

30 January 2019**Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE AND
EMPLOYEES****GENDER PAY GAP – UPDATE****Purpose of the Report**

1. The purpose of this report is to provide Personnel Committee with an update of Nottinghamshire County Council's Gender Pay Gap for publication as required by the public sector duty under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 and seek agreement to the proposed actions to continue to address this issue.

Information**Background**

2. An initial report was brought to Personnel Committee on 7 March 2018 which outlined the new requirement for employers of over 250 employees to report their "gender pay gap" (GPG). Schools' information is not required in the gender pay reporting for local authorities as this remains the responsibility of the governing body for eligible maintained schools or the proprietor for academies with 250 plus employees.
3. The 2018 report explained that a calculation was required which shows the difference between the mean (average) and the median (mid-point) earnings between men and women expressed as a percentage of men's earnings. It is also important to note that the gender pay gap differs from equal pay which relates specifically to the pay differences between men and women undertaking work of equal value.
4. The Gender Pay Gap requirements define pay as "ordinary gross pay" which includes payments relating to basic pay, allowances and paid leave. Ordinary pay does not include pay related to overtime, redundancy or termination of employment and pay in lieu of annual leave.
5. The Council has an equality proofed pay system delivered through the robust application of job evaluation and the maintenance of our "Single Status" agreement. The Council also applies the national pay spine and nationally negotiated pay awards.
6. There has been significant publicity around the gender pay gap in organisations such as the BBC. The Council's position is significantly different from some of these high profile organisations; partly due to the nature of some of the services we continue to provide and

the people engaged to deliver them being primarily part time female employees.

7. Since the introduction of the requirements for Gender Pay Gap reporting, it has been reported in the HR professional press that there is cause for suspicion of organisations which manage to resolve their gender pay gap within the first 12 months of the introduction of the reporting requirements. Problems have been highlighted where some employers are reporting incorrectly. For example reporting an even 50% gender split in all 4 pay quartiles which is highly unlikely in any organisation employing 250 or more people. Other potential issues identified include not giving the issue sufficient profile and not ensuring that the “responsible person” is at a sufficiently senior level within the organisation. In some cases, organisations have reported a closing of significant pay gaps within the first 12 months with limited recruitment taking place. In exploring how such rapid progress can be achieved, the Council has received clear legal advice that creating all female shortlists for areas where women are under-represented is illegal and potentially discriminatory.

March 2018 position

8. The Gender Pay Gap Information Regulations require us to use payroll information as at 31st March each year and to have published the details by this date of the following year, therefore this report provides the situation as at 31st March 2018.
9. The attached infographic at **Appendix 1** provides information which reflects the organisational structure as at 31 March 2018. The impact of the creation of the Chief Executive’s Department from 1 July 2018 will be covered in next year’s report. As required, the summary information contained as part of the infographic includes the following:
 - Mean gender pay gap
 - Median gender pay gap
 - The proportion of gender in each pay quartile, that is, a breakdown into four equal sections lowest to highest, by their evaluated hourly rate and which shows the number and proportion of female to male employees in each quartile.
10. The Council has shown positive indications of progress over the previous reporting period. The overall gender pay gap in Nottinghamshire County Council is a mean gap of **11.51%** and a median gap of **20.22%**, an improvement from our initially reported position in March 2017 of 12.33% and 25.37% respectively.
11. Within the Council, men continue to be most highly represented in the upper pay quartile at 29.5%, previously 30.4%, and women are most highly represented in the lowest pay quartile at 84.7%, previously 85.1%. Although one of our Corporate Directors left the Council’s employment last June, Members will be aware that we have recently successfully recruited a new female Corporate Director in Adult Social Care and Health. In addition another female colleague was appointed to a statutory officer post at the next most senior level in our organisation following the creation of the Chief Executive’s Department which shows continuing progress being made at the most senior levels.
12. However, given the current financial context, there has been limited recruitment within the Council in the last 12 months except in areas of social care which remain predominantly

female. This has impacted on the number of opportunities to significantly alter the gender pay gap for the reported period.

13. The Council continues to pay the Living Wage Foundation Living Wage as opposed to the National Living Wage. This is paid as an allowance, equivalent to £9.00 per hour from 1 November 2018, and has most benefited our frontline part time female workers since the Council implemented payment from 1 April 2014.
14. Between March 2017 and March 2018, a national pay award has been applied and the Living Wage Foundation Living Wage increased by 30p per hour, providing a 3.5% uplift for the lowest paid employees who are predominately female and engaged in business support or cleaning/catering functions. Attention has now been turned to implementing the second year of the national pay award and determining the impact
15. Work continues to deliver the identified actions to reduce the pay gap; including the maintenance of an equality proofed pay system. The in-house job evaluation service has recently been externally audited and received a 100% validation rate on the roles they had provided grades for.

