

# Executive Board Report

Thursday, 7 March 2019



**Report of:** Deputy Chief Executive, Head of Corporate and Customer Services

**Report Title:** Gender Pay Gap

**Classification:** Open

## Decision information

<b>Lead Officer</b>	Esther Watt, Corporate Information Manager <i>esther_watt@n-kesteven.gov.uk</i>
<b>Key decision?</b>	N
<b>Recommendation to Council?</b>	No
<b>Relevant Overview and Scrutiny Panel</b>	Performance and Resources OSP
<b>District Wards Affected</b>	(All Wards);
<b>Division</b>	Corporate and Customer Services
<b>Relevant Corporate Priority</b>	Our Council;

## A. Purpose of Report / Situation

- To inform the Executive Board of the Pay Gap between male and female employees as at 31 March 2018.

## B. Recommendations

1. That the report be noted.
2. That a future report be submitted to the Executive Board presenting further findings of the Pay Gap between male and female employees once all public sector organisations have published their data.

### **C. Finance and risk implications**

There are no financial implications arising directly from this report.

Completed by: Accountant 22/01/2019

### **D. Human Resources Comments**

NKDC are confident that their Resourcing Policy is positive to any gender and works to ensure no discrimination is applied under the Equality Act definitions. HR works closely with unions on all related policies and procedures and Equal Pay is audited through the Job Evaluation system.

Completed by: H R Manager 21/01/19

### **E. Legal implications**

To comply with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

### **F. Impact Assessments**

An Equality Impact Assessment is attached at the end of the report detailing the key equality implications.

Completed by: Corporate Information Manager 21/01/19

No Data Protection Impact Assessment required. The report's recommendations will not result in any data protection impacts now or in the future.

Completed by: Corporate Information Manager 21/01/19

No SIA required. The report's recommendations will not result in any sustainability impact assessments now or in the future.

Completed by: Sustainability Policy and Programme Manager 21/1/19

### **G. Consultation and communications**

The Council will publish the results of its gender pay gap on its corporate website and the Government's online reporting service.

## H. Report details / background

### 1. Equality Act 2010

- 1.1 Following the introduction of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, organisations of 250 or more employers must publish specific figures about their gender pay gap. There are six calculations to carry out, which must be published on the Council's corporate website and also on the government's online reporting service. This is now a legal requirement and must be completed by 31 March 2019.
- 1.2 The Council already has a number of policies in place to ensure transparency, fairness and equality: -
  - Resourcing Policy, which demonstrates the Council will not discriminate, or tolerate discriminatory behaviour, on the grounds of gender, or other protected characteristics. This ensures the achievement of recruitment will be approached with fairness and with equality of opportunity.
  - Equal Opportunities Policy, which shows the Council is committed to the implementation and maintenance of employment practices which will ensure that no potential or current colleague is treated less favourably on the grounds of their gender or other protected characteristics.
  - To comply with equal pay legislation, the Council operates a recognised job evaluation scheme, through which equal pay is audited.
  - HR works closely and engages with the Trade Unions at a corporate level on all HR related policies and procedures, whilst developing and sustaining strong links with colleagues, senior management and Trade Unions.
  - Exit interviews are undertaken to gain feedback on employment experiences.
- 1.3 It should be noted that gender pay reporting is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. By contrast the gender pay gap shows the difference in the average pay between all men and women in a workforce. As per equality legislation, the Council ensures that men and women receive equal pay for equal work and are confident that they have fair and transparent pay arrangements in place.
- 1.4 Sections 2-5 below set out the information which must be published by 31 March 2019.

## **2. Gender Pay Gap as a Mean Average**

- 2.1 The mean gender pay gap at North Kesteven District Council is 10.5%.
- 2.2 The mean hourly rate for male employees is £14.04, alongside the mean hourly rate for female employees at £12.57.

## **3. Gender Pay Gap as a Median Average**

- 3.1 The median gender pay gap at North Kesteven District Council is -0.4%.
- 3.2 The median hourly rate for male employees is £11.70, alongside the median hourly rate for female employees at £11.74.

## **4. Gender Pay Gap in Quartiles**

- 4.1 The table below shows there are more female employees in the lower, lower middle and upper middle quartiles. However, in the upper quartile, there are more male employees.

