

Personnel Committee – 13<sup>th</sup> February 2018

**Gender Pay Gap Reporting**

**1. Summary**

To inform Personnel Committee of the requirements placed upon the Council in relation to the Gender Pay Gap Reporting and its return for 2016/17.

**2. Recommendation**

The Personnel Committee is recommended to:

- note the requirements to publish the Gender Pay Gap Report on 30 March 2018.
- note the Council's Gender Pay Gap as at 31 March 2017 (**Appendix 1**).
- note the potential media attention once the Gender Pay Gap Report is published.

**3. Background Information**

- 3.1 The Gender Pay Gap Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, apply to both private and public sector organisations and came into effect in 2017. The regulations require an employer with a workforce of 250 employees or more to report and publish their gender pay gap information. It should be noted that there is a slight difference between the public and private sector which is the snapshot date (private sector 6th April & public sector 31st March). The calculations must be published on the government website (private sector) by 5th April and (public sector) by 30th March the following year and updated annually, therefore the Council's Gender Pay Gap Reporting as at 31st March 2017 needs to be published on the government website on 30th March 2018.
- 3.2 The Gender Pay Gap Report must publish the following six calculations based on full and part time employees;
- 1) Average gender pay gap as a mean average
  - 2) Average gender pay gap as a median average
  - 3) Average bonus pay as a mean average
  - 4) Average bonus pay as a median average
  - 5) Proportion of males receiving a bonus payment and the proportion of female receiving a bonus payment.
  - 6) Proportion of males and females when divided into four groups ordered from lowest to highest pay.
- 3.3 The calculation evidences the average pay gap between male and female employees. The gender pay gap is not related to equal pay as equal pay addresses the differences between male and female pay carrying out the same job, similar job or work of equal value.
- 3.4 This is the first year that the Council has been legally required to carry out a gender pay gap analysis. Prior to this such analysis has been included in the Councils Employment Monitoring Report, which forms part of the Councils Public Sector Equality Duty. The regulations set out specific criteria to include or exclude from the calculations. Walsall Council have previously examined the differences in the average pay of male and female workers, based on basic salary alone, whereas the

Gender Pay Gap Reporting includes basic pay, allowances and shift premium, and therefore we have no direct year on year comparator.

3.5 The gender pay gap as at 31st March 2017 in accordance with the gender pay gap regulations are as follows:

**Female hourly rate compared to males within the Council**

1) 11.36%                      2) 9.21%  
Lower (mean)                      Lower (median)

**Female bonus pay compared to males within the Council**

3) 0% (mean)                      4) 0% (median)

**5) The proportion of male and female who have received bonus pay in the last 12 months leading up to and including 31st March 2017**

<b>Male</b>	<b>Female</b>	
19%	81%	
<b>6) Quartile split</b>	<b>Male</b>	<b>Female</b>
Lower	15%	85%
Lower middle	36%	64%
Upper middle	36%	64%
Upper	38%	62%

3.6 Comparison

3.6.1 Although there is no direct year on year comparator against all the calculations required there is some evidence that the pay gap between male and female employees is decreasing.

- In 2015/16 female employees on average (mean) basic salary only earned 12.7% less than male employees.
- In 2014/15 female employees on average (mean) basic salary only earned 15% less than male employees.

3.6.2 Compared to the data published (as at 05.01.2018) on the government website Walsall Councils gender pay gap is broadly in line with other Local Authorities. It should be noted (as at 19.01.2018) none of our neighbouring authorities had published their data on the website.

3.6.3 It is recommended that organisations provide information and guidance on the purpose of the gender pay gap report to address any concerns or queries employees may have about the information being published. It is also a high possibility that there will be media interest in the data being published on a national and/or regional level.

3.7 Communications - areas of consideration

3.7.1 Walsall Council workforce is made up of almost 69% female workers, taking into account the lowest quartile is made up of 85% female workers, this distorts the overall average mean and median percentage for male and female workers. The other three quartiles have lower percentage of female workers ranging from 62% to 64% which is closer when compared to the workforce average.

3.7.2 Although there is no direct year on year comparator against all the calculations required there is some evidence that the pay gap between male and female employees is decreasing based on 2014/15 and 2015/16 basic salary.

- 3.7.3 The mean (11.36%) and the median (9.21%) figures quoted in the gender pay gap report reflect both full time and part time employees. In contrast, calculating the gender pay gap of full time employee's only shows there is a mean (1%) and median (7%) gap in favour of female employees.
- 3.7.4 Walsall Council policies and procedures are developed to comply with legislation, best practice and free from any form of discrimination. The council have a number of policies and procedures that aim to promote a better work life balance for all employees, including family friendly, flexible working, flexi- scheme, special leave and benefits such as annual leave. The Council promotes equal pay through the use of a robust job evaluation scheme; this alongside a robust recruitment procedure assists the Council in securing the right person with the right skills at the right time to deliver the right services for the citizens of Walsall.
- 3.7.5 The Council aims to continue review, monitor and reduce the gender pay gap through the Councils Workforce Strategy by attracting and retaining talent and promoting a valued workforce placing health and wellbeing at the heart of an employee's experience.

