

Staffing Committee

Dorset County Council



Date of Meeting	29 January 2018
Officer	Chief Executive
Subject of Report	Gender Pay Gap Report 2017
Executive Summary	<p>At its meeting on 27 November 2017 the Staffing Committee received a report providing an overview of the gender pay gap reporting requirements.</p> <p>This report now provides a short overview of the requirement together with the proposed Gender Pay Gap Report.</p>
Impact Assessment:	<p>Equalities Impact Assessment: Not required as the regulations introducing Gender Pay Gap Reporting requirements have been introduced as part of the Equality Act legal framework.</p>
	<p>Use of Evidence: The report refers to guidance and information provided by the government and relevant legislation.</p>
	<p>Budget: None arising directly from this report although the requirement to report annually on the gender pay gap does involve additional work for Human Resources and Organisational Development. Any findings or recommendations/action plans for the future may have a subsequent impact on budgets.</p>
	<p>Risk Assessment: Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as: Current Risk: LOW Residual Risk: LOW</p>
	<p>Other Implications: None arising directly from this report.</p>
Recommendation	It is recommended that the Staffing Committee:

	<p>(i) Note the requirement for the Council to publish gender pay gap information under the provisions of The Equality Act 2010 (Specific Duties and Public Authorities)</p> <p>(ii) Approve the Gender Pay Gap report for 31 March 2017.</p>
Reason for Recommendation	To ensure that the council is compliant in respect of the gender pay gap reporting duty.
Appendices	Gender Pay Gap Report 2017
Background Papers	Previous report to the Staffing Committee dated 27 November 2017.
Report Originator and Contact	<p>Name: Tracy Scott, Principal HR&OD Adviser Tel: 01305 224619 Email: t.scott@dorsetcc.gov.uk</p> <p>Name: David Patrick, Senior HR&OD Adviser Tel: 01305 224637 Email: david.patrick@dorsetcc.gov.uk</p>

1. Introduction

1.1 The Equality Act 2010 (Specific Duties and Public Authorities) requires the County Council to prepare and publish a gender pay gap report for 2017 and each subsequent year thereafter. Reporting is mandatory for employers with a headcount 250 or more employees as of 31 March 2017 (the 'snapshot' date). All public sector employers are required to publish information about gender pay gaps by 31 March 2018 and annually thereafter.

1.2 Gender Pay Gap Defined

1.2.1 The gender pay gap shows the difference between the **average** (mean or median) earnings of men and women. This is expressed as a percentage of men's earnings. An example of this could be expressed as women earn 15% less than men.

1.3 Reporting Considerations

1.3.1 In preparing the report on the gender pay gap, the Council considered the following:-

- Headcount embraces a wider definition than 'employee' and includes workers, as well as some self-employed people. Agency workers are not included in the County Council's report, but will have been considered in any reporting requirements of their supplying agency.
- There are six calculations to carry out (refer to paragraph 1.4.1), and the results must be published on the employer's website and a government website within 12 months of the snapshot date of 31 March 2017.
- While the regulations for the public, private and voluntary sectors are near identical, and the calculations are directly comparable, the public sector regulations additionally take into account the Public Sector Equality Duty (PSED). The duty came into force in 2011 and requires public sector organisations to promote equality rather than just avoid discrimination.

1.4 Reporting Requirements

1.4.1 The key elements of the gender pay gap report are:-

- the difference in mean pay between male and female employees;
- the difference in median pay between male and female employees;
- the difference in mean bonus pay between male and female employees;
- the difference in median bonus pay between male and female employees;
- the proportions of male and female employees who were paid bonus pay; and
- the proportions of male and female employees in each quartile of their pay distribution.

1.4.2 The council's gender pay gap will be compared with the national average pay gap data. For the 2017 report, the data has been taken from the Office of National Statistics 2016 Annual Survey of Hours and Earnings.

1.5 Interpreting the data

1.5.1 When considering the data it should be noted that:-

- a **positive** percentage figure (which almost all organisations are likely to have) reveals that typically or overall, female employees have lower pay or bonuses than male employees
- a **negative** percentage figure (which some organisations may have) reveals that typically or overall, male employees have lower pay or bonuses than female employees
- a **zero** percentage figure (which is highly unlikely, but could exist for a median pay gap where a lot of employees are concentrated in the same pay grade) would reveal no gap between the pay or bonuses of typical male and female employees or completely equal pay or bonuses overall.

