

REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN RESOURCES

GENDER PAY GAP REPORTING

Purpose of the Report

1. The purpose of this report is to provide Personnel Committee with an initial analysis of Nottinghamshire County Council's Gender Pay Gap for publication in response to the Council's new public sector duty under the Equality Act 2010 and seek approval for actions to address the gap.

Information

Background:

2. The County Council in the Council Plan "Your Nottinghamshire – Your Future" sets out its commitment to making Nottinghamshire a great place to work which attracts talented people to live, work and remain within the County creating a thriving job market which boosts the local economy.
3. As an employer in its own right the Council wants to attract and retain a diverse and productive workforce by modelling a corporate culture which embeds values and behaviours which protect and promote the dignity of all people at work. Creating a genuinely inclusive organisation culture enables everyone to fulfil their full potential and be rewarded accordingly, regardless of any "protected characteristic" they may have, including gender.
4. In the UK today there is a "Gender Pay Gap", women earn on average 18% less than men (source Government Equalities Office - November 2017).
5. The Government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 introduced a mandatory gender pay gap reporting duty for employers of 250 or more employees and came into force for qualifying public sector employers from 6th April 2017 as an extension of the existing Public Sector Equality Duty.
6. The "Gender Pay Gap" (GPG) calculation 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.
7. The intention of GPG reporting is to ensure transparency by providing information which can be used as a tool for assessing levels of gender equality in the workplace, including how effectively the overall talent pool is being maximised, and use this analysis to identify areas for action to reduce the pay gap.

8. The pay information provided must be based on data from a specific pay period with employers having to calculate and publish their overall mean and median pay gap information before 30th March 2018 and annually as part of a regular reporting cycle thereafter.
9. The gender pay gap differs from Equal Pay which deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value, it is unlawful to pay people unequally because they are a man or a woman.
10. Nottinghamshire County Council fully implemented “Single Status” in 2008. This term was designed by the national employers and trade unions to describe the equal treatment of all employees in respect of their pay, terms and conditions. Arising from this the Council has an established pay and grading structure which is based on a “points to pay” relationship determined through a Job Evaluation process.
11. The County Council formally adopted the “Living Wage” rate determined by the Living Wage Foundation for the U.K (outside London) from 1st April 2014, payable as an allowance, and the current national rate forms the minimum hourly rate of pay on the Council’s pay scale. This predominantly impacts on front line, part time female workers.

Scope

12. The Regulations do not define the terms ‘male’ and ‘female’ and in order to ensure appropriate sensitivity the Council’s reporting has been based on the gender identification each employee has provided on the Council’s Business Management System (BMS), for HR/payroll purposes.
13. For the purposes of gender pay reporting, the definition of an employee includes all direct NCC employees employed under contract to the Council at the snapshot date and in receipt of their full pay entitlement in that pay period, including those on relief or casual contracts. Excluded from scope are those County Council employees on half or nil pay, for example those on reduced pay due to long term sickness or maternity leave at the snapshot date, school based employees, agency workers and contractors who form part of the headcount of the agency that provides them.
14. Schools and academies are not required to be included in the Council’s gender pay reporting. Schools will only have to publish gender pay reports if the legal entity they are part of has 250 or more employees. For Maintained schools the governing body is responsible for publishing their own gender pay reports. For academies and for free schools, the proprietor is responsible for publishing their own gender pay reports.
15. The GPG requirements define pay as “Ordinary Gross Pay” which includes monetary 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.

