

This Report will be made public on 8 June 2022

Report Number **P/22/01**

**To:** Personnel Committee  
**Date:** 16<sup>th</sup> June 2022  
**Status:** Non-executive Decision  
**Chief Officer:** Andrina Smith, Chief HR Officer

**SUBJECT: GENDER PAY GAP REPORTING**

**SUMMARY:** This report outlines the council's statutory obligations regarding the publication of gender pay gap data and provides the data for this reporting year.

**REASONS FOR RECOMMENDATIONS:**

The Personnel Committee is asked to note the contents of the report set out below.

**RECOMMENDATIONS:**

1. To receive and note Report P/22/01.

## 1. BACKGROUND

- 1.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires employers with 250 or more staff to publish statutory gender pay gap data every year. The council is required to undertake and publish 6 different calculations that display and help explain any gender pay gap.
- 1.2 The statutory calculations are:
- a) Gender pay gap as a mean average
  - b) Gender pay gap as a median average
  - c) Gender bonus gap as a mean average
  - d) Gender bonus gap as a median average
  - e) Proportion of men and women receiving bonuses
  - f) Proportion of men and women in each quartile pay band

The data resulting from these calculations appear in section 2 of this report.

- 1.3 The council is required to publish this data on its own website and on a dedicated government website annually. The salary data for this year is based on the mandatory snapshot date of 31<sup>st</sup> March 2021 and needs to be published by 30<sup>th</sup> March 2022.

The HR Senior Specialist completed the review of our data during February 2022 which was followed by a report to the Corporate Leadership Team. The council's data was then uploaded to the government's website ([click here](#)) and the Council's website ([click here](#)) during March 2020.

- 1.4 While the Council must upload data onto the government website in a standardised template, we can choose how to publish our data on our website. In order to make the data both accessible and understandable, the council has published an accompanying narrative and highlighted key elements in a co-ordinated press release.
- 1.5 This is the fifth year that reporting gender pay gap data has been mandatory so we are able to make some comparisons with our previous results.
- 1.6 The gender pay gap is different to equal pay. The gender pay gap is a measure of the difference between the average earnings of men and women across an organisation. Equal pay relates to men and women receiving equal pay for equal work, which has been a legal requirement for nearly 50 years. The council is, of course, committed to diversity and equality of opportunity. Policies and procedures, such as the Recruitment and Selection policy and the job evaluation process, ensure we remunerate employees fairly and equally.

## 2. THE GENDER PAY GAP DATA

- 2.1 The gender pay gap is expressed as a percentage of men's pay. A positive percentage figure shows that, typically or overall, men are paid more. A negative percentage indicates that women are paid more.

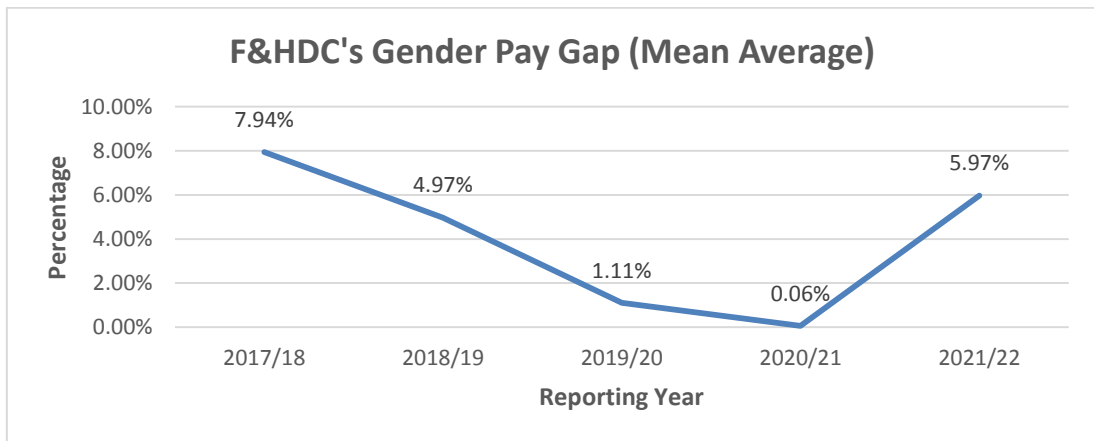
The council's average gender pay gap as at the snapshot date of 31<sup>st</sup> March 2021 is as follows:

