

PERSONNEL COMMITTEE - TUESDAY, 28 MARCH 2023

Report of the Director Finance, Governance and Contracts

Part A

GENDER PAY GAP AS AT 31ST MARCH 2022

Purpose of Report

Personnel Committee to note the Council's Gender Pay Gap report based on the snapshot date of 31 March 2022 and agree the recommendations set out below.

Recommendation

That Personnel Committee note the details of the Gender Pay Gap report.

Reason

To note the information outlined within the Gender Pay Gap report as required under The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The Act requires public sector employers with 250 or more employees on the snapshot date of 31 March each year to carry out gender pay analysis and reporting.

Policy Justification and Previous Decisions

The Government requires that gender pay is analysed and reported on each year. The information was issued to the Senior Leadership Team on 21st December 2022 and to the Joint Management & Trade Unions Meeting on 18th January 2023. This is the sixth annual Gender Pay Gap report produced by the Council.

Implementation Timetable including Future Decisions

It is a requirement that the information is published on the website before 31st March each year. The gender pay gap data has been published in accordance with those requirements.

Report Implications

Financial Implications

There are no immediate financial implications arising from this decision.

Risk Management

There are no specific risks associated with this decision.

Equality and Diversity

The Gender Pay Gap data analysis is considered against an action plan which has been established to put measures in place to address the issue of a gender pay gap.

Climate Change and Carbon Impact

None identified.

Crime and Disorder

None identified.

Wards Affected

Not applicable.

Publicity Arrangements

Not applicable.

Consultations

Not applicable

Links to the Corporate Strategy

Caring for the Environment	No
Healthy Communities	No
A Thriving Economy	No
Your Council	Yes

Key Decision: No

Background Papers: Gender Pay Gap Action Plan

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Part B

Background

Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires public sector employers with 250 or more employees on the snapshot date of 31 March each given year, to carry out gender pay analysis and reporting.

The gender pay gap report must set out the Council's results in relation to:

Mean Gender Pay Gap	The difference between the mean hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees
Median Gender Pay Gap	The difference between the median hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees
Mean Bonus Gap	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
Median Bonus Gap	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
Bonus Proportions	The proportions of male and female relevant employees who were paid bonus during the relevant period
Quartile Pay Bands	The proportions of male and female full pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands

The Council is required to publish the results on our website by 31 March each year. In addition, the results must also be published on a specified government website.

The Government considers that the rate of progress in terms of closing the gender pay gap continues to be too slow and has committed to closing the gap within a generation. Gov.uk has outlined some potential actions for employers to consider.

The gender pay gap reporting requirements enable employers to compare the gender pay gap in its own organisation and look at ways to close the gap if an issue arises.

The data analysed relates to all "employees" of the Council and includes those under a contract of service, apprenticeship or a contract to do work personally. The analysis is based on all individual employees and not full-time equivalents. The pay is based on ordinary pay which includes basic pay (hourly rate), occupational pension benefits, contractual enhancements and sick pay. The hourly rate is used as it takes account of the fact that more men than women work full time. It excludes expenses, overtime pay, pay in lieu of leave, benefits in kind, redundancy pay and other payments transferable to termination.

Gender Pay Gap Outcomes as at 31 March 2022

Gender Pay Gap Analysis

The results of the 6 required calculations are outlined below, based on the data obtained for the snapshot date of 31 March 2022.

The Council employed 486 eligible individuals on the snapshot date. This is a drop from the previous period of 504 which was made up of 212 male employees and 292 female employees. It should be noted that 18 of these were casuals working on the snapshot date of 31 March 2022. All casual employees were in the lower quartile, 4 of which were male and 14 female. When split into gender the figures are as follows:

Gender	Number of Employees	Percentage Difference
Female	289	59%
Male	197	41%

Mean Gender Pay Gap

The mean gender pay gap is the difference between the mean hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees.

Gender	Hourly Rate	Percentage Difference for Gender Pay Gap
Female	£14.47	14.2%
Male	£16.87	

The average hourly rate of female employees' is 14.2% lower than male employees. The gap has increased from 12.9% as at 31 March 2021 with the mean hourly rate as at that date being £14.39 for females and £16.52 for males.

The mean is calculated by adding up all the relevant earnings of employees and dividing that figure by the number of employees. A mean average gives a good overall indication of the gender pay gap, but very large or small pay rates can "dominate" and distort the answer.

Median Gender Pay Gap

The difference between the median hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees.

