

**Derbyshire County Council**

**Resources Improvement and Scrutiny Committee**

**31<sup>st</sup> May 2018**

**Gender Pay Gap Briefing**

**Purpose**

This briefing note pulls together information for the briefing requested by Cllr Kemp in three sections.

- 1 The regulations pertaining to the gender pay gap
- 2 The Council's data.
- 3 The Council's approach towards tackling the pay gap.

**1 The regulations pertaining to the gender pay gap**

**Gender Pay Gap Reporting Requirements**

In accordance with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 reporting requirements the data captured as at 31 March 2017 consists of the following:

- Only Council employees are reported (not maintained schools or agency staff)
- Included in the calculations are payments for:
  - additional hours
  - sleep in
- Employees that moved jobs internally during March have had pay for both jobs added together
- New starters part way through March are calculated on a pro-rata basis
- Excluded from the calculations are all employees:
  - on maternity leave
  - receiving half or no pay
  - on unpaid leave
  - relief employees if they have no pay and/or no hours
  - leavers (part way through March)
- Excluded are payments for:
  - Standby

**Gender Pay Gap Calculations**

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 states that organisations with 250 or more employees will have to report on their gender pay gaps using six different measures using various calculations:-

**Mean Gender Pay Gap**

The Regulations state that the 'Mean' gender pay gap must be expressed as a percentage of the mean hourly rate of pay of male full-pay relevant employees. In order to do this the mean hourly rates of both male/female full-pay relevant employees must be calculated first i.e.

- Add up the hourly rates of pay for all male/female full-pay relevant employees
- Divide the total by the number of male full-pay relevant employees (A)
- Divide by the total number of female full-pay relevant employees (B)

Controlled

'Mean' hourly rate for males (A) = £13.36

'Mean' hourly rate for females (B) = £11.54

$$\text{Calculation} = \frac{(A - B)}{A} \times 100 = \frac{(\pounds 13.36 - \pounds 11.54)}{\pounds 13.36} = \frac{\pounds 1.82}{\pounds 13.36} \times 100 = 13.7\%$$

Therefore, the Council's mean gender pay gap = 13.7%

### Median Gender Pay Gap

As with above, the Regulations state that calculation of the difference between the Median gender pay gap must be expressed as a percentage of the median pay of male full-pay relevant employees. In order to do this the median hourly rate of pay for both male/female full-pay relevant employees must be calculated first i.e.

- List the hourly rates of pay for all male full-pay relevant employees and find midpoint (A)
- List the hourly rates of pay for all female full-pay relevant employees and find mid-point (B)

'Median' hourly rate for males (A) = £12.06

'Median' hourly rate for females (B) = £9.00

$$\text{Calculation} \frac{(A-B)}{A} \times 100 = \frac{(\pounds 12.06 - \pounds 9.00)}{\pounds 12.06} \times 100 = \frac{\pounds 3.06}{\pounds 12.06} \times 100 = 25.3\%$$

Therefore, the Council's median gender pay gap = 25.3%

### Pay Quartiles

In order to determine the proportions and percentage of male and female employees according to pay quartiles the following process has been followed:

- The hourly rate of pay for all male and female employees has been calculated;
- All employees have been ranked according to the hourly rate, starting from lowest paid to the highest paid;
- Identify the median (50th percentile) in this ranked distribution of all employees. This figure represents the second quartile;
- Identify the first quartile (25th Percentile) by calculating the midpoint between the smallest value (lowest paid worker) and the median (second quartile);
- Identify the third quartile (75th percentile) by calculating the midpoint between the median (second quartile) and the largest value (highest paid employee);

The proportion of male employees within each pay quartile must be expressed as a percentage of full-pay relevant employees within that band

The calculation is as follows  $\frac{A}{C} \times 100$

In this equation A is the number of male full-pay relevant employees in a pay quartile; C is the total number of employees in the quartile

The proportion of female employees within each pay quartile has been calculated in the same way:

The calculation is as follows  $\frac{B}{C} \times 100$

## Controlled

In this equation B is the number of female full-pay relevant employees in a pay quartile; C is the total number of employees in the quartile.

