

Report Title:	<b>Gender Pay Gap</b>
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	
Meeting and Date:	Employment Panel – 13 February 2018
Responsible Officer(s):	Alison Alexander, Managing Director & Terry Baldwin, Head of HR
Wards affected:	None

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## REPORT SUMMARY

- 1 The council is required to publish by 30 March 2018 a number of gender pay gap indicators reflecting a snapshot of employees in post on 31 March 2017. This report identifies the data that must be published and the council's results. It shows that the council's gender pay gap is significantly below the national gender pay gap and compares well with many local authorities.
- 2 It also identifies action that could be taken over the next year to help reduce the gap.

## 1 DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION: That Employment Panel notes the report and:**

- i) Approves the commentary about the council's gender pay gap for publication on the council's website and the gov.uk website.
- ii) Approves the actions identified in the commentary.

## 2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 From April 2017, under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, public sector employers with 250 or more employees are required to publish statutory gender pay gap indicators every year.
- 2.2 The council pays men and women the same grade for work of equal value. However, the gender pay gap looks at the variation between the pay of men and women across all levels of the organisation. In the workplace men are still more likely to hold more senior positions than women, women tend to occupy front line roles, which are lower paid. Women also tend to work part time, which can be less compatible with more senior roles and have taken a career break. The purpose of highlighting the gender pay gap is to encourage society and employers to identify ways in which women can be encouraged to take on more senior roles.
- 2.3 The calculations are based on a snapshot as at 31 March 2017 and must be published by 30 March 2018 on the council's website and the gov.uk website. Since the snapshot date the council has reduced the size of its workforce as it has transferred employees to external and partner organisations and therefore the indicators are likely to change as a result of this, when the data for 31 March 2018 is prepared for publication in 2019.

- 2.4 The data should exclude schools, who must report in their own right if they have 250 or more employees. None of the council's schools meet this criteria.
- 2.5 The data that must be published is:
- Gender pay gap – mean and median
  - Gender bonus gap – mean and median
  - Proportion of men and women receiving bonuses
  - Proportion of men and women in each quartile of the council's pay structure.
- 2.6 The indicators have been calculated in line with the definitions and criteria in the regulations, which allows comparisons between employers. Table 1 compares the council's gender pay gap with the national figures for all employees and those in the public sector.

**Table 1: Comparison of gender pay gap percentages**

<b>Group</b>	<b>% gap mean</b>	<b>% gap median</b>
The council	7.1	10.2
National - all employees	17.4	18.4
Public administration - all employees	10.9	17.7

- 2.7 This shows that the council's gap is significantly below the national figures not only for all employers but also the public sector.
- 2.8 Table 2 compares the council's gender pay gap with those council's whose data was published on the gov.uk website at the time of writing this report.

**Table 2: Comparison of gender pay gap percentages for other councils**

<b>Council</b>	<b>% gap mean</b>	<b>% gap median</b>
Broadland	26.8	25.5
Tonbridge and Malling	23.9	33.6
Bracknell Forest	16.3	23.3
Doncaster	15.7	21.1
South Gloucestershire	11.8	12
Portsmouth	11	15
Wycombe	9.7	10.8
Tandridge	9.4	14.7
Corby	9.2	11.2
Leeds	8.6	13.1
<b>Royal Borough of Windsor and Maidenhead</b>	7.1	10.2
Broxtowe	6.6	0
Hyndburn	6.2	2.7
Maidstone	5.4	4.9
Newcastle	4.5	6.7
Chichester	3.6	3.4
Gedling	3	1.9
Harrogate	3	0

Wyre	1.4	1.6
Chorley	1.2	0
<b>Council</b>	<b>% gap mean</b>	<b>% gap median</b>
Poole	1.1	-3.2
Hambleton	-7.7	-12.3
Three Rivers	-11	-42

2.9 This shows there is a wide range of gender pay gaps that reflect the individual circumstances of the particular council. It is useful to know where the council sits within the national data and in comparison to other councils.

### Commentary

2.10 There is no requirement on employers to publish a commentary on their gender pay gap figures and only six of the councils in table two done so.

2.11 Appendix A sets out the proposed commentary to be published with the council's gender pay gap data. In the context of the national figures and other local authorities, the council's gender pay gap is not a significant issue. However, given the dominance of women in the council's workforce, the aim should be to reduce the gap.

2.12 The commentary identifies the following proposed actions over the next year:

- Review the family friendly leave and flexible working policies.
- Review the gender pay profile within pay grades.
- Undertake unconscious bias training for managers.

