

GENDER PAY GAP REPORT AS AT 31.3.18

1. Background Information

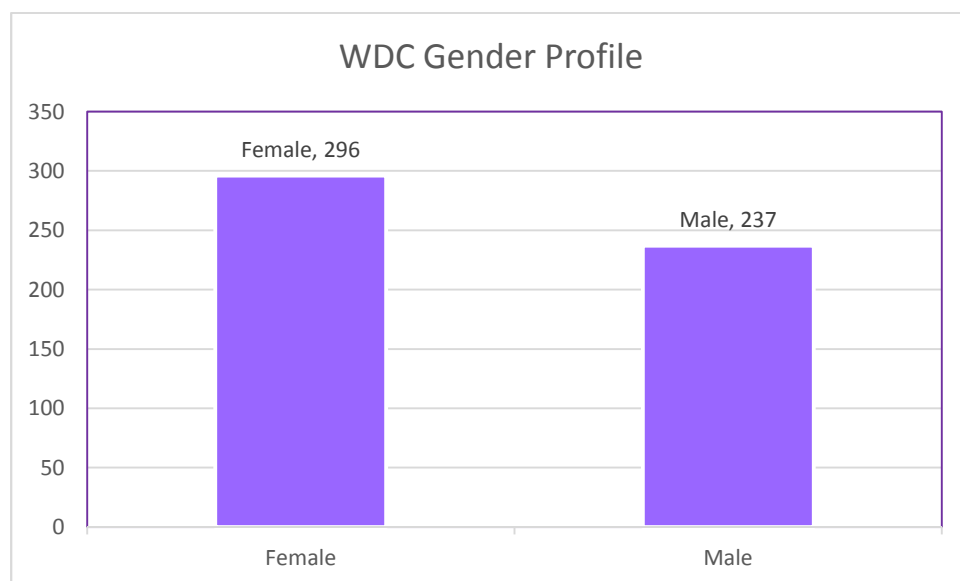
- 1.1 The gender pay gap report for Warwick District Council sets out the gender pay gap information relating to employees in line with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.
- 1.2 Any company who employs more than 250 employees are required to report on their:
- a. Mean gender pay gap
 - b. Median gender pay gap
 - c. Mean bonus gender pay gap (including long service and honoraria)
 - d. Median bonus gender pay gap (including long service and honoraria)
 - e. Proportion of males and females receiving a bonus payment
 - f. Proportion of males and females in each quartile band
- 1.3 This report identifies Gender pay gap data using pay data on the snapshot date of 31st March 2018, and in relation to 'bonuses' paid between 1st April 2017 and 31st March 2018.
- 1.4 The information must be published on both the Council's website and available for at least 3 years and on the designated government website.
- 1.5 No comparisons have been drawn between the 2017 data and the 2018 data, due to the following:
- the organisation profile has changed significantly with the TUPE out of Leisure staff in June 2017
 - In the 2017 data, 'bonus' was not included. Warwick District Council does not pay in the traditional sense and this decision was based on advice received at that time. Further clarification has advised that both 'one off honoraria' and 'long service awards' should now be included in the 'bonus' calculations.

Moving forward it will be possible to draw more meaningful comparisons.

2. WDC Workforce Profile

- 2.1 The WDC gender pay reporting figures have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
- 2.2 The data includes the following types of staff:
- Employees with a contract of employment (part time, full time, permanent and fixed term)
 - Casuals/Workers
 - Apprentices
- 2.3 The data does not include temporary staff employed through an agency

2.4 Gender Profile



As at 31 March 2018 Warwick District Council employed 533 people (contracted and casual staff):

Female employees = 296	Male employees = 237
56% of all employees are female	44% of all employees are male
152 females are full time	178 males are full time
115 females are part time	38 males are part time
38% of female's work part time	16% of male's work part time
29 females work on a casual basis	21 males work on a casual basis
31 average weekly hours (between 7.5 and 35 hours per week)	34.7 average weekly hours (between 7.67 and 35 hours per week)
14% of females are in managerial roles (supervisor's/team leaders and managers)	21% of males are in managerial roles (supervisor's/team leaders and managers)

