

This Report will be made public on 2 June 2021

Report Number **P/21/01**

**To:** Personnel Committee  
**Date:** 10<sup>th</sup> June 2021  
**Status:** Non-executive Decision  
**Head of Service:** Andrina Smith, Chief HR Officer

**SUBJECT:** GENDER PAY GAP REPORTING

**SUMMARY:** This report outlines the council's statutory obligations regarding the publication of gender pay gap data and provides the data for this reporting year.

**REASONS FOR RECOMMENDATIONS:**

The Personnel Committee is asked to note the contents of the report set out below.

**RECOMMENDATIONS:**

1. To receive and note report P/21/01.

## 1. BACKGROUND

1.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires employers with 250 or more staff to publish statutory gender pay gap data every year. The council is required to undertake and publish 6 different calculations that display and help explain any gender pay gap.

1.2 The statutory calculations are:

- a) Gender pay gap as a mean average
- b) Gender pay gap as a median average
- c) Gender bonus gap as a mean average
- d) Gender bonus gap as a median average
- e) Proportion of men and women receiving bonuses
- f) Proportion of men and women in each quartile pay band

The data resulting from these calculations appears in section 2 of this report.

1.3 The council is required to publish this data on its own website and on a dedicated government website annually. The salary data for this year is based on the mandatory snapshot date of 31<sup>st</sup> March 2020 and should ordinarily be published by 30<sup>th</sup> March 2021. However, it was announced in late February 2021 that this deadline will be extended by six months due to the continuing impact of the Covid-19 pandemic.

The HR Senior Specialist completed the review of our data during February 2021 which was followed by a report to the Corporate Leadership Team in March 2021. The council's data was then uploaded to the government's website ([click here](#)) and the Council's website ([click here](#)) during March 2020.

1.4 While the Council must upload data onto the government website in a standardised template, we can choose how to publish our data on our website. In order to make the data both accessible and understandable, the council has published an accompanying narrative and highlighted key elements in a co-ordinated press release.

1.5 This is the fourth year that reporting gender pay gap data has been mandatory so we are able to make some comparisons with our previous results.

1.6 The gender pay gap is different to equal pay. The gender pay gap is a measure of the difference between the average earnings of men and women across an organisation. Equal pay relates to men and women receiving equal pay for equal work, which has been a legal requirement for over 45 years. The council is, of course, committed to diversity and equality of opportunity. Policies and procedures, such as the Recruitment and Selection policy and the job evaluation process, ensure we remunerate employees fairly and equally.

## 2. THE GENDER PAY GAP DATA

2.1 The gender pay gap is expressed as a percentage of men's pay. A positive percentage figure shows that, typically or overall, men are paid more. A negative percentage indicates that women are paid more.

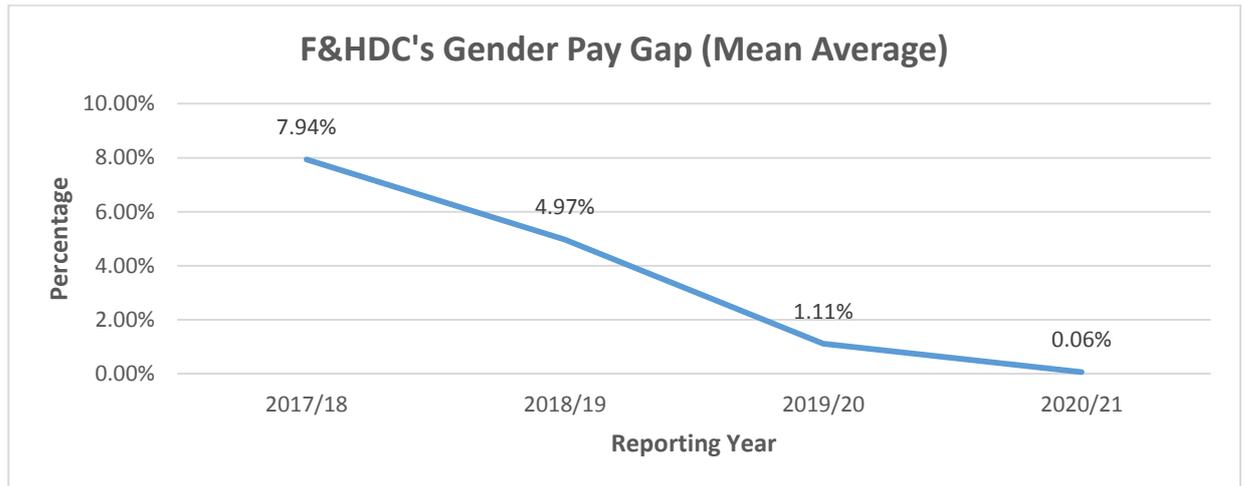
The council's average gender pay gap as at the snapshot date of 31<sup>st</sup> March 2020 is as follows:

