

Gender Pay Reporting

Date: 24th September 2018
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Key Decision? **NO**

Local Ward Members NA



EMPLOYMENT COMMITTEE

1. Executive Summary

- 1.1 Each year we are required to publish our gender pay using snap shot data as at 31st March.
- 1.2 The tables below show the data we have reported in the 2017 along with the data we intend to publish for the 2018. Major changes in our staff numbers due to Leisure outsourcing has, as anticipated increased our gender pay gap.
- 1.3 The 7.30% for this year's report still fair's well against the nationally published data below in table 3 with the benchmark data published by other available district council data.
- 1.4 Mean and median gender pay gap

Our gender pay gap – mean and median		
	2017	2018
Mean gender pay gap (% difference between male and female's average entire range of pay expressed as an average)	4.72%	7.30%
Median gender pay gap (% difference is calculated at mid-point in the range of salaries)	0%	0%
Relevant headcount numbers at 31 st March	689	408

1.5 National benchmarking

	Lichfield District Council	All sectors	Public sector
Mean gender pay gap	7.30%	17.4%	17.7%
Median gender pay gap	0%	18.5%	19.4%

1.6 Local benchmarking

Benchmark data from our neighbouring Councils

Council	Mean Hourly Rate %	Median gender pay gap %
LDC	7.3%	0%
Cannock	17.5%	26.9%
East Staffs	2.0%	6.9%
Nuneaton & Bedworth BC	6.0%	0%
South Staff DC	8.8%	12%
Stafford BC	8.9%	0.5%
Tamworth BC	11.4%	6.1%

- 1.7 A full copy of the narrative is attached as Appendix A, and will be published on our website and the .GOV website following discussion at this committee.

2. Recommendations

- 2.1 That the committee note the gender pay gap figures for 2018 and the contents of the report for publication.

3. Background

- 3.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 require public sector employers with 250 or more employees to publish their gender pay gap information.

Alternative Options	We have a statutory duty to report these figures annually. We can choose not to include a narrative report, but this is recognised as good practice.
Consultation	1. Managers and trade unions have been advised of the current gap and the issues it raises for us to consider.
Financial Implications	1. None arising as a result of this report.
Contribution to the Delivery of the Strategic Plan	1. This supports the District Council's Strategic Plan 2016 -20 by ensuring we have a council that is fit for the future. Meeting our equality obligations is a core value of the organisation.
Equality, Diversity and Human Rights Implications	1. This report is a key requirement to fulfilling our Equality Act 2010 obligations.
Crime & Safety	1. none

Issues	
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GDPR/Privacy Impact Assessment	1. All identifying information has been removed from narrative reporting.
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	That we fail to meet our Equality obligations	Publishing this data each year in a timely way ensures we will not fail.	Green
B	That our published pay gap causes concern and reputational risk	Publishing a clear narrative for the reasons causing any gaps and our approach to reducing them.	Green
C			
D			
E			

Background documents

Relevant web links

Snapshot date - 31st March 2018

Executive summary

- 1.1 Lichfield District Council aims to ensure people are treated fairly and equally, whether this is about the way we treat the public in the provision of our services, or our employees in the way they are treated at work. Diversity and inclusion are also key priorities.
- 1.2 This is the second published gender pay gap report which is in line with a new legal requirement for all public-sector bodies under the Equality Act 2010 amended regulations
- 1.3 A gender pay gap report shows the difference between the average (mean or median) earnings of men and women. The difference is expressed as a percentage of men's earnings – for example women earn 3% less than men.
- 1.4 Used to its full potential, gender pay gap reporting is a valuable tool for assessing levels of equality in the workplace, female and male participation, and how effectively talent is being maximised.
- 1.5 **Our reported gender pay gap for this period is 7.30%, which is significantly lower than the national average of 17.4%.**
- 1.6 We have robust policies and procedures in place to make sure staff are paid fairly and equally across all sections of the workforce, and we are confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. There is however **still an average (mean) gender pay gap of 7.30%**, so we have investigated this to find out why.
- 1.7 We have identified that the main reason for the increase gap on last years (2017 data) is that we have outsourced our Leisure Services and our overall head count and workforce make up has changed; we have 281 fewer staff, the female percentage has decreased by 3% whilst the male percentage has increased by 3%.

Our Gender Pay Gap is reflective of our workforce make up, in that a significant number of our female staff are working part-time, which is generally lower paid work which is demonstrated in our lowest quartile. In addition we host a joint waste service with Tamworth Borough Council, which traditionally attracts a larger proportion of male employees, and as a result, we employ a higher number of men in the middle quartile, displacing more women in the lower and lower middle quartiles, which otherwise would have been balanced with male employees (see section 4.0 for more details on quartiles).

- 1.8 Upon analysis of our quartiles we see no evidence of any disadvantage to women achieving higher paid roles within the authority and we are confident that our future plans for recruitment and resourcing, promotion and talent management will continue to support our gender balance at these upper quartile levels.