3. Mean and Median Gender Pay Gap Results

We have used the guidance detailed on the gov.uk website to calculate this data described as: 'The gender pay gap of the organisation should be calculated as hourly pay, as both a:

- mean figure (the difference between the average of male and female pay)
- median figure (the difference between the midpoints in the ranges of male and female pay)'

As a summary the results for Warwick District Council are set out below:

	Female	Male	Difference between Female and Male mean & median 2018 hourly rate
Number of staff	296	237	
Mean hourly rate	£12.20	£14.41	15.3%
Median hourly rate	£11.02	£12.37	10.9%
Mean bonus payment	£34.47	£18.20	-89.4%
Median bonus payment	£750	£447	-68%
Proportion who received a bonus	6%	3%	

3.1 For the purposes of Gender Pay Gap reporting a bonus payment includes a 'one off honoraria' and Warwick District Council 'Long Service Awards'.

3.2 The mean hourly rate is the "average" hourly rate when adding together the total of the hourly rates of all employees and dividing the total by the number of employees. The median hourly rate is the "average", middle hourly rate of all employees. This is calculated by sorting the hourly rate of workers from lowest to highest and working out what the middle employee's hourly rate is.

3.3 The mean can be affected by a small number of high earners, whereas the median takes into account the distribution of pay across the workforce and is less affected by a small number of high earners.

4. **Pay Quartiles**

4.1 Hourly rates within Warwick District Council range from £4.59 (apprentice rate) to £55.99. When dividing all employees into 4 quartiles the pay rates for the 4 quartiles are shown below:

WDC Pay Quartiles by Gender 31.3.18						
Quartile	No. of males	No. of females	Total	Males	Females	Total %
Lower Quartile £4.59 to £9.55	54	80	134	37%	63%	100%
Lower Middle Quartile 9.72 to £11.74	48	85	133	36%	64%	100%
Upper Middle Quartile £11.74 to £15.63	52	81	133	39%	61%	100%
Upper Quartile £15.63 to £55.99	83	50	133	62%	38%	100%

- 4.2 Quartile Pay Band Summary - In order for there to be no gender pay gap, there would need to be an equal ratio of male to female in each quartile. However, within the Council, 63% of the employees in the lowest two quartiles are female and 37% are male.
- 4.3 The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
5. **What are the factors influencing Warwick District Council's gender pay gap?**
- 5.1 Under the law, males and females must receive equal pay for:
- the same or broadly similar work;
 - work rated as equivalent under a job evaluation scheme; or
 - work of equal value.
- 5.2 Warwick District Council is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).
- 5.3 As such it:
- operates job evaluation methodology to grade all jobs, using the Hay Job Evaluation Scheme to ensure that jobs are paid fairly;
 - ensures that allowances are awarded fairly and consistently across the Council;
 - re-evaluates job roles and pay grades as necessary to ensure a fair structure.
- 5.4 Warwick District Council is confident that its gender pay gap does not stem from paying males and females differently for the same or equivalent work.
- 5.5 On the date that this information was taken we employed more females than males, therefore it would be expected that there are more females than males at almost every level of the organisation. However, this is not replicated in the upper quartile.
- 5.6 Loss of highly paid female Leisure Staff
Overall staff numbers were down from 680 in 2017 to 533 in 2018 mainly due to the TUPE out of 174 contracted and casual Leisure staff in May 2017. These included 138 Leisure staff paid on 31/3/17 – 70 of these staff were female and 68 male. However, out of those in the highest quartile 8 were female and 1 was male. Out of the top 20 Leisure earners in 2017, 17 were female and 3 were males receiving specialist coaching/tuition rates.
- 5.7 More male staff earning more money
Despite the lower overall staff numbers, there were 10% more females in the overall workforce in 2018 compared with 2017. However, the

percentage of females in all quartile pay brackets decreased other than the lower quartile where it increased by 4%.

