

# Executive Board Report

Tuesday, 3 December 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>	<b>N</b>
<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 2019.
- To inform the Executive Board of additional analysis of the Pay Gap between male and females employees as at 31 March 2019 within the organisation.

## B. Recommendations

1. That the report be noted and that further work will be undertaken to produce a Gender Pay Gap Action Plan for the organisation.

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

There are no financial implications arising directly from this report.

Completed by: Senior Accountant 14/10/19

### **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 14/10/19

### **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 10/10/19

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 10/10/19

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 21/01/19

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

The Council publishes 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 employees 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 each year.
- 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 2020.

## 2. Gender Pay Gap as a Mean Average at 31 March 2019

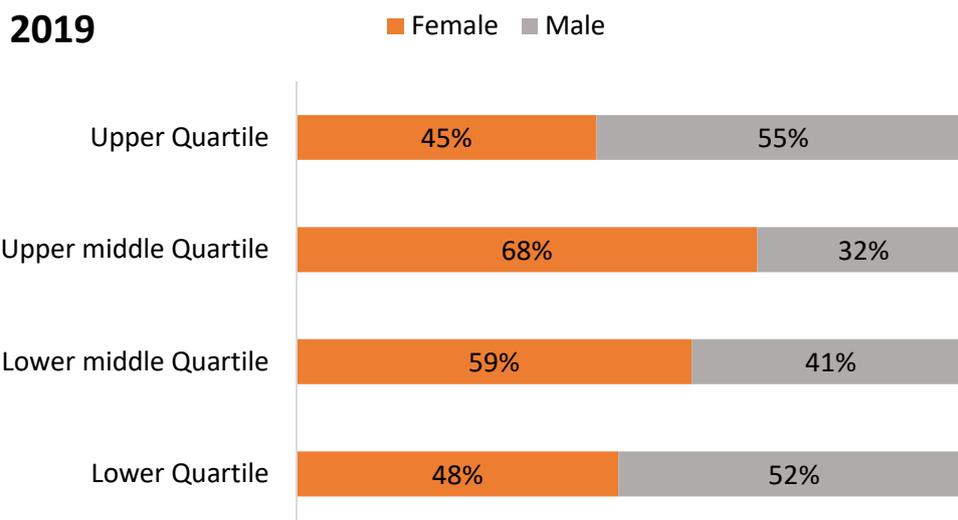
- 2.1. The mean gender pay gap is the average hourly wage across the entire organisation. This is calculated by adding the wages of all male and female employees and dividing it by the number of employees. The pay gap is the difference between women's mean hourly wage and men's mean hourly wage, which is reported as a percentage of men's pay.
- 2.2 The mean gender pay gap at North Kesteven District Council is 10.3%.
- 2.3 Women earn 90p for every £1 that men earn when comparing mean hourly wages.

## 3. Gender Pay Gap as a Median Average at 31 March 2019

- 3.1 The median gender pay gap is calculated by listing all male and female employees' wages from highest paid to the lowest paid and taking the hourly wage of the person in the middle for each gender. The pay gap is the difference between women's median hourly wage (the middle paid woman) and men's median hourly wage (the middle paid man), which is also reported as a percentage of men's pay.
- 3.2 The median gender pay gap at North Kesteven District Council is -4.0%.
- 3.3 Women earn £1.04 for every £1 that men earn when comparing median hourly wages.

## 4. Gender Pay Gap in Quartiles at 31 March 2019

- 4.1 Women occupy 45% of the highest paid jobs and 48% of the lowest paid jobs.

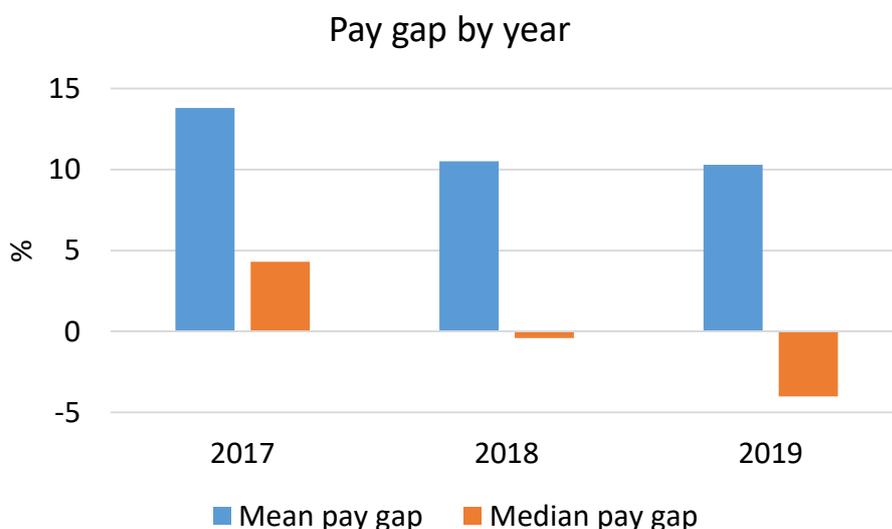


## 5. Gender Pay Gap in relation to Bonuses at 31 March 2019

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

## 6. Gender Pay Gap Comparison with Previous Years

6.1 Men earn more when comparing mean hourly wages, however the mean pay gap has continued to decrease, although not as significantly as from 2017 to 2018. The median pay gap has changed from men earning more in 2017, when comparing median hourly wages, to almost no gap in 2018, to women earning more in 2019.

