

This Report will be made public on 5 June 2019



Report Number **P/09/02**

**To:** Personnel Committee  
**Date:** 13<sup>th</sup> June 2019  
**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/19/02.

## **1. BACKGROUND**

1.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires employers with 250 or more employees 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:

- Gender pay gap as a mean average
- Gender pay gap as a median average
- Gender bonus gap as a mean average
- Gender bonus gap as a median average
- Proportion of men and women receiving bonuses
- Proportion of men and women in each quartile pay band

The data resulting from these calculations appear 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 2018 and must be published by 30<sup>th</sup> March 2019.

The HR Business Partner (Performance) completed the review of our data during December 2018 which was followed by a report to the Corporate Leadership Team at the beginning of February. The Council's data was then uploaded to the government's website ([click here](#)) and the Council's website ([click here](#)) during March 2019.

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. The Council can then publish future figures alongside these so any changes in the gender pay gap can be noted.

1.5 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 average gender pay gap is expressed as a percentage. A positive percentage figure (or "positive pay gap") shows that, typically or overall, men are paid more. A negative pay gap indicates that women are paid more.

The Council's average gender pay gap as at the snapshot date of 31<sup>st</sup> March 2018 is as follows:

### 2.1.1 **Gender pay gap as a mean average: 4.97%**

The average man earns £15.88 per hour whereas the average woman earns £15.09 per hour. On average, men earn nearly 5% more than women.

This reflects a reduction in the gender pay gap in comparison with last year, in which we reported a gap of nearly 8%.

As a comparison, the mean gender pay gap was reported as 14.2% nationally and as 6.1% within local government as reported by the Local Government Association. Women were, on average, paid less than men in over 80% of local authorities.

This year's figures therefore compare favourably both nationally and with the sector. Comparison with other Kent authorities is considered below.

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: -7.24% (negative 7.24%)**

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 £13.48 per hour. The median man earns £12.57 per hour. Using the median calculation, the average woman earns just over 7% more than the average man.

By identifying the wage of the middle earner, the median is considered the best representation of the typical gender difference.

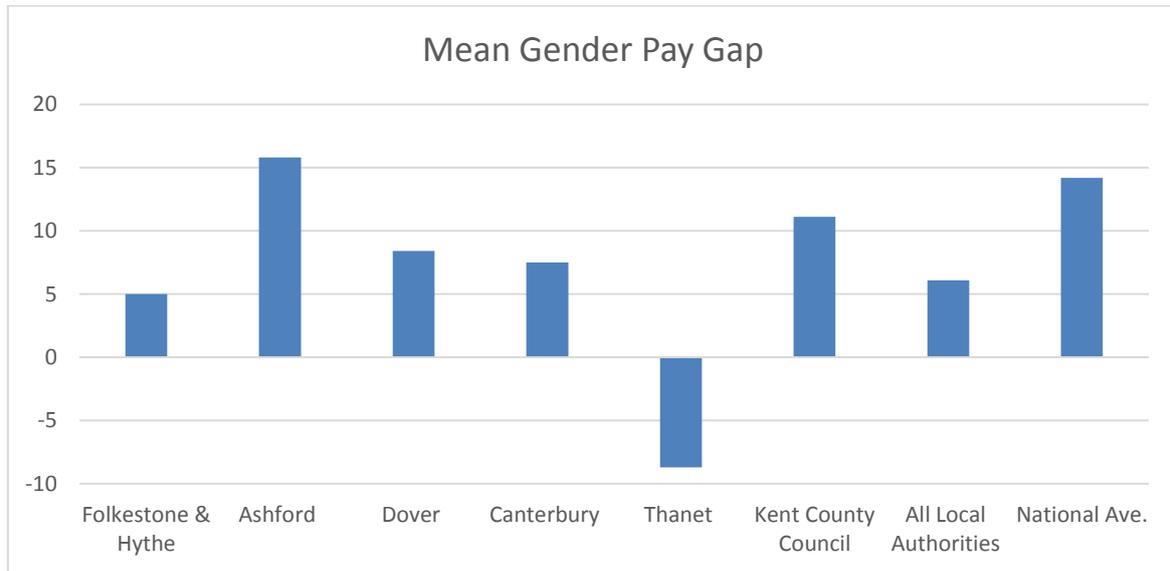
Last year we reported a median gender pay gap of negative 4.19%. Just over a quarter of local authorities reported, like us, a median gender pay gap that showed women were on average paid more than men.