### **2 The Council's data.**

This information has been published on the government website and our website.

**Mean gender pay gap** - difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees. The Council's overall average mean gender pay gap = **13.7%**

**Median gender pay gap** - difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees. The Council's overall average median gender pay gap = **25.3%**

**Quartile pay bands** - proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands;

The number of men and women in each salary quartile of their pay range is shown in the table below:

Pay Quartile (25% of employees)	Men		Women		Total number (25% of employees)
	Number Headcount	Percentage	Number	Percentage	
1 (high)	954	34%	1,855	66%	2,809
2	900	32%	1,909	68%	2,809
3	413	15%	2,396	85%	2,809
4 (low)	456	16%	2,352	84%	2,808
<b>TOTAL</b>	<b>2,723</b>	<b>24%</b>	<b>8,512</b>	<b>76%</b>	<b>11,235</b>

The Council does not pay bonus and, therefore, will not report on the remaining three areas.

### **Analysis of the Council figures**

- 77% of Council staff on the grading structure are women ranging between grades 2-13 and that 74% of these are in part time roles against 37.5% of men in part time roles.
- Most women are in the bottom 5 grades - 57% of women employees are in the bottom 5 grades compared to 32% of men with a high concentration of part time women at SS5.
- Most women who work for the council are employed part time and work in the Social Care, Catering, cleaning and Business Support job families.
- Unlike many other authorities, we continue to directly provide Client Support services in Adult Care, School Cleaning, and Catering services which employ a high proportion of part time women at grades 5 and below.

## Controlled

- We have also retained services in house that employ predominantly full time male employees, i.e. highways and other Property services within the Construction and Maintenance job family.
- Recent apprenticeship recruitment includes 3 women recruited as apprentices in the construction and maintenance job family.
- The proportion of women part time workers above grade 5 shows that the council flexible working policy provides a reasonable proportion of women the opportunity to maintain career development while working less than full time hours and promotes the retention of skilled and experienced women workers.
- Analysis of top earners shows that 62% of employees at grade 13 and above are women and 75% of Strategic Directors are women, providing positive role models for other women in the workforce.

### **3 The Councils approach towards tackling the gender pay gap.**

Gender pay gap reporting is a first step for taking action rather than an end in itself. The national picture and research on the underlying factors behind the gender pay gap shows that this is a societal and cultural issue.

There are clear benefits for the Council in reducing the gender pay gap by tackling its underlying causes. The benefits include:

- increasing the talent pool
- addressing skills shortages
- advantages of a diverse workforce
- increases to overall performance and productivity

The council workforce profile reflects society's traditional attitudes to men and women's roles therefore improving the gender pay gap in the council will need a cultural shift over time to see a better gender balance throughout the workforce. It is not just about what we do but how we do it.

Existing council policy on workforce flexibility, shared parental leave, recruitment and staff development have the potential to be applied to address the barriers to narrowing the gender pay gap.

The Enterprising Council Organisational Development and skills strategy will incorporate work to be a smarter, flexible employer to break down barriers to addressing the gender pay gap.

The Diversity and inclusion Board will oversee the resulting action plan to address the gender pay gap.

The Employment and skills board will co- ordinate strategies to address wider cultural issues by working with schools, businesses and the Derbyshire Careers Service.

Ongoing annual Gender Pay Gap reporting will take place in line with government requirements and report into cabinet.

**Emma Crapper**  
**Director of Organisational development and Policy**

**Derbyshire County Council**

**Cabinet**

**15 March 2018**

**Report of the Strategic Director Commissioning, Communities and Policy  
(Council Services)**

**Gender Pay Gap Reporting Requirements**

**1. Purpose**

To inform Cabinet of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 with regards to Gender Pay Gap reporting requirements.