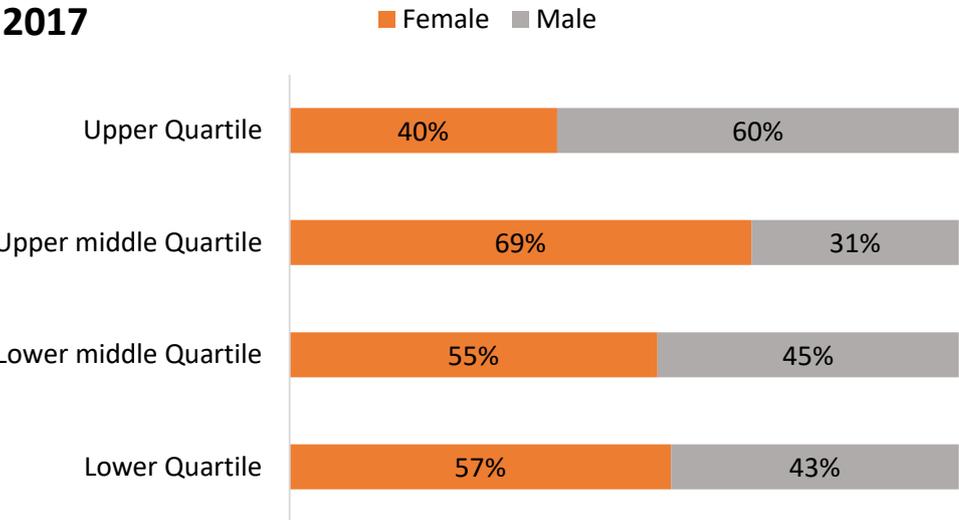


	2017	2018	2019
Mean pay gap	13.8	10.5	10.3
Median pay gap	4.3	-0.4	-4.0

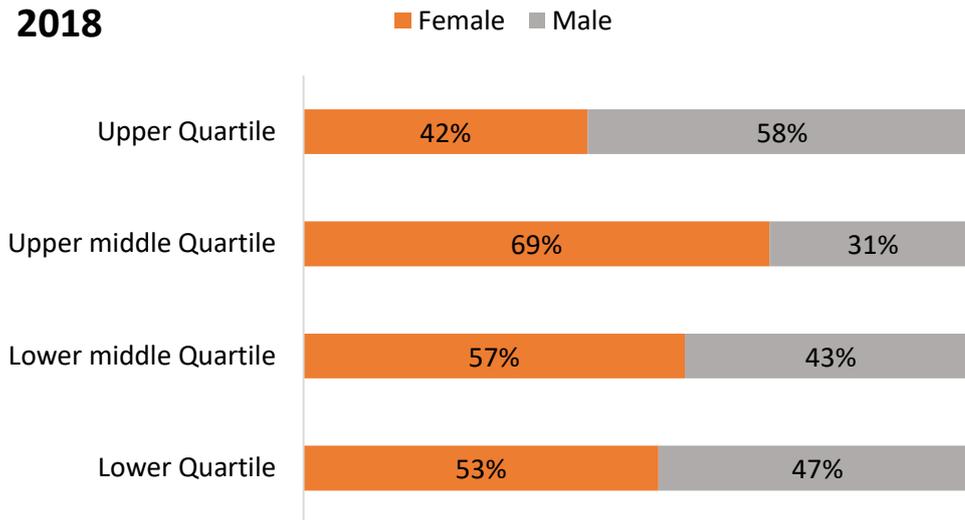
6.2 Mean pay for women increased by 48p (3.8%) from 2018 to 2019 but mean pay for men has also increased (50p, 3.6%) maintaining a similar mean pay gap. Median pay for women has increased whilst median pay for men decreased, widening the median pay gap.