### 2.1.1 Gender pay gap as a mean average: 0.06% (last year 1.11%)

This calculation shows the difference between the average earnings of men and women across the council are negligible.

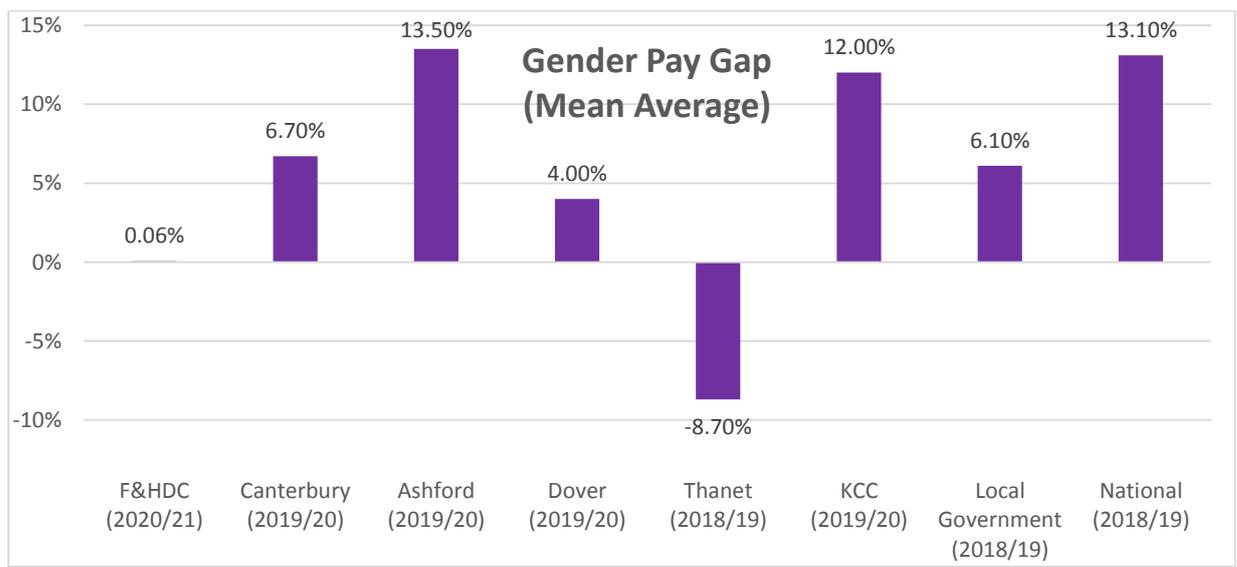
The average man earns £16.69 per hour. The average woman earns £16.68 per hour.

This reflects a continued reduction in the council's gender pay gap in comparison with previous reporting years:



As we have not yet reached this year's reporting deadline and the enforcement of gender pay gap reporting in 2019/20 was suspended due to the Covid-19 pandemic, we can only make national and sector wide comparisons with data sets from 2018/19. At this point the mean gender pay gap was reported as 13.1% nationally and 6.1% within local government. The council's gender pay gap figures therefore compare favourably both nationally and across the sector.

The following specific comparisons are with the most recent data available:



The mean average is useful because it takes into account the low and high earners and gives a good overall indication of the gender pay gap. However, very large or

small rates of pay can 'dominate' and distort the calculation. By identifying the wage of the middle earner, the median calculation avoids this issue and is often considered a better representation of the typical difference in earnings.

