

TRAFFORD COUNCIL

Report to: Employment Committee
Date: 11th September 2017
Report for: Information
Report of: Deborah Lucas, Acting Director of HR

Report Title

Gender Pay Gap Reporting

Recommendation(s)

It is recommended that Employment Committee notes the content of this report and also the plan relating to the formal reporting of the Council's Gender Pay Gap figures.

Contact person for access to background papers and further information:

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Relationship to Policy Framework/Corporate Priorities	This proposal aligns with the council's Corporate Priorities in respect to 'Low Council Tax and Value for Money' and 'Reshaping Trafford Council'.
Financial	There should be no financial impact as further to the Job Evaluation process the Council completed in 2009 we pay employees equal pay for work of equal value.
Legal Implications:	There is a mandatory requirement to publish our figures for the first time on the government website no later than the 30 th March 2018 and thereafter on an annual basis.
Equality/Diversity Implications	There is no requirement for an Equality Impact Assessment at this stage. The work that follows the publishing of our results should have a positive impact on equality and diversity in terms of putting in place actions with the aim of reducing the gender pay gap.
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	The results may impact upon staff morale and employee engagement amongst female employees.
Risk Management Implications	The risks associated with this reporting requirement are low.
Health & Wellbeing Implications	None
Health and Safety Implications	None

1.0 BACKGROUND

- 1.1 Earlier this year, the Government published the Equality Act (Specific Duties and Public Authorities) Regulations 2017, which implement the gender pay gap reporting requirement for the public sector. 'Relevant public authorities' in England with 250 or more employees must report specific figures about their gender pay gap. They must: publish their gender pay gap data on their public-facing website, and; report their data to government online – using the gender pay gap reporting service.
- 1.2 Early 2017, before the full government guidance was published, an exercise was undertaken to get an approximation of Trafford Council's gender pay gap based on data produced on 1st December 2016. The finding was a gap of 12.46% between the mean hourly pay rate of male employees and female employees.

2.0 GENDER PAY GAP REPORTING REQUIREMENTS

- 2.1 There is a requirement to publish the following figures (where applicable to the organisation in question) based on the 'snapshot date' of 31st March 2017, i.e. the payroll data for March 2017. This information must be published no later than the 30th March 2018 and thereafter on an annual basis.
- Mean* gender pay gap.
 - Median** gender pay gap.
 - Mean bonus gender pay gap (not applicable to Trafford Council).
 - Median bonus gender pay gap (not applicable to Trafford Council).
 - Proportion of males and females receiving a bonus payment (not applicable to Trafford Council).
 - Proportion of males and female in each pay quartile.

*The mean is obtained by adding up all the figures and dividing the result by the number of figures in the list.

** The median is obtained by listing all the figures in numerical order and taking the middle number.

- 2.2 In terms of how the results are reported, a positive percentage figure reveals that typically or overall, female employees have lower pay than male employees. A negative percentage figure reveals typically or overall, male employees have lower pay than female employees. A zero percentage figure reveals no gap between the pay of typical male and female employees or completely equal pay overall.
- 2.3 Trafford Council must report for the core organisation, excluding schools (except for schools based employees that we directly employ as we deploy them to schools so they aren't necessarily permanently engaged by a particular school). The legislation details that schools that are a legal entity employing 250 or more people, must publish and report their gender pay gap separately.
- 2.4 Organisations who are a business or charity must publish a written statement signed off by an 'appropriate person', such as the chief executive. Although

this isn't a requirement of public authorities, it is recommended because a supporting narrative will be necessary to provide context and an explanation of the figures.

3.0 THE NATIONAL CONTEXT

3.1 As at 30th August 2017, only 63 organisations had published their gender pay gap details on the national website. The mean pay gaps of the 63 organisations ranged from 15.9% in favour of women to 35.9% in favour of men. The median pay gaps ranged from 23.1% in favour of women to 55% in favour of men. Only 8 organisations had a mean pay gap that favoured women and only 12 organisations had a median pay gap that favoured women.

3.2 Of those that have published, there were only 5 public sector organisations, which included 2 local authorities, namely the Borough of Poole and Doncaster Metropolitan Borough Council. Poole's figures show that women's hourly rate is 1.1% lower (mean) and 3.2% higher (median). Doncaster's figures show that women's hourly rate is 15.7% lower (mean) and 21.1% lower (median).

Details of the pay gap reports for those that have published can be found at: <https://gender-pay-gap.service.gov.uk/Viewing/search-results>

3.3 In 2016 the government reported that the national gender pay gap (median) was 18.1% for all employees, full-time and part-time and 9.4% for full-time employees. The gender pay gap tends to be lower across the public sector than in the private sector.

