

## EMPLOYMENT AND APPEALS COMMITTEE

27 March 2019

### GENDER PAY GAP

#### Report of the Strategic Director for Resources

Strategic Aim:	Sound Financial and Workforce Planning	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr O Hemsley, Leader and Portfolio Holder for Rutland One Public Estate and Growth, Tourism and Economic Development, Communications and Resources (other than Finance)	
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Ward Councillors	N/A	

#### DECISION RECOMMENDATIONS

That the Committee notes the Council's Gender Pay Gap data for 31 March 2018 and the commentary/comparison to our previous year report.

#### 1 PURPOSE OF THE REPORT

- 1.1 From 2017, organisations that employ 250 or more must publish and report specific data about their Gender Pay Gap. In accordance with the new regulations, Rutland published its first report in 2018 for data 'as at 31 March 2017'. This was reported to Employment and Appeals Committee in July 2018.
- 1.2 This report informs Members of our second year's data and some comparator data across the region, together with some contextual information on Gender Pay Gap.

## 2 GENDER PAY GAP REPORTING

2.1 The Gender Pay Gap is defined as the difference between the pay of men and women. For reporting purposes, there are two measures:

- Median hourly pay
- Mean (average) hourly pay.

Each is represented as the percentage of the difference with men's pay. Therefore, where men are paid more than women, the pay gap will be 'positive'. Negative pay gaps are represented as minus percentages.

2.2 Gender Pay gap is not about men and women being paid differently for the same job – this would be unlawful. In Rutland, we use a job evaluation scheme to evaluate a role and this establishes a grade which is equally applied to male and female employees. Rutland has also carried out a sample Equal Pay Audit – the overall findings provided no areas of concern.

2.3 The data used to calculate our Gender Pay Gap covers all employees of Rutland Council except those based in Schools. Included are staff permanently and temporarily employed as at the effective reporting date – i.e. 31 March.

2.4 For reporting purposes, 'pay' includes – basic pay, paid leave (including annual leave, sick leave, maternity, paternity, adoption and parental leave), allowances, shift premium pay. Employees at Rutland do not receive bonus payments. 'Pay' does not include – overtime pay, expenses, redundancy payments and tax credits.

## 3 HOW DID WE DO?

3.1 Below shows our comparator data for the first two years of reporting:

For data as at 31.3.17 we reported		For data as at 31.3.18 we will be reporting	
Median	12.3%	Median	-1.54%
Mean (average)	14.2%	Mean (average)	5.7%

**Our data for 31 March 2018 shows that our gender pay gap has narrowed.**

This shows a shift of percentage points against both the Median and Mean, and in particular:

a) With a 5.7% Mean pay gap, women earn, on average, 94.3p for every £1 a man earns

Compared to women's earnings as at 31 March 2017 which was 85.8p for every £1 a man earns, but

b) With a minus percentage of Median pay at -1.54% (as at 31 March 2018) this means the Median value of women's pay is £1.01 for every £1 a man earns.

Compared to women's earnings as at 31 March 2017 which was 87.7p for every £1 a man earns.

3.2 The actual change in hourly rates have been

	2017	2018	Difference
<b>Median</b>			
Female	£11.62	£12.50	Up 88p
Male	£13.25	£12.31	Down 94p
<b>Mean (average)</b>			
Female	£12.75	£13.89	Up £1.14
male	£14.86	£14.73	Down 13p

This represents an increase in the hourly rates for females and a decrease in the hourly rates for male employees – **hence the change in our overall %age figures.**