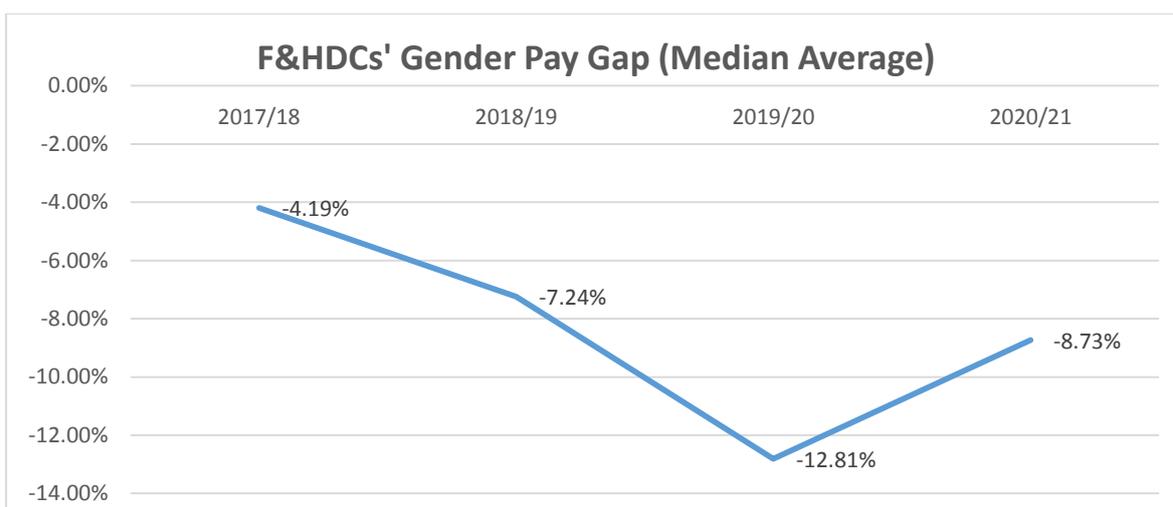
### 2.1.2 Gender pay gap as a median average: **-8.73% (negative 8.73)** (last year -12.81%)

If all the women working at the Council were lined up in order of their hourly rate, then the middle woman (the median) would earn £14.95 per hour. The median man earns £13.75 per hour. Using the median calculation, the average woman earns nearly 9% more than the average man.

Last year we reported a median gender pay gap of negative 12.81%. Just over a quarter of local authorities reported, like us, a median gender pay gap that showed women were on average paid more than men.

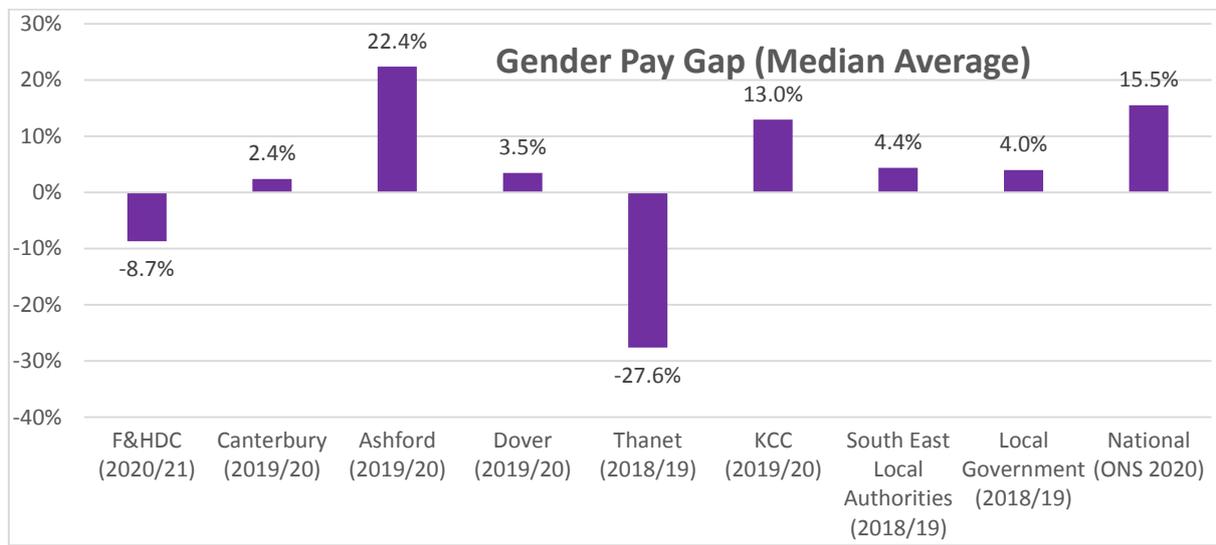
The median calculation is often considered a better representation of the typical difference in earnings as very large or small rates of pay can distort a mean average. The median is therefore ordinarily utilised by publications. The reason for the difference in mean and median calculations is considered in paragraph 3.1 below.