**2. Information and Analysis**

The Regulations require that all public, private and voluntary sector organisations with over 250 employees publish and report specific data, as detailed below, on their gender pay gap by April 2018. Organisations are required to publish the following gender pay gap data, together with a supporting narrative on their website and report the data on the Government Equalities Office website:

- Mean and median gender pay gaps, based on gross hourly rates of pay
- Percentage of men and women in each salary quartile of the pay range

The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings, for example, 'men earn 15% more than women per hour'. The gender pay gap differs from equal pay which deals with pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman. The gender pay gap shows the difference in the mean and median pay of men and women.

The Council's job evaluation scheme ensures all jobs are evaluated and graded consistently to ensure equal pay for work of equal value.

Schools are not required to publish gender pay data unless they have 250 or more employees. For maintained schools, in such circumstances, the governing body is responsible for publishing their own gender pay reports. Maintained schools with 250 employees or more will be informed of the reporting requirement and assistance provided to schools that purchase the HR Advisory package, if requested.

The reporting requirements, set out in Appendix 1, provide detailed instructions on data to be included and not included in the pay gap calculations as well as specifying the calculations to be carried out. The calculations are undertaken using data from a specific reference date, called the 'snapshot date'. For public sector organisations,

the snapshot date each year is 31 March and the required data must be published within a year of the snapshot date. Therefore, the Council's data, along with that of all other public sector organisations, will have to be published by the end of March 2018.

## 2.1 The Council Data

Organisations are required to report the mean gender pay gap, median gender pay gap and pay quartile bands, as well as the same information for bonus payments.

Mean gender pay gap - difference between the mean (average) hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees. The Council's mean gender pay gap is 13.7%.

Median gender pay gap - difference between the median (middle point) hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees. The Council's median gender pay gap is 25.3%.

Pay quartiles – proportion of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands. The number of men and women in each pay quartile is shown in the table below:

Pay Quartile	Men		Women		Total number
	Number	Percentage	Number	Percentage	
1 (high pay)	954	34%	1,855	66%	2,809
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Total	2,723	24%	8,512	76%	11,235

As the Council does not make bonus payments it will not be necessary to report the mean bonus gap, median bonus gap and bonus proportions.

The gender pay differences do not mean that the Council is paying men more than women for undertaking work of equal value. The causes lie in the mix of roles undertaken and are commented on below.

## 2.2 Organisational Context

The Council is committed to advancing equality of opportunity and providing fair access and treatment in employment enabling our workforce to deliver high quality services to everyone. Full details of the commitment to equality and diversity in employment are set out on the Council's website.

Details of the composition of the workforce are set out in Appendix 2. The analysis shows that the Council's workforce is predominantly female a large proportion of who

are part time. The quartile table above shows that women represent the majority of Council employees in all four pay quartiles. The gender pay gap should be considered in the overall context of this distribution as the predominance of females to males has a significant influence on the Council's overall gender pay gap.

The Government Equalities Office reports that the causes of the gender pay gap are complex and overlapping, and may include:

- A higher proportion of women choose occupations that offer less financial reward (e.g. administration). Many high paying sectors are disproportionately made up of male workers (e.g. information and communications technology).
- A much higher proportion of women work part-time, and part-time workers earn less than their full-time counterparts on average.
- Women are still less likely to progress up the career ladder into high paying senior roles.

The Fawcett Society gender pay gap report states that women continue to play a greater role in caring for children, as well as for sick or elderly relatives. As a result more women work part time, and these jobs are typically lower paid with fewer progression opportunities.

The report goes on to say that women are still more likely to be in low paid and low skilled jobs, affecting labour market segregation. 80% of those working in the low paid care and leisure sector are women, while only 10% of those in the better paid skilled trades are women.

