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Title of meeting:	Employment Committee
Subject:	Gender Pay Gap Report 2021/22
Date of meeting:	9 th March 2022
Report by:	Director of Corporate Services
Wards affected:	N/A

1. Purpose

To present the outcomes of the Gender Pay Gap 2021/22, 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 2021/22 (Appendix 1).
- 2.2 Note the action plan as set out as item 8 in the Gender Pay Gap Report 2021/22

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

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required to publish its gender pay gap for each year and publish this information on its 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 According to the ONS Gender Pay Gap in the UK: 2020, the national gender pay gap for full-time employees was 7.4%, meaning that average pay for full-time female employees was 7.4% lower than for full-time male employees. This is a slight decrease since 2019, where the gap was 9.0%. The national gender pay gap for all employees, full and part-time is 15.5% which is a slight decrease from 2019 when it was 17.4%. It is important to note that the Coronavirus pandemic and the furlough scheme may have an artificial impact on the national gender pay gap figures for 2021/22.
- 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. A contributory factor may be that occupations with the highest rates of pay tend to offer fewer part-time jobs than those with lower pay. A lack of flexible working arrangements on offer at senior levels can be a factor affecting women's progression opportunities.
- 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 2020/21. There is no comparative data yet from these local authorities as yet for the year 2021/22.

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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)
Arun District Council	250 to 499	7.3	10.7	67	74	64	49	0	0	0	0
Chichester District Council	250 to 499	-2.7	-8.2	39	44	58	50	0	0	0	0
East Sussex Council	1000 to 4999	8.4	10.7	75	80	75	69	0.6	1	68.9	17.4
Fareham Borough Council	250 to 499	-0.9	-3.9	31.4	61	50.5	46.7	0	0	0	0
Hampshire County Council	5000 to 19,999	15.8	16.3	85.6	77.3	74.6	66.4	8.3	11.2	14.2	0
Isle Of Wight Council	1000 to 4999	10.7	18	66	77	56	51	0.1	0	0	0
New Forest District Council	1000 to 4999	7.8	0	45.3	59.1	61.3	37.9	0	0	0	0
Oxfordshire County Council	5000 to 19,999	3.2	1.1	69.7	65.2	64.2	65.9	0	0	0	0
Plymouth City Council	1000 to 4999	1.8	-4.1	61.2	67.3	57.1	63.2	0	0	0	0
Portsmouth City Council	5000 to 19,999	11	9.3	76	76	71	64	2.8	3.3	14.7	0.5
Reading Borough Council	1000 to 4999	4.7	2.5	65	60	60	57	0.4	0.1	0	0
West Berkshire Council	1000 to 4999	18.2	14.9	83.2	82.6	78.7	66.5	2.9	2.6	4.6	20

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 2021 who earned their full-pay (relevant employees). At that time, there were 4869 relevant full pay employees, which is made up by 3401 females (70%) and 1468 (30%) males. Out of the 4869 relevant employees, 95 are covered by TUPE regulations (32 are male and 63 are female). This is an overall decrease of 259 employees since 2020. This decrease can be explained as more employees were excluded for earning less than their normal salary. For instance, where employees receive reduced pay (such as long-term sick leave, maternity, paternity, shared parental leave or adoption leave, for example or those on Furlough) at the snapshot date, they would not fall under the reporting definition of relevant full pay employees.

3.3.2 The profile of the workforce has been broken down into the proportion of full time and part time employees, whereby 1135 (77%) of males are full time¹ and 333 (23%) are part time compared to 1253 (37%) of females are full time and 2148 (63%) 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 decrease in numbers of females and males across all age ranges with the exception of the 60 and over age bracket where there has been a slight increase.

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

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Age Range	Full-time women headcount	Full-time women %	Full-time men headcount	Full-time men %	Total headcount
16 to 21	17	49	18	51	35
22 to 29	195	60	128	40	323
30 to 39	240	53	211	47	451
40 to 49	298	51	281	49	579
50 to 59	407	54	349	46	756
60 and over	96	39	148	61	244
Total	1235		1135		2388

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 841 men (57%) employed full time. Women, however, are less likely to work full time with only 945 (28%) of 30- to 59-year-olds employed full time. In comparison across the same age ranges (30 to 59 years old) 1594 (47%) of women are employed part time and 29 (2%) 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.

