

Title of meeting:	Employment Committee
Date of meeting:	6 th March 2020
Subject:	Gender Pay Gap Report 2019-20
Report by:	Rochelle Kneller, Assistant Director for HR
Wards affected:	None
Key decision:	No
Full Council decision:	No

1. Purpose of report

To present the outcomes of the Gender Pay Gap 2019-20, ensuring the Council can fulfil its statutory obligations in respect of the Gender Pay Gap Information Regulations, and note the recommended action plan to build on the council's inclusive working practices, to continue to reduce the gap.

At Employment Committee on 4th December 2018, Members requested that additional data on the age breakdown be included in the Gender Pay Gap Report. The Gender Pay Gap report now includes a breakdown of the workforce profile by age, gender and whether full time or part time. Appendix 1 includes this additional information, as well as the statutory data that the Council is required to publish in accordance with the Gender Pay Gap Information Regulations.

2. Recommendations

It is recommended that the Employment Committee:

- 2.1 Note the key findings of the Gender Pay Gap Report 2019 (Appendix 1).
- 2.2 Agree the action plan as set out in Appendix 1 of the Gender Pay Gap report.

3. Background

3.1 The National Context

- 3.1.1 The Gender Pay Gap Information Regulations came into force in March 2017. The regulations applied to all employers with 250 or more employees on the snapshot date of 31st March (for Public Sector employers). Therefore, the authority is required to publish its gender pay gap for each year and publish this information on its website, and on the central Government website, no later than 30th March of the following year.

- 3.1.2 Employers in the public sector are subject to a specific public sector equality duty in respect of their functions. They must have due regard to the need to eliminate discrimination and advance equality of opportunity.
- 3.1.3 The purpose of Gender Pay Gap reporting is to achieve greater gender equality across the UK and increase pay transparency. It has been estimated that the under-utilisation of women's skills costs the UK economy 1.3-2% of GDP annually, and that eradicating the full-time gender pay gap would contribute additional spending into the economy of £41bn each year.
- 3.1.4 In 2019 the national gender pay gap for full-time employees was 8.9%, meaning that average pay for full-time female employees was 8.9% lower than for full-time male employees. The gap has decreased from 9.1% in 2017. The national gender pay gap for all employees, full and part-time is 17.3% which is a slight decrease from 2018 when it was 17.8%; however overall this figure remains down from 27.5% in 1997.
- 3.1.5 Nationally the gender pay gap is higher for all employees than for each of full-time employees and part-time employees. This is because women fill more part-time jobs, which have lower hourly median pay than full-time jobs, and are more likely to be in lower paid occupations.
- 3.1.6 Whilst the data on the age breakdown is not a statutory requirement under the legislation, this data has been included at the request of Members. The ONS has published some national data on the age breakdown and the same categorisation and calculations used by the ONS have been replicated for the breakdown of the data for Portsmouth City Council. The findings are contained in section 3.2.

3.2 The Regional Context

- 3.2.1 The table below provides a comparison of the reporting figures from other Local Authorities for the year 2019-20 (the data is limited as not all employers have reported yet).

Employer	Employer Size	% Difference in hourly rate (Mean)	% Difference in hourly rate (Median)	% Women in lower pay quartile	% Women in lower middle pay quartile	% Women in upper middle pay quartile	% Women in top pay quartile	% Who received bonus pay (Women)	% Who received bonus pay (Men)	% Difference in bonus pay (Mean)	% Difference in bonus pay (Median)
Chichester District Council	500 to 999	-1.9	-6.4	38	51	60	46	0.4	0.4	49	50
Arun District Council	250 to 499	18.1	9.9	72	65	70	47	0	0	0	0
Oxfordshire County Council	5000 to 19,999	3.3	1.3	74	61.4	62.3	67.1	0	0	0	0
Reading Borough Council	1000 to 4999	3	5	66	71	62	65	1.1	1.4	46.6	74.5
Southampton City Council	1000 to 4999	3.6	3.9	60.4	64.1	56.3	60.5	0	0	0	0
Portsmouth City Council	5000 to 19,999	9.57	10.95	72	76	71	63	3.32	3.19	-1.92	-30.75

3.2.2 By contrast the table below provides a comparison of the reporting figures from other Local Authorities of a similar size/geographical location for the year 2018-19.