Actions Required

16. The Council continues to be committed to taking further appropriate action to reduce the gender pay gap and monitoring progress on this over time.
17. There were three priority areas identified as requiring action including **recruitment, flexible working** and **career development and progression**. The attached draft action plan at Appendix 2 seeks approval to continue to develop and identify further actions in these 3 priority areas to enable us to continue to make steady and sustainable progress in closing the gap whilst maintaining our principle of recruiting and promoting the most suitable candidates, in terms of qualification and experience, for any advertised role. Further work will be undertaken with the Corporate Equality Group to ensure we continue to develop, progress and monitor the success of the Action Plan.

Recruitment

18. A report to Personnel Committee in November 2018 advised of the variety of job fairs and career events across the county which had been attended and approval was given for that work to continue throughout 2019 including the renewed focus on talent management and work based learning opportunities.
19. The amended approach draws together a range of activities around work experience, apprenticeships and graduate training schemes to ensure the issue of addressing the gender pay gap underpins all our activities relating to attracting and retaining people with the right skills and knowledge, to enable us to deliver on key strategic priorities.
20. The updated action plan also identifies additional training to be provided for managers and members.

Flexible working

21. In seeking to promote the Council as an Employer of Choice, we have engaged with Timewise, an organisation who assist employers to attract and develop the best talent through flexible working. This is not only through creating flexible physical working

environments and opportunities for more flexible working hours, but also to consider how jobs are designed and how work is undertaken where it is appropriate to do so. The work with Timewise includes examining the culture of the organisation and engaging senior leaders in supporting and modelling good practice in relation to flexible working.

22. To date a series of workshops have taken place with managers and trade union colleagues to gather information on what is currently available and to explore further how our future offer to existing and new employees can be developed.
23. Flexible working was also a key area of discussion which formed part of the workshop activities during the Chief Executive Focus Groups which took place over the summer. Approximately 10% of the Council workforce attended these events in person and there were opportunities to submit ideas, comments and suggestions using other channels.
24. Work to date has included considering what is understood by flexible working to ensure a wide range of options are considered and that there is consistency in application of provisions. This work will continue throughout 2019 and progress reported to Personnel Committee.

Career development and progression

25. Career development and progression is being supported across the Council through the coaching network. To date 138 employees have accessed the coaching network of which 68% were female. The top two coaching themes are Career Development and Confidence Building. The coaching network is a valuable tool to complement line management support and individual learning to assist employees in developing their careers and maximising their potential.
26. Members will also note from today's agenda, an update report regarding the next stage of the Leadership Development Programme. The offer will be promoted to aspirant managers and include specific qualifications to ensure that there are clearly identified career pathways for those joining the organisation at entry level should they choose to seek to develop their careers with the Council. Specific groups can be targeted as part of this programme.

Other Options Considered

27. As an employer of more than 250 people, the Council has a legal duty to publish this information. The Council welcomes the opportunity to be open and transparent regarding its reporting of the gender pay gap and the identified, sustainable actions which can be taken to improve the situation. A number of different actions have been considered to address the pay gap.

Reasons for Recommendations

28. The Council has a legal duty to publish information on the Gender Pay Gap annually on its public website by 31st March. This report provides the detail of the information required and also identifies and seeks approval for the ongoing actions required to address the Gender Pay Gap.

Statutory and Policy Implications

29. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Human Resources Implications

30. The Human Resources implications are implicit in the body of this report.

Equalities Implications

31. In seeking to go beyond the minimum legal requirement for reporting and to maintain our position as an employer of choice, the ability to demonstrate actions to close the gender pay gap for our current and future workforce indicates our commitment to inclusivity and equality as an employer where talent is recognised and promoted.

Financial Implications

32. There are no direct financial implications arising from the publication of Gender Pay Gap information.

Data Protection Implications

33. There are no data protection implications arising from this report as all information is in relation to trends rather than named individuals' data.

RECOMMENDATIONS

It is recommended that Members:

- 1) Approve the publication of the required Gender Pay Gap information as set out in **Appendix 1** on the public website.
- 2) Agree the action plan attached as **Appendix2** and that this be discussed further at Corporate Equalities Group.
- 3) Agree to receive an annual update on progression towards closing the gender pay gap within the Council as part of our future reporting duties.

Marjorie Toward
Service Director – Customers, Governance and Employees

For any enquiries about this report please contact:

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Constitutional Comments (KK 14/01/29)

34. The proposals in the report are within the remit of the Personnel Committee.

Financial Comments (SES 08/01/19)

35. There are no specific financial implications arising directly from this report.

Human Resources Comments (GME 04/01/19)

36. The human resources implications are implicit in the body of the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Report to Personnel Committee - Gender Pay Gap Reporting 7 March 2018

Electoral Division(s) and Member(s) Affected

- All