

## Gender Pay Gap (Human Resources, Fiona Skene)

### Synopsis of report:

To report on the Gender Pay Gap figures for Runnymede Borough Council as at 31<sup>st</sup> March 2022.

### Recommendation:

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

## 1. Introduction

- 1.1 The Gender Pay Gap regulations applied to all public sector organisations from 31<sup>st</sup> 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 433 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 national pay gap is currently 12.2%. 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 2022. The results are as follows:-

### a) Mean Gender pay gap

- Male mean hourly rate - £18.39
- Female mean hourly rate - £16.99

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 7.62%**. This is a reduction on last year, as we reported a 8.44% mean gender pay gap. It is also well below the national pay gap figure of 12.2%.

### b) Median Gender Pay Gap

- Male median hourly rate - £15.57
- Female median hourly rate - £15.08

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 3.14%**. This has increased from last year, as we reported a 0.54% median.

This increase would indicate that overall employees who are women have lower pay than male employees. The 2022 snapshot data shows that the number of female employees in the 4<sup>th</sup> (highest paid) quartile has remained at 48 since last year and the number of Male employees in the 4<sup>th</sup> quartile has increased from 56 to 57.

Looking at the 3<sup>rd</sup> quartile data, the number of females has increased from 66 to 67 the number of males has remained at 38.

The data in the 2<sup>nd</sup> quartile shows that the number of females has increased from 70 to 76 and the number of males in this quartile has decreased from 34 to 29.

The 1<sup>st</sup> quartile (lowest paid) data shows that the number of females has increased from 46 to 52 and the number of males in this pay quartile has decreased from 59 to 54.

### 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 £9.08 - £12.81	50.94%	54	49.06%	52	All employees whose hourly rate places them at or below the lower quartile
B £12.81 - £15.53	27.62%	29	72.38%	76	All employees whose hourly rate places them in the second quartile
C £15.53 - £19.44	36.19%	38	63.81%	67	All employees whose hourly rate places them in the third quartile
D £19.44 - £70.22	54.29%	57	45.71%	48	Upper quartile
	42.28%	178	57.72%	243	<b>Total Headcount</b>

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 50.94% 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 7.62% for the mean and 3.14% 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 72.38% of this quartile. In this quartile, the 27.62% 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. 63.81%).
- 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. The majority of the 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 7.62% 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 243 women and 178 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

Year	2018	2019	2020	2021	2022
<b>Mean Gender Pay Gap</b>	<b>7.64%</b>	<b>10.22%</b>	<b>9.06%</b>	<b>8.44%</b>	<b>7.62%</b>
<b>Median Gender Pay Gap</b>	<b>-5.2%</b>	<b>-3.6%</b>	<b>0%</b>	<b>0.54%</b>	<b>3.14%</b>

- 7.1 The changes in the Gender Pay Gap in the past year has been affected by natural turnover across the organisation. There has also been a reduction in male workers in the 1<sup>st</sup> and 2<sup>nd</sup> quartiles and the number of females in these lower paid quartiles has increased. There are currently equal numbers of men and women on SLT.

## 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.
- 8.2. Although Runnymede's pay gap is small compared to the national average, it is clear from the analysis of the pay gap data given above that if we want to make a material difference to the pay gap between men and women year on year we need to take more pro-active action to address this issue.
- 8.3. What might this action plan include?

Since the main cause of gender pay gap appears to be the primary role of the mother as 'carer', we need to review our flexible working policies to ensure that we have a sufficiently good balance between service provision and providing flexible working arrangements. We already have a range of flexible working arrangements and hybrid working. Encourage as many roles as possible to be offered on a flexible working basis; require all managers to do the unconscious bias training; expect all managers to complete personal development plans for their staff at the end of year appraisals covering career development paths and mentoring; and encourage women to participate in the management development programmes for first line and middle management. It would also help if we could ensure there is adequate representation of women on the top two management teams (CLT and SLT) to act as role models for other women in the organisation and to participate in decision-making. This action plan will be developed as a matter of urgency and submitted in the first instance to the Equalities Group and CLT.

**(To resolve)**

**Background papers**

None stated