	<b>Male Employees</b>	<b>Female Employees</b>
<b>Upper Quartile</b>	58%	42%
<b>Upper Middle Quartile</b>	31%	69%
<b>Lower Middle Quartile</b>	43%	57%
<b>Lower Quartile</b>	47%	53%

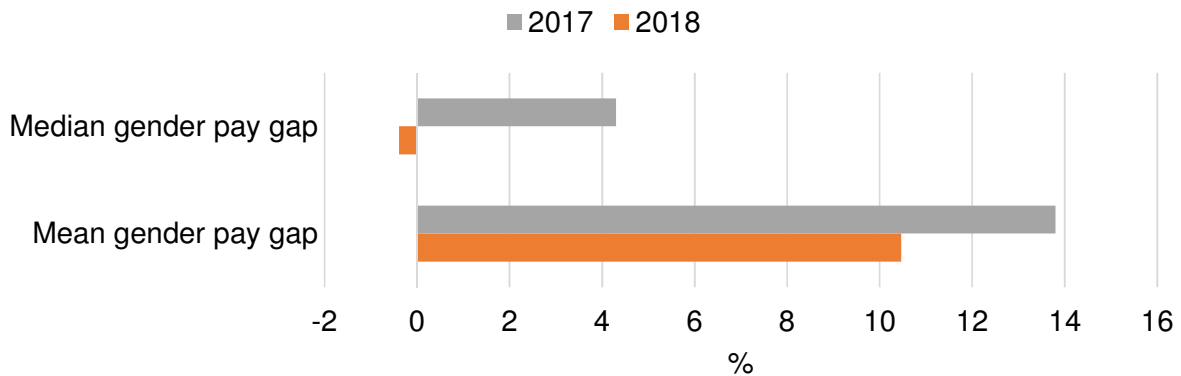
## **5. Gender Pay Gap in relation to Bonuses**

- 5.1 As the Council does not award bonuses, the three calculations in relation to this are not applicable.

## **6. Comparison between 2017 and 2018 Figures**

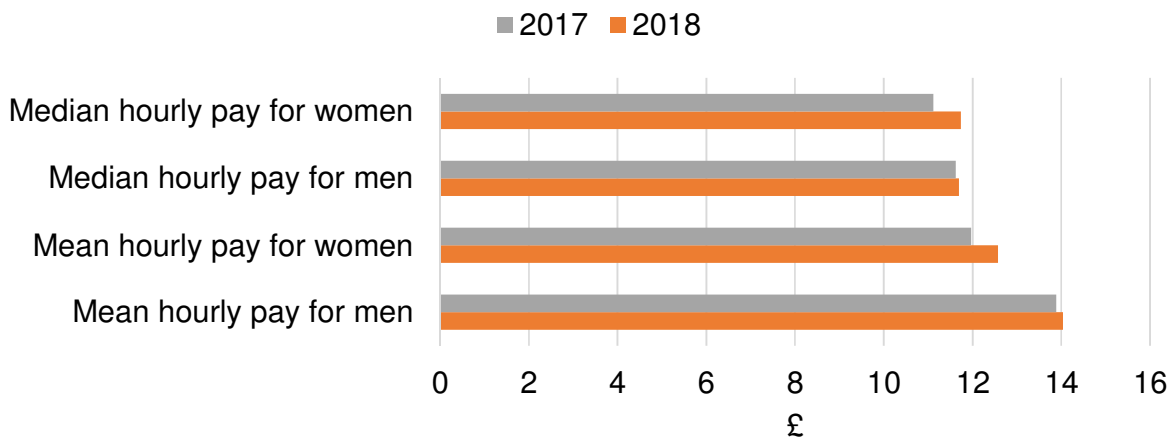
- 6.1 The mean gender pay gap has reduced from 13.8% in 2017 to 10.5% in 2018, whilst the median gender pay gap has reduced from 4.3% in 2017 to -0.4% in 2018.

### Average gender pay gap in hourly pay as a percentage of men's pay



6.2 Both the mean and median hourly rates have increased for men and women from 2017 to 2018, but the increase has been larger for women.