6. **Benchmarking**

- 6.1 At the date of compiling this report there is insufficient data published to draw effective comparisons.
- 6.2 According to Office of National Statistics estimates in the UK in 2017, there was a mean gender pay gap of 17.4% and a median gender pay gap of 18.4%. The ONS provisional figures Annual Survey of Hours and Earnings figures published in October 2018 have estimated for the UK that those figures stand at 17.1% and 17.9% respectively.
- 7.2 We have compared the Council's gender pay gap results for the mean and median hourly pay to the Office of National Statistics (ONS) - Annual Survey of Hours and Earnings (ASHE) provisional earnings data for October 2018 for jobs in the United Kingdom in the table below:

Description	Mean	Median
United Kingdom	17.1	17.9
Public Sector	17.5	19.0
Private Sector	23.8	20.3
Warwickshire	22.5	25.7
Warwick Area	26.6	24.7
Warwick District Council	15.3	10.9

7. **Publication**

- 7.1 WDC Gender pay gap data will be published following Employment Committee in March 2019

8. **Summary of Gender Pay Gap Data as at 31st March 2018**

- The Mean Gender pay gap is 15.3%.
- The Median Gender pay gap is 10.9%.
- The TUPE transfer of Leisure staff has resulted in a decrease of females in the upper quartile.
- 'Bonus' pay is being reported for the first time in 2018 which was not reported in 2017.
- Despite the lower overall staff numbers, there were 10% more females in the overall workforce in 2018 compared with 2017. However, the percentage of females in all quartile pay brackets decreased other than the lower quartile where it increased by 4%.
- Statistics provided by the ONS show that Warwick District compares favorably with its peers.

9. **Next steps**

- 9.1 Review and analyse the data available:

The data reported is based on March 2018 data, which is not comparable

with the March 2017 data. In order to give a meaningful indication of the direction of travel it is proposed to analyse the March 2019 data earlier than March 2020 to enable us to provide further analysis to update SMT/Employment Committee by:

- a) Improving data collection in order to develop a robust evidence based action plan - Employers who use high quality data to understand the drivers of their gender pay gap will be able to target their actions and therefore deliver the most effective results. Therefore, as a starting point it is essential to have good quality relevant data relating to employment, recruitment, progression, retention upon which to base any proposed actions. In order to achieve this, it will be necessary to identify what data is held, what gaps there are and the best method for filling the gaps in data.
 - b) Undertake data analysis to understand the reasons for a gender pay gap - this will comprise both quantitative and qualitative data analysis.
 - c) Benchmark with acknowledged leaders - Having identified barriers to progression benchmark with other employers to explore options to incorporate in an evidence based action plan that encompasses improved recruitment and retention processes, robust learning and development and agile working/family friendly policies. It is apparent from the current high level data that females are not proportionally represented in the upper pay quartiles and initial actions will seek to first understand and then address the causes of this as necessary, with some further examples to be considered below:
 - i. Analysis of number of female applicants to roles and success rate.
 - ii. Develop a greater evidence base to determine the proportion of female staff who return to work after maternity and adoption e.g. full time; part time and same role and those that continue in post a year after returning.
 - iii. Ensure consistent recruitment training that is fit for purpose e.g. recognition of unconscious bias.
 - iv. Increase awareness of 'work apprenticeship' training to encourage more employees to improve their skills and experience to enable the opportunity to progress their career.
 - v. Promote a consistent and transparent process to career grades and progression.
 - vi. Promote Mentoring/Coaching opportunities.
 - vii. Continue to develop flexible working options that support effective work life balance including career breaks/sabbaticals.
- 9.3 It should be noted that addressing the underlying causes of a gender pay gap and developing an effective action plan is an ongoing and iterative process. Time is required to both consider in detail the approach to adopt, and to refine the content as well as consider comparative data to be able to benchmark best practice both internally and externally. This will be incorporated into our Equality and Diversity actions as part of the People strategy updates.

Definitions



For the purposes of reporting, **Standard Hourly Rate** includes the following:

- Basic Salary
- Casual payments
- Honoraria paid monthly to recognize acting up duties
- Shift premium pay
- Retention allowances
- Living Wage Foundation top ups
- Unsocial hours payments
- Standby payments
- First Aid Allowances
- Market Related Supplements

Not required to be included in reporting are:

- Overtime
- Mileage, subsistence and other expenses
- Redundancy payments
- Anyone receiving nil pay during the period e.g. on maternity / sick leave / leave with no pay
- Salary sacrifice amounts

Bonus

Bonus pay means any remuneration that is in the form of money, vouchers, securities, securities options or interests in securities and relates to profit sharing, productivity, performance, incentive or commission. Non-consolidated bonuses are included. Long service awards with a monetary value are also included.