This calculation also represents a narrowing gender pay gap in comparison to last year's report.



2.1.3 In 2018/19 the median gender pay gap was reported as 4% across local government, with just over a quarter of local authorities reporting, like us, a median gender pay gap that showed women were on average paid more than men. The most recent data from the Office of National Statistics shows a national median gender pay gap of 15.5%. While based on different data sets, this does provide a useful comparison between the organisation and the current national picture.

As above, the following comparisons are made with the latest data available:



2.2 The council is also required to calculate and publish figures relating to bonus payments in the 2019/20 financial year. While the council's Pay Policy states that there is no provision for bonus payments, the gender pay gap legislation defines "bonus pay" as referring to any remuneration that relates to performance, whether this is discretionary or contractual. As the Corporate Leadership Team are able to make a one-off discretionary honorarium award to employees that demonstrate an exceptional level of performance, such payments have been determined as meeting this definition of "bonus pay".

This interpretation of what constitutes "bonus pay" has been consistent with all previous reporting years and is made clear in our publications.

During the period between 1<sup>st</sup> April 2019 and 31<sup>st</sup> March 2020, six staff (three men and three women) received one-off honorarium payments that have been included in the calculations below.

### 2.2.1 Average bonus gender pay gap as a mean average: 21.88%

The mean average one-off honorarium payment made to females in the period was £833.33. The average payment to males was £1,066.67.

### 2.2.2 Average bonus gender pay gap as a median average: 0.0%

The median average one-off honorarium payment made to both males and females in the period was £1,000.

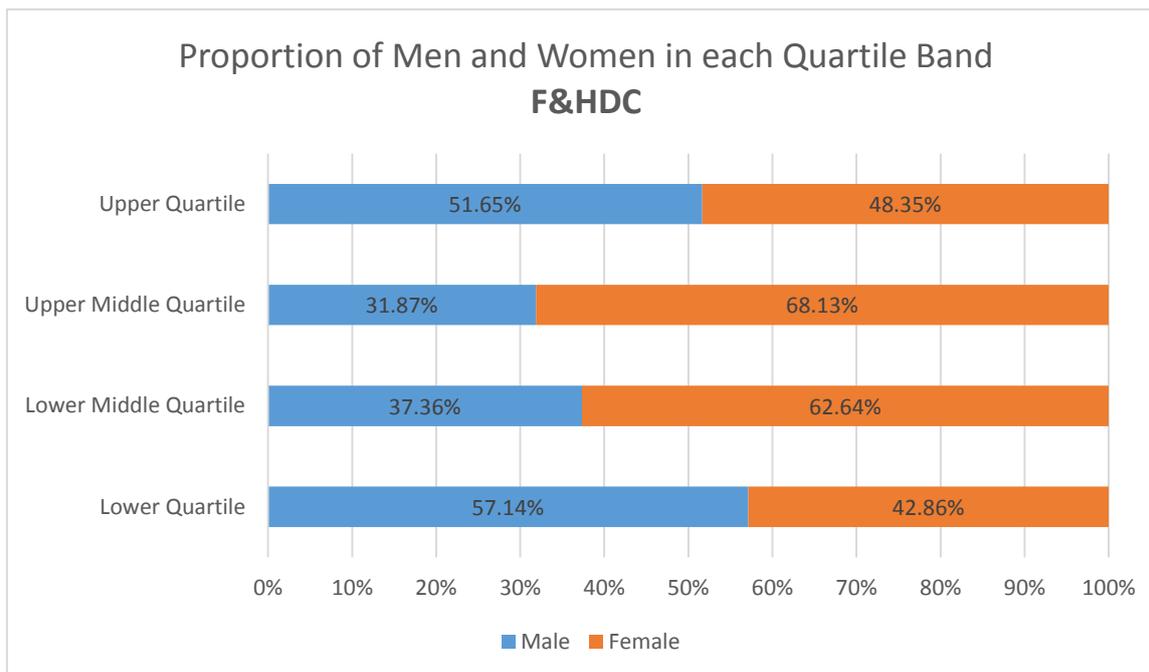
### 2.2.3 The proportion of men and women receiving bonuses:

The purpose of this calculation is to indicate how much more likely male employees are to receive a bonus payment when compared to female employees (and vice versa).

