

This Report will be made public on 5 July 2023

Report Number **P/23/03**

To: Personnel Committee
Date: 20 July 2023
Status: Non-executive Decision
Chief Officer: 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/23/03.

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 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 31st March 2022 with a publication deadline of 30th March 2023.

The HR Senior Specialist completed the review of our data during February 2023 which was followed by a report to the Corporate Leadership Team. The council's data was then uploaded to the government's website ([click here](#)) and the Council's website ([click here](#)) during March 2023.

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.

1.5 This is the sixth 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 50 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.

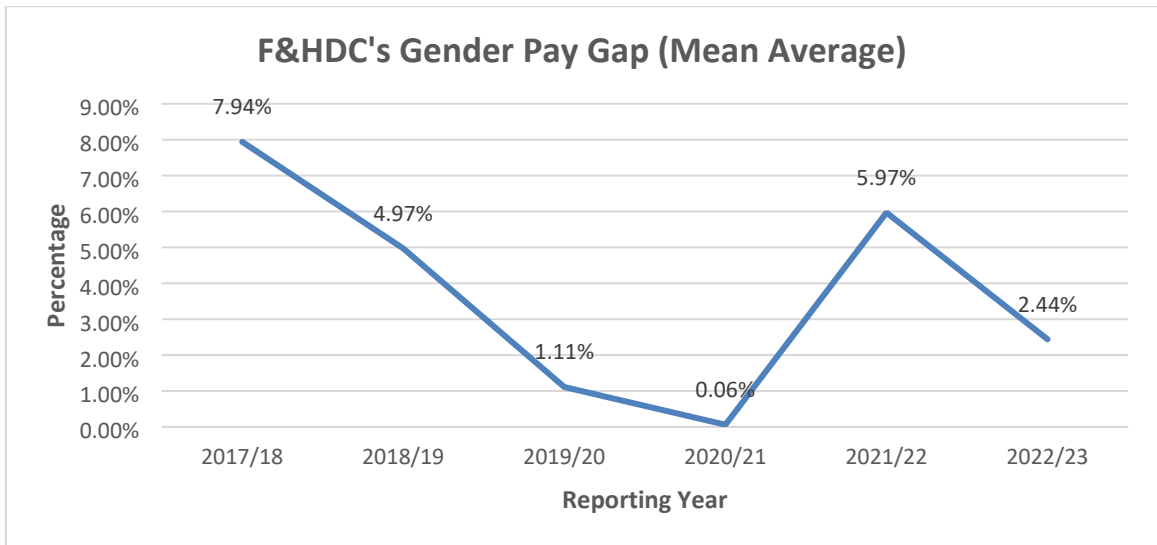
The council's average gender pay gap as at the snapshot date of 31st March 2022 is as follows:

2.1.1 **Gender pay gap as a mean average: 2.44%** (last year 5.97%)

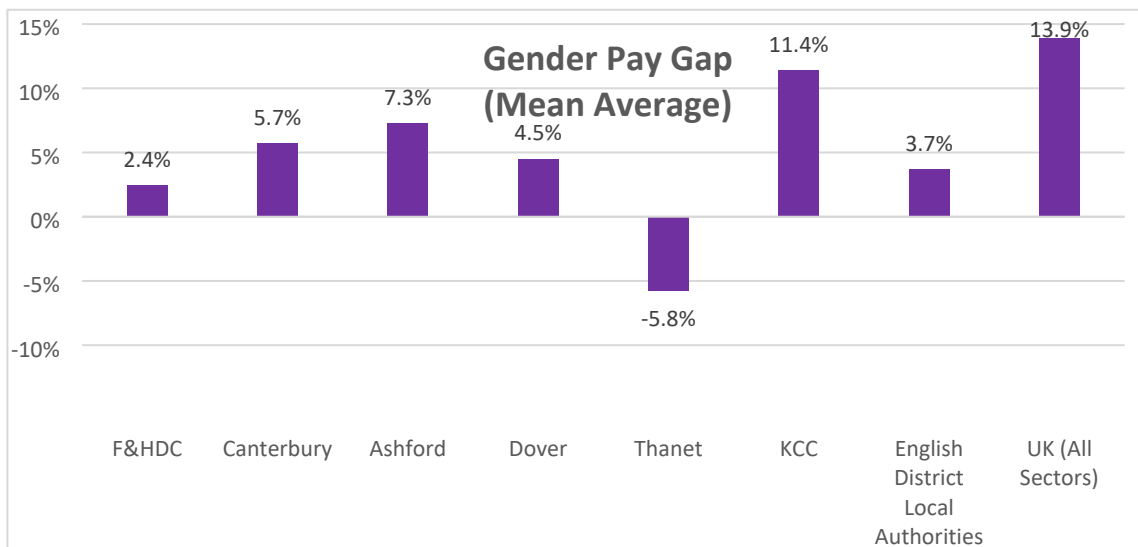
This calculation shows the difference between the average earnings of men and women across the council is nearly 2.5%.

