



EMPLOYMENT COMMITTEE - 1 FEBRUARY 2018

GENDER PAY GAP REPORTING

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of the Report

1. The purpose of this report is to present the initial results regarding Gender Pay Gap reporting for Leicestershire County Council. The Committee is asked to note the content of the report and that the results of the analysis will be published by 30 March 2018.

Policy Framework and Previous Decisions

2. Gender Pay Gap reporting is now a statutory requirement under section 78 of the Equality Act 2010, requiring larger employers (those with more than 250 employees) to publish pay information to show whether or not there are differences in pay between their male and female employees.

Background

3. From 6 April 2017 any organisation that has 250 or more employees is required by law to publish and report specific figures about their Gender Pay Gap.
4. The following figures have to be reported annually on the Council's website and will also be reported to and published by central government. A glossary of terms is attached at Appendix 1:
 - a. **Mean Gender Pay Gap** – The difference between the mean hourly rate of pay of male full-pay employees and that of female full-pay employees
 - b. **Median Gender Pay Gap** – The difference between the median hourly rate of pay of male full-pay employees and that of female full-pay employees
 - c. **Mean bonus Gender Pay Gap** – The difference between the mean bonus pay paid to male employees and that paid to female employees
 - d. **Median bonus Gender Pay Gap** – The difference between the median bonus pay paid to male employees and that paid to female employees
 - e. **Proportion of males and females receiving a bonus payment** – The proportion of male and female employees who were paid bonus pay during the period

- f. **Proportion of males and females in each pay quartile** – The proportion of male and female full-pay employees in the lower, lower middle, upper middle and upper quartile pay bands
5. The figures must be calculated using a specific reference date – this is called the ‘snapshot date’. For public sector organisations the snapshot date is 31 March each year. Organisations must publish within a year of the snapshot date; hence the results for Leicestershire County Council for 2017 need to be published by 30 March 2018 in order to meet the requirements of the legislation.

Results

6. The initial results are as follows. These results are subject to a further data review before the local authority publishing deadline of 30 March 2018. All percentages are rounded to the nearest whole number.
- a. **Mean Gender Pay Gap** – Females mean hourly rate is **18%** lower than males
 - b. **Median Gender Pay Gap** – Females median hourly rate is **20%** lower than males
 - c. **Mean bonus Gender Pay Gap** – Not applicable
 - d. **Median bonus Gender Pay Gap** – Not applicable
 - e. **Proportion of males and females receiving a bonus payment** – Not applicable
 - f. **Proportion of males and females in each pay quartile** – see results in Table 1 below
7. To set the results for the County Council in context, the profile of the workforce is set out in Appendix 2. As at 31 March 2017, of the staff employed by the Council, 74% were female and 26% were male. That percentage remains the same as at 10 January 2018.
8. By way of explanation, the official government guidance states that Gender Pay Gap reporting requires other monetary payments such as allowances and shift premium pay to be taken into account when calculating hourly pay; this is in addition to basic pay. Due to this reason there are a small number of anomalies in Appendix 2 whereby some employees in lower grades are currently accounted for in higher quartiles. As stated earlier, these are initial results which are subject to further data review before the official publishing date of 30 March 2018.
9. The Council’s workforce is predominantly female with a large number of females undertaking job roles in grades 2 – 10, compared to the spread through the grades of male employees. This profile explains the mean and median percentage differences set out in paragraph 6. It is worth noting that a small number of other Local Authorities have published their Gender Pay Gap reports (see Appendix 3) and the findings for Leicestershire County Council are broadly in line, given the general nature of the Local Government workforce. In addition, the overall UK Gender Pay

Gap for all employees was 18.1% for mean hourly pay in May 2016 according to the Office for National Statistics (ONS). This means the Council is approximately on average for mean pay.

10. The following table shows the proportion of males and females in each pay quartile – see Appendix 1 for a more detailed explanation. As stated, the Council wide employment figures are 74% females and 26% males, and the table shows that the percentage of females is highest across the Council’s lowest grades, given the nature of the roles. The percentage difference reduces as the grades increase.

	Males	Females
Lower quartile	14%	86%
Lower middle quartile	24%	76%
Upper middle quartile	28%	72%
Upper quartile	37%	63%

Table 1

Equal Pay Audit

11. In addition to the Council now having to produce the Gender Pay Gap information it is important to note that the Council also conducts an Equal Pay Audit every three years. From previous audits it can be reported that no gender pay issues have been identified.

Job evaluation scheme

12. It is also noted that the adoption of the HAY Job Evaluation Scheme also ensures through its application that no gender pay issues should occur.

Background Papers

Central government Gender Pay Gap reporting overview

<https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>

List of employers publishing their Gender Pay Gap data

<https://gender-pay-gap.service.gov.uk/Viewing/search-results>

Advisory, Conciliation and Arbitration Service (ACAS) guidance

<http://www.acas.org.uk/index.aspx?articleid=5768>

Government Legislation <https://www.legislation.gov.uk/ukdsi/2017/978011152010>

UK Gender Pay Gap – Office for National Statistics

<https://visual.ons.gov.uk/the-gender-pay-gap-what-is-it-and-what-affects-it/>

Circulation under the Local Alerts Procedure

None.

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List of Appendices

Appendix 1 - Glossary of key terms

Appendix 2 - Quartiles by grade within Leicestershire County Council

Appendix 3 – Comparative Table – other Local Authorities

Equalities and Human Rights implications

13. The Gender Pay Gap analysis has not identified any specific concerns, given the nature and profile of the workforce. There are therefore no equalities and human rights issues to address.