### **GENDER PAY GAP REPORT**

By April 2018, public, private and voluntary sector organisations with 250 or more employees will have had to report on their gender pay gaps, using six different measures (Figure 1).

The first report must be published, on our own website and on a government site by 31 March 2018.

## What is the Gender Pay Gap?

A gender pay gap is a measure of disadvantage (a gap) expressed as a comparison between what, on average, men earn and what, on average, women earn (gender pay). It is not 'equal pay'.

### What is equal pay?

Equal pay means that there should be no difference in the pay and contractual terms of a woman and a man doing equal work (or work of equal value) for the same employer.

### **How is the Gender Pay Gap Expressed?**

As above, the gender pay gap is a measure of disadvantage (a gap) expressed as a comparison between what, on average, men earn and what, on average women earn (gender pay).

A positive pay gap means that females on average earn less than males. A pay gap of zero means the average pay across the entire workforce is exactly the same for males and females. A negative pay gap means that the average for female employees is higher than that for males.

In 2016 the national gender pay gap for full-time employees was 9.4%, meaning that average pay for full-time female employees was 9.4% lower than for full-time male employees. The gap was down from 17.4% in 1997.

The gap for all employees, full- and part-time, was 18.1%, down from 27.5% in 1997.

The Government considers that this rate of progress is too slow, and has committed to closing the gender pay gap within a generation. There is an expectation that where a gender pay gap exists employers will take actions to increase the number of females in senior roles through removing any glass ceiling and ensuring that their reward strategies, policies, practices and procedures reduce any gender pay gap and, in particular, remove any obstacles having a negative effect on the pay of female employees (or potential employees) or from applying for jobs or promotions.

## **Productivity**

It has been estimated that the under-utilisation of women's skills costs the UK economy 1.3-2% of GDP annually, and that eradicating the full-time gender pay gap would contribute additional spending into the economy of £41 billion each year.

## The reporting requirements

West Suffolk has a shared workforce and leadership team delivering the corporate priorities of Forest Heath District and St Edmundsbury Borough Councils. The workforce data is meaningful, therefore, only if considered together, but the legislation requires each employer to report separately. Three metrics will, therefore, be reported. (Forest Heath DC is not actually required to report by law this year).

Figure 1: The gender pay gap reporting measures

Mean gender pay gap	The difference between the mean hourly rate of pay of male full-pay employees and that of female full-pay employees
Median gender pay gap	The difference between the median hourly rate of pay of male full-pay employees and that of female full-pay employees
Mean bonus gap	The difference between the mean bonus pay paid to male employees and that paid to female employees
Median bonus gap	The difference between the median bonus pay paid to male employees and that paid to female employees
Bonus proportions	The proportions of male and female relevant employees who were paid any bonus pay during the relevant period
Quartile pay bands	The proportions of male and female full-pay employees in the lower, lower middle, upper middle and upper quartile pay bands

## The Mean or the Median

The ONS prefers median earnings because the median is not affected by extreme values, such as changes in the earnings of small numbers of very high earners. However, as the mean gap captures the fact that the upper end of the earnings distribution is dominated nationally by men, the mean is an important measure of women's labour market disadvantage. Both averages are therefore published and equally useful in understanding the gender pay issue.

# Composition of Workforce (West Suffolk)

Male	50.81%
Female	49.19%
No. of relevant employees	557

# Mean Gender Pay Gap

West Suffolk Councils	-1.00%
St Edmundsbury Borough Council	1.92%
Forest Heath District Council	-9.12%

## Median Gender Pay Gap

Forest Heath District Council	-11.46%
St Edmundsbury Borough Council	-7.70%
West Suffolk Councils	-10.22%

## Mean Bonus Gender Pay Gap

Forest Heath District Council	-1.40%
St Edmundsbury Borough Council	15.37%
West Suffolk Councils	12.21%

# Median Bonus Gender Pay Gap

West Suffolk Councils	0%
St Edmundsbury Borough Council	0%
Forest Heath District Council	0%

# Proportion of Males and Females receiving a Bonus Payment

Forest Heath District Council - Males	19.74%
Forest Heath District Council - Females	32.29%
St Edmundsbury Borough Council - Males	32.24%
St Edmundsbury Borough Council - Females	31.91%
West Suffolk Councils - Males	28.97%
West Suffolk Councils - Females	32.04%

# **Proportion of Males and Females in Each Quartile Pay Band**

# Lower Quartile

Forest Heath District Council - Males	63.41%
Forest Heath District Council - Females	36.59%
St Edmundsbury Borough Council - Males	59.18%
St Edmundsbury Borough Council - Females	40.82%
West Suffolk Councils - Males	64.29%
West Suffolk Councils - Females	35.71%