#### **4. Financial implications**

- 4.1 There is no financial consideration associated with this report

#### **5. Legal Considerations**

- 5.1 The Council must publish the report within the timescales set within the regulations on the specialist website set up by the Government. Failure to do this could result in a penalty fine and potential reputation damage for the Council.

#### **6. Citizen Impact**

- 6.1 None

#### **7. Equality implications**

- 7.1 None.

#### **8. Consultation**

- 8.1 As part of the Consultation for the Employment Monitoring report, which contains the figures for the Gender Pay Gap Reporting, the report was presented and agreed by CMT and shared with the Equalities Group and Cabinet CMT for information purposes.

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## Walsall Council Workforce Profile - Gender Pay Gap

The gender pay gap shows the difference between the average (mean and median) earnings of men and women, expressed as a percentage.

The following data displayed in table 1 below, is a snapshot of the workforce as at 31<sup>st</sup> March 2017. The data represents full time, part time and casual workers of the Council, but excludes agency staff and consultants. The information displays the % difference of the (mean and median) hourly rate for male and female employees.

Gender pay gap analysis (Full and Part Time Employees)			
<sup>1</sup> Difference in mean pay	11.36%	Difference in median pay	9.21%
<sup>2</sup> Difference in median bonus pay	0%	Difference in median bonus pay	0%
<sup>3</sup> Proportion of male/female who received bonus pay in the 12 months leading up to and including 31st March 2017	Male 19% Female 81%		
<sup>4</sup> Number of male/female in the quartile bands: Upper, Upper Middle, Lower Middle, Lower		<b>Male</b>	<b>Female</b>
	<b>L</b>	15%	85%
	<b>LM</b>	36%	64%
	<b>UM</b>	36%	64%
	<b>U</b>	38%	62%

Table 1

- ❖ The Council's largest proportion of female workers are in the lower quartile. This quartile is made of 85% female workers. The top 3 quartiles have a similar proportion of females ranging from 62% to 64%
- ❖ Bonus payments represented in the table above (at <sup>2</sup> and <sup>3</sup>) refers to long service awards that are awarded on length of service; the payment is at a flat rate. As a result, there is no difference in the level of bonus pay between male and female employees. The council does not operate any other bonus scheme.
- ❖ ONS data (2016) calculates the national average (median) gender pay gap for employees (full-time and part-time) at 18.1%. This is a reduction from 19.3% in 2015 and 27.5% in 1997.

- ❖ <sup>1</sup>Mean and median pay represents basic full pay salary plus allowances received and any bonus pay received within the 1 month period leading up to and including the snapshot date (31st March 2017).
- ❖ <sup>2</sup>Employees mean and median bonus pay represents bonus pay received by all employees within the 12 month period leading up to and including the snapshot date (31st March 2017).
- ❖ <sup>4</sup>Quartiles have been divided up by employee; each quarter represents 25% of the workforce in receipt of full pay, ranked in order from lowest to highest pay.

- ❖ The Councils average (median) gender pay gap is 9.21% based on full and part time employees. This means average (median) pay for female employees was 9.21% lower than for male employees. The Councils gender pay gap at 9.21% which is almost half of the national average of 18.1%.

An alternative calculation of the gender pay gap (based only on full time employees) is displayed in table 2 below, and is a snapshot of the workforce as at 31<sup>st</sup> March 2017, and represents full time employees of the Council, but excludes agency staff and consultants. The information displays the % difference of the (mean and median) hourly rate for male and female employees (in full time posts only).

Gender pay gap analysis (full time employees)			
<sup>1</sup> Difference in mean pay	-1.00%	Difference in median pay	-7.00%
<sup>4</sup> Number of male/female in the quartile bands: Upper, Upper Middle, Lower Middle, Lower		<b>Male</b>	<b>Female</b>
	<b>L</b>	49%	51%
	<b>LM</b>	49%	51%
	<b>UM</b>	37%	63%
	<b>U</b>	44%	56%

**Table 2**

- ❖ ONS data (2016) calculates the national average (median) gender pay gap for full time employees is 9.4%. This is a reduction from 17.4% in 1997 showing a reduction in the pay gap of 8% since 1997.
- ❖ The Councils average (median) gender pay gap is -7% based on full time employees. This means average (median) pay for female employees working full time is 7% higher than for average male employees working full time. The Councils gender pay gap based on full time employees indicate that there a positive pay gap in favour of women.
- ❖ All public sector organisations are required to publish their gender pay gap for the first time by the 30th March 2018 for data captured as at 31st March 2017. Once comprehensive gender pay gap data has been published further benchmarking will be undertaken comparing the Councils gender pay gap with other public sector organisations as well as future year on year comparisons.

The Council promotes equal pay through the use of a robust job evaluation scheme; this is a continuous commitment to ensure a fair and consistent approach is applied to all roles throughout the council.