1.5.2 The calculations make use of two types of averages;

- a **mean** average involves adding up all the hourly rates and dividing the result by the number of items in the data set
- a **median** average involves listing all of the hourly rates in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers.

2. Gender Pay Gap data - 2017

- 2.1 The simplest way to understand the data is to refer to the infographics included as part of the Gender Pay Gap Report (at the appendix), but the key elements this time are also provided below.
- 2.2 The gender pay gap for the Council is 1.26% for **mean** hourly pay. This means that although the male mean hourly pay is above that of the female mean hourly pay, there is only a slight difference in the gap (0.17p). In comparison, the Council's mean pay gap is significantly lower than the national average of 18.2%.
- 2.3 The gender pay gap for the Council is -6.5% for **median** hourly pay. This means that the female median hourly pay is above that of the male median hourly pay. The Council's median pay gap is significantly lower than the national average of 17.5%.
- 2.4 The Council does not normally pay bonuses. However, there are a very small number individuals (less than 1% of employees), that transferred into the council under TUPE who do receive a bonus payment under their protected terms and conditions. The **mean** gender pay gap for bonus pay is 8.25% and **median** gender pay gap for bonus pay is 15.5%. This is largely due to the gender split within the 1% of employees in receipt of these bonus payments.
- 2.5 The Council can state what positive action it is proposing to take to reduce the pay gap. However, as the Council's gender pay gap percentages are significantly lower than the National Average, there is no immediate action proposed.
- 2.6 The report is normally required to show the proportion of males and females receiving bonus pay. However, due to the very small number of employees receiving bonus pay (and the gender split within this group) it is felt that to show this data would breach data protection regulations as it may be possible to identify individuals and the amount of bonus that they personally received. This information has therefore been omitted from the report.
- 2.7 The report is also required to provide the proportion of males and females in each quartile. This has been provided and data shows that there are more females than males in all four quartiles.
- 2.8 The quartiles also show the gender pay gap for mean hourly pay. The upper quartile and upper middle quartile show the mean hourly pay, 3.43% and 0.59% respectively. Which means the mean hourly pay is slightly higher for males. The lower middle quartile and lower quartile show the mean hourly pay of -1.74% and -2.22% respectively, which means the mean hourly pay in these quartiles are slightly higher for females.

3. Next Steps

- 3.1 Once agreed by the Staffing Committee, and in advance of 31 March 2018, the Gender Pay Gap report will be published on the Dorset for You website and uploaded to the Gov.uk website.