Employer	Employer Size	% Difference in hourly rate (Mean)	% Difference in hourly rate (Median)	% Women in lower pay quartile	% Women in lower middle pay quartile	% Women in upper middle pay quartile	% Women in top pay quartile	% Who received bonus pay (Women)	% Who received bonus pay (Men)	% Difference in bonus pay (Mean)	% Difference in bonus pay (Median)
Borough of Poole	1000 to 4999	5.2	2.8	65.5	70.5	68.4	64.6	0	0	0	0
Bournemouth Borough Council	1000 to 4999	-1.4	-3.9	59.7	63.8	67.4	64.8	0	0	0	0
Brighton & Hove City Council	1000 to 4999	-7.3	-6.7	53.2	60.3	63.6	63	0	0	0	0
East Sussex Council	5000 to 19,999	7.6	7.1	73	81	75	69	0.7	2.7	-10	-13.6
Hampshire County Council	5000 to 19,999	18.3	19.7	86.2	77.9	75.8	65.9	10.6	12.5	24.3	19.4
Isle Of Wight Council	1000 to 4999	10.1	15.5	69	74	59	54	0.1	0	0	0
New Forest District Council	1000 to 4999	5	-6	54	59.4	72.4	55	0	0	0	0
Oxfordshire County Council	1000 to 4999	3.9	3	69.9	64.3	61.1	67.1	0	0	0	0
Plymouth City Council	1000 to 4999	1.9	-7	63.4	53.4	66.5	59.9	0	0	0	0
Portsmouth City Council	5000 to 19,999	9.6	12.8	75	79	73	64	3.2	4	2	0
Southampton City Council	1000 to 4999	6.3	6.2	70	60	53	60	0	0	0	0
West Sussex County Council	5000 to 19,999	7.4	9.7	76.1	69.7	62.1	65.3	0.2	10.9	11.3	12.2

3.2.3 Additionally smaller local authorities are also provided as a comparison for 2018-19.

Employer	Employer Size	% Difference in hourly rate (Mean)	% Difference in hourly rate (Median)	% Women in lower pay quartile	% Women in lower middle pay quartile	% Women in upper middle pay quartile	% Women in top pay quartile	% Who received bonus pay (Women)	% Who received bonus pay (Men)	% Difference in bonus pay (Mean)	% Difference in bonus pay (Median)
Basingstoke & Deane Borough Council	500 to 999	-1.3	-11.4	19	68	56	45	1.6	2	-37.5	0
Chichester District Council	500 to 999	5.6	0.9	49	58	58	45	0	0.4	100	100
Fareham Borough Council	250 to 499	-2.8	-11.4	30.1	51.9	54.8	48.5	0	0	0	0
Havant Borough Council	Less than 250	10.8	13	72	58	48	50	0	0	0	0
Oxford City Council	500 to 999	-0.7	0	33.4	38.1	41.8	26.2	82.7	84.6	-6.3	0

3.3 The Local Context

3.3.1 The Gender Pay Gap data supplied is correct for all staff, including school staff, in post with Portsmouth City Council on 31st March 2019 who earned their full-pay (relevant employees). At that time, there were 4843 relevant full

pay employees, which is made up by 3414 females (70%) and 1429 (30%) males. Out of the 4843 relevant employees, 39 are covered by TUPE regulations (11 are male and 28 are female). This is an overall reduction of 451 employees since 2018. Of this figure 439 of these were females and 12 were males. The majority of this can be explained through schools transferring to Academies since the last Gender Pay Gap Report.

3.3.2 The profile of the workforce (relevant employees) has been broken down into the proportion of full time and part time employees, whereby 1135 (79%) of males are full time¹ and 294 (21%) are part time compared to 1431 (42%) of females are full time and 1983 (58%) are part time.

3.3.3 The profile of the workforce has been further categorised by age range. The age ranges used are based on those as determined by the ONS data. The table below outlines the workforce profile for full-time employees. There has been an overall reduction in numbers of females and males across all age ranges with the exception of males aged 16 to 21 years old where there has been a slight increase.

Age Range	Full-time women headcount	Full-time women %	Full-time men headcount	Full-time men %	Total headcount
16 to 21	26	46	30	54	56
22 to 29	256	69	117	31	373
30 to 39	327	57	248	43	575
40 to 49	341	55	276	45	617
50 to 59	399	53	358	47	757
60 and over	82	44	106	56	188
Total	1431		1135		2566

3.3.4 Looking at all the data for both part time and full time, our data correlates with the national data, where between the ages of 30 to 59 there are 882 men (62%) employed full time. Women however, are less likely to work full time with only 1067 (31%) of 30 to 59 year olds employed full time. In comparison across the same age ranges (30 to 59 years old) 1529 (45%) of women are employed part time and 150 (10%) of men work part time.