### Average hourly rate for employees by gender



6.3 The percentage of women in the upper quartile has increased slightly, whilst the number of men in the lower quartile has increased. This has contributed to the reduction in the gender pay gap.

6.4 The percentage of women in the lower middle quartile has increased by a small amount, whereas the percentage of each gender in the upper middle quartile remains the same.

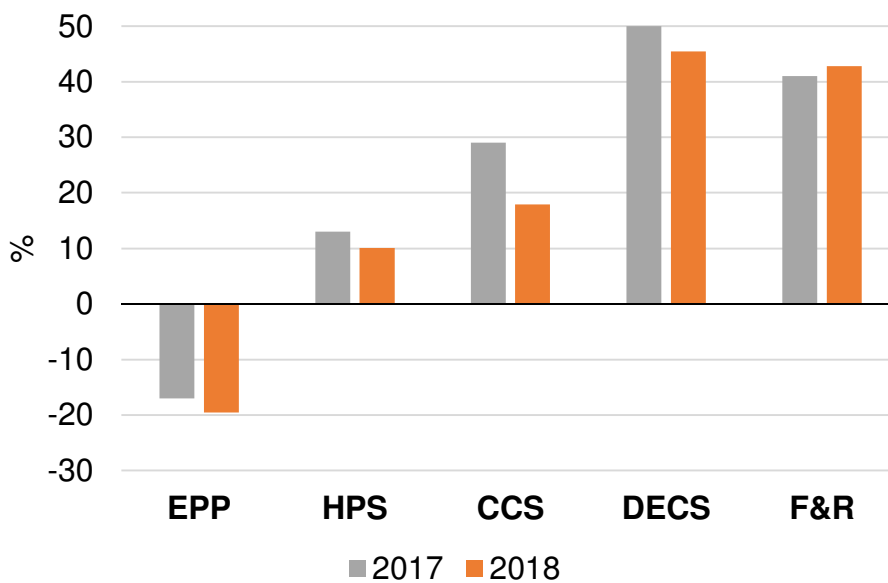
	2017		2018	
	Male	Female	Male	Female
<b>Upper quartile</b>	60%	40%	58%	42%
<b>Upper middle quartile</b>	31%	69%	31%	69%
<b>Lower middle quartile</b>	45%	55%	43%	57%
<b>Lower quartile</b>	43%	57%	47%	53%

## 7. Divisional Pay Gap

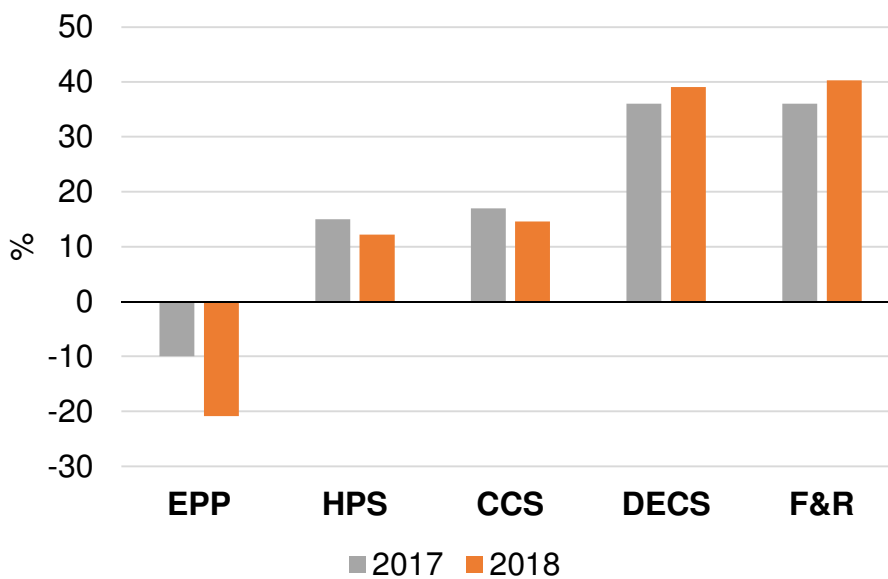
7.1 Both the mean and median pay gaps have increased from 2017 to 2018 in Environment and Public Protection, with a higher average hourly rate for women. In all other Divisions, men have a higher hourly rate than women.