1.83% of male employees received a one-off honorarium payment when compared to 1.44% of female employees.

2.3 The table below shows the proportion of males and females when divided into four equal sections based on their hourly rate. The lower quartile represents the lowest paid 25% of council staff; the upper quartile contains the highest paid 25%.

### 2.3.1 Proportion of men and women in each quartile pay band



The chart below shows the proportion of males and females when divided into four equal sections based on their hourly rate. The lower quartile represents the lowest paid 25% of council staff; the upper quartile contains the highest paid 25%.

## 3. SUPPORTING NARRATIVE

### 3.1 The Difference between the Mean and Median Averages:

The chart above firstly helps to explain the difference between the council's mean average (0.06%) and median average (-8.73%) figures reported in paragraphs 2.2 and 2.3.

The council employs more women than men. 55.5% of staff included in these gender pay gap calculations were female. This is rather typical in local government and on average has led to a higher proportion of women across all pay quartiles in the sector. However, at Folkestone & Hythe the distribution of men and women is more uneven. The majority of women (59%) are concentrated in the middle pay quartiles, while the majority of men (61%) are counted in either the lowest or highest pay bracket

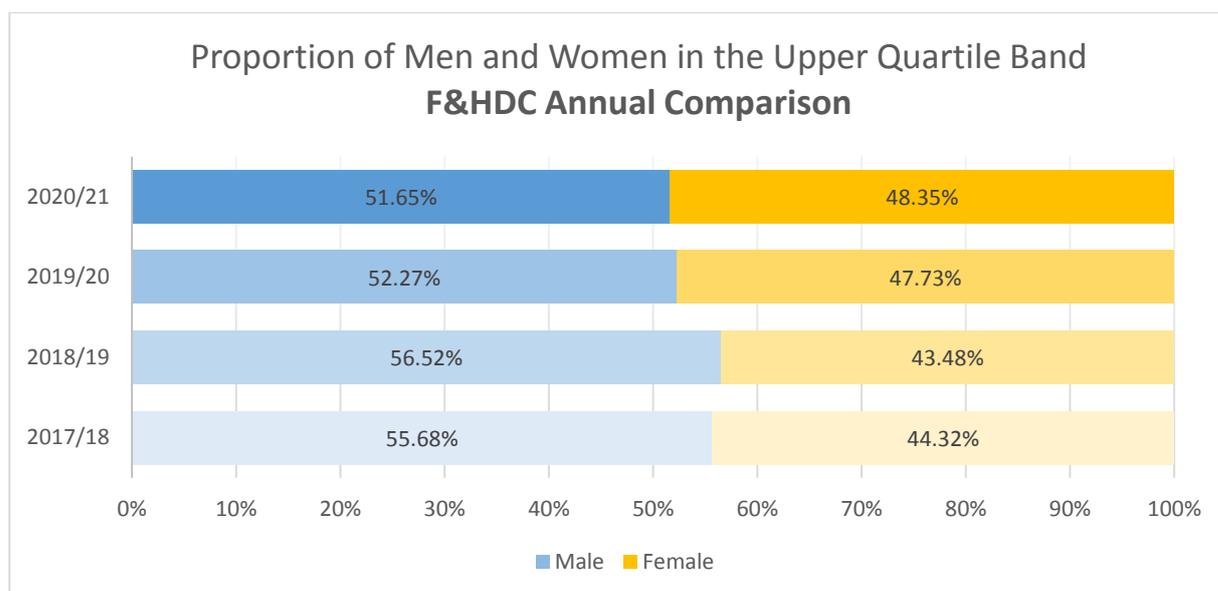
The male domination of the upper pay quartile helps to explain a mean average that shows, overall, men are paid slightly more than women. Indeed, 29% of male employees are in this highest earning bracket when compared to 22% of women. However, the large proportion of males found in the lowest pay quartile coupled with a female domination of the upper middle quartile has resulted in this mean average being rather negligible.

