

## **THIS ITEM IS FOR INFORMATION ONLY**

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<b>Title of meeting:</b>	Employment Committee
<b>Subject:</b>	Gender Pay Gap Report 2022/23
<b>Date of meeting:</b>	9 <sup>th</sup> March 2023
<b>Report by:</b>	Director of Corporate Services
<b>Wards affected:</b>	N/A

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### **1. Purpose**

To present the outcomes of the Gender Pay Gap 2022/23, 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 4<sup>th</sup> 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 2022/23 (Appendix 1).
- 2.2 Note the action plan as set out as item 8 in the Gender Pay Gap Report 2022/23 (Appendix 1).

### **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 31<sup>st</sup> 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 30<sup>th</sup> 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.
- 3.1.4 According to the ONS Gender Pay Gap in the UK: 2022 the national gender pay gap for full-time employees was 8.3%, meaning that average pay for full-time female employees was 8.3% lower than for full-time male employees. This is a slight increase since 2021, where the gap was 7.7%. The national gender pay gap for all employees, full and part-time is 14.9% which is a slight decrease from 2021 when it was 15.4%. It is important to note that the Coronavirus pandemic and the furlough scheme may continue to have an artificial impact on the national gender pay gap figures for 2022/23.
- 3.1.5 Nationally the gender pay gap is higher for all employees than for the category 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 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)
Birmingham City Council	5000 to 19,999	3.9	4.7	62	58	57	56	0	0	0	0
Brighton & Hove City Council	1000 to 4999	-7.9	-8.1	52.6	56.4	60	64.1	0	0	0	0
Cornwall Council	5000 to 19,999	4.9	8.9	73	71	48	62	0	0	0	0
Reading Borough Council	1000 to 4999	2.1	4.9	59.1	62.1	57.4	56.4	1.8	1.7	2.8	0
Medway Council	1000 to 4999	10.6	7	75.6	80.4	76.4	67.2	0.6	1.2	0	0
Milton Keynes Council	1000 to 4999	11.4	10	82.4	83.3	77.5	70.4	0	0	0	0
Oxford City Council	Not Provided	11.4	9.4	66.3	64.8	54	47.7	0	0	0	0
Oxfordshire County Council	5000 to 19,999	1.8	0	70.3	60.7	64.9	67.8	0	0	0	0
Thurrock Borough Council	1000 to 4999	10.4	7.8	70.2	74.7	70.7	61.9	0	0	0	0
<b>Portsmouth City Council</b>	5000 to 19,999	9.1	13.6	72	74	71	63	2.2	1.7	-4.7	17.9
Plymouth City Council	1000 to 4999	0.7	-5.1	63	67	58	62	0	0	0	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 31<sup>st</sup> March 2022 who earned their full-pay (relevant employees). At that time, there were 4872 relevant full pay employees, which is made up by 3382 females (70%) and 1490 (30%) males. Out of the 4872 relevant employees, 76 are covered by TUPE regulations (28 are male and 48 are female). This was a minor variation to 2021 figures which was a total of 4869 employees.
- 3.3.2 The profile of the workforce has been broken down into the proportion of full time and part time employees, whereby 1162 (78%) of males are full time<sup>1</sup> and 328 (22%) are part time compared to 1305 (39%) of females are full time and 2077 (61%) 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. The numbers have primarily stayed the same as 2021 for both males and females however, there has been a slight increase in numbers for both in the 30-39 and 60 and over age brackets.

<sup>1</sup> 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	18	58	13	42	31
22 to 29	195	60	131	40	326
30 to 39	252	53	226	47	478
40 to 49	298	52	275	48	573
50 to 59	422	55	351	45	773
60 and over	120	42	166	58	286
Total	1305		1162		2467

3.3.4 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

### 3.3.5

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

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each individual age groupings and working patterns within those age brackets.

Age Bands	Full Time %	Part Time %
16 to 21	1.96	0.00
22 to 29	-2.00	0.00
30 to 39	-0.78	22.78
40 to 49	0.00	-2.20
50 to 59	8.24	7.70
60 and over	11.05	-0.78

The table above shows that within each age bracket where there is a negative figure, for example -2.00%, this indicates the extent to which females earn, on average, **more** per hour than their male counterparts. A positive measure, for example 2.00%, indicates the extent to which females earn, on average, **less** per hour than their male counterparts.

- 3.3.6 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.
- 3.3.7 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. The pay gap has increased for part-time workers in the 16 - 21 and 60 and over age bracket compared to previous years. Conversely, the pay gap has decreased in the 22 -29 and 40-49 age brackets.

**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 **9.27%**. In March 2021 this gap was 9.12%.
- 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 **13.85%**. In March 2021 this gap was 13.58%.
- 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

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**12.62%**. In March 2021 this was -4.86%. This gap has increased 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 £1445.71, and females are paid on average £1375.93.

- 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 **54.77%**. In March 2010 this was 17.89%. The bonus gap between males and females has increased significantly and can be attributed to the fact that whilst more females received a payment the value of these payments is lower. There was a total of 74 females who received a 'bonus' payment compared to 26 males. The bonus value ranges for females from £63.00 up to £16,458.74 compared to the range for males from £84.00 up to £3924.26.
- 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 31<sup>st</sup> March was 26 males (1.7%) out of a total of 1490 males and 75 females (2.2%) out of a total of 3382 females. These are the same figures as in 2021.
- 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.

\*For PCC 'Bonus Pay' captures Long Service Awards and one- off honoraria payments. Regular honoraria payments are excluded from "bonus" calculations and included in "ordinary pay".

## **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 several 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 increased significantly to 12.62% and 54.77% respectively,

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showing that male employees are paid more than their female counterparts and on average the value of the payments received were lower. 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 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 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.
- 4.6 Unlike the gender pay gap, organisations are not 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 Ethnic Minority employees.
- 4.7 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.
- 4.8 The release of Census 2021 ethnicity data for the population of England and Wales was released in November 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 2023 - 2025.

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Signed by (Director)

**Appendices:**

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**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:

<b>Title of document</b>	<b>Location</b>