NCC’s Gender Pay Gap Analysis

16. The information in this report reflects the departmental and organisational structure as at an initial “snapshot date” of 31st March 2017 and comprises the following information which is summarised in the infographic attached as an **appendix** to this report.
- Mean gender pay gap
 - Median gender pay gap
 - The proportion of genders in each pay “quartile”. That is a breakdown into four equal sections lowest to highest, by their evaluated hourly rate and shows the number and proportion of female to male workers in each quartile.
17. A high level analysis of the key reasons for the pay gap is set out below.
18. Some causes of the GPG in any workplace are societal and cultural and originate outside of the workplace. In the UK the GPG exists because women tend to work in lower paid occupations and sectors, occupy less senior roles and suffer career detriment when taking time out of work for maternity leave or when working part time. Stereotypes and workplace culture are also factors.
19. The GPG of any large employing organisation will vary by occupation, age group and working patterns (full time and part time) and is influenced by a number of external and internal factors.
20. Local variations across the local government sector mean that available data for comparable Councils is of limited value given the influence of the size of each Council's directly employed workforce and the scope and the nature of their in-house functions which will vary considerably.
21. This Council's overall GPG information highlights the impact on the mean, or average, hourly rate created through the Council's adoption of the national Living Wage Foundation living wage rate which uplifts the hourly pay rate of the lowest paid, predominantly female, employees in front line services.
22. The overall GPG in Nottinghamshire County Council is a mean gap of 12.33% and a median gap of 25.37%. This outcome is influenced by the type, scope and range of services it provides and how these are provided and by the type of associated job roles provided by its constituent service departments reflected in its organisational structure at the snapshot date.
23. The size of the GPG equivalent headcount in scope at the reporting date of 31st March 2017 was 7,850 overall, 77.6% of which was female. This is typical of the ongoing predominance of women in the overall County Council workforce as reported in the Council's annual Workforce Profile report. Overall across the whole Council men are most highly represented in the upper pay quarter at 30.4% and women are most highly represented in the lowest pay quartile at 85.1%.
24. There is a significant variation in the GPG between service departments and within the range of services provided by each department. In some cases there is negative GPG, meaning that female pay is more than that of males, in others the gap is higher than for the Council overall.
25. The GPG is widest in those service areas where there are a preponderance of women undertaking in-house front line services (for example catering and cleaning) and

administrative occupations which make up the business support function. This has a significant impact on departmental and corporate performance overall.

26. In the majority of “technical” occupations men make up the highest proportion of the highest paid workers. Women are well represented at all levels in the “caring professions”, with a concentration in mid-grade and managerial posts.
27. Overall women are underrepresented in the most senior posts (Service Director level and above) although this varies between departments.

Action Plan to reduce the GPG

28. A range of employment policies, procedures and practices are already in place which will support the County Council to tackle gender imbalance over the longer term.
29. The Council’s Equality and Diversity learning resource package is regularly reviewed and updated to ensure that all managers are aware of their responsibility to promote gender inclusivity in all elements of employment.
30. The Council remains committed to ensuring that any review of policy on pay, pensions, reward and employee recognition continues to be “equal pay proofed” and transparent and to undertaking Equal Pay Audits at regular intervals.
31. An Employer Equalities Action Plan for 2018/19 is being developed which will include a corporate commitment to identifying and taking steps to remove real or perceived barriers which constrain women from applying for more highly paid job roles.
32. The Council is committed to taking further appropriate action to reduce its GPG and monitoring its progress over time. The priority actions and measures identified to reduce the gap are set out below:

Priority 1- Recruitment:

- Undertake targeted careers outreach activity to promote job opportunities, including Apprenticeships in certain more highly-paid technical professions or service areas to attract women in the local and national job markets
- Ensure that all job advertisements use gender neutral language which does not unconsciously deter women from applying
- Raise awareness of the potential for unconscious gender bias at the point of appointment, including to the most senior roles and developing learning solutions and guidance which raise awareness of good management practice
- Consider any proportionate positive action to remove barriers or disadvantage for female job applicants and/or employees that comply with the provisions of the Equality Act 2010 where it is appropriate because it has been evidenced that their representation at a level or service in the organisation is disproportionately low.

Priority 2- Flexible working:

- Advertise all vacant posts as open to flexible working unless there are demonstrable business reasons not to do so
- Actively promote the range of part-time/flexible working provisions available to NCC employees, including part-time working, homeworking, job sharing, flexi time and compressed hours
- Engage with the Timewise organisation and recognised trades unions to review and develop the Council's overall approach to flexible working
- Encourage managers to design jobs to be flexible wherever possible and to think creatively about how work is organised to maximise the potential for flexible working
- Identify and remove barriers to flexible working at all levels, including in the most senior, higher paid jobs and encourage the Council's leadership cohort to act as role models by working flexibly themselves
- Encourage the take up of shared parental leave provisions.

