

Gender Pay Gap (Human Resources – Fiona Skene)

Synopsis of report:

To report on the Gender Pay Gap figures for Runnymede Borough Council as at 31st March 2021.

Recommendation:

That the report be noted and a suitable action plan is subsequently devised to encourage the gradual reduction in the gender pay gap.

1. Introduction

- 1.1 The Gender Pay Gap regulations applied to all public sector organisations from 31st March, 2017. They required that the gender pay gap figures for the organisation were published by 31 March each year based on a snapshot date of 31 March on the previous year.

2. What is the purpose of this legislation?

- 2.1 The purpose of this legislation is to encourage employers to take new and faster action to close the pay gap between the genders by requiring employers to publish their gender pay gap on their own external websites and on a Government website. An employer must comply with the legislation if they have a headcount of 250 employees or above. Runnymede has circa 423 employees at present not including casual staff.

3. Background to this legislation

- 3.1. Research illustrates that despite the fact that over 50 years have passed since the Equal Pay Act became law, the gender pay gap within the British economy remains significant. The level of gender pay gap varies between sectors, occupations, age groups and working patterns.
- 3.2 The gap tends to be higher in industry sectors such as finance, energy and construction and is lower in public administration, support services, health and social work. Occupations where women are typically under-represented tend to produce higher gender pay gaps. Unequal sharing of child-care responsibilities contributes significantly to gender pay gaps because of the higher proportion of women than men taking part-time work which tends to be lower paid. For example, the Institute of Fiscal Studies reported that prior to the birth of a first child, there is an average pay gap between men and women of over 10% and there is then a gradual but continual rise in this pay gap until the first child is aged 12 between the hourly rates of men and women. By this stage women's pay has then reduced to a third below men's hourly wages. The main challenge is seen as ensuring that the pay gap for women over 40 is tackled as a priority.
- 3.3 The causes of the continuing gender pay gap are varied within the economy. Some causes originate outside the workplace such as stereotypical representations of men

and women and standards of career advice for girls. Within the workplace, the main factors have been identified by research as:-

- Fewer women working in certain more highly paid professions or areas of an organisation (e.g. those involving science, technology, engineering and mathematics).
- Lack of well-paid part-time or flexible work
- Women continuing to be less likely to progress to senior levels within an organisation (women continue to make up just over a third of managers and directors nationally)
- Constrained individual choice, unconscious bias and discrimination. Women who wish to move into management or senior management roles can sometimes be held back by lack of female role models, networking opportunities, mentoring and sponsorship; and also by assumptions about women not wanting or being in a position to accept promotion.

3.4. This research has led the Government to see greater transparency about gender pay gaps as a catalyst to promote organisations to take new and more energetic action to address the issue of working towards closing gender pay gaps in their own organisations.

4. **What steps does the organisation need to take to comply with this legislation?**

4.1 What does the legislation require of employers?

a) They must comply with this legislation for any year in which they have a headcount of 250 employees or more. The snapshot date for which the gender pay gap is calculated is 31 March and it must be calculated and published by 30 March the following year.

b) What does an employer need to calculate?

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of males and females receiving a bonus payment
- The proportion of males and females in each quartile pay band

A written statement that the calculations are accurate must be signed by a senior person such as a Director or the organisation's Chief Executive. It is also recommended that the figures are accompanied by a narrative setting out why the organisation believes that it has the level of pay gap stated and ideally, an action plan explaining what it proposes to do as an organisation to close that pay gap.

c) The above calculations need to be published annually based on the situation on 31 March each year on the organisation's external website and on the required Government website. Organisations will normally have one calendar year to publish the data from 31 March.

4.2. There is considerable guidance from ACAS on what types of pay should be included in the calculations. For example, the regulations only cover those receiving their full pay during the relevant period. Shift payments are included but not overtime. Expenses are excluded as are termination payments. Car allowances are included but not cars.

- 4.3. Pay is counted as the pay level before deductions such as National Insurance, tax or pension contributions are made. The employees counted include those on zero hour contracts, apprentices and some consultants. Agency workers are counted by their actual employer.
- 4.4. There is considerable guidance on how to do the calculations. The guidance also recommends considering issues such as how the organisation deals with starting pay for men and women, what the promotion rates are by gender, the percentage of mothers returning to work after maternity leave and the percentage of mothers still in work a year after returning from maternity leave.