	2017		2018		2019	
	Mean pay	Median pay	Mean pay	Median pay	Mean pay	Median pay
Female	£11.97	£11.12	£12.57	£11.74	£13.05	£11.97
Male	£13.89	£11.62	£14.04	£11.70	£14.54	£11.51

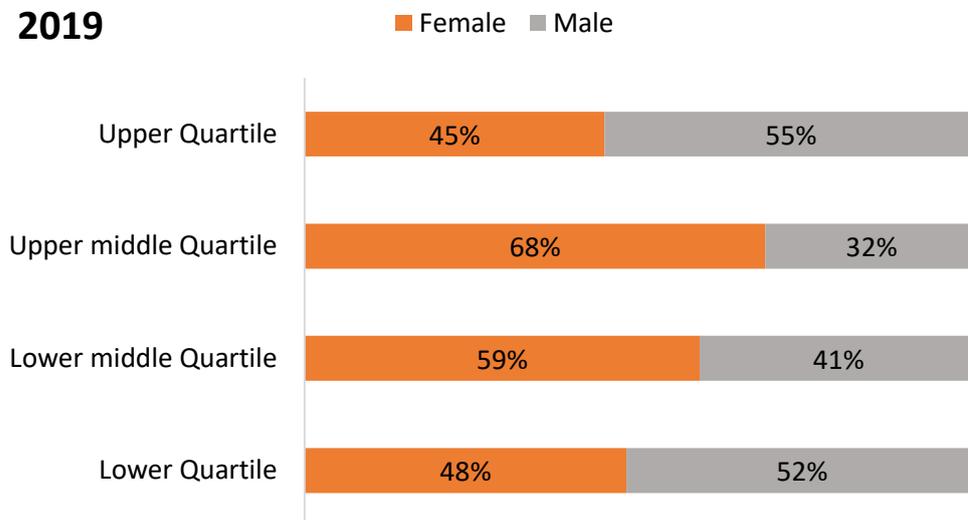
- 6.3 On 31 March 2019, 55% of the total number of employees were women and 45% were men. Women were underrepresented in both the upper and lower quartiles, and overrepresented in the lower middle and upper middle quartiles:
- The proportion of women in the lower quartile has decreased from 57% in 2017 to 48% in 2019.
  - The proportion of women in the upper quartile has increased from 40% to 45%
  - The proportion of women in the upper middle quartile has remained similar
  - The proportion of women in the lower middle quartile has increased by 4% since 2017.
- 6.4 The decrease in women in the lower quartile and increase in the upper quartile, along with the stable high proportion of women in the upper middle quartile, have contributed to the change in median pay gap. Whilst the median pay gap shows that women earn more than men, the mean pay gap shows the opposite.
- 6.5 The mean pay gap can indicate that there are more men than women earning the highest salaries. The four highest paid employees in the Council on 31 March 2019 were all male, whereas previously three out of four were male. Of the top 30 highest paid, 70% were male, which is unchanged from 2018.