Overall, the median gender pay gap was reported as 9.6% nationally (18.1% last year) and as 4% across local government. Comparison with other Kent authorities is considered below.

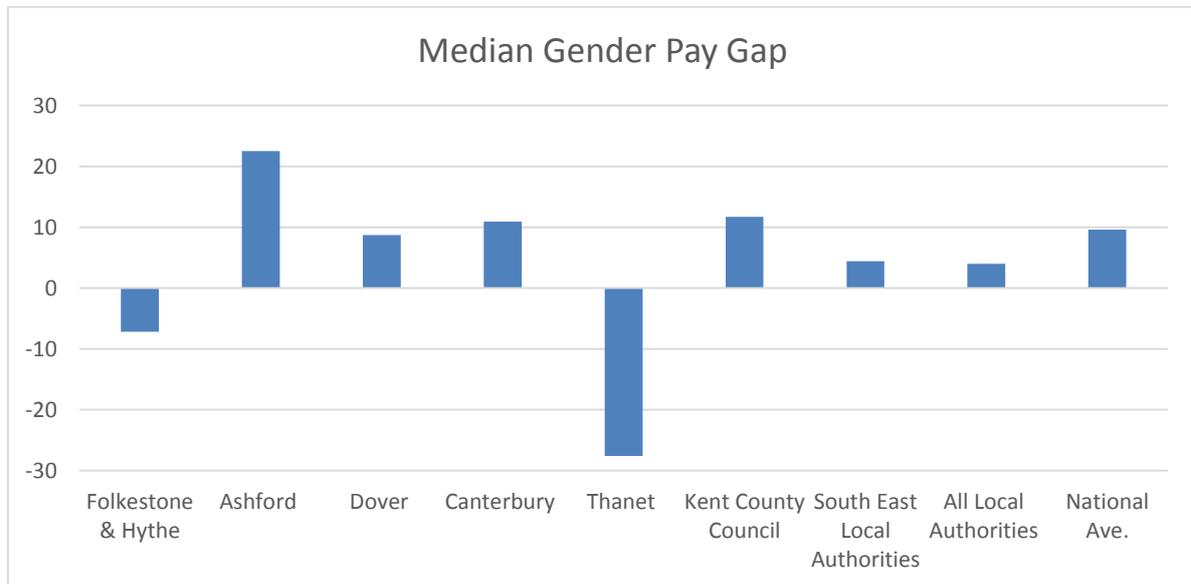
### 2.1.3 All Kent Authorities met the reporting deadline and their results are available both on the government's website and their own websites.

The table below shows the comparison across our local area of the

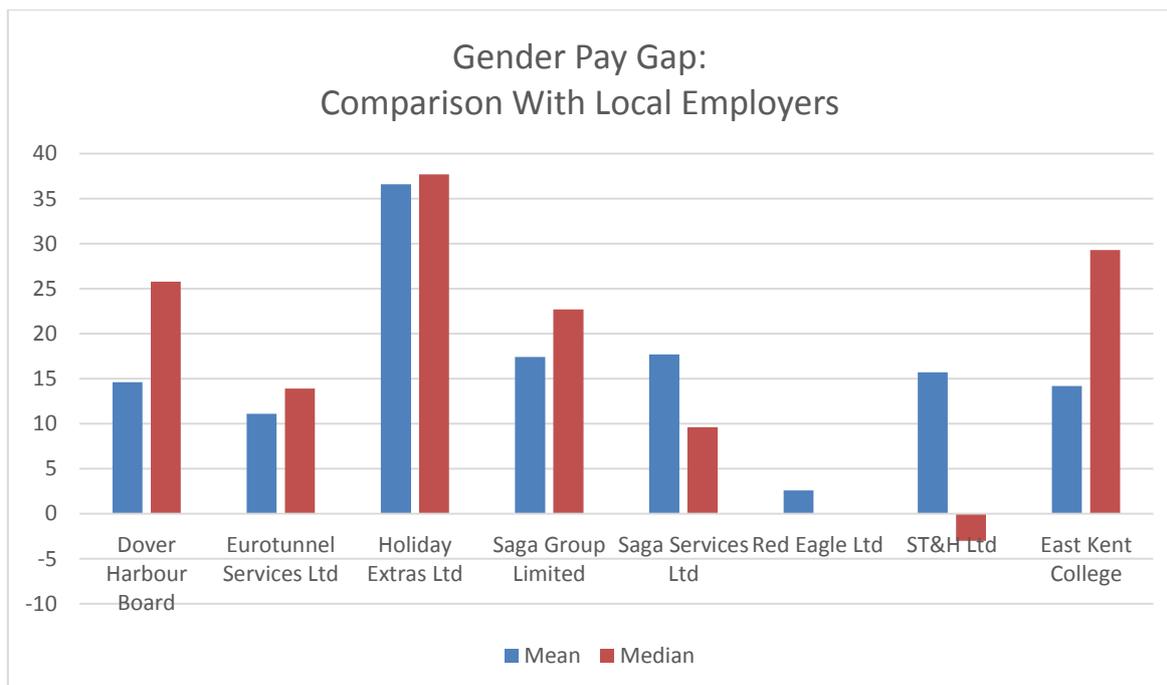
gender pay gap as a mean average.