7.2 In Housing and Property Services and Corporate and Customer Services, both the median and mean pay gaps have reduced from 2017 to 2018. For Development, Economic and Cultural Services, the median gap has decreased whilst the mean gap has increased. However, there has been an increase in both median and mean pay gap in Finance and Resources.

### Median pay gap by Division

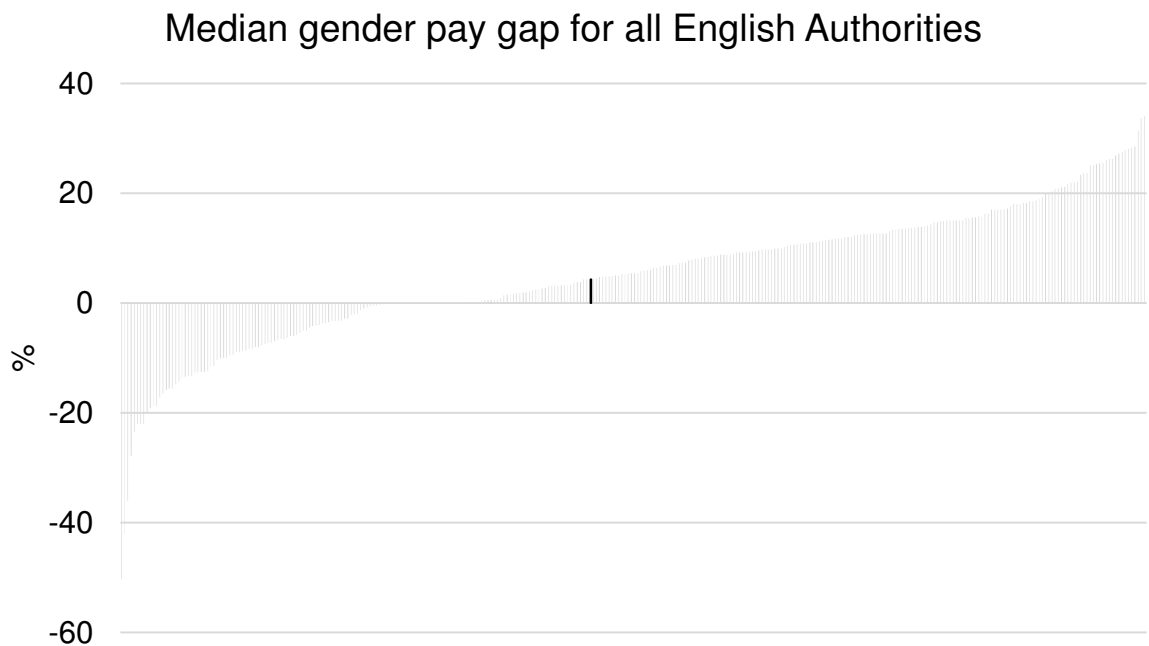
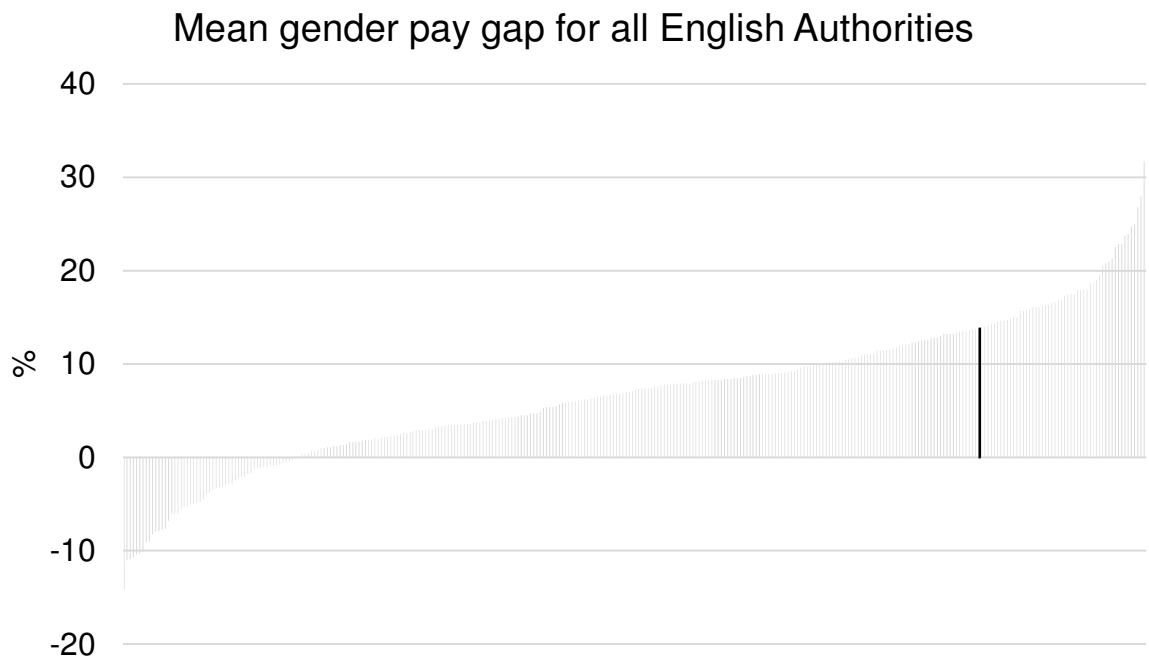