4.0 TRAFFORD COUNCIL'S APPROACH TO OBTAINING THE DATA

4.1 An AGMA gender pay gap data group was formed in April 2017 with the aim of agreeing a consistent approach to gender pay gap reporting across AGMA (and other associated authorities). The group have met twice to date and have discussed aspects such as: technical reporting requirements; narrative format; where information will be reported, and; comparing figures etc.

4.2 The group has been beneficial and has helped with sharing information and trying to resolve any issues with the methodology. However an entirely common methodology has not been agreed, in the main because of differences in authorities' workforces and systems.

4.3 There is an ACAS and Government Equality Office guide on how to undertake the gender pay gap reporting process, which has been supplemented with specific guidance for public authorities. This information details aspects of the methodology that are a legal requirement and aspects that are considered to be good employment practice but are not mandatory. Therefore there is a certain degree of discretion in how the figures are determined by each organisation. Despite the guidance available, there remains a lack of clarity in a couple of aspects, such as calculating the hourly pay rate for term time employees and how sleep-ins affect the hourly rate of pay.

4.4 There hasn't yet been national guidance on how to calculate the hourly rate for staff on teachers' terms and conditions and there have been different

approaches across AGMA colleagues. As a result, a decision has been made to exclude this group of staff (who number 48) from our figures until after the next AGMA meeting in October where we may obtain further clarity. We will also see if national guidance is published on the approach to be followed.

- 4.5 When considering all aspects of the detailed methodology some decisions have had to be made due to the lack of clarity in some areas. These decisions have been made based on what we see as the best approach given our workforce, the allowances we provide and the capabilities of the HR/Payroll system I-Trent. These decisions are all in line with the legal reporting requirements.
- 4.6 Trafford Council is not responsible for providing figures for schools and they are not included in the Council's figures (except for the employees already mentioned). Schools will only have to publish gender pay gap reports if the legal entity they are part of has 250 or more employees.

5.0 TRAFFORD COUNCIL'S GENDER PAY GAP FIGURES

5.1 The following figures are provisional at present and give an indication of Trafford Council's gender pay gap. As detailed already, they do not include staff we employ on teachers' terms and conditions. Once we have an agreed approach to calculating the hourly rate for this group of staff, the figures will be recalculated based on the entire workforce in scope. The methodology and workings will also all be revisited to ensure accuracy before final figures are produced and reported.

5.2 Workforce demographics:

- Employees: 2323
- Men: 561 (24%)
- Women: 1762 (76%)
- Whole workforce: full-time 49% part-time 51%
- Men: full-time 72% part-time 28%
- Women: full-time 41% part-time 59%
- Mean full-time hourly rate £15.58, part-time hourly rate £10.47

Please note that that the above does not cover all Council employees, instead includes all employees in scope for the figures produced. Those not in receipt of their usual full basic salary during the reporting period must be disregarded for these purposes. Also where an employee has 2 posts, each post will be included in the figures.

5.3 Overall gender pay gap.

	Mean pay gap	Median pay gap
Men	£14.36	£13.07
Women	£12.76	£11.17
Difference	£1.60	£1.90
Pay gap	11.1%	14.5%

5.4 Pay quartiles – number of men and women in each quarter of the payroll.

To aid comparison, the gender split across the whole workforce is men 24%, women 76%.

	Men		Women	
	Number	Proportion	Number	Proportion
Upper quartile	200	34%	381	66%
Upper middle quartile	142	24%	439	76%
Lower middle quartile	98	17%	482	83%
Lower quartile	121	21%	460	79%

5.5 Gender pay gap by quartile

This is not a requirement of the GPG reporting, however it is useful to look at the gap between the pay of our male and female employees in the 4 different pay sectors in the organisation.

5.5.1 Upper quartile

	Mean pay gap	Median pay gap
Men	£20.71	£19.40
Women	£21.36	£19.40
Difference	-£0.65	£0
Pay gap	-3.1%	0%

5.5.2 Upper middle quartile

	Mean pay gap	Median pay gap
Men	£13.64	£13.46
Women	£13.20	£12.97
Difference	£0.44	£0.49
Pay gap	3.2%	3.6%

5.5.3 Lower middle quartile

	Mean pay gap	Median pay gap
Men	£10.41	£10.54
Women	£10.12	£10.47
Difference	£0.29	£0.07
Pay gap	2.8%	0.7%

5.5.4 Lower quartile

	Mean pay gap	Median pay gap
Men	£7.93	£8.06
Women	£7.97	£8.06
Difference	-£0.04	£0
Pay gap	-0.5%	0%

5.6 Gender pay gap by full-time, part-time and casual status

This is not a requirement of the GPG reporting, however it is a useful way of looking at our gender pay gap and the differences by type of contract.