Gender	Hourly Rate	Percentage Difference for Gender Pay Gap
Female	£13.10	14.1%
Male	£15.25	

The median hourly rate of female employees' is 14.1% lower than male employees. In accordance with the Annual Survey of Hours and Earnings – Gender Pay Gap in the UK - Office for National Statistics (ONS) 2022 the longer-term trend of the gender pay

gap for all employees (full and part time) is 14.9%. Therefore, the Council's median gender pay gap remains less than this national statistic.

Overall, this data shows that women earn 86p for every £1 that men earn when comparing median hourly wages.

Mean Bonus Gap

The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.

The Council does not consider that it pays bonus in accordance with the criteria set out and therefore reporting on this element is not applicable.

Median Bonus Gap

The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.

The Council does not consider that it pays bonus in accordance with the criteria set out and therefore reporting on this element is not applicable.

Bonus Proportions

The proportions of male and female relevant employees who were paid bonus during the relevant period.

The Council does not consider that it pays bonus in accordance with the criteria set out and therefore reporting on this element is not applicable.

Quartile Pay Bands

The proportions of male and female full pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

Quartile	Gender	Number of Employees	Percentage of Total	Percentage in Each Quartile
Upper Quartile	Male	69	14%	56.5%
	Female	53	11%	43.5%
	Total	122	25%	100%
Upper Middle Quartile	Male	48	10%	40%
	Female	73	15%	60%
	Total	121	25%	100%
Lower Middle Quartile	Male	43	9%	35%
	Female	79	16%	65%
	Total	122	25%	100%
Lower Quartile	Male	37	8%	30.5%
	Female	84	17%	69.5%
	Total	121	25%	100%

There is a relatively even split of males and females in the Upper Quartile and a greater differential in all other quartiles. The data highlights that females have increased in the upper middle quartile, but reduced marginally in all other quartiles. Male employees have remained the same in the upper quartile, decreased most notably in the upper middle quartile and then decreased slightly in the lower quartiles. The largest change as reflected above is in the upper middle quartile with females increasing by 5 and males reducing by 10.

The Upper Middle Quartile, Lower Middle Quartile and Lower Quartile outline larger differences in the number of male and female employees in those categories. This is consistent with the previous reporting years, particularly with the Lower Middle Quartile and Lower Quartile. The headcount of the Council has reduced from 504 to 486 for this reporting period and the figures in the quartiles reflect this.

The proportion of males and females in the upper quartile has remained the same as in the previous reporting year, with 14% of that quartile being male and 11% female. This is despite there being less females in the upper quartile than the previous reporting period, but the calculation is based on a smaller headcount than in that period. The percentages in the lower middle quartile and the lower quartile have remained the same as the previous reporting year. . The greatest change has been in the upper middle quartile as females have increased from 13.5% to 15% and males have reduced from 11.5% to 10% of the total workforce.

Overall, females occupy 43.5% of the highest paid jobs and 69.5% of the lowest paid jobs.

Analysis of Full and Part Time Employees in each Quartile

Gender.	Full Time		Part Time		Full Total	Part Time		Part Total	Grand Total		
	Female	%	Male	%		Female	%			Male	%
UPPER QUARTILE	35	28.5%	63	51.5%	98	18	15%	6	5%	24	122
UPPER MIDDLE QUARTILE	52	43%	44	36%	96	21	17.5%	4	3.5%	25	121
LOWER MIDDLE QUARTILE	39	32%	32	26%	71	40	33%	11	9%	51	122
LOWER QUARTILE	19	15.5%	18	15%	37	65	54%	19	15.5%	84	121
Grand Total	145		157		302	144		40		184	486

In order to analyse the quartiles further, an additional piece of reporting was conducted into the breakdown of full and part time staff, by gender, in each quartile as evidenced in the table above.

All quartiles show that females significantly occupy more part time posts than male employees. In the lower and lower middle quartiles there are 105 part time female employees and 30 part time male employees.

The table further demonstrates that there is a greater proportion of full-time males in the upper quartile (63 males and 35 females). This is in line with last years reporting data. In the upper middle quartile the number of full time male employees has

decreased from 54 to 44 and the number of full time female employees has increased from 46 to 52.

Overall there are fewer male employees (197) than female employees (289). The calculations for the gender pay gap do not require an employer to distinguish between full time and part time employees. However, an analysis of this data is helpful in understanding the pattern of employment within the figures and how this may impact upon the gender pay gap as outlined above.

Findings

The findings of the data analysed as at 31 March 2022 again show that there are groups who would typically fall within the lower middle quartiles (plumber, electrician, gas fitter, joiner) who receive enhancements, such as standby allowance, that is resulting in them falling in the upper quartiles. These payments increase the overall hourly rate of those in receipt of the enhancements. The key areas highlighted are traditionally male dominated. Despite openly advertising positions, the Council has struggled to recruit female employees in these areas.