2.1.1 **Gender pay gap as a mean average: 5.97%** (last year 0.06%)

This calculation shows the difference between the average earnings of men and women across the council is nearly 6%.

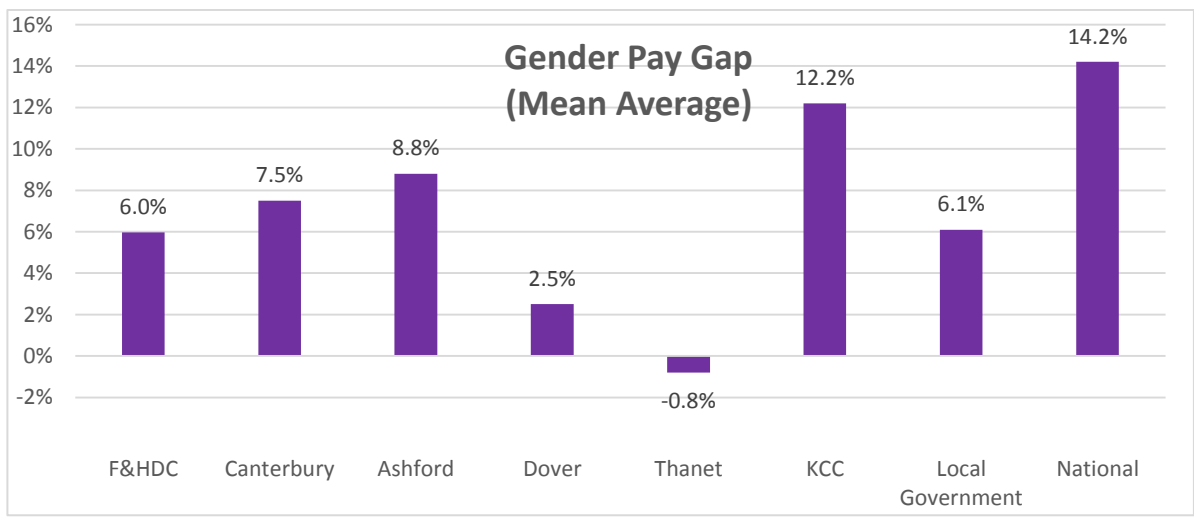
The average man earns £18.16 per hour whereas the average woman earns £17.17 per hour.

This calculation reflects an increase in the council's gender pay gap in comparison with previous reporting years; the reasons for which are considered in paragraph 3.2 below.



The most recent analysis undertaken by the Local Government Association reported the mean gender pay gap across all organisations as 14.2%, compared to 6.1% amongst local authorities.<sup>1</sup> While there has therefore been a change in the council's mean gender pay gap this reporting year, this calculation still compares favourably with national figures and is in line with sector averages.

The following specific comparisons relate to the most up to date data submitted by local authorities:



<sup>1</sup> Source: The Local Government Association [The Gender Pay Gap in Local Government 2019](#)

The mean average is useful because it takes into account the low and high earners and gives a good overall indication of the gender pay gap. However, very large or small rates of pay can 'dominate' and distort the calculation. By identifying the wage of the middle earner, the median calculation avoids this issue and is often considered a better representation of the typical difference in earnings.