2.13 The council has a good range of family friendly leave schemes and a comprehensive flexible working scheme, the review will consider what, if any, improvements could be made to support working parents' further. Although men and women are paid on the same grade for jobs of equal value, there could be variations within the salary range. Analysis of pay within grades will be undertaken to identify any issues and action required. Unconscious bias training will highlight to managers issues linked to gender.

2.14

**Table 3: Options**

Option	Comments
Employment Panel approves the report and the action plan.	
<b>This is the recommended option</b>	
The Employment Panel does not approve the report and the action plan.	The council must publish its gender pay gap data by 30 March 2018.

## 3 KEY IMPLICATIONS

3.1

**Table 4: Key implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Gender pay gap information published by 30 March 2018 on the gov.uk website and council's own website	> 30 March 2018	30 March 2018	16 March 2018	28 February 2018	30 March 2018

#### **4 FINANCIAL DETAILS / VALUE FOR MONEY**

4.1 There are no financial implications.

#### **5 LEGAL IMPLICATIONS**

5.1 The regulations require the council to publish by 30 March 2018. Initially there were no financial penalties for non-publication and no enforcement mechanism or any sanctions for non-compliance with the duty, but the explanatory note to the regulations states that failure to comply with the duty will constitute an "unlawful act" within the meaning of s.34 of the Equality Act 2006, which empowers the Equality and Human Rights Commission (EHRC) to take enforcement action. However in December 2017 the EHRC launched a consultation on an enforcement policy, which includes the potential for unlimited fines for non-compliance.

5.2 The EHRC has stated that initially it will focus its resources on those employers that have not published their data, followed by those where data is inaccurate.

#### **6 RISK MANAGEMENT**

6.1

**Table 5 Impact of risk and mitigation**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
Failure to publish on time, results in enforcement action.	Medium	Data published on time	Low
Failure to publish results in reputational damage.	Medium	Data published on time	Low

## 7 POTENTIAL IMPACTS

7.1 No EQIA was done.

## 8 CONSULTATION

8.1 None.

## 9 TIMETABLE FOR IMPLEMENTATION

9.1

**Table 6: Implementation timetable**

<b>Date</b>	<b>Details</b>
By 28 February 2018	Borough Bulletin article for employees on the council's gender pay gap
By 30 March 2018	Data published on the council's website
By 30 March 2018	Data published on the gov.uk website

## 10 APPENDICES

10.1 Appendix A – proposed commentary for publication with the gender pay gap information.

## 11 BACKGROUND DOCUMENTS

11.1 None.

## 12 CONSULTATION (MANDATORY)

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Commented &amp; returned</b>
Lisa Targowska	Lead Member/ Principal Member/Deputy Lead Member	02/02/18	04/02/18
Alison Alexander	Managing Director	24/1/18	24/1/18
Russell O'Keefe	Executive Director	24/1/18	24/1/18
Andy Jeffs	Executive Director	24/1/18	24/1/18
Rob Stubbs	Section 151 Officer	24/1/18	24/1/18
Terry Baldwin	Head of HR	24/1/18	24/1/18
Mary Kilner	Head of Law and Governance	24/1/18	24/1/18
Louisa Dean	Communications and Marketing Manager	24/1/18	24/1/18
	Other e.g. external		

## REPORT HISTORY

<b>Decision type:</b> For information	<b>Urgency item?</b> No
Report Author: Karin Zussman-Ward, Lead HR Consultant, 01628 796211	



# **Royal Borough Windsor & Maidenhead**

## **Gender pay gap**

**March 2018**

**“Building a borough for everyone – where residents and businesses grow, with opportunities for all”**

**Our vision is underpinned by six priorities:**

*Healthy, skilled and independent residents*

*Growing economy, affordable housing*

*Safe and vibrant communities*

*Attractive and well-connected borough*

*An excellent customer experience*

*Well-managed resources delivering value for money*

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- 3 Action to reduce the gender pay gap

### **Frequently used acronyms**

FTE            Full time equivalent



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## 1 INTRODUCTION

- 1.1 Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, public sector employers with 250 or more employees are required to publish statutory gender pay gap indicators every year. This is the first year of publication and the data is a snap shot of the workforce as at 31 March 2017 and must be published by 30 March 2018. The data will be updated annually.
- 1.2 For the council this excludes schools, who are required to publish their own data where their workforce exceeds 250. None of the council's schools meet this requirement.
- 1.3 The gender pay gap is not about equal pay for men and women. The council pays men and women on the same grade based on their job role being assessed as being of equal value. We do this via a job evaluation scheme. The gender pay gap compares the hourly pay of all men and all women in the council.
- 1.4 Reasons for the size of the gap vary between organisations, but generally they can be accounted for on the basis that:
- Men tend to hold more senior positions.
  - Women tend to work part time and part time work tends to be more prevalent at lower levels in organisations.
  - Women tend to take career breaks, which can impact on their progression or later career choices.
  - More women tend to use salary sacrifice schemes for child care benefits.
  - Local authorities have a wide range of services and professions, however many of the lower paid functions tend to be dominated by women e.g. administration, care, customer services etc.
- 1.5 In calculating the council's gender pay gap data, we have applied the definitions and criteria set out in the regulations.

