

PERSONNEL COMMITTEE – 12TH JUNE 2018

Report of the Head of Strategic Support

Part A

ITEM 8 GENDER PAY GAP INFORMATION

Purpose of the Report

The Personnel Committee to note the Council's Gender Pay Gap report based on the snapshot date of 31st March 2017.

Recommendation

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

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 31st 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 SMT on 31st January 2018 and JMTUM on 19th April 2018.

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.

Background Papers: None

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Part B

1. Background

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 has published its results on its website prior to the 31st March 2018. In addition, the results have also been published on the relevant government website.

The Government considers that the rate of progress in terms of closing the gender pay gap is too slow, and has committed to closing the gap within a generation. 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.

Gender pay analysis is different to the equal pay audit analysis that is carried out separately. Gender pay shows the average difference between the earnings of men and women. Equal pay analyses if men and women are getting equal pay for doing equal work.

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

The results of the 6 required calculations are outlined below, based on the data obtained for the snapshot date of 31st March 2017.

The Council employed 494 eligible individuals on the snapshot date, when split into gender the figures are as follows:

Gender	Number of Employees	Percentage Difference
Female	284	57.5%
Male	210	42.5%

3. 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.

A mean average involves adding up all of the hourly rates and dividing the result by how many numbers were in the list.

Gender	Hourly Rate	Percentage Difference for Gender Pay Gap
Female	£12.96	12.8%
Male	£14.86	

The average hourly rate of female employees' is 12.8% lower than male employees'.

4. 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.

A median point involves listing all of the hourly rates in numerical order. If there is an odd number of results, the median is the middle number. If there is an even number of results, the median will be the mean of the two central numbers.

Gender	Hourly Rate	Percentage Difference for Gender Pay Gap
Female	£11.58	17.0%
Male	£13.95	

The median hourly rate of female employees' is 17% lower than male employees'. In accordance with the Annual Survey of Hours and Earnings – Office for National Statistics (ONS) 2016 the gender pay gap for full and part time employees was 18.1% in 2016. Therefore the Council's gender pay gap is less than this national statistic.

5. 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.

6. 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.

7. 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.

8. 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	72	15%	59%
	Female	51	10%	41%
Upper Middle Quartile	Male	57	11.5%	46%
	Female	67	13.5%	54%
Lower Middle Quartile	Male	40	8 %	33%
	Female	83	17%	67%
Lower Quartile	Male	41	8 %	33%
	Female	83	17%	67%

There is a relatively even split of males and females in the Upper Middle Quartile. However, as outlined in the table the Upper Quartile, Lower Middle Quartile and Lower Quartile outline some differences. These sections show that there is a greater proportion of males in the Upper Quartile. In the Lower Middle Quartile and Lower Quartile there is a higher proportion of females.

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	31	25%	67	55%	98	20	16%	5	4%	25	123
UPPER MIDDLE QUARTILE	43	35%	54	44%	97	23	19%	3	2%	26	123
LOWER MIDDLE QUARTILE	37	30%	33	26.5%	70	47	38%	7	5.5%	54	124
LOWER QUARTILE	26	21%	25	20%	51	57	46%	16	13%	73	124
Grand Total	137		179		316	147		31		178	494

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. The table above highlights those results.

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.

9. Summary

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, enhancements can increase an individual's position within the quartiles from a lower quartile to a higher quartile.

The reason for this is that the enhancements, such as standby allowance, received by some individuals' in particular posts increase the average hourly rate. There are some areas of work that attract the standby allowance, and these could be considered to be traditionally male dominated. Therefore the Council has struggled to recruit women in these areas.

In comparison, there are more female and part time employees on the lower pay scales and the posts that they occupy do not require them to undertake the duties that some other posts receive enhancements for. This therefore reflects a difference in the gender pay as in some areas there are currently only male employees in those posts.

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.

Based on the information analysed the gender pay gap does not appear to stem from paying men and women differently for the same or equivalent work in principle. It is observed that the gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract. However, 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 the male and female employees.