## 2018



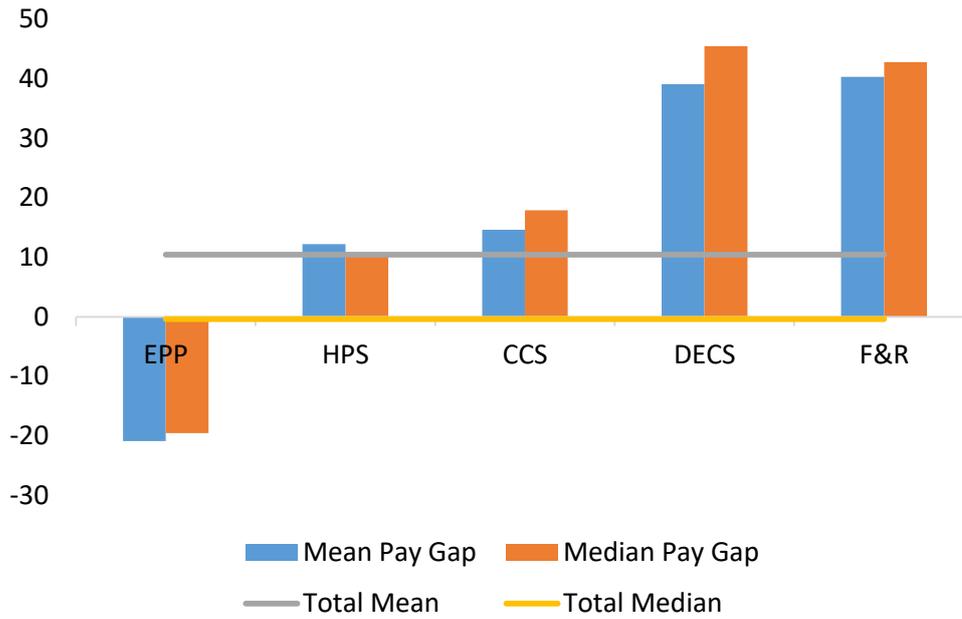
## 2019



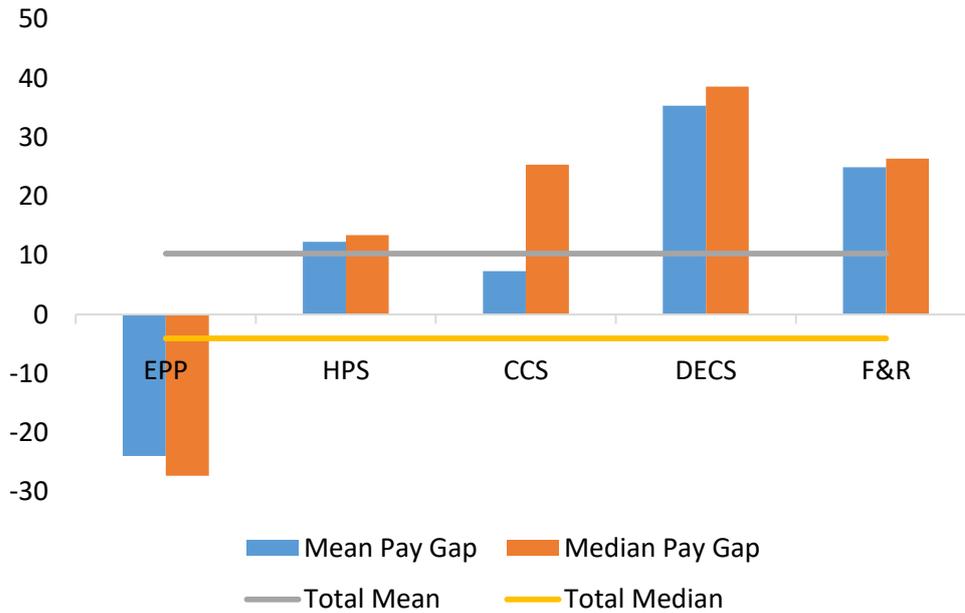
### 7. Gender Pay Gap by Division

- 7.1 Environmental and Public Protection (EPP) remains the only Division with a negative pay gap (women earn more than men when comparing average hourly wages). The gap between men and women's pay has increased from 2018 to 2019.
- 7.2 The pay gaps in Housing and Property Services (HPS) have increased.
- 7.3 In Corporate and Customer Services (CCS) the mean pay gap has reduced, whilst the median pay gap has increased.
- 7.4 Development, Economic and Cultural Services (DECS) and Finance and Resources (F&R) have the largest pay gaps but these have decreased from 2018 to 2019.

### Divisional Mean and Median Pay Gap 2018



### Divisional Mean and Median Pay Gap 2019



	2018		2019	
	Mean Pay Gap	Median Pay Gap	Mean Pay Gap	Median Pay Gap
EPP	-20.9	-19.5	-24.0	-27.3
HPS	12.2	10.1	12.3	13.4
CCS	14.6	17.9	7.3	25.4
DECS	39.1	45.5	35.4	38.6
F&R	40.3	42.8	25.0	26.4

## 8. Summary

8.1 The mean gender pay gap for North Kesteven District Council does not compare as favourably as the median gender pay gap. The mean gender pay gap is affected by more extreme values and often indicates that the upper end of the earnings distribution may be dominated by a particular gender, in this case by men. In addition, the upper pay quartile has the lowest proportion of women (45%) of all the quartiles, which is demonstrated more strikingly due to the high proportion of women (68%) in the upper middle quartile.

15.2 Following our last gender pay gap report, it was agreed that further analysis would be undertaken. However, now the analysis has been produced, future steps will include working with Divisions to produce an action plan to tackle any gender pay gaps that exist, and to ensure talent is being maximised and rewarded.

### I. Conclusion and reasons for recommendation

That the gender pay gap data as at 31 March 2019 report be noted and this will duly be published on the Council's website and government's online reporting tool.

### 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>• Not applicable</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>14/10/2019</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 employees 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 2019 and to review comparator data between Divisions within the organisation.

What barriers may individuals or groups face, and how can you promote equality (where possible)?	
Sex	Sex is the protected characteristic upon which mandatory gender pay gap reporting will have the greatest impact.
Age	A potential 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 wish to be recognised as/are known at work, irrespective of their legal gender.
Pregnancy, maternity and paternity	Nationally, 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.

Other <i>(for example, those with dependants/caring responsibilities, asylum seeker and refugee communities, children in the care system, etc)</i>	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.
Overall, will this promote strong and positive relationships between the groups/communities identified?	This will promote a positive relationship as the intended aim is for organisations to be focused on reducing their gender pay gap.
Overall, if there is a potential adverse impact, please state why and whether this is justifiable	N/A
How will you monitor this to ensure there is no adverse effect in the future?	The Council is committed to taking appropriate action to reduce its mean gender pay gap and monitoring its progress over time. Actions have been 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. In addition, the Corporate Information Manager will work with each Division to produce an action plan to tackle any gender pay gaps that exist, and to ensure talent is being maximised and rewarded.
Outcome of EIA:	No major change needed