2.0 Background Information

- 2.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 (S1 2017/353) require public sector employers with 250 or more employees to publish their gender pay gap information. There is a similar requirement of the private sector.
- 2.2 As an employer with a headcount of more than 250 we are required to publish the following data annually, as at 31 March.

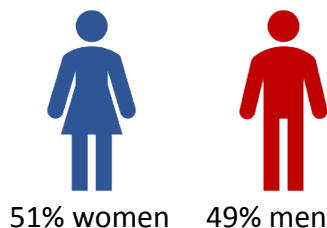
3.0 What is the gender pay gap?

- 3.1 The gender pay gap is the way we express the difference between the average pay of men and women in all roles in the organisation.
- 3.2 It is calculated using two methods of average pay across quartiles:
- Mean** The percentage pay difference between the average mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
- Median** The percentage pay difference between the average median hourly rate of pay of male full pay relevant employees and that of female full-pay relevant employees.
- 3.3 The report must also illustrate the proportion of males and females in each quartile pay band.
- 3.4 Our report does not show certain calculations, as the council does not pay bonuses – these include:
- The mean bonus gender pay gap (not applicable)
 - The median bonus gender pay gap (not applicable)
 - The proportion of males receiving a bonus payment (not applicable)
 - The proportion of females receiving a bonus payment (not applicable)
- 3.5 The information must be published/available for at least 3 years on www.lichfelddc.gov.uk/genderpaygap and on the designated government website.

4.0 Our data

- 4.1 Our gender pay gap reporting figures have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The snapshot data period is as at March 31st 2018

4.2 Our workforce gender profile



This has shifted since our last reporting period for 2017, where we employed 54% women and 46% men.

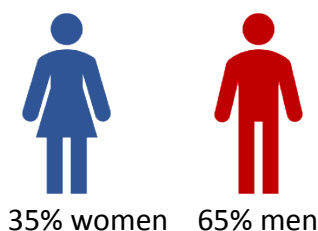
4.3 Our workforce gender profile – broken down into full-time and part-time staff

57% of our workforce is full-time and 43% is works part-time. This has changed significantly since our last report, where only 33% were classed as full-time and 67% were part-time. This change is entirely due to the outsourcing of our leisure services functions, where almost all of the staff were part-time, and a large proportion were female.

4.4 Our full-time workforce

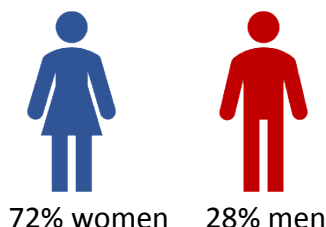
65% of our full-time workforce is male and 35% is female. The average (mean) hourly rate of pay for women working full time is £14.98 compared to men at £13.68.

This shows that women who work full-time within the authority are on average paid more than men.



4.4 Our part-time workforce

28% of our part-time workforce is male and 72% is female. The **average** (mean) hourly rate of pay for women working part-time is £10.21 compared to men at £11.02. This demonstrates that men who work part-time are on average paid more than women who work part-time.



4.5 Mean and median gender pay gap

As expressed above:

Mean is the entire range of pay expressed as an average by gender. The % difference is calculated between male and female’s average pay.

Median is the mid-point in the range of salaries for both male and female employees from which the % difference is calculated with regards to the difference in pay.

Our gender pay gap – mean and median	
Mean gender pay gap	7.30%
Median gender pay gap	0%

Despite the overall evidence that full-time women are paid more than full-time men, this is offset by the difference in pay for the genders in part-time roles, which has the impact of increasing our mean gender pay gap.

4.6 Pay quartiles

The **quartiles** are calculated by ranking the pay data values and dividing the data set into four equal groups, each group comprising a quarter of the data.

Quartile	Men	Women	Description
Lower quartile	31.37%	68.63%	Includes all employees whose standard hourly rate places them at or below the lower quartile
Lower middle quartile	61.67%	38.24%	Includes all employees whose standard hourly rate places them at or below the median
Upper middle quartile	50.00%	50.00%	Includes all employees whose standard hourly rate places them at the median but at or below the upper quartile
Upper quartile	53.92%	46.08%	Includes all employees whose standard hourly rate places them above the upper quartile