### 2.1.2 Gender pay gap as a median average: 0.19% (last year -8.73%)

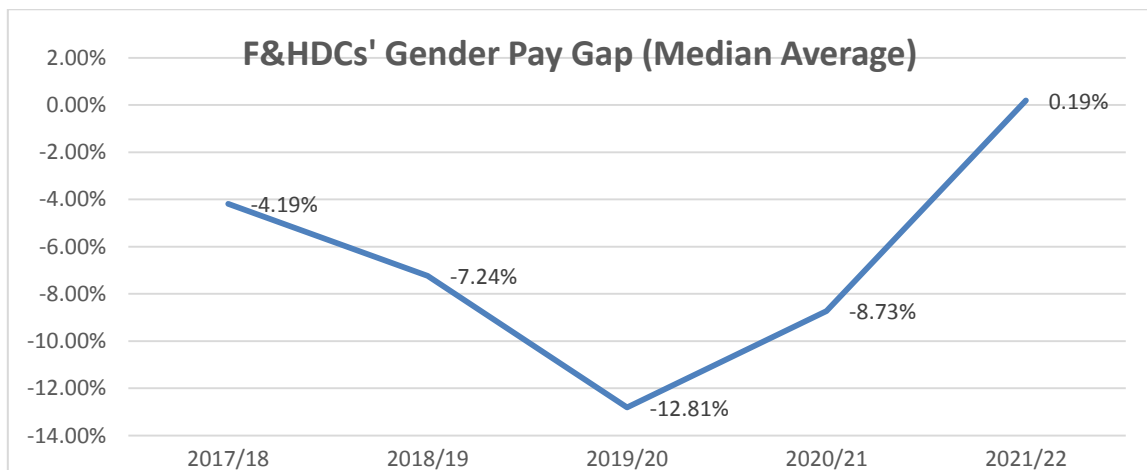
Using the median calculation, the difference between the average earnings of men and women working at the council is negligible.

If all the women working at the council were lined up in order of their hourly rate, then the middle woman (the median) would earn £15.61 per hour. The median man earns £15.64 per hour.

The median calculation is often considered a better representation of the typical difference in earnings as very large or small rates of pay can distort a mean average. The median therefore is ordinarily utilised by publications and is the figure that is widely reported in the press.

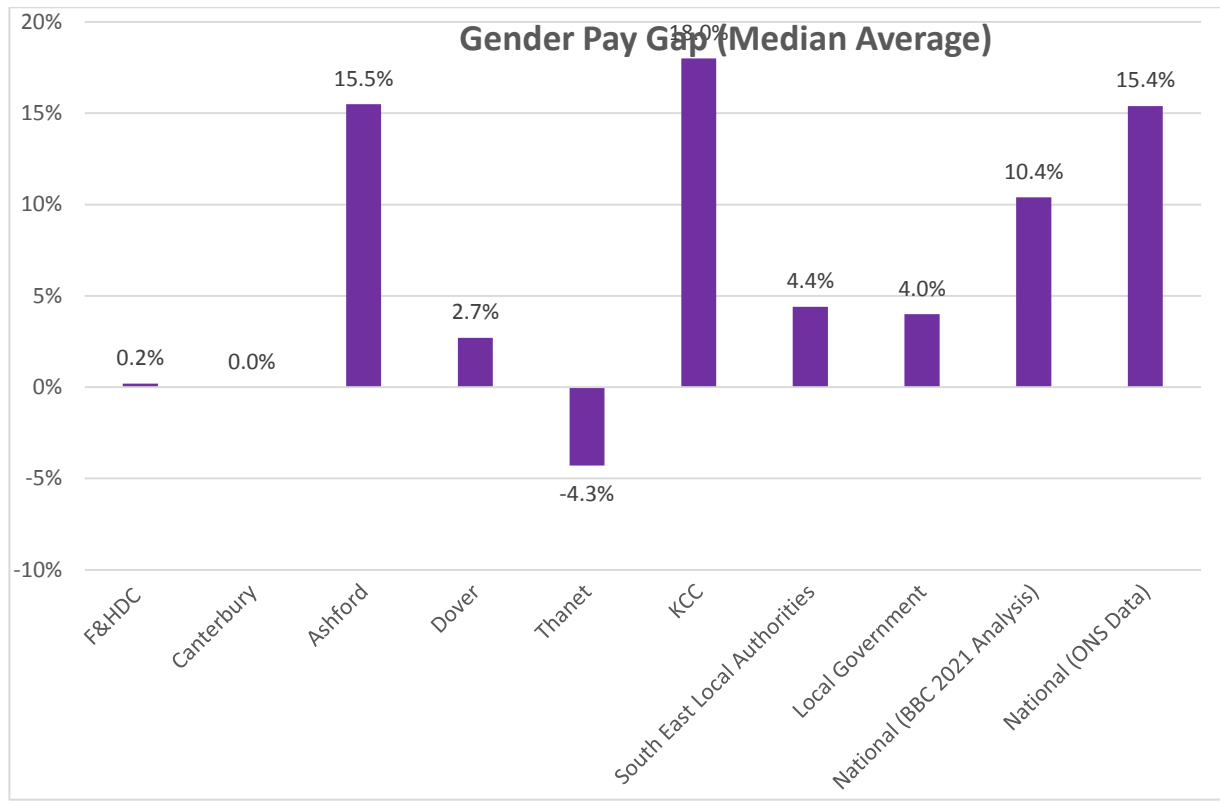
The reason for the difference in mean and median calculations is considered in paragraph 3.3 below.