For WDC, this captures Long Service Awards and one-off honoraria payments. Regular honoraria payments are excluded from "bonus" calculations and included in "ordinary pay".

We believe this is in line with the ACAS guidance, but it is unclear whether other Councils have followed this definition as closely as ourselves and we have previously had conflicting advice.

Gender Pay Gap

The gender pay gap is a measure of labour market or workplace disadvantage, expressed in terms of a comparison between males and females average hourly rates of pay. The gap can be measured in various ways and it is important to understand how the gap is being measured. The hourly rates of pay, excluding overtime are used to take account of the fact that many more males than females work full-time. Overtime is excluded because it is recognised that male

employees work more overtime than female employees due to female's caring responsibility and part-time nature of work.

Gender pay is different to equal pay. The gender pay gap is the difference between the average hourly rate of pay of a male employee and the average hourly rate of a female employee as a percentage. The gender pay gap is calculated using both mean and median hourly rates.

Equal Pay

There have been laws in place since the 1970s requiring employers to pay male and female who are doing 'like work', 'work of equal value' or 'work rated as equivalent' the same salary and to have equal contractual terms such as annual leave and pension payments. The law was updated in the Equalities Act 2010. This is known as equal pay.

Equal pay and gender pay are separate and not necessarily related. A company can be equal pay compliant and still have a gender pay gap. When a company pays equally and has a gender pay gap the cause is likely to be the distribution of males and females in different grades.

Mean Vs Median

The mean hourly rate is the 'average' hourly rate when adding together the total of the hourly rates of all employees and dividing the total by the number of employees.

The median hourly rate is a different way of calculating an "average" hourly rate where the average is the middle hourly rate of all employees. This is calculated by sorting the hourly rate of workers from lowest to highest and working out what the middle employee's hourly rate is.

The mean average can be affected by a small number of high earners, whereas the median takes into account the distribution of pay across the workforce and is less affected by a small number of high earners.

Mean Gender Pay Gap

The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

To calculate the mean

The mean is an average of all the numbers in a dataset, that is you have to add up all the numbers and then divide the result by how many numbers you are dealing with. To find the mean hourly rate for WDC's full-pay relevant male employees, all the hourly rates will be added together and then divided by the total number of full-pay relevant male employees. This will give the "mean" hourly rate.

Median Gender Pay Gap

The difference between the median hourly rate of pay of male full-pay relevant employees and that for female full-pay relevant employees.

To calculate the median

The median is the numerical value which splits the top 50% and the bottom 50%. To find the median, all the hourly rates for all employees will be listed in numerical order; if there are an odd number of values, the median is the number in the middle. If there is an even number, the median is the mean of the two central numbers.

Bonus

The gender pay gap is the average value of bonuses paid to female relevant employees expressed as a percentage of the average value of bonuses paid to male relevant employees. For Warwick District Council, bonuses as defined for the purposes of the Gender pay Gap are retention payments, one-off honoraria and long service awards.

Regular honoraria payments, to cover an acting up situation, are excluded from "bonus" calculations and included in "ordinary pay".

Mean Bonus Gap

The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.

Median Bonus Gap

The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.

Bonus Proportions

The proportions of male and female relevant employees who were paid bonus pay during the relevant period.

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.

Quartiles

A quartile is one of the three points that divide the population of data into 4 equal parts. In the context of gender pay gap reporting, the four quartile pay bands are created by dividing the total number of full-pay relevant employee into four equal parts. For clarification, that is not WDC Pay bands.

Measures

A positive measure, for example 18%, indicates the extent to which females earn, on average, **less** per hour than their male counterparts.

A negative measure, for example -18%, indicates the extent to which females earn, on average, **more** per hour than their male counterparts. This may happen, for example, if WDC employ a high proportion of males in low-paid part-time work, and/or the senior and higher paid employees are female.