3.3.5 Based on the Council's breakdown, our data for full time females correlates with the national data, however as the majority of our workforce is predominantly female this skews the data to show that they are the higher proportion of workers across each age category compared to males.

3.3.6 The table below outlines the workforce profile for part-time employees.

¹ Full time is as determined by ONS as those working 30 hours or more.

Age Range	Part-time women headcount	Part-time women %	Part-time men headcount	Part-time men %	Total headcount
16 to 21	22	63	13	37	35
22 to 29	116	78	33	22	149
30 to 39	447	93	34	7	481
40 to 49	512	91	50	9	562
50 to 59	570	90	66	10	636
60 and over	316	76	98	24	414
Total	1983		294		2277

3.3.7 In addition to the above age profile of the workforce, and using the same methodology as applied by the ONS, the gender pay gap has been broken down by age and full-time/part-time hours. In accordance with the ONS data, full-time hours has been classed as 30 hours or more. The Gender pay gap by age full-time/part-time is based on the median salary within each data category (as per the ONS data) and uses a separate calculation for part-time and full-time per age range. The data looks at the gender pay gap for people of a similar age and working pattern, unlike the statutory data which looks at the gender pay gap based on the median difference between men and women. Therefore the gender pay gap within each age bracket does not relate to the overall median figure because that is based on **all** relevant employees across the Council, whereas the age gender gap is based on each individual age groupings and working patterns within those age brackets.

Age Bands	Full Time %	Part Time %
16 to 21	6.9	0
22 to 29	-20.12	10.18
30 to 39	-2.83	-14.60
40 to 49	-2.10	0
50 to 59	6.79	3.21
60 and over	0.53	-11.27

The table above shows that within each age bracket where there is a negative figure, for example -18%, this indicates the extent to which females earn, on average, **more** per hour than their male counterparts. A positive measure, for example 18%, indicates the extent to which females earn, on average, **less** per hour than their male counterparts.

3.3.8 Therefore it can be determined that female employees earn more between the ages of 22 up to age 49 for full-time employees and between the ages of 30 to 39 and over the age of 60 for part-time employees. As male employees get older, over 50 years old, they tend to earn more than female employees within the same age bracket when working full time.

- 3.3.9 According to ONS data, for age groups under 40 years, the gender pay gap for full time employees is now close to zero. Whilst in the Council our figures show that full-time females are earning more, on average, than their male counterparts (with the exception of 16 to 21 year olds), this could be attributed to the fact that a significantly higher number of females are employed within these age brackets, compared to the number of males. The ONS highlight that, nationally, this is because the proportion of employees who held full-time jobs rather than part-time jobs increased more for females than males, but that new entrants or returners to full-time jobs are likely to start from a lower pay level and may reduce the average pay for full-time women employees.
- 3.3.10 By contrast the pay gap has increased to 10.18% for part-time workers in the 22 to 29 age bracket meaning women are now paid less on average at this age than their male counterparts compared to last year's figure of -4.92%.
- 3.3.11 Within PCC the gap for full-time females across the 40-49 age bracket reflects the national picture where the gap has decreased over time.
- 3.3.12 In addition, the ONS highlight that for those in the 50-59 years age bracket, and those over 60 years, the gender pay gap nationally is over 15% and is not declining strongly over time. The national picture for those over 60 years old, is that the gap has grown to 15.4% in 2019. This may be as a consequence of the introduction in 2010 of the higher state pension age for women which may have subsequently affected the working patterns (as more likely to be those in lower-paying jobs) in this age group. However within PCC the gaps both for full-time and part-time for female employees have decreased for those in the 60 and over age bracket.

3.4 Implementation

3.4.1 Methodology

3.4.2 The Regulations clearly define the methodology for the Gender Pay Gap calculations and reporting guidelines based on the statutory data.

3.4.3 The regulations require employers to publish the following information:

- The mean gender pay gap;
- The median gender pay gap;
- The mean bonus pay gap;
- The median bonus pay gap;
- And the relative proportions of male and female employees in each quartile pay band.