5. What is the Council's Gender Pay Gap?

- 5.1. The data has been gathered, analysed and calculated for Runnymede Borough Council as at the snapshot date of 31 March 2021. The results are as follows:-

a) **Mean Gender pay gap**

- Male mean hourly rate - £18.09
- Female mean hourly rate - £16.56

The calculation is $\frac{(A-B)}{A} \times 100$

A is the mean hourly rate for all male full-pay relevant employees and **B** is the mean hourly rate of pay for all female full-pay relevant employees. Consequently the **Mean Gender pay gap is 8.44%**. This is a reduction on last year, as we reported a 9.06% mean gender pay gap.

b) **Median Gender Pay Gap**

- Male median hourly rate - £14.90
- Female median hourly rate - £14.82

The calculation is $\frac{(A-B)}{A} \times 100$

A is the median hourly rate of pay for all male full-pay relevant employees and **B** is the median hourly rate of pay for all female full-pay relevant employees. The **Median Gender Pay Gap is 0.54%**. This has increased from last year, as we reported a 0% median (no gap). This increase would indicate that overall employees who are women have lower pay than male employees. The 2021 snapshot data shows that there has been a reduction of female employees in the 4th (highest paid) quartile. It has reduced from 54 to 48. The number of Male employees in the 4th quartile has increased from 55 to 56.

c) **Bonus**

Bonus is not paid in the organisation therefore there is no data for the 3 bonus related statistical elements.

d) **Pay Quartiles by Gender**

What is the proportion of men and women in each pay quartile?

Quartile	Males		Females		Description
	%	Headcount	%	Headcount	
A £8.10(Term time only) - £12.56	56.19%	59	43.81%	46	All employees whose hourly rate places them at or below the lower quartile
B £12.56 - £14.88	32.69%	34	67.31%	70	All employees whose hourly rate places them in the second quartile
C £14.90 - £19.25	36.54%	38	63.46%	66	All employees whose hourly rate places them in the third quartile
D £19.27 - £68.89	53.85%	56	46.15%	48	Upper quartile
	44.84%	187	55.16%	230	Total Headcount

5.2 The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

6. **What are some of the notable features of the Council's Gender pay gap quartile data?**

6.1. One of the principal reasons why the Council's overall gender pay gap is small is illustrated by the pay data within the quartiles. In the lowest quartile band there are a large group of low paid male manual workers primarily employed in Cleansing Services(i.e. Refuse Collection and Street Sweeping) and to a lesser degree in Green Spaces(e.g. Parks), Community Services(as drivers) and Housing (as Task Force Operatives). It is the impact of the number of low paid male manual workers (i.e 56.19% of employees in the lowest quartile), which is helping to keep the gender pay gap between men and women relatively low in the organisation (i.e. at only 8.44% for the mean and 0.54.% for the median). The female employees in the lowest pay band tend to be low paid female clerical workers, Kitchen Assistants and Assistant Cooks, some Supported Living staff, Community Services Operatives and casual Museums staff.

6.2 In the second lowest quartile, we find the majority of lower paid female clerical and administrative staff who make up 67.31% of this quartile. In this quartile, the 32.69% of male staff are the higher paid male manual workers (e.g. Cleansing Drivers and Operatives, Green Spaces staff, and Civil Enforcement Officers).

- 6.3 In the third quartile we find a wide diversity of middle- ranking roles within the organisation, the majority of which are occupied by women in numerical terms (i.e. 63.46%).
- 6.4 Within the higher quartile there is a wide spread of roles. The RBC SLT members is currently comprised of five females and five males, which is an improvement on previous years. The majority of CLT team members are male. At the lower end of the upper quartile we find a number of professional staff who are predominantly female (e.g. in Planning and Housing), then there are a number of female middle management staff. However, the higher earning senior managers are predominantly male (e.g. on Corporate Leadership Team (CLT) and just below SLT). Consequently in an organisation where the majority of the workforce is female, the existence of the mean gender pay gap of 8.44% is primarily due to the fact that the highest paid senior earners in the organisation are men.
- 6.5 The headcount of women and men in this data is 230 women and 187 men. This gap is kept lower by the existence of a large group of low earning male manual workers (mainly in the Cleansing services and Community Transport) which offsets the impact of the fact that the majority of high earners in the organisation at the top end of the structure are male.
- 6.6 The issue of fewer women in senior management positions within the authority than men is not uncommon in the UK economy as a whole. However, in most local authorities the majority of the workforce is female and this should result in the likelihood of more women reaching senior management roles. Runnymede is far from alone in district councils in having fewer women than men in senior management roles. Career breaks and going part-time due to child-rearing responsibilities, appears to be an important feature in this. However research illustrates that other factors can also have an impact on the number of women who reach senior management positions which were described in the introductory paragraphs of this report.

7. Comparison to previous years

	2017	2018	2019	2020	2021
Mean Gender Pay Gap	6.65%	7.64%	10.22%	9.06%	8.44%
Median Gender Pay Gap	-0.3%	-5.2%	-3.6%	0%	0.54%

- 7.1 The changes in the Gender Pay Gap in the past year have been affected by restructures within the organisation and sometimes by women leaving roles in the higher quartile and new appointees being male. Although there are now equal numbers of men and women on SLT, the number of women in the upper quartile pay range has fallen from the previous year.

8. What happens next?

- 8.1 Having calculated the gender pay gap, the gender pay gap needs to be reported to Corporate Management Committee (CMC). After this, a narrative is prepared and signed off by the Chief Executive to go with the data on the Council's external website and the Government website. Each year the gender pay gap data needs to be prepared and reported including any recommended actions considered by CMC annually. The implications of the gender pay gap data and consideration of a suitable action plan to encourage the gradual reduction in the gender pay gap need to be considered by the HR Member Working Group.

(To resolve)

Background papers

None stated