### Mean pay gap by Division



## 8. National Context

- 8.1 Most pay gap data for 2018 is not yet available, however comparisons have been undertaken between the 2017 data. The graphs show the gender pay gap for 322 English Local Authorities, with North Kesteven shown in black.
- 8.2 Whilst the mean gender pay gap is relatively high in comparison with other Local Authorities, the median gap is relatively low.



## 9. Next Steps

9.1 The Council is proud of the work it has done to achieve a 0% median pay gap, considering the average median pay gap in the UK for all employees in 2017 was 18% (ONS Annual Survey of Hours and Earnings 2017).

9.2 In terms of the mean gender pay gap, the Council is confident that it does not stem from paying men and women differently for the same or equivalent work, therefore there are no concerns regarding its equal pay. Rather the gender pay gap is the result of the roles in which men and women work in the organisation and the salaries that those roles attract.

9.3 However, the Council is committed to being an employer of choice creating a flexible, responsive organisation supporting all employees in the workplace. Therefore, we are currently undertaking analysis on the following activities: -

- Reviewing each recruitment exercise, examining the gender balance of candidates who apply for each role, short-listing and the person who is successful. This will ensure that recruitment processes are monitored for all equality implications at the point of applying, shortlisting and appointment to ensure there is no indication of unintentional bias.
- A retrospective piece of work will be undertaken analysing the gender balance of people who applied for senior positions and those who were successful.
- To ensure all prospective parents are aware of shared parental leave and parental pay and that parents are supported returning to work following parental leave through the promotion of flexible working and term-time working.
- The gender pay gap reporting is part of the Council's equality objectives and will continue to be reported to Corporate Management Team and elected Members on a regular basis.

9.4 Once all local authorities have published their results, a further report will be prepared which will include a detailed action plan for implementation. This will cover:

- Benchmarking of gender split and working patterns
- The levels of gender equality in our workplace
- The balance of male and female employees at different levels
- How effectively talent is being maximised and rewarded.



**I. Conclusion and reasons for recommendation**

It is proposed to submit a further report for consideration by the Executive Board in the summer of 2019 that will present further findings of the research and outline some options of how the Council could contribute to tackling the gender pay gap.

**J. Other options considered and reasons rejected**

- Not applicable

**K. Document Information**

APPENDIX NO.	TITLE
<b>BACKGROUND PAPERS</b>	
Title	Location of Background Papers
None	<ul style="list-style-type: none"><li>• N/A</li></ul>

### Equality Impact Assessment

<b>Report title</b>	<b>Gender Pay Gap</b>
<b>Completed by</b>	<b>Corporate Information Manager</b>
<b>Approved by</b>	<b>Corporate Information Manager</b>
<b>Date</b>	<b>21/01/2019</b>