This combination has also resulted in the median female being found higher on the pay spectrum than the median male.

### 3.2 The Reduction in the Average Gender Pay Gap:

Our data over the past four reporting years shows an increase in the proportion of females within the highest earning bracket. The positive actions taken to support this

are considered in paragraph 3.4 below. This, coupled with an increase in the percentage of males in the lowest pay quartile this year, goes some way to explaining the reduction in the council's mean average gender pay gap.



3.3 Conversely, the proportion of females within the lower middle pay quartile (which encompasses Grade D-E type positions) has also increased in comparison to last reporting year, resulting in a narrowing of the council's median gender pay gap.

3.4 The council has taken numerous actions to reduce the gender pay gap and continues to do so in order to reduce it further. However, while the actions outlined below may have contributed to the reduction in our gender pay gap, it is important to note that due to the organisation's size a relatively small amount of individual changes to employees or posts can have a seemingly significant influence on average figures and the data reported. The manner in which the data needs to be calculated also means that where the quartile bands are drawn varies each year and that a small change to actual headcount may also have an impact on these percentage figures. While not included in this year's data, the introduction of the Housing service has impacted on the council's headcount and may have an impact on subsequent reporting years.

Paragraph 3.1 highlights the distribution of males and females across the pay quartiles. Around a third (32%) of all male employees have been counted in the lowest pay quartile. A significant proportion (37%) of the staff that appear in this lower pay quartile work in the council's Grounds Maintenance department or maintenance teams, the vast majority of which are male. The ratio of males to females is ordinarily higher in manual roles and attracting women into these positions is a noted national challenge. Strategies the council is implementing to increase diversity in this area include creating gender neutral job titles.

The data continues to indicate a correlation between working hours, gender and the pay quartiles. Overall, 25% of the posts included in the calculations are part time, the majority of which (81%) are undertaken by female staff. A significant proportion (60%) of these part-time posts appear in the middle of the pay spectrum, where the majority (59%) of females have been counted. The fewest amount of part-time roles appear in the highest pay quartile. This is reflective of the national situation though, with the Office of National Statistics consistently reporting that women fill more part-time jobs and that this is generally less well paid than full-time work.

With this correlation in mind, the council has introduced a number of measures to increase gender diversity within the upper pay quartile:

- Even prior to Covid-19 restrictions working flexibly was encouraged, with the majority of staff having the ability to work flexible hours and in a range of locations including from home. This flexibility has increased even further since the data snapshot date of 31<sup>st</sup> March 2020.
- Prior to recruiting externally or seeking candidates for promotion, the council carefully considers whether working hours and locations can be flexible and, if the post is full time, whether it could be undertaken on a part-time basis. This is then clearly stated on the advert in order to remove such barriers and increase diversity in recruitment and promotion activities. Job sharing options are also considered.
- It is recognised that working part-time can impact on the ability to attend training courses, which may then impact on career progression. The council therefore considers its training programmes carefully in order to reduce barriers to development. A range of flexible development opportunities are available, including coaching, mentoring, in house training and formal qualifications. When considering our training courses we put on shorter courses or split over different days to enable part-time staff to attend. Since the data snapshot date (31<sup>st</sup> March 2020) learning and development activities have taken place remotely, which increases accessibly even further as sessions can be recorded and viewed at any time.
- The council also runs training courses and provides dedicated support aimed at helping managers understand the provisions of the Equality Act 2010 and ensure fair, non-discriminatory and consistent processes are followed in matters such as recruitment and promotion.
- In order to reduce the gender pay gap further, the council offers supportive options for those returning from maternity leave and encourages greater sharing of caring responsibilities through raising awareness of benefits and initiatives such as Flexible Working, Shared Parental Leave and Tax-Free Childcare.

#### **4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

- 4.1 Legal Comments (NM) – There are no legal implications arising directly out of this report other than those already clearly stated therein.
- 4.2 Finance Comments (LW) – There are no financial implications arising from this report.
- 4.3 Equalities Comment (GE) – This report demonstrates Folkestone & Hythe District Council's continued commitment to Equality and Diversity. No Equality Impact Assessment required.

#### **5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officers prior to the meeting

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The following background documents have been relied upon in the preparation of this report:

None