## 4 EXPLAINING THE GAP

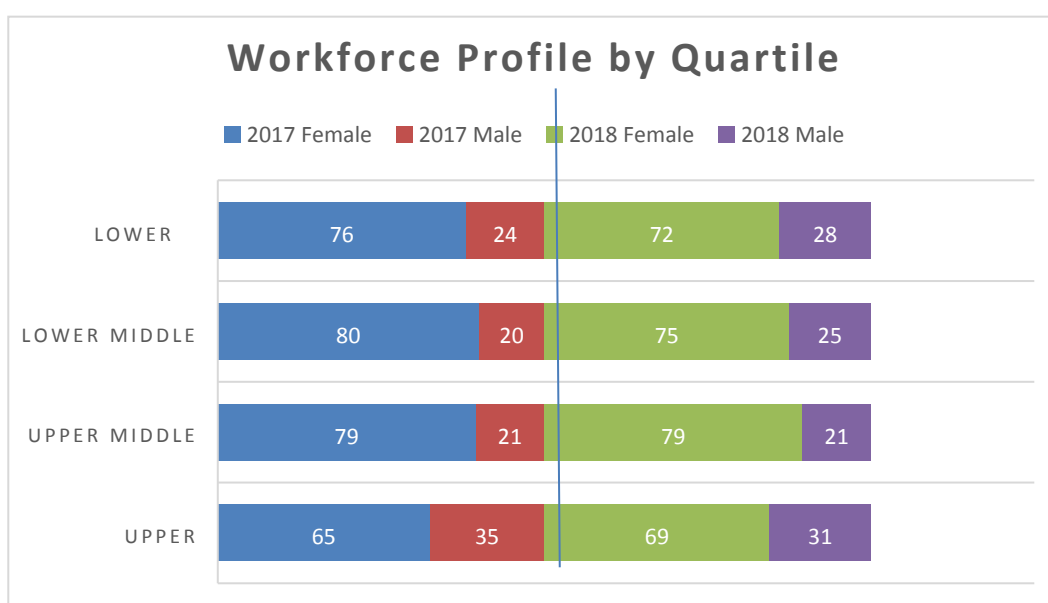
4.1 The causes of Gender Pay Gap are complex and overlapping but we know that contributory factors are: workforce profiles and the nature of roles and services e.g. services that have not been outsourced but tend to be supported by a predominant female or male workforce. To help explain this in more detail and to delve further into the organisation, we have based our analysis on some models and guidance developed by the Government Equalities Office and the Behavioural Insights Team.

4.2 Median and Mean salaries are affected by the profile of the workforce (see para 4.3 below) and natural changes through the year such as turnover and recruitment which may affect where in the job grade a new employee commences their employment. Para 4.5 explains that turnover of male employees has been slightly higher than female when compared to the profile of the workforce.

### 4.3 Workforce Profile

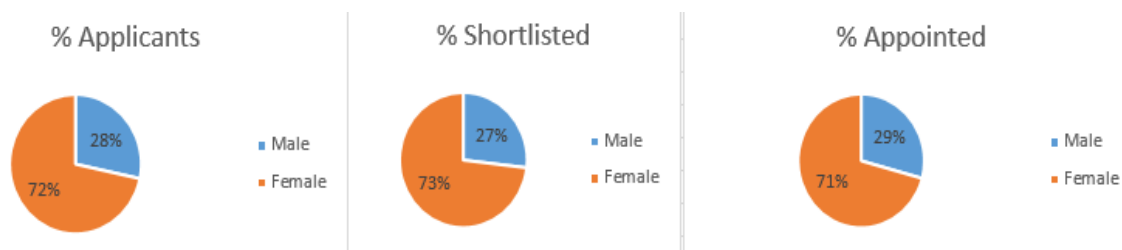
4.3.1 At Rutland, we know that our workforce is predominantly female – there has been little variance between 2017 and 2018 and this is replicated across the pay quartiles as below. Overall, as at 31 March 2018 – 74% of the workforce are female and 26% are male.

*Definition of Pay Quartiles = the proportion of male and female relevant employees in four quartile bands. To do this we rank all relevant employees from highest to lower and then divide into four equal parts ('quartiles').*



### 4.4 Gender imbalance in recruitment and promotion

4.4.1 To avoid any imbalance, we should expect to see men and women applying for roles and promotion that match the composition of the staff group. If we look at the balance of our overall recruitment in 2017/18 by gender, we find:



4.4.2 We also know, from our quartile data that the proportion of women in the upper pay quartiles has increased between 2017 and 2018 so this would not indicate any imbalance in the chances/opportunities of promotion for women.

#### 4.5 Analysis of leavers

4.5.1 If women were leaving the organisation more quickly than men, this could contribute to a Gender Pay Gap, particularly if this was occurring in more senior roles. Of all leavers in 2017-18 – 30% were Male and 70% were Female. To understand this in more detail, our leaver data for 2017/18 shows

Grade range	% of all leavers	Female	Male
Appr to Scale 6	59%	79%	21%
SO1 to PO2	33%	59%	41%
PO3 to PO5	2%	0	100%
HOS/Directors	2%	0	100%
Other	5%	67%	33%

4.5.2 Compared to the workforce profile of 74% female and 26% male, there is a slightly higher turnover of male employees – given that new joiners generally commence employment lower in the pay scale, this would contribute to a lowering of the average hourly rate for men (see para 4.6).