This calculation also represents a narrowing gender pay gap in comparison to last year's report.



2.1.3 The most recent analysis undertaken by the Local Government Association found a median Gender Pay Gap of 4% across local government, while [BBC News reported](#) a gap of 10.4% nationally and 9% amongst organisations involved in "Public Administration" in October 2021. The most recent data from the [Office of National Statistics](#) estimates a national median gender pay gap of 15.4%. While based on different data sets, this does provide a useful comparison between the organisation and the current national picture.

As above, the following comparisons are made with the latest data available:



2.2 The council is also required to calculate and publish figures relating to bonus payments in the 2020/21 financial year. While the council’s Pay Policy states that there is no provision for bonus payments, the gender pay gap legislation defines “bonus pay” as referring to any remuneration that relates to performance, whether this is discretionary or contractual. As the Corporate Leadership Team are able to make a one-off discretionary honorarium award to employees that demonstrate an exceptional level of performance, such payments have been determined as meeting this definition of “bonus pay”.

This interpretation of what constitutes “bonus pay” has been consistent with all previous reporting years and is made clear in our publications.

During the period between 1<sup>st</sup> April 2020 and 31<sup>st</sup> March 2021, 38 staff (16 men and 22 women) received one-off honorarium payments that have been included in the calculations below. The majority of these honorariums related to work undertaken by staff as part of the Covid-19 response.

2.2.1 **Average bonus gender pay gap as a mean average: 3.61%**

This is significantly less than the figure of 21.88% reported last year.

The mean average one-off honorarium payment made to women in the period was £379.55. The average payment to men was £393.75.

2.2.2 **Average bonus gender pay gap as a median average: 50.0%**

The median one-off honorarium payment made to women in the period was £250 whereas the median payment to men was £500.

In the previous reporting year the volume of honorariums was significantly less, but of a higher value to individuals. The median was £1,000 for both men and women and we therefore reported a gap of 0%.