Debbie Ward
Chief Executive

Jonathan Mair
Head of Organisational Development

10 January 2018

Dorset County Council

Gender Pay Gap Report 2017



Dorset County Council

Human Resources & Organisational Development

DORSET COUNTY COUNCIL County Hall, Colliton Park, Dorchester, Dorset, DT1 1XJ

Dorset County Council

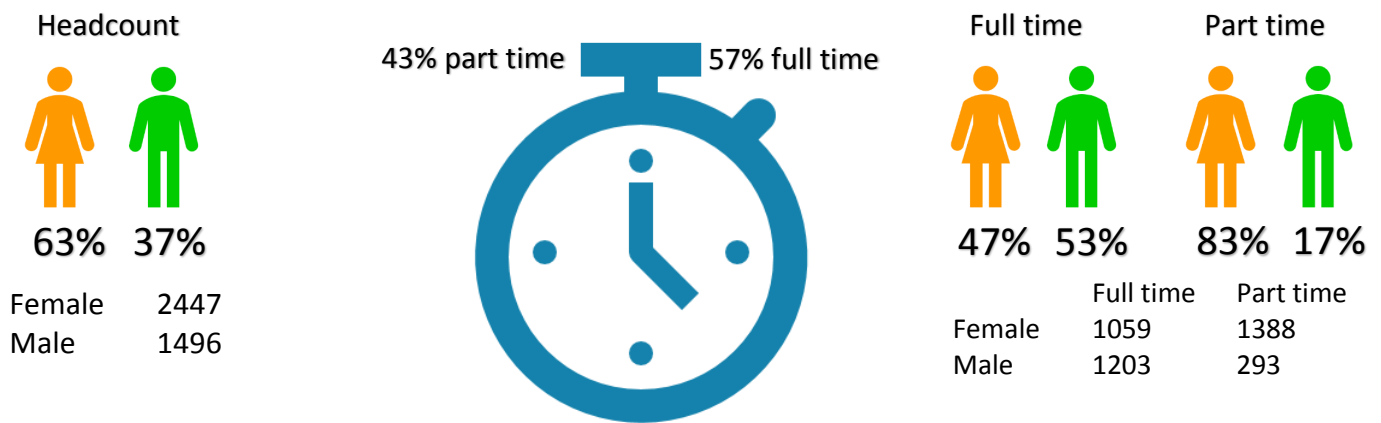
Gender Pay Gap 2017

All public sector employers are required to publish information about gender pay gaps by 31 March 2018. This information is based on a snapshot date of 31 March 2017. At this date, the following comprises of overall workforce data together within the gender pay gap requirements.

Workforce Demographic

The total headcount for Dorset County Council, required for reporting as at 31 March 2017 was 3,943.

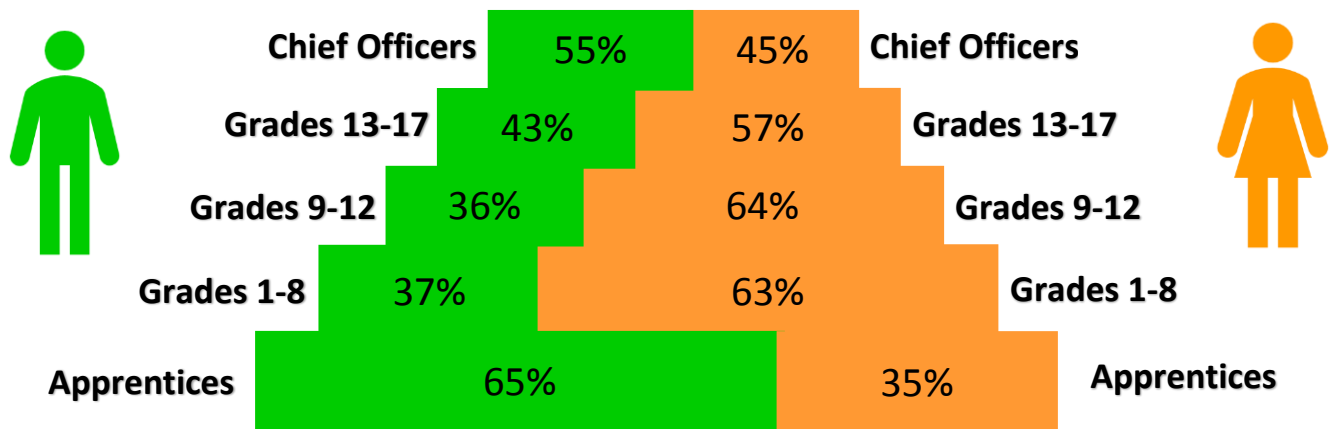
Total workforce demographic:



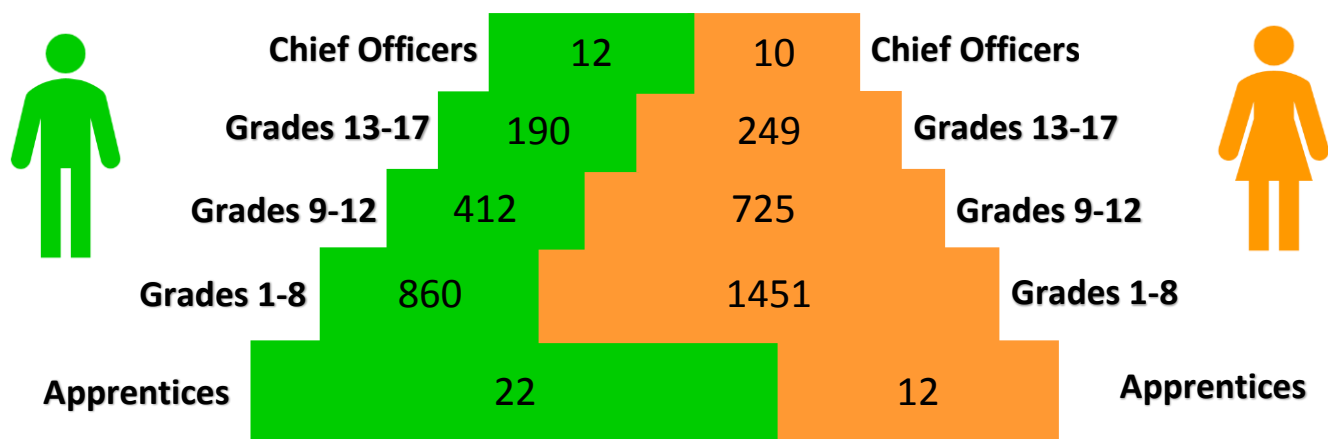
How is Dorset County Council made up?

