



EQUAL PAY REVIEW

The Insolvency Service

March 2003

1. Introduction

The Insolvency Service (The Service) has been an Executive Agency of the DTI since March 1990. It operates principally in England and Wales, administering and investigating the affairs of bankrupts, and companies that are in compulsory liquidation.

The Service is managed by the Inspector General (SCS pay band) who is supported by two Deputy Inspectors General (who are also members of the SCS). The Service employs a further 1347 staff. The staff numbers are divided into insolvency specialists of which there are 610 and administrative staff of which there are 737. The equal pay review does not include members of the SCS. Some 322 staff are based in The Service's HQ in London, Birmingham and Edinburgh with 1025 in a network of 33 offices in England and Wales.

There are 20 ranges (grades) split between London and National. The ranges are tabled below showing the number of staff by gender.

Range	Old Eq.	Male	%	P/T	Female	%	P/T
A1L	AA	18	35	0	33	65	10
A1N		42	31	0	92	69	26
A2L	AO	50	40	2	75	60	7
A2N		110	37	8	190	63	41
B1L	EO	28	49	2	29	51	5
B1N		33	39	0	51	61	10
B2L	HEO	14	56	1	11	44	1
B2N		8	53	0	7	47	1
B3L	EO/HEO	67	71	4	28	29	6
B3N		149	60	8	100	40	35
C1L	SEO	4	50	1	4	50	0
C1N		1	50	1	1	50	0
C2L	SEO	33	50	1	33	50	14
C2N		50	79	0	13	21	3
D1L	G7	2	40	0	3	60	0
D1N		7	70	0	3	30	0

D2L	G7	23	96	0	1	4	0
D2N		19	86	0	3	14	0
D3L	G6	5	83	0	1	17	0
D3N		5	83	0	0	17	0
Total		668	49.59%	28	678	50.41%	159

*Total percentage actual figure – others are rounded up.

2. Approach/Methodology

The Insolvency Service undertook a Grading and Pay Review between June 2001 and April 2002. Consultants were appointed to look at all aspects of The Service's pay and performance management systems that have been in place since 1 August 1998.

Within their initial review and in the light of reports concerning the equality of pay amongst staff they conducted a provisional equality audit of existing pay rates for staff. Whilst the methodology was simplistic, the intention was to highlight any potential anomalies that may exist and allow further investigation. The following data compares the current average salary of female and male employees in post within each grade from data as at 1 August 2001.

Grade	Location	Female	% Variance	Male	% Variance	Grade Average
A1	London	14628	103.41%	13028	92.10%	14145
	National	10713	102.04%	9908	94.37%	10499
A2	London	15775	100.83%	15361	98.19%	15644
	National	12560	100.78%	12268	98.44%	12463
B1	London	18094	96.65%	19309	103.15%	18721
	National	16696	99.22%	16927	100.59%	16828
B2	London	23084	99.81%	22918	99.09%	23129
	National	21181	97.08%	22314	102.27%	21818
B3	London	23275	95.46%	24804	101.73%	24382
	National	22868	97.01%	24080	102.15%	23574
C1	London	33092	102.35%	31380	97.06%	32331
	National					
C2	London	32996	97.72%	34389	101.84%	33767
	National	31729	94.04%	34252	101.52%	33740
D1	London	38944	101.20%	38193	99.25%	38482
	National	38251	100.11%	37789	98.90%	38209
D2*	London	40842	93.64%	45281	103.82%	43616
	National	39137	88.14%	43732	98.49%	44403
D3*	London	52942	100.84%	52459	99.92%	52502
	National					

On balance there does not seem to be any degree of inequity amongst female and male staff in relation to the grade averages.

However, no account was made for length of service in grade and salary position within the respective grade. In response to this important dimension and to the concerns surrounding equity within the public sector, the consultants agreed that a comprehensive equality review process should be undertaken in line with Cabinet Office guidance once the Grading and Pay Review (GPR) was completed.

3. Scope of the Review & Detailed Analysis

By including length of service in a range against the rate of pay in issue it was noticeable that there was a considerable deviation in some ranges between genders. However, it was clear that a lot of the problems have occurred due to previous pay systems, whether it be by the awards provided, pay on promotion (pay overtaking), re-grading, maternity leave (including off pay) and sick leave (off pay).

Each range from A1 London to D3 National was plotted to see what effect length of service had on pay and to try and identify those 'eye catching' staff that were deviating off the median line.

The review looked at contributory factors such as gender gaps by range, working hours, recruitment, promotion, career breaks and lengthy periods off pay.

4. Analysis Outcome and Required Actions

The outcome and required actions resulting from our review played a major role in designing the pay remit for the years 2002/3 and 2003/4. The remit was put together following the GPR and the data we had that showed each range had possible equal pay claims. The result was a new pay system that was to achieve specific objectives:

- provide a closer link between the weight of a job and the pay for it - *improved value for money from the pay bill*.
- be sufficiently flexible to respond to changing business needs and conditions and to reflect market influences - *flexibility*.
- be sufficiently transparent to encourage a perception of fairness amongst all staff - *equity*
- offer incentives to and rewards for good performance - *stronger links between pay and performance*
- be simple to understand and therefore to operate - *simplicity*
- provide the ability to recruit, retain and motivate staff - *meets business needs*
- enable The Service to deal with changing business requirements - *supporting our business needs*
- better control of the pay bill and better value for money from it - *value for money and flexibility*.

5. Affordability

The Service spent between June 2002 and December 2002 arguing for the adoption of its pay remit to fund the necessary changes to its pay system whilst providing a pay settlement to staff. We have now a clear and transparent progression system which guarantees pay increases year on year up to the target rate.

6. Timing

The new pay system has already been implemented with effect from August 2002. The new Performance Management system has been completed and will be used for the staff appraisal dated 1 April 2003 to 31 March 2004.

7. TUS and Staff Participation

The Trade Unions (Prospect and PCS) have been involved throughout the GPR, including meetings with the consultants and regular meetings through the process of agreeing and implementing the pay system.

The consultants travelled the country giving pay forums to The Service's staff. This allowed them to hear the complaints, ideas and general views of the staff on all areas of The Service's policies that involved pay, recruitment and retention, etc.

8. Future Reviews and Monitoring

Both The Service and Trade Unions will keep monitoring the new pay and performance management system over the next two years.

9. Full Review and Data

This is available from The Service and is available to the Department of Trade and Industry and Cabinet Office on request.

10. Conclusion

The Service accepts that the results of this review are far from conclusive but show that there may be possible equal pay challenges in the next few years until the new pay system erodes the current inequities in pay.

With the application of the new pay system; The Service has accepted its responsibility for equal pay for work of equal value and this will be achieved within a minimum period of time in the range.

**HR Pay Policy
March 2003**