The table below shows the comparison across our local area of the gender pay gap as a median average.



2.1.4 In order to provide a local comparison, the private sector data has been filtered and the following data extracted along with the local college:



2.1.5 Some local employers do not post their results for this region only. For example, Dungeness Power Station and Affinity Water may employ a substantial number of people locally however their results are reportable for their entire business across the country,

2.2 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 may be determined as meeting this definition of ‘bonus pay’.

During the period between 1<sup>st</sup> April 2016 and 31<sup>st</sup> March 2017, seven staff received honorarium payments. Of these, two were paid on an ongoing basis and have been considered more in line with acting up arrangements. The remaining five constituted one off payments and form the basis of the calculations below.

During the period between 1<sup>st</sup> April 2017 and 31<sup>st</sup> March 2018 no such payments were made and the following 3 results declared:

**Average bonus gender pay gap as a mean average: N/A**  
**Average bonus gender pay gap as a median average: N/A**  
**Proportion of men and women receiving bonuses: N/A**

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

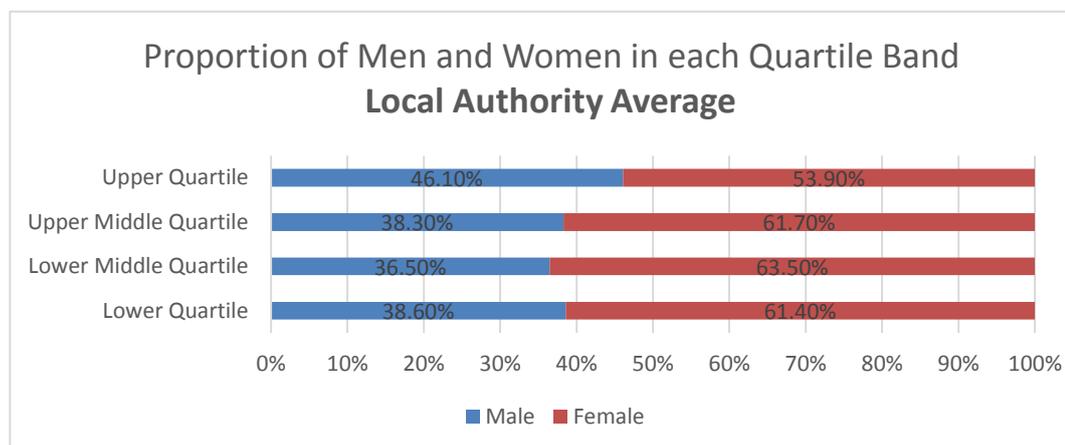
Quartile	Male	Female
Lower	58.06%	41.94%
Lower Middle	38.04%	61.96%
Upper Middle	27.96%	72.04%
Upper	56.52%	43.48%

The table shows a higher percentage of men in both the lowest and highest paid quartiles. The reasons for this are considered in section 3 of this report.