Most of the 3,943 (c90%) members of staff are employed on Green Book Terms and Conditions. The remainder are on other T&Cs, including Soulbury and teaching, with others on TUPE protected T&Cs from previous employments. In these cases, to demonstrate the make-up of the county council, the full time equivalent salaries for these posts have been assimilated onto the DCC pay and grading structure, detailed below:

Gender split as percentage per grade



Gender split as headcount per grade



Gender Pay Gap explained

The gender pay gap does not show differences in pay for comparable jobs. Equal pay deals with the pay differences between men and women receiving equal pay for equal work and this is illegal. The gender pay gap shows the difference between the average (mean or median) earnings of men and women. This is expressed as a percentage of men's earnings.

What do we include?

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 proportion of male and female employees who were paid bonus pay during the relevant period
Quartile Pay Band	The proportion of male and female employees in the upper, upper middle, lower middle and lower quartile pay bands

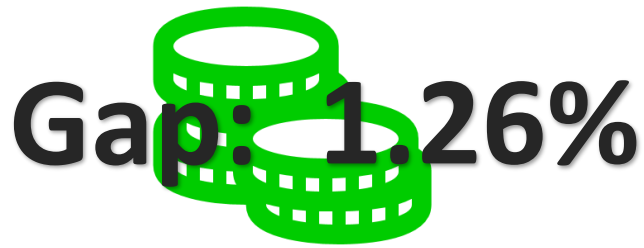
Calculating and understanding the pay gap

$$\frac{\text{Mean (or median) £ per hour for males} - \text{mean (or median) £ per hour for females}}{\text{Mean (or median) £ per hour for males}} \times 100$$

- A **positive** percentage figure indicates that generally, female employees have lower pay/bonuses.
- A **negative** percentage figure indicates that generally, male employees have lower pay/bonuses.
- A **zero** percentage figure indicates that there is no gap or completely equal pay/bonuses.

Our Gender Pay Gap – 31 March 2017

Mean hourly pay:

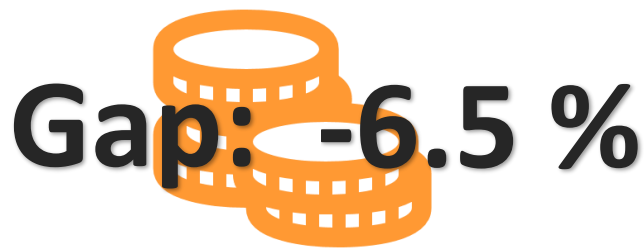


How do we compare?

Figures below from the Office of National Statistics 2016 Annual Survey of Hours and Earnings

National Average	Public Sector Average	South West Public Sector Average
18.2%	18.2%	22.3%

Median hourly pay:



How do we compare?

Figures below from the Office of National Statistics 2016 Annual Survey of Hours and Earnings

National Average	Public Sector Average	South West Public Sector Average
17.5%	17.8%	19%

Proportion of men and women receiving bonuses

The council has also been asked to publish the difference in mean and median bonus pay between male and female employees and the proportions of males and female employees who were paid bonus pay

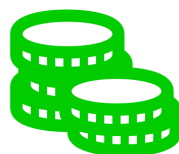
Dorset County Council does not normally pay bonuses. However, there are a very small number of individuals that transferred into the council under TUPE who do receive a bonus payment under their protected terms and conditions.

Out of the overall workforce of 3,943, less than 1% of employees (37 people) receive a bonus payment.

