

# Gender Pay Gap Report 2020

## 1. Summary

This report provides gender pay data on the gap between salaries and bonuses for North Herts District Council's male and female employees. It also provides narrative to put the gender pay gap into context.

## 2. Background

### 2.1 Requirements

From April 2017, under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, employers with 250 or more employees are required to publish statutory gender pay gap calculations every year. Accordingly, NHDC are required to calculate and publish the following gender pay data:

- Gender pay gap (mean and median averages)
- Gender bonus gap (mean and median averages)
- Proportion of men and women receiving bonuses
- Proportion of men and women in each quartile of the Council's pay structure

### 2.2 Data

The data must be a snapshot of salary data on 31 March each year and the bonus pay gap must be calculated from all bonus payments made in the 12 months up to and including the snapshot date of 31 March each year. This data must be published on the NHDC website and the Gov.UK Gender Pay Gap Service website by 30 March each year.

### 2.3 Gender Pay Gap and Equal Pay

The gender pay gap and equal pay are not the same and do not have the same purpose. The Equality and Human Rights Commission defines the difference as follows:

- Equal pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010.
- The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings.

The broad purpose of the equal pay provisions of the Equality Act 2010 is to require equality of treatment in employment as between men and women in respect of pay and other contractual terms. The stated aim of the gender pay gap reporting legislation is to introduce greater levels of pay transparency.

Salaries at NHDC are determined through a grading system which evaluates the job and not the post holder. It makes no reference to gender or any other personal characteristics of existing or potential job holders. Therefore, we are confident that NHDC is paying the same salary to roles of equal value and this is checked with regular equal pay reviews. The gender pay gap results from the roles which men and women undertake within the Council and the salaries that these roles attract. The Council outsources most frontline services such as grounds maintenance, refuse, recycling, street cleaning and housing; all areas of work which traditionally attract male employees to jobs on the lower quartiles.

### 3. Results

#### 3.1 Gender Pay Gap Report

The gender pay gap reporting figures have been calculated using the standard methodologies outlined in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The highlighted figures are those that have been published.

**Table 1 Gender Pay Gap – Hourly Pay**

	<b>Mean Hourly Rate</b>	<b>Median Hourly Rate</b>
Female	£15.06	£13.32
Male	£18.85	£15.37
<b>Gender Pay Gap</b>	<b>20%</b>	<b>13%</b>

**Table 2 Quartile Pay Bands**

	<b>Males</b>	<b>Females</b>
Lower Quartile	31.0%	69.0%
Lower Middle Quartile	21.8%	78.2%
Upper Middle Quartile	25.6%	74.4%
Upper Quartile	51.7%	48.3%

**Table 3 Percentage of Staff Receiving Bonus Payments**

	<b>% of all staff receiving bonus payments</b>
Female	4.0%
Male	1.9%

**Table 4 Gender Bonus\* Gap**

	<b>Mean Bonus rate</b>	<b>Median Bonus rate</b>
Female	£96.67	£50.00
Male	£67.86	£50.00
<b>Gender Bonus Gap</b>	<b>-42.5%</b>	<b>0%</b>

\*Long service and staff recognition vouchers fall under the gender pay gap definition of bonus pay.

#### 3.2 Analysis

**Table 1** The Council has a total of 16 grades, however as the top 3 managerial grades, (Grades 14-16), are predominately filled by males, the overall average hourly rate in the Council is positively influenced in favour of males. This result arises because of the number of males and females in the most senior roles, rather than males being paid more for doing similar roles to females.

