

Staffing Committee

Dorset County Council



Date of Meeting	28 January 2019
Officer	Chief Executive
Subject of Report	Gender Pay Gap Report 2018
Executive Summary	<p>At its meeting on 29 January 2018 the Staffing Committee received a report providing an overview of the gender pay gap reporting requirements together with the authority's first Gender Pay Gap Report.</p> <p>This report provides a short overview of the requirement together with the proposed Gender Pay Gap Report for publication in March 2019.</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</p>

Gender Pay Gap Report 2018

	Residual Risk: LOW
	Other Implications: None arising directly from this report.
Recommendation	It is recommended that the Staffing Committee: <ul style="list-style-type: none"> (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) (ii) Approve the Gender Pay Gap report for 31 March 2018.
Reason for Recommendation	To ensure that the council is compliant in respect of the gender pay gap reporting duty.
Appendices	Gender Pay Gap Report 2018
Background Papers	None
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1. Introduction

- 1.1 The Equality Act 2010 (Specific Duties and Public Authorities) requires all public sector employers to prepare and publish a gender pay gap report by 31 March each year. The first report was published in March 2018 for 2017 data. Reporting is mandatory for employers with a headcount 250 or more employees as of 31 March (the 'snapshot' date).

The new unitary council, Dorset Council, in Dorset will be established on 1 April 2019. Legal advice recommends that notwithstanding the abolishment of Dorset County Council, a Gender Pay Gap report for 2018, published in 2019, should still be produced.

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 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.
- 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.

Gender Pay Gap Report 2018

1.4.2 The council's gender pay gap will be compared with the national average pay gap data. For the 2018 report, the data has been taken from the Office of National Statistics 2017 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 - 2018**

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 0.95% for **mean** hourly pay (compared with 1.26% last year). 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 (0.13p). In comparison, the Council's mean pay gap is significantly lower than the national average of 17.4%.

2.3 The gender pay gap for the Council is -9.82% for **median** hourly pay (compared with -6.5% last year). This means that the female median hourly pay is above that of the male median hourly pay. This is due to 63% of the workforce being female, so a greater proportion of women, which is reflected in the pay gap for median hourly pay. The Council's median pay gap is significantly lower than the national average of 18.4%.

2.4 On average (mean) the pay gap is minimal in favour of male employees. This year the median point has increased in favour of female employees

2.5 The Council does not normally pay bonuses. However, there are a very small number of individuals (less than 1% of employees), that transferred into the council under

TUPE who receive a bonus payment under their protected terms and conditions. The **mean** gender pay gap for bonus pay is 1.61% and **median** gender pay gap for bonus pay is -1.82%. This is largely due to the gender split within the 1% of employees in receipt of these bonus payments.

- 2.6 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.
- 2.7 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.
- 2.8 The report is also required to contain 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.
- 2.9 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 0.49% respectively. This means the mean hourly pay is slightly higher for males. The lower middle quartile and lower quartile show the mean hourly pay of -1.27% and -0.84% 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 2019, the Gender Pay Gap report will be published on the Dorset for You website and uploaded to the Gov.uk website.

Mike Harries
Chief Executive

7 January 2019