Age Range	Part-time women headcount	Part-time women %	Part-time men headcount	Part-time men %	Total headcount
16 to 21	38	70	16	30	54
22 to 29	195	78	55	22	250
30 to 39	475	89	57	11	532
40 to 49	536	92	48	8	584
50 to 59	583	90	64	10	647
60 and over	321	78	93	22	414
Total	2148		333		2481

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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 have 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	1.96	-3.52
22 to 29	-2.00	7.70
30 to 39	-1.99	36.37
40 to 49	0.00	18.00
50 to 59	2.06	7.70
60 and over	3.27	-3.83

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 39 for full-time employees and between the ages of 16 to 21 for part-time employees. As male employees get older, over 40 years old, they tend to earn more than female employees within the same age bracket when working full time.

3.3.8 According to ONS data, for age groups under 40 years, the gender pay gap for full time employees is now close to zero but was over 10% for older age groups. The data for Portsmouth City Council shows that our gaps for the older age groups are much smaller and have decreased since last year. Whilst our figures show that **full-time** females are earning less, on average, than their male counterparts (with the exception of 22- to 39-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.

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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 The pay gap has reduced for **part-time** workers in the 60 and over age bracket compared to last year's gap of 16.32% meaning women are now paid more on average at this age than their male counterparts. In contrast the gap has increased in the 22-39 age bracket.

3.3.11 It is worth noting that across all age groups, (apart from 16 to 21 females and 60 plus year olds both genders), there has been an increase in the total headcount of full-time employees by 53 compared to the headcount in 2020. In contrast there has been a reduction in headcount of 330 across all age groups apart from the 16–21-year-olds for both genders and 22-29 for males only for part time employees. The reduction in the pay gap across the age groups as listed above, could be explained by the recruitment of new employees, subject to where they start in the pay band for example, as female employees are likely to start at the bottom of the pay band due to breaks in employment. If an existing employee changes their working pattern from full time to part time, their hourly rate will remain the same and if they have been employed for a number of years, they are likely to be at the top of their pay band through the incremental rises within the pay band compared to a new starter.

3.4 Key Findings

- 3.4.1 **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 **9.12%**. In March 2020 this gap was 10.99%.
- 3.4.2 **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 **13.58%**. In March 2020 this gap was 9.32%.
- 3.4.3 **Mean bonus pay gap** - The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees is **-4.68%**. In March 2020 this was 14.68%. This gap has decreased as the overall average bonus payment made to males is higher, though not as significantly as previously, than that of females. Males are paid on average £2206, and females are paid on average £1086.
- 3.4.4 **Median bonus pay gap** - The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees is **17.89%**. In March 2020 this was 0.53%. The bonus gap between males and females has increased significantly and can be attributed to the fact that

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whilst more females received a payment the value of these payments is lower. There was a total of 76 females who received a 'bonus' payment compared to 26 males. The bonus value ranges for females from £76.10 up to £26,163.08 compared to the range for males from £115.59 up to £39,440.74.

- 3.4.5 **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 25 males (1.7%) out of a total of 1468 males and 75 females (2.2%) out of a total of 3401 females. This is reduced for the males from 2020 when 3.29% were paid a bonus and slightly reduced for females when 2.83% were paid a bonus.
- 3.4.6 **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.

4.0 Conclusions

- 4.1 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.
- 4.2 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.
- 4.3 The Gender Pay Gap for the "mean" and "median" categories fall below that of the national average for all employees.
- 4.4 The mean gender bonus gap and the median gender bonus gap for the council have changed to -4.68% and 17.89% respectively, showing that male employees are paid more than their female 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.
- 4.5 In terms of the impact of the Gender Pay Gap based on age, the action plan highlights actions that may assist in reducing the pay gap within certain age brackets.
- 4.6 The Public Sector Equality Duty (PSED) forms part of the Equality Act 2010, it is made up of a general equality duty and specific duties. The general equality duty covers the following protected characteristics: age (including children and

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young people), disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The specific duties require the authority to publish information to demonstrate its compliance with the general equality duty, this information must include information relating to people who share a protected characteristic who are:

- Its employees, and
- People affected by its policies and practices.

Unlike the gender pay gap, organisations are not yet legally required to publish their ethnicity pay gap. The ethnicity pay gap is the percentage difference in average hourly rate of pay of white and Black and Minority Ethnic employees.

The council is committed to ensuring equality across its workforce, and race equality is of particular importance. Therefore, we are currently reviewing workforce data held in relation to ethnicity with a view to including pay ethnicity reporting as part of future Gender Pay Gap Reporting.

The first release of Census 2021 data on the population of England and Wales is due for release in late Spring 2022, and it is expected that as part of the staggered release of data, ethnicity data will be available from Summer 2022. This data will be used by the Council as a comparison to the workforce data to understand if we are representative of our local region and where improvements need to be made, this analysis will be fed into the work currently underway to inform the Councils Equality and Diversity Strategy 2022 - 2025.

Natasha Edmunds

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Signed by Director of Corporate Services

Appendices:

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