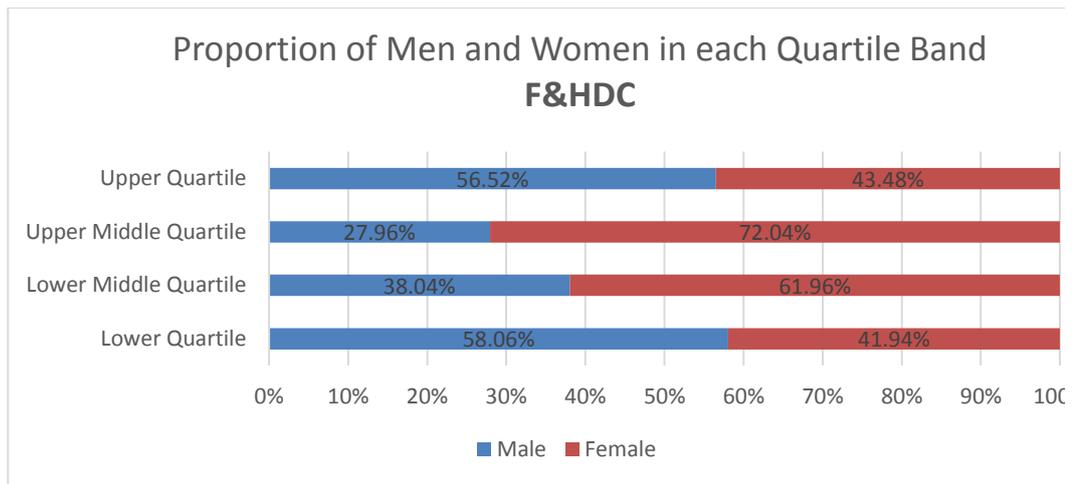
## 3. SUPPORTING NARRATIVE

3.1 The median gender pay gap shows that, typically, female employees have higher pay than male employees. While this is a very positive indicator, the mean gender pay gap shows the opposite. The proportion of men and women in each quartile band (section 2.3.1) helps to explain the reason for this difference.

3.2 The council employs more women than men. 55% of staff included in these gender pay gap calculations were female. This is rather typical in local government and on average has led to higher proportion of women across all pay quartiles.



However, at Folkestone & Hythe District Council the distribution of men and women is more uneven. The majority of women (61%) are concentrated in the middle pay quartiles, while the majority of men (63%) are counted in either the lowest or highest pay bracket.



The males in the upper pay quartile have contributed to a mean average that shows, overall, men are paid more than women. However, this distribution, where there is a large proportion of males found in the lowest pay quartile and a female domination of the upper middle quartile in particular, has also resulted in the median female being found higher on the pay spectrum than the median male.

### 3.3 The reduction in the mean gender pay gap:

This year the council will be reporting a reduction in its mean gender pay gap by almost 3%. As we might expect, the average wage across Folkestone & Hythe employees has increased marginally when compared to last year. However, when we break this down by gender the earnings of the average male have actually decreased slightly, whereas those of the average female have increased by 2.5%.

In comparison to the previous reporting year we have seen limited change in the male/female ratio in the highest and lowest paid roles. The reduction in the mean gender pay gap can largely be attributed to an increase in the proportion of women in the upper middle pay quartile. Essentially, the figures show some 'movement' from the lower middle quartile (which largely contains staff paid around a Grade D) into the upper middle quartile (which largely contains staff paid around Grades E and F). The reverse is true for males.

The changes within these middle quartiles also help to explain the widening of the median gender pay gap.

The actions outlined in paragraph 3.4 below may have contributed to the reduction in our gender pay gap and the increase of females in the upper middle pay quartile. However, it is also important to note that due to the organisation's size and the manner in which the data needs to be calculated, a relatively small amount of individual changes can have a significant influence on the composition of these quartile pay bands and average figures.

### 3.4 Actions the council is taking to reduce the gender pay gap further:

Paragraph 3.2 highlights the distribution of males and females across the pay quartiles. Nearly one third of all male employees (32%) have been counted in the lowest pay quartile. A significant proportion (39%) of the staff that appear in this lower pay quartile work in the council's Grounds Maintenance department, 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.

Nearly 57% of people in the upper quartile are male. Indeed, nearly a third (31%) of all male employees have been counted in this quartile when compared to 20% of female employees. The data indicates that one potential reason for this could be the higher percentage of full time posts at this level of the council's pay structure when compared to the other quartiles. Overall, 29% of council roles included in the calculations are part time, the majority of which (77%) are undertaken by female staff. Indeed, 40% of women work part-time, while only 14% of men do. However, the majority (60%) of these part-time posts appear in the middle quartiles of the pay spectrum, where the majority (61%) 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 reporting that part-time working has an effect on the average pay figures used in gender pay gap reporting.

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

- Working flexibly is encouraged, with the majority of staff having the ability to work flexible hours and in a range of locations including from home.
- 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 support the development of women into senior positions. 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.
- 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.

While it may take time to see changes, measures such as those listed above may reduce the gender pay gap in the upper quartile in the future. Progression and appointments to senior posts will continue to be monitored in order to evaluate the success of these initiatives.

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

- 4.1 Legal Comments (DK) – there are no legal implications arising directly out of this report other than those already stated therein.
- 4.2 Finance Comments (LH) – 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