## 2 GENDER PAY GAP INDICATORS

- 2.1 RBWM is required to publish the following information:
- Median gender pay gap
  - Mean gender pay gap
  - Median bonus pay gap
  - Mean bonus pay gap
  - Proportion of males and females receiving a bonus payment
  - Proportion of males and females in each pay quartile.
- 2.2 To help understand the indicators, they are described below in Table 1.

**Table 1: Indicators**

<b>Indicator</b>	<b>Description</b>
Median gender pay gap	This is the difference between the middle value of the hourly rate for men (when ordered from lowest to highest) and the middle value for women, expressed as a percentage of the median hourly rate for men.

Mean gender pay gap	This is the difference between the average hourly rate for men and the average for women, expressed as a percentage of the average hourly rate for men.
Median bonus pay gap	This is the difference between the middle value of bonuses for men (when ordered from lowest to highest) and the middle value for women, expressed as a percentage of the median bonus for men.
Mean bonus pay gap	This is the difference between the average bonus for men and the average for women, expressed as a percentage of the average bonus for men.
Proportion of males and females receiving a bonus	This is the percentage of men and the percentage of women who received a bonus.
Proportion of males and females in each pay quartile	This is the percentage of men and women in each quartile (25%) of the pay structure. This is calculated by listing all the individual hourly rates, lowest to highest and dividing them into 4 equal groups called: upper, upper middle, lower middle and lower.

2.3 The council's mean and median gender pay gaps are shown in Table 2 and compared to the national and public sector figures from the ONS 2017 Annual Earnings and Hours Survey.

2.4

**Table 2: RBWM mean and median gender pay gap, compared to the national gender pay gap**

Group	% gap mean	% gap median
The council	7.1	10.2
National - all employees	17.4	18.4
Public administration - all employees	10.9	17.7

2.5 This shows that the gender pay gaps at the council are significantly below the national and public sector pay gaps.

2.6 The gender pay gap for bonus payments are shown in Table 3 and Table 4 shows the proportion of men and women receiving bonus payments. The council's pay reward scheme provides for the payment of a lump sum linked to an employee's appraisal rating. It is this payment that has been classified as a bonus. The bonus calculation is based on actual payments, which means that they are affected by part time workers, who are mostly women. Therefore the figures have been adjusted to reflect full time equivalent payments and this shows that women received a higher mean bonus payment.

**Table 3: Bonus gender pay gap**

Indicator	Percentage gap - actual payments	Percentage gap - adjusted to fte
The mean bonus gender pay gap	8.1%	-4.3%
The median bonus gender pay gap	17.3%	0.0%

**Table 4: Proportion of men and women receiving a bonus**

Indicator	Female	Male
The proportion of males and females receiving a bonus payment	39.4%	40.4%

2.7 Table 5 sets out the proportion of men and women in each pay quartile.

**Table 5: Pay quartiles**

Indicator	Quartile	Female	Male
The proportion of males and females in each quartile pay band	Upper	63.8%	36.2%
	Upper middle	69.4%	30.6%
	Lower middle	71%	29%
	Lower	71.6%	28.4%

2.8 The explanations for the gender pay gaps at the council are broadly in line with the general reasons that apply to many organisations:

- Women dominate the lower pay roles.
- 42 percent of the workforce is part time and of those 87 percent are women.
- Women have on average one year's less service with the council.
- Of those who access the salary sacrifice schemes, just over 70 percent are women, which reduces their hourly rate.

### **3 ACTION TO REDUCE THE GENDER PAY GAP**

3.1 The council already has in place policies that encourage women to join and remain with the council:

- Wide range of flexible working patterns including term time only.
- Range of family friendly benefits such as buying additional leave and salary sacrifice childcare voucher scheme.

3.2 The council's current gender pay gap is less than half that of the national figure, there is more that could be done to improve the opportunities for women at the council. Over the next year the council will:

- Review the pay profile within the pay grades and dip sample to identify any pay inequalities.
- Undertake unconscious bias training for managers to raise awareness of gender issues
- Promote family friendly policies and evaluate the take up of those policies. Determine what action should be taken, if any, to further encourage the take up of these policies.

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Document Author	Karin Zussman-Ward, HR		
Document owner	Karin Zussman-Ward, HR		
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