Analysing the data in more detail, the proportion of males and females in the upper quartile has remained the same as in the previous reporting year, with 14% of that quartile being male and 11% female. This is despite there being less females in the upper quartile than the previous reporting period, but the calculation is based on a smaller headcount than in that period. The percentages in the lower middle quartile and the lower quartile have also remained the same as the previous reporting year. The greatest change has been in the upper middle quartile as females have increased from 13.5% to 15% and males have reduced from 11.5% to 10% of the total workforce.

Whilst the percentage changes are marginal, compared to the previous reporting period there are 4 less females in the upper quartile and 5 more in the upper middle quartile. The number of males remains the same in the upper quartile and 10 less males in the upper middle quartile. There are 5 more females in the lower and lower middle quartiles and 5 less males. It should be noted that very large or small pay rates within a quartile can “dominate” the overall gender pay gap and have an impact on that figure.

The data also shows us that females occupy 43.5% of the highest paid jobs and 69.5% of the lowest paid jobs.

There are also significantly more part time female employees in the lower quartiles (105 part time females and 30 part time males). The upper quartile shows the biggest differential with a greater proportion of full time male employees (63 full time males compared to 35 full time females). There has been a change in the upper middle quartile as there are now more full time female employees at 52 than full time male employees at 44. In the last reporting period there were 46 full time females and 54 full time males. Once again, this confirms that there has been a greater reduction in full time males in the upper middle quartile. The data shows that when looking at a comparison of the the most populated quartile, there are 63 full time males in the upper quartile and 65 part time females in the lower quartile. This could show that part time working has an impact on the figures alongside the impact of very high and low pay rates within those quartiles.

In terms of the quartiles, it should be noted that the pay grades do not fit neatly into each quartile. In order to establish each quartile, the total number of full pay relevant employees (not the pay bands) was split into four equal parts. Therefore, this means that grades may appear in more than one quartile. Additionally, factors such as enhancements can increase an individual's position within the quartiles from a lower quartile to a higher quartile.

There continue to be more female and part time employees on the lower pay scales and, in general, the posts that they occupy do not require them to undertake the duties that some other posts receive enhancements for.

Essential car user allowance is aligned to a number of posts within the Council, with those employees receiving a monthly lump sum. The essential car user lump sum is increasing some employees' salaries which is placing them in a higher quartile. As outlined earlier, the increase is more significant for part time employees as the lump sum amount was not pro-rated in this reporting period.

Charnwood Borough Council is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. Employees are paid equally for the same or equivalent work and alongside its policies and working practices, the Council:

- carries out Equal Pay Audits at regular intervals
- evaluates posts through an agreed job evaluation process
- analyses gender pay gap information and considers approaches to closing the gap.

Overall it is considered that the Council has a good representation of male and female employees at senior level. The majority of Council employees are female with 145 full time and 144 part time. There are a greater number of full-time males at 157 but significantly less part time males at 40.

As in the previous year's the information analysed indicates that the gender pay gap does not stem from paying men and women differently for the same or equivalent work. The gender pay gap appears to relate to factors such as the occupation that men and women choose to undertake within the organisation, salaries that these roles attract and the proportion of men and women working part time or full time.

However, a range of enhancements have had an impact upon the results within the quartiles and these could be considered to have had an impact upon the results between male and female employees.

There has been a review of the Gender Pay Gap Action Plan attached at Appendix A. This was undertaken by the Equalities Group and submitted to Personnel Committee for comments in July of this year. The action plan sets out key objectives to improve the gender pay gap including:

- promoting gender representation throughout the recruitment process

- promoting opportunities to support progression
- raising confidence in applicants to apply for positions
- monitoring recruitment and selection promotions within the council
- monitoring feedback from staff exiting the organisation
- gaining feedback on gender balance
- monitoring the gender pattern of take up of agile working opportunities, and
- promoting a more consistent approach to flexible working across the council.

The action plan will remain under review and it is hoped the actions will lead to a reduction in the gender pay gap.

The Council implemented an Agile Working Policy effective from 1 April 2021. This was developed to reflect the change in the way of working; with the need for greater flexibility and a further need to attract and retain employees. Over time we will be better able to analyse the impact that this may have had on the gender pay gap.

A review of the Council's recruitment and selection process is being progressed as part of a working group. Part of the considerations of that review are to identify ways in which we can attract a greater range of candidates to our posts. Moving forward it is hoped that this can assist in helping with our gender pay gap.

It should be noted that the Council continues to have a gender pay gap percentage that is lower than the national statistic as set out in section 2.3 of this report.

Appendices

Gender Pay Gap Action Plan