The average man earns £18.48 per hour whereas the average woman earns £18.03 per hour.

This calculation reflects a reduction in the council's gender pay gap in comparison with last year.



The Office of National Statistics currently estimates the UK mean gender pay gap to be 13.9%¹, while analysis undertaken by the Local Government Association reports an average of 3.7% amongst those District local authorities in England required to report this data.²



¹ Source: The Office of National Statistics 2022 dataset [Gender pay gap - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/gender-pay-gap)

² Source: LG Inform: The Local Government Association's analysis of data submitted to the Gender Pay Gap Service in 2022/23.

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.

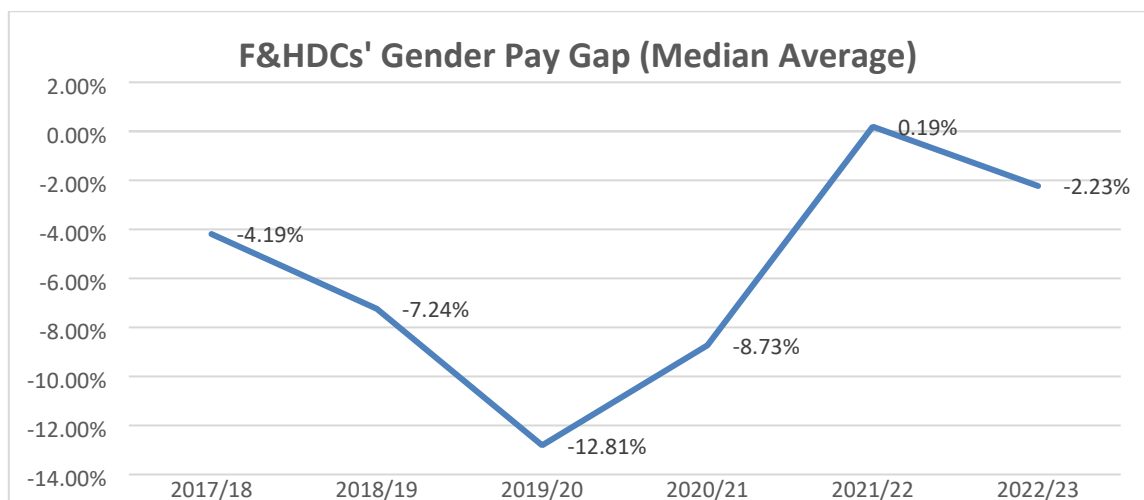
2.1.2 Gender pay gap as a median average: -2.23% (last year 0.19%)

The median calculation shows that the average woman employed at the council earns 2.2% more than the average man.

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 £16.08 per hour. The median man earns £15.73 per hour.

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 therefore is ordinarily utilised by publications and is the figure that is widely reported in the press.