# Lower Middle Quartile

Forest Heath District Council - Males	33.33%
Forest Heath District Council - Females	66.67%
St Edmundsbury Borough Council - Males	54.08%
St Edmundsbury Borough Council - Females	45.92%
West Suffolk Councils - Males	46.04%
West Suffolk Councils - Females	53.96%

# Upper Middle Quartile

Forest Heath District Council - Males	40.48%
Forest Heath District Council - Females	59.52%
St Edmundsbury Borough Council - Males	47.42%
St Edmundsbury Borough Council - Females	52.58%
West Suffolk Councils - Males	43.17%
West Suffolk Councils - Females	56.83%

# <u>Upper Quartile</u>

Forest Heath District Council - Males	38.10%
Forest Heath District Council - Females	61.90%
St Edmundsbury Borough Council - Males	54.64%
St Edmundsbury Borough Council - Females	45.36%
West Suffolk Councils - Males	49.64%
<b>West Suffolk Councils - Females</b>	50.36%

## **West Suffolk Pay Gap Data**

- West Suffolk data shows that females on average earn more than males (Mean -1% and Median -10.22%), compared to national pay gap of +18.1%.
- The mean average is negligible given the relevant workforce of 557.
- The gap between median average shows that the average female (median) earns 10.22% more than the average male. This reflects the fact that 64% of those at the lower end of the pay scale (i.e. in the lower quartile) are males, many of whom work in operations roles. There are no female waste operative, at present, and this is a large occupationally segregated group. (50/139 employees in lower quartile)
- The councils have no discretionary bonus or commission payments. This measure is to identify any inequalities in the distribution of, or ability to, earn commission or extra bonus payments. There is an annual payment made to staff who are performing at the highest level (performance related pay assessed through the annual PDR Scheme) whom are already paid the maximum point for the role, as recognition of their performance, and the amount is small and annually set at a level of around £200. It is a one-off payment.
- There is no gap between the median average bonus payments (0%). This reflects the fact that the only bonus paid is based on a set annual figure (c£200) to those who are performing well at the top of their pay band (so there is no pay progression available to them). There is little difference in the number of males and females receiving a bonus payment (28.97% of males and 32.04% females) indicating that there is no significant difference between males and females who have reached the top of their pay bands and are performing well, and no difference of approach based on gender).
- There are more females in the other three higher paid quartiles indicating that females have the opportunity to progress to roles attracting the higher levels of pay and progression is not restricted in any way.

#### **West Suffolk Pay and Reward**

West Suffolk adopted a single Pay and Reward Strategy in 2013 and as detailed in the annual Pay Policy Statement

The leadership and culture of the West Suffolk councils has been consistent in assuring that all aspects of people management including recruitment, and access to development opportunities and promotion, has been fair and transparent. Practices have not been more favourable to one gender than the other. The data demonstrates that there is no significant difference in equality of opportunity or in average levels of pay.

The councils have a number of approaches and policies that underpin this transparency, fairness and equity and provide opportunity for progression and development. These include

- Culture based on trust and outcomes, and a set of clear values
- Recruitment based on merit and competency
- Performance linked to outcomes and delivery in the role rather than working hours
- Clear, consistent, single approach to pay and reward; formal authorisation processes for any changes in pay
- Job Evaluation for all roles (NJC)
- Well designed and controlled pay scale with limited overlap between bands; no discretionary payments
- Robust appraisal (PDR) scheme, linked to performance and behaviours and with a moderation process
- Strong relationship with Unison, working to achieve fair and equitable outcomes for all employees
- A clear policy on appointment which should be at first point of grade unless approved by AD (HRLDS)
- No market supplements in place
- Enhanced occupational maternity pay and shared parental leave
- Wide ranging options and availability of flexible working
- Exit interviews offered to all leavers to gain feedback on employment experiences
- Successful and expanding apprenticeship opportunities in range of occupational areas, and accessible intern and graduate schemes
- Partnership with local schools and colleges including attendance at careers fairs to raise awareness of different career opportunities and to help dispel myths and stereotypes
- Formal career pathways in place in a number of services including planning, legal, revenues and benefits, economic development, housing with more being developed.
- Extensive learning and development programme available through a self-booking system to all staff. For the period, for example, 1 April 2017 31 December 2017, 572 learners attended a training/development event of which 208 were male and 296 were female, demonstrating accessibility to all including 78 who were part-time employees. On-line learning is, also, available to all.

Given the information in this report it is not felt that a specific remedial action plan is required and that future approach (for example a renewed focus on flexible, parent and home working options) should be included in the new Workforce Strategy 2018 -2020.

This report will be published on the Gov.uk website and the councils' website and communicated to Unison and staff.

Karen Points, Assistant Director 15.02.18