5.0 Commentary

5.1 Under the Equal Pay Act 1970, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

5.2 We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).

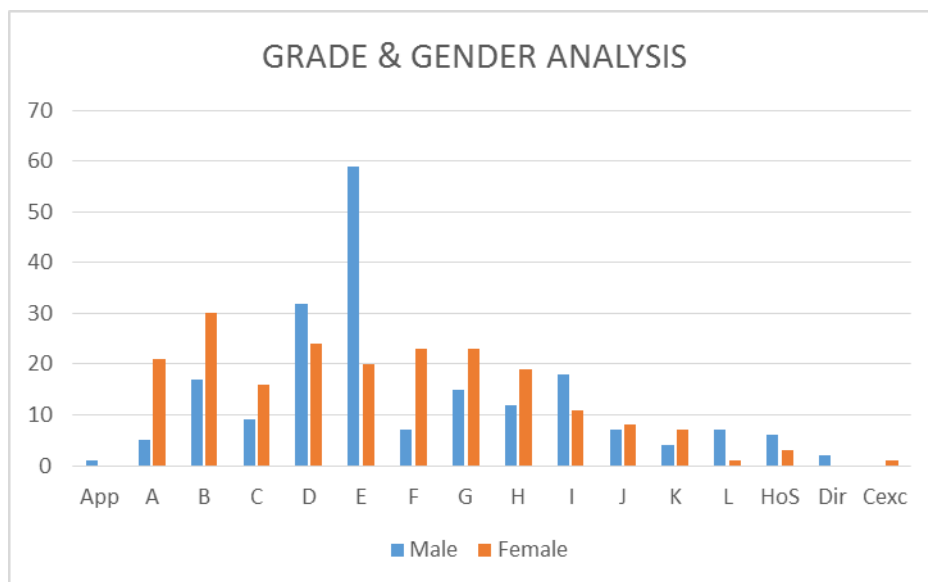
5.3 To achieve this, we:

- Operate a job evaluation methodology to grade all jobs, using the National Joint Council Job Evaluation Scheme to ensure that jobs are paid fairly.
- Ensure that allowances are awarded fairly and consistently across the council.
- Re-evaluate job roles and pay grades as necessary to ensure a fair structure.

5.4 We are therefore confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather our gender pay gap may be as a result of the roles in which men and women undertake within the council and the salaries that these roles attract.

5.5 Across the UK economy as a whole, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in front-line roles at the lower end of the organisation.

5.6 This trend is reflected in the make-up of our workforce, with the majority of our cleaning, casual staff and administrative roles being carried out by women as demonstrated in the graph below in bands A and B. The spike in male employees in band D and E reflects the higher numbers of male workers in our joint waste service



- 5.7 This pattern is further exacerbated in the lower middle quartile by the fact that we host a joint waste service with Tamworth Borough Council which traditionally attracts a higher percentage of male employees.
- 5.8 We have a flexible working procedure which applies to all employees regardless of their role and gender. Women are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.
- 5.9 As employees leave naturally the figures will alter as the numbers are small and therefore the impact is sensitive. There are currently no major shifts in staffing numbers anticipated for 2019.

6.0 Benchmarking

- 6.1 The following table identifies comparable information to provide a benchmark for the Lichfield District Council figures.

	Lichfield District Council	All Sectors	Public Sector
Mean Gender pay gap	7.30%	17.4%	17.7%
Median gender pay gap	0%	18.5%	19.4%

- 6.2 Benchmarking against our neighbouring Councils on their 2017 published data also shows we have one of the lowest mean gender pay gaps within the area.

Council	Mean Hourly Rate %	Median gender pay gap %
LDC	7.3%	0%
Cannock	17.5%	26.9%
East Staffs	2.0%	6.9%
Nuneaton & Bedworth BC	6.0%	0%
South Staff DC	8.8%	12%
Stafford BC	8.9%	0.5%
Tamworth BC	11.4%	6.1%

7.0 Going forward

- 7.1 We will continue to embed principles of diversity and inclusion in all our activities, so that underrepresented groups can gain ground and operate at a level playing field.
- 7.2 Developing the talent of our workforce is critical to ensuring we have a balance of skills, attributes and capabilities in all staff, regardless of gender, to help us achieve our plans.
- 7.3 To ensure that the jobs employees undertake are of equal value, in setting the pay levels we undertake job evaluation to determine the size of a job by following the nationally recognised job evaluation scheme for National Joint Council employees and the Local Government Employers job evaluation scheme for Joint National Council employees. Evaluations are undertaken regularly for new jobs and as part of restructures where a job significantly changes.
- 7.4 Our recruitment and selection processes look to support our commitment to offer internal promotion opportunities and help develop long term careers for employees through creating a flexible and agile workforce. Monitoring takes place throughout the process and looks at the protected characteristics to ensure they are treated fairly and where necessary, positive action will be undertaken to attract candidates from particularly under-represented groups.
- 7.5 Our recruitment and selection processes will be reviewed to ensure that the reduction of the gender pay gap is considered for any changes to the policy. This will include consideration of attracting more women into roles within the joint waste service and consideration of male applicants for part-time roles and determining pay for such roles.
- 7.6 Exit monitoring is also carried out that can also be used to identify issues that may affect the gender pay gap.
- 7.7 Pay gap monitoring forms part of the annual pay progression cycle to ensure that any decisions on pay awards as a result of that process do not adversely affect a protected characteristic group.
- 7.8 Flexible working is offered throughout the council for all levels of jobs unless business need means that it is not possible – for example the use of flexi-time for some frontline employees will be limited in order to maintain the service due to the nature of the job.
- 7.9 Support is offered to returners to work following shared parental/maternity/ adoption leave in order to enable them to return to work and fit around their work life balance. We will continue to support new ways of working that offers flexibility and enables employees to continue to develop within the organisation whilst still enabling them to get the best out of their home life.

ENDS