5.6.1 Gender pay gap for full-time employees

	Mean pay gap	Median pay gap
Men	£16.04	£15.22
Women	£15.32	£14.38
Difference	£0.72	£0.84
Pay gap	4.5%	5.5%

5.6.2 Gender pay gap for part-time employees

	Mean pay gap	Median pay gap
Men	£10.03	£8.06
Women	£10.53	£8.87
Difference	-£0.50	-£0.81
Pay gap	-5.0%	-10.0%

5.6.3 Gender pay gap for casual employees

	Mean pay gap	Median pay gap
Men	£14.24	£8.20
Women	£15.69	£9.28
Difference	-£1.45	-£1.08
Pay gap	-10.2%	-13.2%

6.0 WHAT DO OUR FIGURES MEAN AND THE REASONS FOR OUR GENDER PAY GAP

- 6.1 Our overall mean gender pay gap is 11.1% and the median is 14.5%, both in favour of male employees. Nationally the median gender pay gap was reported at 18.1% in 2016, so ours is lower. Due to the low national reporting rate to date, we are currently unable to benchmark ourselves against similar organisations.
- 6.2 Our gender pay gap is significantly affected by the gender composition of our workforce which is 76% female and 24% male. Women are often attracted to working for the Council because of the family friendly and flexible working policies we have in place and also because of the nature of the roles, which traditionally attract female workers. Similarly, the Council offers a lot of part-time working which tends to be more concentrated in the lower pay bands and these posts often attract women. We also have a large number of posts that traditionally tend to be more dominated by women, such as catering, cleaning and care roles, which are on lower bands. Some of the male dominated services such as highways and street cleaning etc. have been transferred out to our partner Amey; this will have affected our gender pay gap as associated posts tended to be on the lower pay bands.
- 6.3 The gender pay gap is also affected by workforce distribution. The majority of the Council's staff are in the lower grades (64% in band 5 or below), this means that the overall pay gap is distorted, reflecting workforce composition rather than pay inequalities.
- 6.4 Although overall we have a mean pay gap of 11.1%, when we break this down into workforce quartiles, the gap significantly reduces or becomes negative. Women in the top quartile of earners and women in the bottom quartile of earners in the organisation actually have a higher average hourly rate than men in the corresponding quartiles. Women in the two middle quartiles only earn

slightly less than their male counterparts on average. The fact that women are proportionately under-represented in the top quartile but actually earn more on average than men illustrates the fact that women are progressing to the most senior posts.

- 6.5 Similarly when we look at full-time, part-time and casual status, the gap significantly reduces and in some cases there is a gap in favour of women. Of particular note is that women on part-time and casual contracts are paid more on average than men in corresponding roles. The key issue is that full-time employees are paid on average significantly more than part-time employees (£15.58 and £10.47 respectively) and many more part-time employees are women than men. 59% of female employees are part-time as opposed to only 28% of male employees.
- 6.6 From an initial analysis of the figures, given that women are over-represented in the upper and lower middle quartiles but men in these quartiles earn a higher average salary than women we may need to focus on the middle earners in order to reduce our pay gap. As more women undertake part-time roles than men and these attract a lower hourly rate on average we may need to consider strategies such as how we might introduce more flexible working opportunities for posts on middle bands.
- 6.7 Further analysis of the data will be undertaken once we have the final figures for all employees in scope. This will include looking at the gender pay gap by directorate. As we drill down further, the picture of gender pay differences in the organisation will become clearer which will inform measures going forward to improve pay for women where it is lower than for men.

7.0 REPORTING OUR GENDER PAY GAP

- 7.1 Organisations have been able to publish their gender pay gap figures since April 2017, however in the 5 months since then, only 63 have done so. There is a likelihood that many will wait until close to the deadline, particularly if the results don't look favourable. The AGMA gender pay gap data group haven't agreed a reporting date, however some have stated that they will report at the end of March. The group are meeting again on the 13th October and it is hoped that many will have provisional figures to share so we can start to compare.
- 7.2 It is proposed that we report our gender pay gap with our Pay Policy Statement in March each year. Once the report has been to Employment Committee we will then publish our figures on the national website (deadline is 30th March).
- 7.3 A narrative will be included in the report detailing information such as the organisational context, the fact that our pay structure has been equality proofed through the pay evaluation process, the make-up of our workforce and any other relevant information. We will also detail any actions taken to date to reduce the pay gap and how we have improved pay for our lowest earners.
- 7.4 At the same time as we publish on the website or earlier, we will communicate the information to our workforce, ensuring that we use simple messaging so that staff understand the differences between equal pay and the figures we

have produced for the gender pay gap and what the pay gap actually means. We will detail the actions that we are putting in place to reduce the gap where possible. We can link to the vision 2031 slogan 'no one held back, no one left behind', i.e. we want women to have the same opportunities to earn the same salary as men.

7.5 We will develop a strategy to look at measures to reduce our gender pay gap.

8.0 RECOMMENDATIONS

8.1 Employment Committee are recommended to note the Council's gender pay gap and associated figures produced to date and also note the plan for reporting our figures both within the organisation and externally.