<b>Section 1</b> <b>An EIA is not applicable to the attached report because:</b>	<b>Tick all that apply</b> ✓
An EIA is not applicable as the report's recommendations are based on procedure and/or policy change which will have no equality impacts now or in the future.	<input type="checkbox"/>
An EIA is not applicable as the report is for information only and will have no equality impacts now or any in the future.	<input type="checkbox"/>
An EIA is not applicable as the report is asking for guidance only and will have no equality impacts now or any in the future.	<input type="checkbox"/>
An EIA is not applicable as the report contains no proposals for a new project or service and it will have equality impacts now or in the future.	<input type="checkbox"/>
Other (please summarise)	<input type="checkbox"/>

**Based on Section 1, summarise why an EIA is unnecessary in the EIA section of the report. You can copy and paste text from above as necessary.**

**There is no need to complete Sections 2 and 3 if an EIA is deemed unnecessary in Section 1.**

<b>Section 2</b> <b>The following statements will help you decide whether an EIA is necessary:</b>	<b>Tick all that apply</b>
Does it affect customers, colleagues or the wider community, and therefore potentially have an effect in terms of equality (for example, removing a service, workforce restructure, employment practices)	✓
Could it result in a decision being made that would significantly affect how functions and services are delivered (for example, reducing a service or introducing a charge for a service)	
Does it relate to a service that previous engagement has identified as being important to people	
Does it, or could it in the future, affect different groups of people differently	
Does it relate to a policy or service where there is significant potential for reducing inequalities or improving outcomes	
Have there been, or are there likely to be, any public concerns about the policy or proposal	
Does it have an effect on how other organisations operate in terms of equality (i.e. commissioned services)	

<b>Section 3</b> <b>Equality impacts</b>	
Briefly explain what the policy/service/project aims to achieve	Following the introduction of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, organisations of 250 or more employers must publish specific figures about their gender pay gap.
Have you undertaken consultation or involved people who are most likely to be affected or interested? Please include: data or community feedback, gaps in data, and how you intend to fill these gaps (where possible)	N/A
Is there any evidence or research that demonstrates why some individuals or groups are, or are not, affected	The purpose of the report is to note the Pay Gap between male and female employees as at 31 March 2018.

What barriers may individuals or groups face, and how can you promote equality (where possible)?	
Gender	Gender is the protected characteristic upon which mandatory gender pay gap reporting will have the greatest impact.
Age	A challenge for some older people, including women, can include keeping skills updated and learning new skills in order to take advantage of employment opportunities.
Disability	None directly as a result of this report.
Race	None directly as a result of this report.
Religion or belief	None directly as a result of this report.
Sexual orientation	None directly as a result of this report.
Gender reassignment	The Regulations will require employers to consider whether employees are “male” or “female”. However, there is nothing in the Regulations that requires a person’s transgender status to be recorded or disclosed. Therefore, the Council would treat any employees as belonging to the gender in which they are known at work, irrespective of their legal gender.
Pregnancy, maternity and paternity	Gender pay gaps can partly result from women who may have worked in full-time roles previously and have taken time out to look after family.
Marriage and civil partnership	None directly as a result of this report.
Rural isolation	None directly as a result of this report.
Socio-economic factors	None directly as a result of this report.

<p>Other <i>(for example, those with dependants/caring responsibilities, asylum seeker and refugee communities, children in the care system, etc)</i></p>	<p>Women are often the main carers, and nationally some women have reduced working hours to accommodate increased caring responsibilities for children, grandchildren and/or ageing parents.</p>
<p>Overall, will this promote strong and positive relationships between the groups/communities identified?</p>	<p>This will promote a positive relationship as organisations will be focused on reducing their gender pay gap.</p>
<p>Overall, if there is a potential adverse impact, please state why and whether this is justifiable</p>	<p>N/A</p>
<p>How will you monitor this to ensure there is no adverse effect in the future?</p>	<p>The Council is committed to taking appropriate action to reduce its mean gender pay gap and monitoring its progress over time. Actions will be added to the Equality and Diversity Action Plan, which will include a corporate commitment to identifying and taking steps to remove barriers which may prevent women from applying for more highly paid roles within the organisation.</p>
<p>Outcome of EIA:</p>	<p>No major change needed</p>