
HEO	£36,670	2	£38,160	2	£37,415	+4.1%
EO	£28,920	7	£27,950	6	£28,374	-3.4%
AO	£24,630	3	£24,073	6	£24,352	-2.3%

Disability

31. Eleven individuals (9.9% of all staff) identify themselves as disabled. This is lower than the Civil Service where 13.6% are disabled (Source: [Civil Service Diversity and Inclusion Dashboard www.gov.uk](http://www.gov.uk)).
32. As of 31 March 2022, 3 members of staff have not declared their disability status and 97 declared a non-disabled status.
33. The overall pay gap for each of the applicable grades (+9.5%) is in favour of staff with a disability. There is no significant pay gap at any applicable grade. Care should be taken when interpreting these figures, due to the very small numbers of staff declaring a disability.
34. Table 3 shows there is a significant pay gap in favour of those not known to be disabled in Central Services. This is due to the number of staff declaring a disability working in lower grades. The numbers are too low to report by grade or the count in each business area without risk of individuals being identified.

Table 3: Disability pay gap

	Declared a disability	Not known to be disabled	Total	Pay Gap
	Average	Average	Average	
Inspection and Assistant Directors (Grade 6)	£75,480	£74,294	£74,438	+1.6%
Central Services	£27,830	£33,210	£32,851	-16.2%

Race

35. Ethnic minorities are underrepresented at 1.8% compared with the Civil Service where 14.3% are ethnic minorities (Source: [Civil Service Diversity and Inclusion Dashboard www.gov.uk](http://www.gov.uk)) but more consistent with the ethnic minority population of Wales of 5.0% ([Equality and diversity statistics: 2018-2020 www.gov.wales](http://www.gov.wales)). The numbers are too low to report by grade without risk of individuals being identified.
36. The pay gap between members of staff who identify themselves as white and all other colleagues has been calculated. There is no significant pay gap at any applicable grade. Where there is a pay gap it is in favour of staff declaring themselves as from an ethnic minority background. Care should be taken when interpreting these figures, due to the very small numbers of staff identifying themselves as from an ethnic minority background.

Age

37. Table 4 shows the number of staff within each grade by age band. This highlights the varied age profile of the majority of grades.

Table4: Grade breakdown by age band

	20-29	30-39	40-49	50-59	60+	Total
Grade 6	0	2	16	34	14	66
Grade 7	0	0	3	1	1	5
SEO	0	0	2	1	0	3
HEO	0	1	1	2	0	4
EO	4	8	7	2	2	23
AO	3	2	2	1	2	10
Grand total	7	13	31	41	19	111

38. Table 5 compares the gender pay gap by age band separately for Grade 6 staff and Central Services.

Table 5: Gender pay gap by age band

Inspection and Assistant Directors (Grade 6)

	Male		Female		Pay Gap
	Average	Count	Average	Count	
20-29	N/A	N/A	N/A	N/A	N/A
30-39	£75,480	1	£66,900	1	-11.4%
40-49	£73,038	8	£74,110	8	+1.5%
50-59	£75,480	17	£73,732	17	-2.3%
60+	£75,480	7	£75,480	7	0.0%
Total	£74,888	33	£73,781	33	-1.5%

Central Services

	Male		Female		Pay Gap
	Average	Count	Average	Count	
20-29	£26,138	4	£24,893	3	-4.8%
30-39	£31,347	3	£27,485	8	-12.4%
40-49	£32,860	5	£38,278	10	+16.5%
50-59	£38,160	1	£38,427	6	+0.7%
60+	£45,435	2	£26,230	3	-42.3%
Total	£32,795	15	£32,879	30	+0.3%

39. There is a significant pay gap at Grade 6 for the 30-39 age range. This is due to length of service in post where staff are on different incremental points within the grade.
40. There is no significant pay gap overall within Central Services. There is a lot of variation across each of the age bands for Central Services staff with three significant pay gaps mainly due to the grade profile of staff in those age groups. For example, men aged 40-49 are in the lower grades and females spread across the AO-HEO grades. This is in contrast to staff in the 60+ age group, where the pay gap is more favourable towards male colleagues, at -42.3%, as a larger proportion of females age 60+ are in lower grades. It's the same for those aged 30-39 and 20-29. Some variance across all age groups and grade is due to length of service in post where staff are on different incremental points within the grade.

Table 6 – Gender pay gap by age and grade - Central Services

	20-29	30-39	40-49	50-59	60+	Total
Grade 7	.	.	+9.8%	.	.	+3%
SEO
HEO	.	.	.	0.0%	.	+4.1%
EO	-6.5%	-3.5%	0.0%	.	0.00%	-1.5%
AO	-6.8%	.	0.0%	.	.	+1.2%
Grand total – Central Services	-4.8%	-12.4%	+16.5%	+0.7%	-42.3%	+0.3%

Length of Service

41. Subject to satisfactory performance, all staff progress through the relevant pay scale for their grade and reach the maximum of the grade within three years. Length of service is the key factor for any pay gaps. There is no distinction (trend difference) in the relationship between salary and length of service for men and women who have worked within a particular grade for three or more years.
42. Data held for Protected Characteristics is not sufficiently robust to report on pay gaps throughout the working career of individuals.
43. Assurance can be taken from the fact that all staff appointments are made in compliance with the Civil Service Recruitment Guidelines – with annual compliance returns being made.

Next steps

44. We will:
 - continue to monitor and report on diversity data e.g. in recruitment to tailor the diversity and equality needs for any future recruitment campaigns, access to training opportunities and staff profile and take action to address any issues arising from analysis of the data
 - continue to undertake job evaluations for new and existing posts where a significant change is made in responsibilities
 - carry out an equal pay audit every three years – the next audit will be undertaken in 2025.

Annex A: Workforce profile on 31 March 2022

Due to rounding figures may not add to exactly 100 per cent.

Gender

	Number	Percentage
Male	48	43%
Female	63	57%

Ethnicity

	Number	Percentage
White	109	98%
Ethnic minority	*	*%
Ethnic origin not known	*	*%

* Not reported as fewer than 5 individuals

Disability

	Number	Percentage
Disabled	11	10%
Not known to be disabled (a)	100	90%

(a) Includes 97 staff who are not disabled, and an additional three staff who did not declare a disability.

Age

	20-29	30-39	40-49	50-59	60+
Number	7	13	31	41	19
Percentage	6%	12%	28%	37%	17%