

HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Employment in Hampshire County Council Committee
Date:	11 July 2018
Title:	Mandatory Gender Pay Gap Reporting 2016/2017
Report From:	Director of Corporate Resources

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1. Conclusion

- 1.1. The County Council is committed to the principle of equal pay for all employees, irrespective of gender, and ensures that it meets the requirements of the Equal Pay Act 1970.
- 1.2. Our gender pay gap of 18.7% is not as a result of paying men more than women for the same or equivalent work.
- 1.3. The published data invites us to pose a number of questions about our workforce profile. Answering these questions is resource intensive. Having completed initial analysis of the information, it is clear that a significant proportion of the Council's gender pay gap (for both pay and to a lesser extent bonuses) is as a direct result of retaining those roles such as care assistants, catering and school escorts that other equivalent organisations have either outsourced or no longer provide, and the grade of those roles within our pay framework.
- 1.4. These roles are predominantly undertaken by women within the Authority, and attract salaries at the lower end of our pay scales.
- 1.5. Roles at a lower grade provide less scope for individuals to be eligible to receive a VP or SRP payment, and if paid are of a lower value than those payments made to employees at higher grades.

2. Summary

- 2.1. The purpose of this paper is to update EHCC on Hampshire County Councils Gender Pay Gap information for the snapshot year 31 March 2017 and includes additional analysis of the gender pay gap.
- 2.2. Members are invited to contribute thoughts and ideas to the Inclusion and Diversity Steering Group which next meets on 7 September 2018.

3. Contextual information

- 3.1. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 came into force on 6 April 2017.
- 3.2. Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing the pay gap between their male and female employees.
- 3.3. From 2017, Hampshire County Council, as a public sector organisation, is required to publish the mandatory data set on its own public facing website and the Government website, by 30 March of each year.
- 3.4. The data published relates to the organisations figures as at 31 March of the previous year. This is known as the “snapshot date”. The private sector has until 4 April to publish its data as their “snapshot date” is 5 April of the previous year.
- 3.5. On 29 March HCC published its data on the gov.uk site as well as on [HCC's public facing website](#).

4. Data published

- 4.1. HCC presented a gender pay gap of 18.7% on average earnings, and a gender pay gap of 27.9% on average bonus payments. A positive gender pay gap figure indicates that men earn more, whereas a negative would indicate that women earn more.
- 4.2. For the snapshot date of 31 March 2017, the County Council published the following mandatory figures:

Pay		
Mean gender pay gap in hourly pay (men currently earn more)		18.7%
Median gender pay gap in hourly pay (men currently earn more)		21.7%
Bonus		
Mean bonus gender pay gap (men currently earn more)		27.9%
Median bonus gender pay gap (men currently earn more)		27.0%
Proportion of males receiving a bonus payment		11.4%
Proportion of females receiving a bonus payment		9.5%
Pay quartiles		
Top quartile	Male	33.6%
	Female	66.4%
Upper middle quartile	Male	25.2%
	Female	74.8%
Lower middle quartile	Male	21.9%
	Female	78.1%
Lower quartile	Male	12.5%
	Female	87.5%

- 4.3. Our gender pay gap of 18.7% is not as a result of paying men more than women for the same or equivalent work; it is more about the distribution of the workforce between grades.
- 4.4. The Hay job evaluation scheme provides an objective and gender neutral framework to evaluate the jobs that are carried out within the County Council.

5. Gender pay gap: Further analysis

- 5.1. The SAP standard report is configured to provide the mandatory gender pay gap data for the whole organisation. The data set was not designed to be used to produce more detailed analysis at a department or role specific level nor is it intended to provide further reporting by wage type(s).
- 5.2. Further analysis of the gender pay gap can only be undertaken manually. The manual excel based analysis, is resource intensive and necessitates combining various historic data sets that were originally created for different purposes to the gender pay gap data set. As such, unlike the whole organisation report, the more detailed analysis will contain variances but is still accurate enough to provide greater clarity on our gender pay gap profile.

6. Figures excluding select roles

- 6.1. When we published the gender pay gap data it was noted in the supporting commentary that the Council's gender pay gap exists as a result of our workforce profile - the roles which men and women undertake within the Authority, and the salaries that these roles attract.
- 6.2. As a County Council we continue to deliver services that other equivalent organisations have either outsourced or no longer provide, in particular roles such as care assistants, catering and school escorts, which predominantly attract females.
- 6.3. The following table summarises the gender pay gap for Hampshire County Council if we were to exclude these roles from our reporting:

Pay gap	All roles	Excluding select roles
Mean gender pay gap in hourly pay (men currently earn more)	18.7%	11.1%
Median gender pay gap in hourly pay (men currently earn more)	21.7%	11.1%

- 6.4. This still leaves an 11.1% gap explained by the remaining A-D grade roles which are typically filled by female staff.