The gender pay gap reflects jobs and employment opportunities available within the Council. The figures reflect the fact that the majority of jobs, vital to the community and service provision, are lower graded. The majority of Council jobs are also part time which tend to attract female applicants. The range of lower graded jobs includes those such as care, catering and cleaning roles. The Council has retained care, catering and cleaning jobs in house, whereas in other local authorities similar roles have been outsourced. Whilst acknowledging the lower pay of these jobs terms and conditions of employment have been maintained.

The Office for National Statistics (ONS) have reported a national median gap of 18.1%. Comparison of the Gender Pay Gap with other county councils is not yet practicable as only a limited number of organisations have published their data on the Government Equalities Office website.

The Council will continue to develop our approach to equality and diversity by identifying good practice in employment, service delivery and how we engage with local people. We will also continue to ensure that everyone associated with the Council is made aware of our Equality and Diversity Policy and understands their responsibilities for implementing it. The Gender Pay Gap Reporting Narrative, set out at Appendix 3, gives further information about data and the Council's work towards tackling the pay gap.

### **3 HR and Legal Considerations**

As described within the report.

**4 Other Considerations**

In preparing this report the relevance of the following factors has been considered: financial, equality and diversity, health, environmental, transport, property, social value and the prevention of crime and disorder considerations.

**5 Key Decision**

No

**6 Is it necessary to waive the Call-In Period?**

No

**7 Officer Recommendation**

That Cabinet note the report and the proposed data to be published.

Emma Alexander  
Strategic Director Commissioning, Communities and Policy



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**Workforce Statistics**

Workforce breakdown with employees shown as a percentage of the overall number of appointments

	<b>Female</b>	<b>Male</b>	<b>Total</b>
Part Time	6,095 (54%)	856 (8%)	6,951 (62%)
Full Time	2,417 (22%)	1,867 (16%)	4,284 (38%)
<b>Total</b>	<b>8,512 (76%)</b>	<b>2,723 (24%)</b>	<b>11,235 (100%)</b>

## Information to be published


The legislation requires that in addition to reporting gender pay gap data a written statement must be published within one year of the snapshot date and remain online for at least 3 years.

It is proposed that the following be published on the website, with a link to the additional information shown below.

## Gender Pay Gap Reporting

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

Derbyshire County Council has published its [gender pay gap data on GOV.UK](#).

You can download further information about this data and the Council's work towards tackling the gender pay gap here  [Derbyshire County Council Gender Pay Reporting Narrative - 2017 \[282kb\]](#)

The following will be published as a document linked to the above web page.

## Gender Pay Gap

Gender Pay Gap legislation (developed by the Government Equalities Office) introduced in April 2017 requires all employers of 250 or more employees to publish their gender pay gap as of 31 March 2017.

The Council's approach to pay supports the fair treatment and reward of all employees irrespective of gender.

## Derbyshire County Council Gender Pay Gap

Grades vary according to the level of responsibility that jobs have. Each grade has a set pay range and employees enjoy incremental progression through the pay points for their grade. The longer period of time that an individual has been in a grade the more they earn irrespective of their gender.

The Council's mean gender pay gap in favour of men is 13.7% and the median gender pay gap is 25.3% in favour of men.

## Bonus Pay Gap

The Council does not pay any bonuses.

## Pay by quartiles: hourly pay quartiles

84% of employees in the lower pay quartile are women, as are 66% in the upper quartile.

## Work on eradicating the gender pay gap

The Council is committed to fair pay irrespective of gender. We will continue to build on actions and initiatives including:

- We have procedures in place to protect employees from any kind of harassment or bullying – these are taken very seriously
- A range of services to support our employees when they need adjustments where they work, or if they become unwell – to help them to return to work feeling supported and valued
- A fair pay structure
- Many different types of flexible working arrangements
- Support for parents and carers
- Lots of opportunities for our employees to make their views known
- Regular reviews of employee progress and the provision of training to help our people grow and develop
- You can join a trade union or one of our four staff networks – networks have been set up for BME, disabled, female and LGBT staff – these networks and the Trade Unions regularly work with our management team to improve things in the council and to promote equality and diversity