Mean bonus pay:



Gap: 8.25%



Median bonus pay:

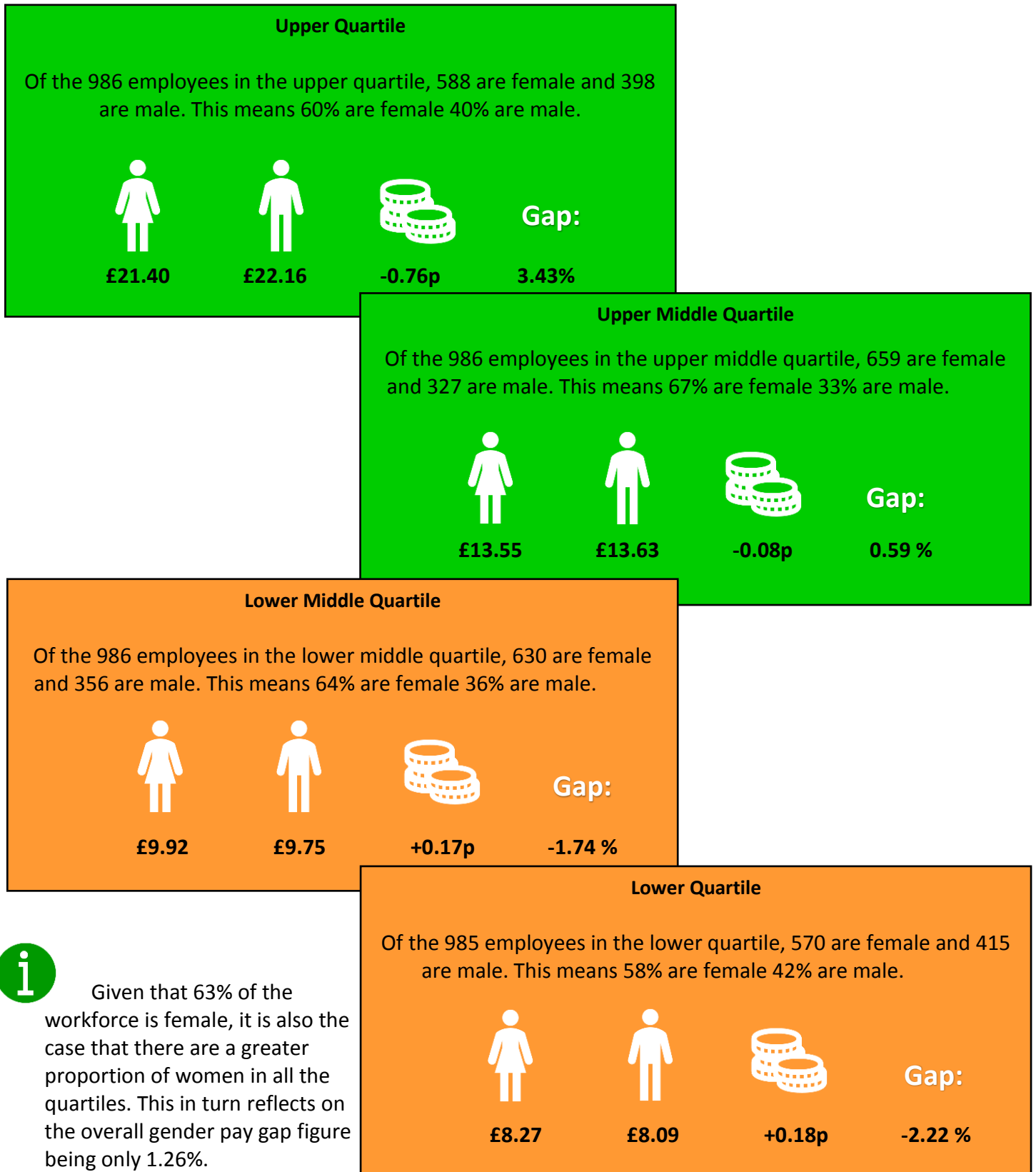


Gap: 15.5%

Proportion of men and women in each quartile of the pay structure

This data shows the proportions of male and female employees in four pay quartiles (the workforce is divided into four equal parts). Presenting the data in four quartiles compares the distribution of full-time equivalent pay for the male and female employees across the authority who are included in the report.

The mean gap is calculated on their hourly pay.



Given that 63% of the workforce is female, it is also the case that there are a greater proportion of women in all the quartiles. This in turn reflects on the overall gender pay gap figure being only 1.26%.