3.4.4 The Regulations detail how to carry out the calculations.

3.4.5 All public sector organisations are required to publish their reports no later than 30th March of the following year.

3.4.6 The report will be based on hourly pay rates as at 31 March 2019 and bonuses* paid between 1 April 2018 and 31 March 2019.
(*PCC does not have a bonus scheme per se. In accordance with GPGIR, bonuses include long service awards of monetary payments and productivity/performance related payments, which are made as honoraria payments.)

3.5 Scope

3.5.1 The regulations create two categories of people who have to be taken into account in the gender pay gap reporting: relevant employees and relevant full-pay employees.

3.5.2 For the purposes of gender pay gap reporting, the definition of an employee is that given in the Equality Act 2010. This is an extended definition which includes:

- Employees (those with a contract of employment)
- Workers with a contract to do work or provide services for your organisation
- Some self-employed people who personally carry out the work they do for you.

3.5.3 The gender pay gap calculation is based on the number of individual employees and not the full time equivalent. This means that each part-time employee counts as one employee.

3.5.4 Apprentices, seasonal, temporary and casual employees are included if they fall within the reference period created by the snapshot date.

3.6 Key Findings

3.6.1 **Mean Gender pay gap** - The difference between the mean hourly rate of pay for male full-pay relevant employees and that of female full-pay relevant employees is **9.57%**. In March 2018 this gap was 9.55%.

3.6.2 **Median Gender pay gap** - The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees is **10.95%**. In March 2018 this gap was 12.81%.

3.6.3 **Mean bonus pay gap** - The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees is **-1.92%**. In March 2018 this was 2%.

3.6.4 **Median bonus pay gap** - The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees is **-30.75%**. In March 2018 this was 0%. This significant change can be attributed to the fact that a total of 118 females received a 'bonus' payment compared to 46 males, as the value ranges for both male and females were

similar (females bonus payments ranged from £6,374 to £51, males ranged from £6,400 to £93).

3.6.5 **Bonus proportions** - The proportions of male and female relevant employees who were paid bonus pay during the relevant period in the 12 months up to 31st March was 46 males (3.19%) out of a total of 1,429 males and 118 females (3.32%) out of a total of 3,414 females.

3.6.6 **Quartile pay bands** - The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands are set out in a table contained within the report.

3.7 Conclusions

3.7.1 The gender pay gap exists within PCC as the majority (70%) of the workforce are female and predominantly a large proportion of these are employed in the lower quartile pay bands, with fewer employed at the more senior levels.

3.7.2 PCC's gender pay gap is lower than the national average for all employees, full time and part time, and this is down to a number of factors that already exist within the council.

3.7.3 The Gender Pay Gap for the "mean" and "median" categories fall below that of the national average for all employees.

3.7.4 The mean gender bonus gap and the median gender bonus gap for the council have significantly changed to -1.92% and -30.75% respectively, showing that female employees are paid more than their male counterparts. There does not appear to be any benchmarking data in relation to bonus payments from ONS that will correlate directly with the calculation method defined by the Gender Pay Gap Information Regulations. Therefore, we do not know how the percentage for bonus payments compares with the national average or sector trends. However, based on the limited data published so far for 2019-20, it is shown that Portsmouth is the only Council whose bonus pay gaps show female employees are paid more than their male counter-parts.

3.7.5 In terms of the impact of the Gender Pay Gap based on age, the action plan highlights in the points in 7 and 8 actions that may assist in reducing the pay gap within certain age brackets.

4. Reasons for recommendations

4.1 To comply with the legislation reporting requirements.

5. Integrated Impact Assessment

5.1 An IIA has been completed and is attached at Appendix 2.

6. Legal implications

6.1 The report is compliant with the statutory obligations to review the gender pay gap. Additionally the report seeks to establish the reasoning and causation for the pay gap existence adding comment as to mitigation and future review. The current findings do not of themselves lead to the establishment of claims that could be levelled against the Authority based upon a claim for equal pay, indeed there is clear evidence of engagement and consideration that would mitigate against such risk. The Authority is complying with its duty with respect to Public Sector Equality.

7. Director of Finance's comments

7.1 The activities proposed in the Action Plan in appendix 1 will be funded from the existing service revenue budget. Any consequent proposals which have financial implications will be brought back to members.

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Signed by:

Appendices:

Appendix 1 Gender Pay Gap Report 2019-2020
Appendix 2: Integrated Impact Report

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location