Note

*Appr to Scale 6 = Apprenticeship posts and posts of a support and administrative nature*

*SO1 to PO2 – Management roles and senior officer/specialist roles*

*PO3 to PO5 – Team Manager and Service Manager Roles*

*HOS/Directors – Posts on Chief Officer Terms and Conditions, Heads of Service, Directors and Chief Executive*

*Other – employees on other Terms and Conditions eg. Tutors, Youth Workers.*

#### 4.6 Aspects of pay (eg starting salaries) by gender

4.6.1 Rutland evaluates all its roles through a Job Evaluation Scheme - the grade then determines the pay band which contains incremental pay points. Therefore men and women doing comparable work receive the same pay band. Variations will only occur depending on length of service.

#### 4.7 Support for Part-time staff

4.7.1 In Rutland 47% of the workforce are part-time. Of these a significantly high proportion (82.3%) are female. Across the staff groups, this looks like:

	Female	Male
Appr to Scale 6	80%	20%
SO1 to PO2	94%	6%
PO3 to PO5	100%	0
HOS/Directors	0	0
Other	84%	16%

- 4.7.2 This indicates a low proportion of part time roles at a more senior level. The Council has a Flexible Working policy which is accessible to all; our review in 2019 of this policy should include a reflection on how roles at a more senior level could be supported and undertaken more flexibly.

## 5 HOW DO WE COMPARE TO OTHERS?

- 5.1 Comparator data for 31 March 2018 is not yet available, but we now know from the first years' reporting that 77% of organisations had a Gender Pay Gap in favour of men but the trend is that this is reducing across all sectors. Comparator data for 31 March 2017 was as follows – whilst higher than the rate across all Local Authorities our rate was lower than the Whole Economy.

	Median	Mean (average)
<b>As at 31.3.17 our data was</b>	<b>12.3%</b>	<b>14.2%</b>
Whole Economy (ONS Annual survey)	18.4%	17.4%
Local Government	5.0%	6.8%
Unitary Councils	7.4%	NK
Councils across the East Midlands	4.2%	NK
Nottinghamshire County Council	25.37%	12.33%
Derbyshire County Council	25.3%	13.7%
Leicestershire County Council	20%	18%
Lincolnshire County Council	13.3%	11.1%
Peterborough City Council	4.7%	8.9%
Leicester City Council	3.12%	0.46%
Nottingham City Council	2.6%	4.2%
Derby City Council	-0.2%	2.7%

- 5.2 We will undertake analysis of comparator data for 31 March 2018 data when available after the March 2019 reporting deadline.

## 6 CONSULTATION

- 6.1 There are no further consultation requirements arising from this report.

## **7 ALTERNATIVE OPTIONS**

- 7.1 The Council is required to publish its Gender Pay Gap data by 30 March for data as at 31 March the preceding year – there are no alternative options.

## **8 FINANCIAL IMPLICATIONS**

- 8.1 There are no financial implications arising from this report. The Council ensures it complies with Equal Pay legislation – any challenge could be costly in an Employment Tribunal and reputational damage.

## **9 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 9.1 As an employer of 250+ employees, we are required to publish our annual Gender Pay Gap Data as specified in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

## **10 DATA PROTECTION IMPLICATIONS**

- 10.1 A Data Protection Impact Assessments (DPIA) has not been completed as there are no risks/issues identified to the rights of individuals or personal data

## **11 EQUALITY IMPACT ASSESSMENT**

- 11.1 An Equality Impact Assessment (EqIA) has been completed. No adverse or other significant issues were found. A copy of the EqIA can be obtained from the Head of Human Resources.

## **12 COMMUNITY SAFETY IMPLICATIONS**

- 12.1 There are no Community Safety implications arising from this report.

## **13 HEALTH AND WELLBEING IMPLICATIONS**

- 13.1 There are no Health and Wellbeing implications.

## **14 ORGANISATIONAL IMPLICATIONS**

- 14.1 Human Resource implications – Gender Pay Gaps do not reflect gaps in Equal Pay. The Council, as part of its equality and workforce strategies will continue to monitor pay across its staff groups.

## **15 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 15.1 This report is provided to Employment and Appeals Committee for their information.

## **16 BACKGROUND PAPERS**

- 16.1 There are no additional background papers to the report.

## **17 APPENDICES**

- 17.1 There are no appendices to the report..

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.