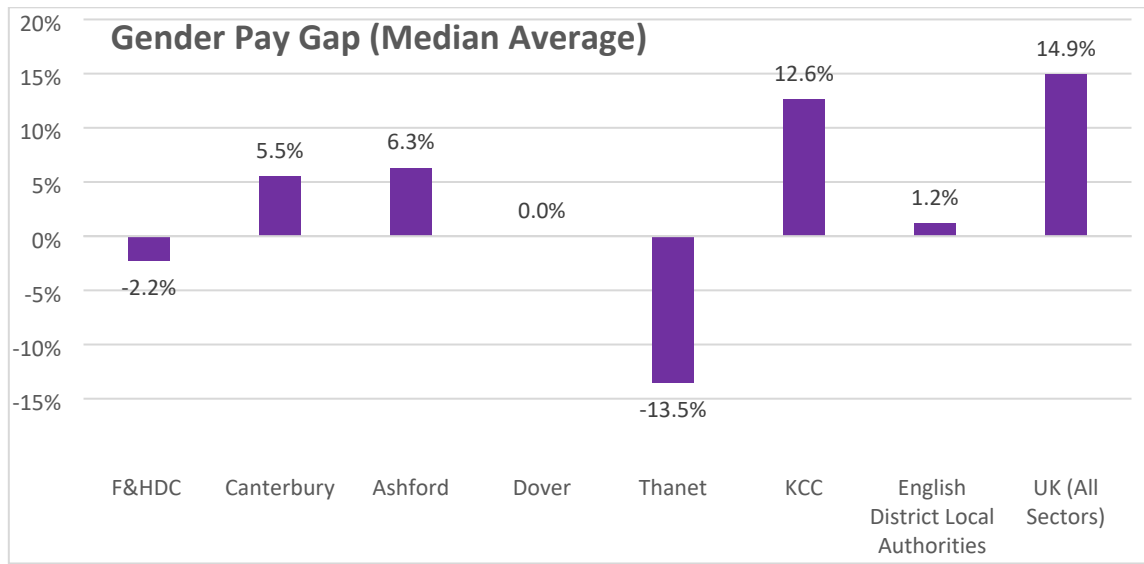
The reason for the difference in mean and median calculations is considered in paragraph 3.1 below.



2.1.3 The most recent data from the [Office for National Statistics](#) estimates the UK median gender pay gap to be 14.9%³, while analysis undertaken by the Local Government Association reports an average of 1.2% amongst those District local authorities in England required to report this data.⁴

³ Source: The Office of National Statistics 2022 dataset [Gender pay gap - Office for National Statistics \(ons.gov.uk\)](#)

⁴ Source: LG Inform: The Local Government Association's analysis of data submitted to the Gender Pay Gap Service in 2022/23.



2.2 The council is also required to calculate and publish figures relating to bonus payments in the 2021/22 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” in this context.

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 1st April 2021 and 31st March 2022, 13 staff (5 men and 8 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: 33.82%**

This is significantly less than the figure of 3.61% reported last year. Our figures fluctuate due to the low volume of honorarium payments and this is made clear in our publications.

The mean average one-off honorarium payment made to women in the period was £913.25. The average payment to men was £1,380.

2.2.2 **Average bonus gender pay gap as a median average: 30.0%**

Last year the council reported a figure of 50%. Again, fluctuations in our figures are due to the low volume of honorarium payments and this is made clear in the publication.

The median one-off honorarium payment made to females in the period was £350. The median payment to males was £500.

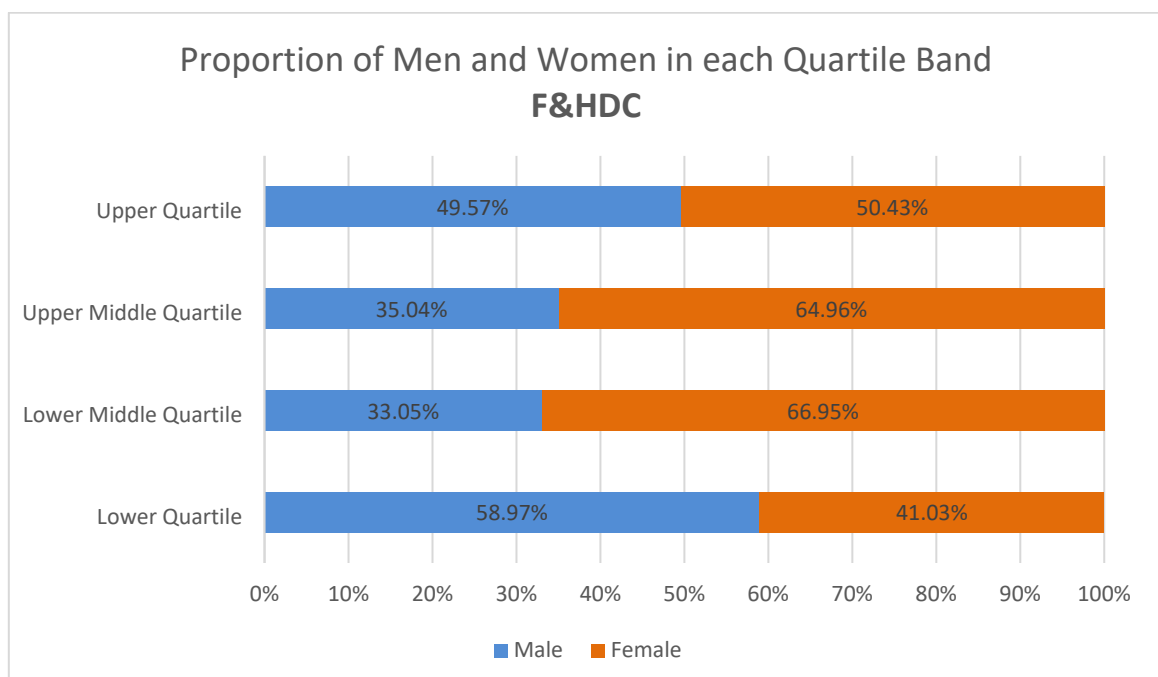
2.2.3 Proportion of men and women receiving bonuses:

