

PERSONNEL COMMITTEE – 13TH OCTOBER 2020

Report of the Head of Strategic Support

Part A

ITEM 7 GENDER PAY GAP INFORMATION

Purpose of the Report

Personnel Committee to note the Council's Gender Pay Gap report based on the snapshot date of 31st March 2019 and agree the recommendations set out below.

This report has been deferred from the Committee's meeting on 24th March 2020 after that meeting and the subsequent meeting scheduled for 2nd June 2020 were cancelled due to the Coronavirus.

Recommendation

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

Ordinarily, the Council is required to publish the results of the Gender Pay Gap on the Gov.UK site before 31st March each year. Due to the Coronavirus pandemic, the enforcement of publishing this information has been suspended this year. However, as an authority we did publish the information on the Gov.Uk site in accordance with the usual deadline. Once Personnel Committee have noted the details of the Gender Pay Gap the information will also be published on the Council's intranet.

Reason

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.

Policy Justification and Previous Decisions

The Government requires that gender pay is analysed and reported on each year. The information was discussed at SLT on 7th January 2020 and JMTUM on 23rd January 2020. This is the third 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. In order to meet that timescale, the gender pay gap report has been published on the Council's internet.

Report Implications

The following implications have been identified for this report

Financial Implications

There are no immediate financial implications arising from this decision.

Risk Management

There are no specific risks associated with this decision.

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Part B

Background

1.0 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.

2. Gender Pay Gap Outcomes as at 31 March 2019

2.1 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 2019.

The Council employed 551 eligible individuals on the snapshot date. It should be noted that 49 of these were casuals working on the snapshot date of 31 March 2018. When split into gender the figures are as follows:

Gender	Number of Employees	Percentage Difference
Female	326	59%
Male	225	41%

2.2 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	£13.09	12.6%
Male	£14.99	

The average hourly rate of female employees' is 12.6% lower than male employees'. The gap has increased from 11.7% as at 31 March 2018 but remains lower than the 12.8% published in the first gender pay gap as at 31 March 2017. The mean hourly rate for both male and females has marginally increased for this period (£12.79 female and £14.49 male as at 31 March 2018).

The mean is calculated by adding up all of 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.

The table below analyses the average hourly rate in more detail. The data demonstrates that when comparing the average hourly rate of males and females in each of the quartiles; females are paid higher, on average, than males in the lower, upper middle and upper quartile. Male employees are paid higher, on average, than female employees in the lower middle quartile.

Analysing the data further the figures show that there are significantly more female employees in the lower middle quartile (35 full time and 61 part time) than males (29 full time and 13 part time). The lower quartile is made up of more female employees (20 full time and 77 part time) than males (10 full time and 30 part time). This could show that part time working has an impact on the figures. Where there are a higher proportion of part time males than full time in the lower quartile, this has created a gender pay gap in favour of females. Conversely, where there are a lower proportion of part time males than full time in the lower middle quartile, this has created an average hourly rate in favour of males.

It could be determined from this that the proportion of men and women working part time or in different occupations has an impact on the gender pay gap figures. This does not highlight that there is a difference in rates of pay for comparable jobs.

	Female			Male			Total Headcount	Total Total Hourly Rate	Total Average of Hourly Rate
	Headcount	Total Hourly Rate	Average of Hourly Rate	Headcount	Total Hourly Rate	Average of Hourly Rate			
Lower middle quartile	96	1080.65	11.26	42	490.65	11.68	138.00	1571.30	11.39
Lower quartile	97	910.02	9.38	40	365.69	9.14	137.00	1275.72	9.31
Upper middle quartile	73	1039.39	14.24	65	909.92	14.00	138.00	1949.31	14.13
Upper quartile	60	1238.44	20.64	78	1605.97	20.59	138.00	2844.41	20.61
Average Grand Total	326	4268.50	13.09	225	3372.24	14.99	551.00	7640.74	13.87

2.3 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	£11.67	15.6%
Male	£13.83	

The median hourly rate of female employees' is 15.6% lower than male employees' (17.6% as at 31 March 2018). In accordance with the Annual Survey of Hours and Earnings – Gender Pay Gap in the UK - Office for National Statistics (ONS) 2019 the gender pay gap for all employees (full and part time) is 17.3%. Therefore, the Council's median gender pay gap is less than this national statistic, and improved by 2% since the 2018 reporting period.

The ONS attributes the figure of 17.3% as being driven by more women working in part time jobs, which have lower hourly median pay than full time jobs, and are more likely to be in lower paid occupations. This is reflected at the Council where there are significantly more females in part time lower paid jobs than males.

The median measure is the middle of the distribution and as a measure of average pay is useful in indicating the typical situation, i.e. the middle pay point of an organisation. Research indicates that it is generally considered that this figure is a useful indicator in pay analysis as it is not distorted by very large or small pay rates.