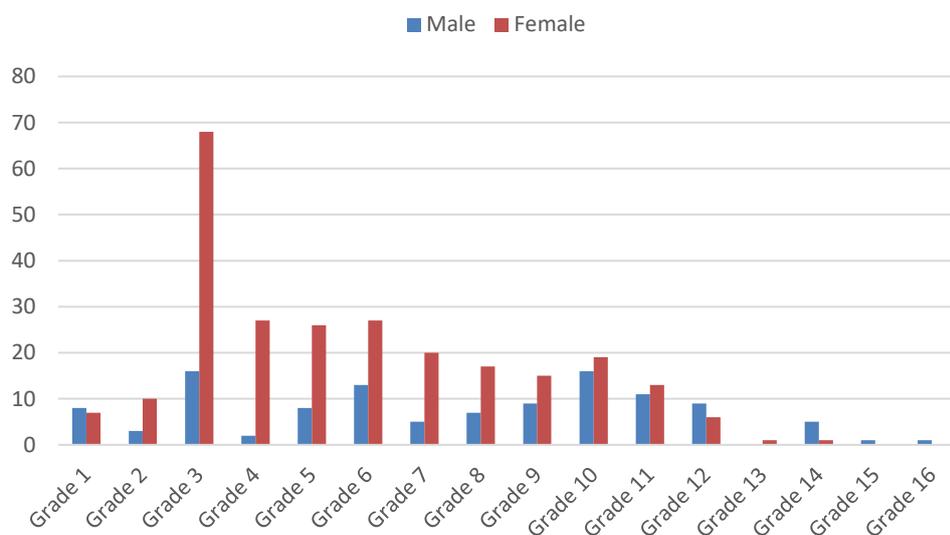
The opportunity to increase the number of females in senior roles is dependent on relevant vacancies arising. During the period April 2019 to March 2020 4 roles were appointed at grade 11 and above, with 1 of these roles being filled by a man and 3 by women.

Car allowances at the Council are paid to those in Grades 11-16 and enhance the pay of staff at this level. These allowances have not increased since 2004. 58% of those in these grades

are men, down from 66% last year, but this does increase the hourly rate for men in these grades and the overall male average hourly rate in the Council.

**Table 2** The gender split across all employees is 67% female 33% male. This profile has altered little since 2019. Table 2 illustrates that the breakdown of males and females is not consistent in all pay grades and this is illustrated more clearly in the chart below. The Lower and Lower Middle quartiles showed a decrease in the proportion of females from 2019, and an increase the Upper Middle and Upper quartiles. The biggest increase was nearly 7% in the Upper quartile, with the largest decrease of 6% in the Lower Middle quartile.

### **Breakdown of Males / Females in Pay grade**



**Table 3** This shows that almost 6% of Council staff received long service or recognition vouchers in 2020. Of these recipients, 4% were female and just under 2% were male.

**Table 4** The definition of bonus pay under the Regulations means the Council’s long service and recognition vouchers are included for the purpose of reporting our gender bonus gap. The bonuses set out in Table 3 reflect the gender bonus gap of the long service and recognition vouchers given to 22 members of staff, (15 females and 7 males), in the relevant reporting period.

### **3.3 Commentary**

The Council has a large number of customer-facing administrative roles in the grades below Grade 8. Many of these jobs are part-time and/or are suitable for flexible working which makes them attractive to women with caring responsibilities. The pattern of roles in the lower quartiles being predominantly held by females is further exacerbated by the fact that the Council outsources many of its operational functions such as grounds maintenance, refuse, recycling, street cleaning and housing; all areas of work which traditionally attract male employees. If these roles were filled directly by NHDC employees, then there would be an increased number of men within the lower two quartiles and it is likely that the gender pay gap would be significantly reduced.

With respect to career progression, several factors are likely to adversely affect more women than men. These include taking breaks from work for caring responsibilities, the reduction of turnover in senior roles and the flattening of management structures and hierarchies in the recent years of austerity which has restricted the available opportunities.

### **3.4 Actions Taken to Date**

The actions we have taken in recent years to narrow our Gender Pay Gap are: An organisation wide career development survey in 2019 where almost 50% of staff responded. Consequently, career development discussions took place, and individual plans have been created for those who want to progress.