Priority 3- Career development and progression:

- Ensure that female employees seeking to move into senior or managerial roles are exposed to diverse senior female role models and have access to coaching, mentoring and networking opportunities
 - Encourage managers to use “ keep in touch “ provisions for women taking maternity leave and to put a structured programme of return to work support in place to avoid detriment to their careers due to long term absence
 - Ensure that the Council's talent management strategy and the pipeline to senior roles is not creating any barriers for women and that appropriate targeted development opportunities are in place to enable them to progress to higher paid roles
 - Use the ongoing Management and Leadership Development Programme to actively encourage, coach and equip existing female employees to take up management positions and develop their skills, knowledge and qualifications to progress into higher paid leadership roles
 - Encouraging women to progress by providing online career management resources, secondment, targeted leadership and management development opportunities which enable talented employees of both genders to progress within the Council.
33. The Council will continue to work with the trades unions, Corporate Equality Group, employee support networks and other stakeholders to further develop and deliver new and existing measures to continue to incrementally reduce its GPG.
34. Complimentary to corporate action planning, each departmental senior leadership team has been engaged in identifying actions using a detailed analysis of the GPG by service to reduce the GPG in those areas where it is most pronounced and have committed to incorporate this into their future service and workforce planning priorities. Individual departments have identified a range of local actions, including:
- Targeted departmental leadership development activity complimentary to the corporate programme to increase the representation of women on the extended Senior Leadership team in those departments where they are underrepresented
 - Encouraging managers to promote the Council's coaching offer to women through the Employee Performance and Development Review (EPDR), and supervision process to

enable them to be coached as a means of focusing on progressing their own career development

- Proactively encourage women to apply for job roles in which they are underrepresented, particularly in skill gap areas
- Raise awareness to ensure that all working environments are “female friendly” , particularly those that are male dominated, and adopt a zero tolerance approach to inappropriate or sexist behaviour
- Ensuring that women’s voices are heard when developing and consulting on strategies for improvement.

Other Options Considered

35. This is the initial annual report on the Council’s GPG in response to a new statutory duty and as such no other options have been considered. Moving forward the format will be regularly reviewed to ensure it is presented as clearly and concisely as possible.

Reason for Recommendations

36. The County Council has a statutory duty to publish its Gender Pay Gap on an annual basis. It is important that elected members are aware of this information when determining the strategic direction of the County Council and other related policies.

Statutory and Policy Implications

37. 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.

Data Protection and Information Governance

38. The duty to publish annual GPG information is contained in Regulation 2 of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

39. In order to ensure data transparency Regulation 15 explains that the information required by Regulation 2 must be published on the employer’s own website and retained for at least 3 years from the date of publication, and must also be published on a national Government website designated by the Secretary of State.

40. The Regulations require that the published “results” must be accompanied by a written statement which confirms its accuracy and is authorised and signed by an appropriate person. For a local authority body section 14 (2)(a) applies meaning that this should be a Director (or equivalent), which in the case of this Council would be either the Corporate Director for

Resources, as the responsible Director, or the Chief Executive as the most senior officer of the Council.

41. As the Council's Gender Pay Gap reporting duty does not include publishing individual employee's data, the data in this report cannot be attributed to any individual employees and therefore protects their privacy.

Financial Implications

42. There are no direct financial implications arising from this report. The Council's annual Pay Policy Statement sets out the full details of the Council's current pay policies and organisational salary structure.

Human Resources Implications

43. The human resource implications are implicit within the body of the report. The Corporate Equalities Group considered and commented on the GPG reporting information at its meeting on 21st February 2018. Trades union colleagues were also informed of the GPG reporting information at the Central Joint Consultative and Negotiating Panel meeting on 1st March 2018.

Public Sector Equality Duty Implications

44. The publication of the Council's Gender Pay Gap ensures that it complies with its statutory duty under the Equality Act. Actions identified by the Council to reduce the pay gap between men and women, as set out in the report, would further support compliance with this duty.
45. An Equality Impact Assessment on the Council's reported Gender Pay Gap has been completed in compliance with the Council's public sector duty under the Equality Act 2010.

RECOMMENDATIONS

It is recommended that Members:

- 1) Approve the publication of the Council's Gender Pay Gap information on the Council's public website and the designated Government website in compliance with the Council's statutory public sector duty.
- 2) Approve the actions to reduce the Council's Gender Pay Gap as set out in the report.
- 3) Agree to receive an annual report setting out the situation at future "snapshot dates" and recommended actions in order to monitor and drive progress and that this be included in the Committee's work programme.

Marjorie Toward
Service Director - Customers and Human Resources
Resources Department

For any enquiries about this report please contact: Claire Gollin, Group Manager (HR) on email Claire.gollin@nottsc.gov.uk or 01159773837

Constitutional Comments (KK 12/02/18)

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

Financial Comments (SES 13/02/18)

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

Human Resources Comments (CLG 16/01/18)

48. The Human Resources implications are set out within the body of the report.

Background Papers and Published Documents

Equality Impact Assessment – Gender Pay Gap Reporting.

Electoral Division(s) and Member(s) Affected

All