Median Hourly Rate	£13.88					
	Female	Percentage	Male	Percentage	All Employees	Percentage
Including and below	223	68%	118	52%	341	62%
Above	103	32%	107	48%	210	38%
	326	100%	225	100%	551	100%

The figures above represent the number and percentage of employees who are paid above the overall median hourly rate of £13.88 for the Council and those that are paid at or below that rate. The table demonstrates that there is a relatively even split in terms of numbers for female and male staff paid above the median rate (103

female and 107 male). However, there are 101 more female employees undertaking employment at the Council, the majority of which are paid at or below the median hourly rate. This could show that occupations undertaken by postholders has an impact on the gender pay gap.

2.4 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.

2.5 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.

2.6 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.

2.7 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	78	14%	56%
	Female	60	11%	44%
Upper Middle Quartile	Male	65	12%	47%
	Female	73	13%	53%
Lower Middle Quartile	Male	42	8%	31%
	Female	96	17%	69%
Lower Quartile	Male	40	7%	29%
	Female	97	18%	71%

There is a relatively even split of males and females in the Upper Middle Quartile and to a slightly lesser extent in the Upper Quartile, this pattern has remained consistent from the previous reporting year.

The Lower Middle Quartile and Lower Quartile outline larger differences in the split between male and female employees. This is again consistent with the previous

reporting year, with the 2019 figures reflecting slight differences in the overall percentages.

These sections show that there is a greater proportion of males in the Upper Quartile and Upper Middle Quartile, although the figures are not significantly different. In the Lower Middle Quartile and Lower Quartile there are a higher proportion of females. The lower quartiles highlight a far greater split between male and female employees.

2.8 Analysis of Full and Part Time Employees in each Quartile

Gender.												
	Full Time				Full Total	Part Time				Part Total	Grand Total	
	Female	%	Male	%		Female	%	Male	%			
UPPER QUARTILE	37	27%	71	51%	108	23	17%	7	5%	30	138	
UPPER MIDDLE QUARTILE	48	35%	60	43%	108	25	18%	5	4%	30	138	
LOWER MIDDLE QUARTILE	35	25.5%	29	21%	64	61	44%	13	9.5%	74	138	
LOWER QUARTILE	20	15%	10	7%	30	77	56%	30	22%	107	137	
Grand Total	140		170		310	186		55		241	551	

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. This is reflected particularly in the Lower Middle Quartile and the Lower Quartile.

There have been small shifts throughout for all male and female employees, in particular, part time females in the lower quartile have increased from 65 to 77. The remaining figures for part time males and females in the remaining quartiles remain relatively consistent with the 2018 reporting year.

The table further demonstrates that there is a greater percentage of full time males in the upper and upper middle quartiles.

Overall there are fewer male employees (225) than female employees (326). 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.

3. Findings

- 3.1 The findings of the data analysed as at 31 March 2019 are similar to the findings for the last two periods of analysis at 31 March 2017 and 2018.
- 3.2 The upper quartiles highlight 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. This increases 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 in these areas.

- 3.3 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 is not pro-rated.
- 3.4 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.
- 3.5 As the data is based on relevant employees on the snapshot date of 31 March each year, this year the Council have recorded 49 casual workers as part of the 551 considered for gender pay gap. Of those casuals 19 were male, with 2 of those in the lower middle quartile and 17 in the lower quartile. There were 30 females with 1 in the lower middle quartile, 1 in the upper quartile and the remaining 28 in the lower quartile. This has increased lower level female part time workers when compared to male part time workers and this will have had some impact on the gender pay figure.
- 3.6 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.
- 3.7 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.
- 3.8 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 140 full time and 186 part time. There are a greater amount of full time males at 170 but significantly less part time males at 55.
- 3.9 The data outlined within this report demonstrates that when comparing the average hourly rate of males and females in each of the quartiles; females are paid higher, on average, than males in the lower, upper middle and upper quartile. Male employees are paid higher, on average, than female

employees in the lower middle quartile. It is possible that having less male than female employees impacts the figures.

- 3.10 Analysing the data further the figures show that there are significantly more female employees in the lower middle quartile (35 full time and 61 part time) than males (29 full time and 13 part time). The lower quartile is made up of more female employees (20 full time and 77 part time) than males (10 full time and 30 part time). This could show that part time working has an impact on the figures. Where there are a higher proportion of part time males than full time in the lower quartile, this has created an average hourly rate in favour of females. Conversely, where there are a lower proportion of part time males than full time in the lower middle quartile, this has shown to have an average hourly rate in favour of males.
- 3.11 As in the previous year 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.
- 3.12 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.
- 3.13 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.