- Use of software for ensuring the use of gender-neutral language in recruitment advertisements, job descriptions, person specifications and interview questions
- Introduction of Gapsquare software for calculation and deeper analysis of the Council's gender pay gap, and in time, the ethnic pay gap, data. The software is also being used to identify where there are particular pay disparities so specific actions can be developed to address these and for equal pay analyses.
- The Council's Recruitment and Selection workshop now includes additional content relevant to addressing the Gender Pay Gap. The training is focused on clear and objective selection criteria and contains an enhanced session covering unconscious bias. Recruitment and selection methods are also being reviewed to use a broader range of selection activities allowing more opportunity for those shortlisted to demonstrate their attributes.
- Eliminating unconscious bias training has been rolled out across the organisation.
- Specific training workshops are being developed on job design (job descriptions and person specifications).
- A Staff Network is in place with focus on having an inclusive remit, but within which there is a study of specific narrower issues e.g. women, minority ethnic staff numbers, younger staff, and generally staff getting to know other work areas etc.
- As part of the Shaping our Future project - which aims to develop a high quality, diverse, inclusive and resilient workforce - the Gender Pay Gap group has widened its remit to become an Inclusion Group, this will ensure that we look at all 9 protected characteristics equally.

### **4. Workforce Monitoring**

The Council regularly monitors its workforce statistics which include information on pay, staff turnover and exit information, recruitment, employee relations matters and the equalities profile. This monitoring ensures that trends can be identified, and appropriate action taken if there are areas of concern.

### **5. Policies**

The Council has a number of policies and procedures that ensure transparency, fairness and equity. These include:

- Job evaluation (HAY) for all roles
- A well-designed pay scale with a restricted number of incremental points
- Formal authorisation processes for changes in pay
- A fair and equitable Market Supplement Policy based on external benchmarking
- A fair and equitable Additional Responsibility Pay Policy
- An online recruitment system in which gender is not known until interview stage

- A competency-based interview process with a clear scoring method
- Family friendly policies such as flexible working, including part-time working, flexitime, homeworking, special leave, time off for dependants and parental leave.
- Exit questionnaires and interviews to gain feedback on employment experiences.

## **6. Equal Pay Review 2018**

Following the implementation of the single status agreement and the 2004 Pay Review, the Council has undertaken regular equal pay reviews. The most recent equal pay review was undertaken in 2017 and the results of this published in 2018. A further equal pay review will take place during 2021.

The 2018 review covered the main areas where inequalities are likely to exist. The review of NHDC data has been undertaken using grade, gender, age, ethnic group, disability, religion, sexuality and hours worked. The areas of additional responsibility pay, market forces payments, disturbance/standby allowance, protected pay, attendance at evening meeting allowances and starting pay were also explored. So comparisons can be made the average, (mean) salary was calculated for each grade in the groups considered. Differences above 3% between the groups being compared were considered significant and analysis focussed mainly on the instances where these occurred.

In the context of the Council's gender pay gap the following findings are relevant.

### **6.1 Gender**

A high number of female workers is a feature of Local Government and North Herts District Council is no different, with 66% of the workforce being women in 2018. Nationally over 48% of local Government female workers are part-time and these figures have changed very little for a number of years. Part-time working is an excellent means of balancing work and the responsibilities of childcare and can be regarded as flexible working. Despite the introduction of statutory shared parental leave and other family friendly measures, the trend is still for women to be the principal carers and this is the main contributor to the demand for part-time work. Looking at the average pay for part time staff at the Council, there has been a move towards part time staff earning more than their full time colleagues since the last Report with over 80% of comparisons now being in favour of part time staff.

Women working full time at the Council earn more than their male counterparts in 75% of the comparisons that can be made. When looking at all female and all male Council employees almost 70% of the comparisons are in favour of women. This reinforces that whilst the workforce profile (where the majority of women) 80% are concentrated in the grades up to Grade 9: this has a significant effect on the gender pay gap figures. There are no underlying gender based equal pay issues at the Council.

### **6.2 Starting Salaries and Allowances**

The study of allowances and starting salaries at the Council did not indicate discrimination was occurring in the way these were being applied. It is noted however, that the revision of the circumstances in which Additional Responsibility Payments can be made at the Council has led to a 100% increase in the number of such payments being made since the previous Equal Pay Report and reflects the need for pay mechanisms to ensure appropriate reward for those taking on additional responsibility in difficult economic times for the Council. There has been a significant increase in ARP made to female staff and the proportion receiving these now better reflects the overall female/male split at NHDC.