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).

2.4% of male employees received a one-off honorarium payment when compared to 2.96% of female employees. These figures represent a reduction on what was reported last year (8.47% and 8.59% respectively) when a number of honorarium payments awarded for work undertaken during the Covid pandemic were included.

2.3 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 and the upper quartile contains the highest paid 25%.

2.3.1 Proportion of men and women in each quartile pay band



3. SUPPORTING NARRATIVE

3.1 The Difference Between the Mean and Median Averages

The chart above helps to explain the difference between the council's mean average (2.44%) and median average (-2.23%) figures reported in paragraphs 2.1.1 and 2.1.2.

The council employs more women than men. 57% of staff included in these gender pay gap calculations are female. This is rather typical in local government and on

average leads to a higher proportion of women in all pay quartiles across 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.

While the upper pay quartile may appear evenly split (i.e. 50% male / 50% female) the fact that the council employs more women than men means that, proportionality, we find more of our male staff amongst our top earners. Indeed, 28% of our male employees are in this highest earning bracket compared to 23% of our female staff. This helps to explain a mean average that shows, overall, men are paid more than women. There are more women counted in this highest pay bracket than last year though, which helps to explain the reduction in our gender pay gap.

However, the large proportion of males amongst our lowest paid staff (a third of all our male staff are counted in the lowest paid quartile), coupled with a female domination of the middle quartiles, has resulted in the median female being found higher on the pay spectrum than the median man.

3.2 **Supporting Narrative**

3.2.1 Paragraph 2.3.1 highlights the distribution of males and females across the pay quartiles. A third of all male employees have been counted in the lowest pay quartile. A significant proportion (33%) of the staff that appear in this lower pay quartile work in the council's Grounds Maintenance department, maintenance or Housing caretaker 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.

3.2.2 The data continues to indicate a correlation between working hours, gender and the pay quartiles. Overall, 26% of the posts included in the calculations are part time. While the proportion of men working part-time hours is increasing, the majority of part-time roles (73%) are undertaken by female staff. The Office of National Statistics consistently reports that women fill more part-time jobs and that this is generally less well paid than full-time work. Indeed, 63% of part-time posts appear in the lower half of our pay spectrum.

With this correlation in mind, the council has introduced and will continue to support initiatives to increase gender diversity within the upper pay quartile:

- The council's agile working culture encourages flexibility in working hours and location.
- 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, as well as co-ordinating sessions with school terms to give working parents the best chance of being able to attend. To increase accessibility even further we deliver courses remotely or in a hybrid manner where possible, and record our sessions so they can be 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 (TM) – There are no financial implications arising from this report.
- 4.3 Equalities Comments (GE) – This report demonstrates Folkestone & Hythe District Council’s continued commitment to equality and diversity. There is 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

Andrina Smith, Chief HR Officer
Telephone: 01303 853405
Email: Andrina.Smith@folkestone-hythe.gov.uk

Ritchie Bennett, HR Senior Specialist
Telephone: 01303 853693
Email: Ritchie.Bennett@folkestone-hythe.gov.uk

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

None