7. Performance bonus payments

- 7.1. HCC makes no provision for bonus payments to any employee.

- 7.2. However, there is a Special Recognition and Valuing Performance Payment Scheme in place that relates to exceptional performance.
- 7.3. For the purpose of mandatory gender pay gap reporting, Valuing Performance and Special Recognition Payments are classified as a bonus. Legislation dictates that the Council has a mandatory obligation to publish these figures. *“Bonuses are defined in regulation 4. They include anything that relates to profit sharing, productivity, performance, incentive and commission”* ([ACAS guidance, pg 24](#))
- 7.4. As part of the further analysis we have tested whether the mean and median bonus gender pay gap is as result of the roles men and women undertake within the Authority, the grade differential or whether someone is full time or part time.
- 7.5. Unlike the gender pay calculation which is based on the hourly rate of pay paid to each person the bonus calculation takes no account of contractual hours. The gender bonus is calculated using the actual total bonus amounts paid to each person. As VP is a % of contractual pay (either 1.5% or 3%) the amount paid will be higher or lower depending on whether someone is full or part time.
- 7.6. A high proportion of part time workers are female. 43% of female employees who received either a VP or SRP payment are part time versus only 7% of male employees who received a payment. If we factored this into the calculation by using annualised bonus payments the mean bonus gender pay gap would fall from 27.9% to 18.5%
- 7.7. The grade and role profile also determines the likelihood of an employee receiving either a VP or SRP payment. The following table includes the percentage of eligible employees who received a VP or SRP payment in the period 1 April 2016 to 31 March 2017 by grade. The data demonstrates that fewer individuals at grades A and B received a payment compared to grade C and above and that there is a bonus gender pay gap within each grade.

Grade	No. eligible for bonus		No. received a bonus		% received a bonus		Average bonus £'s		Gap
	F	M	F	M	F	M	F	M	
A	1,364	69	60	9	4.4%	13.0%	200	439	54.4%
B	1,286	259	67	8	5.2%	3.1%	186	340	45.2%
C	2,005	546	140	40	7.0%	7.3%	220	512	57.0%
D	1,453	425	172	42	11.8%	9.9%	327	384	14.9%
E	1,259	448	152	55	12.1%	12.3%	436	428	-1.8%
F	1,336	456	178	70	13.3%	15.4%	511	480	-6.4%

Grade	No. eligible for bonus		No. received a bonus		% received a bonus		Average bonus £'s		Gap
	F	M	F	M	F	M	F	M	
G	489	265	130	60	26.6%	22.6%	716	816	12.3%
H	222	159	63	39	28.4%	24.5%	690	696	0.8%
I	118	119	34	31	28.8%	26.1%	924	1,092	15.4%
J	44	36	15	13	34.1%	36.1%	973	1,121	13.1%
K	7	16	3	-	42.9%	0.0%	1,146	0	-100%
K+	11	15	-	2	0.0%	13.3%	0	2,083	100%
Total	9,594	2,813	1,014	369	10.6%	13.1%	£448	£621	27.8%

7.8. The pay gap (bonus) if we were to exclude the selected roles as per item 5 and grades A and B is as follows:

Bonus gap	All roles	Excluding select roles	Excluding grades A & B
Mean bonus gender pay gap	27.9%	22.1%	23.5%
Median bonus gender pay gap	27.0%	17.8%	17.8%

7.9. If we took account of the combined impact of grade profile and contractual hours by removing grades A & B and using annualised hours respectively the mean bonus gender pay gap would be 15%.

8. Future direction

- 8.1. The gender pay gap information contained in this report will be presented to the Council's Inclusion and Diversity Steering Group on 7 September 2018.
- 8.2. The Inclusion and Diversity group to consider what further actions could be taken by departments that alter our workforce profile over time, focusing on the particular roles such as care assistants, catering and school escorts, which predominantly attract females, as mentioned in point 6.2.
- 8.3. Departments to consider the gender pay gap when making future SRP decisions.

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
The Equality Act 2010 (Gender Pay Gap Information) Regulations	2017

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

1.3. No impact

2. Impact on Crime and Disorder:

2.1. Not applicable.

3. Climate Change:

3.1. Not applicable.