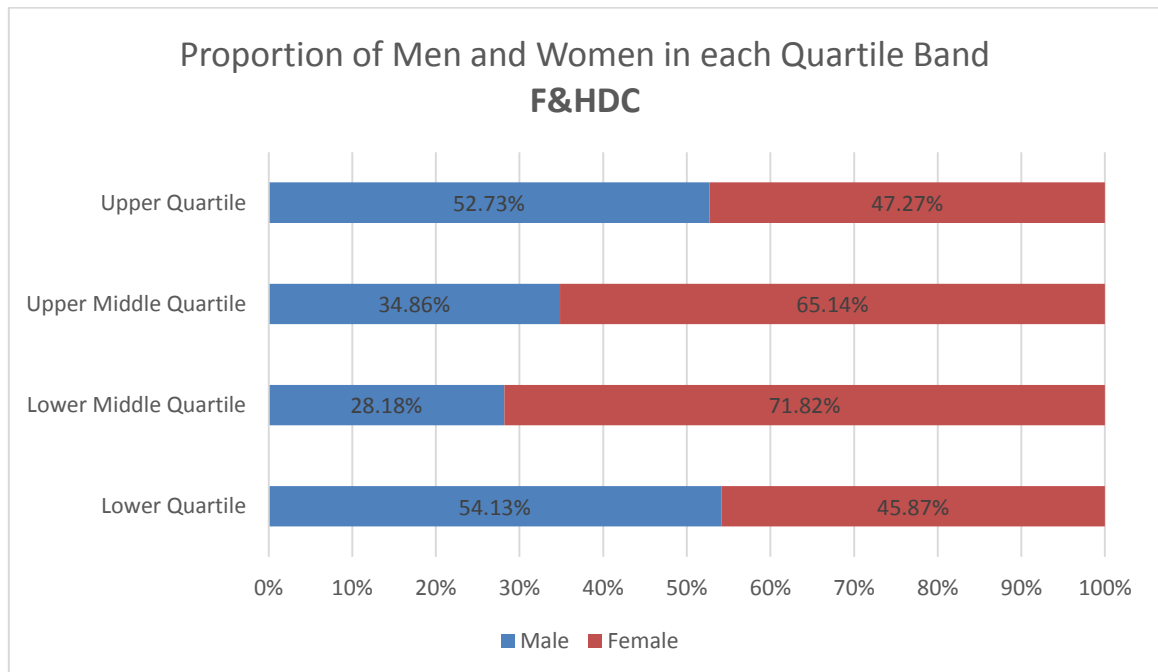
### 2.2.3 Proportion of men and women receiving bonuses:

The purpose of this calculation is to indicate how much more likely male employees are to receive a bonus payment when compared to female employees (or vice versa).

8.47% of male employees received a one-off honorarium when compared to 8.59% of female employees.

2.3 The chart below shows the proportion of males and females when divided into four equal sections based on their hourly rate. The lower quartile represents the lowest paid 25% of council staff and the upper quartile contains the highest paid 25%.

### 2.3.1 Proportion of men and women in each quartile pay band



## 3. SUPPORTING NARRATIVE

### 3.1 The Difference Between the Mean and Median Averages

The chart above helps to explain the difference between the council's mean average (5.97%) and median average (0.19%) figures reported in paragraphs 2.1.1 and 2.1.2.

The council employs more women than men. 58% of staff included in these gender pay gap calculations are female. This is rather typical in local government and on average leads to a higher proportion of women in all pay quartiles across the sector. However, at Folkestone & Hythe the distribution of men and women is more uneven. The majority of women (60%) are concentrated in the middle pay quartiles, while the majority of men (63%) are counted in either the lowest or highest pay bracket.

The male domination of the upper pay quartile helps to explain a mean average that shows, overall, men are paid more than women. Indeed, 31% of male employees are in this highest earning bracket when compared to 21% of women.

However, the large proportion of males amongst our lowest paid quarter, coupled with a female domination of the middle quartiles, has resulted in the median male and median female being found in roughly the same place on the pay spectrum.

### **3.2 The Increase in the Mean Average Gender Pay Gap**

Last year we reported a reduction in our mean average gender pay gap. This year we will be publishing an increase. When considering the reason for this it is important to note that due to the organisation's size a relatively small amount of individual changes to employees or posts can have a seemingly large influence on average figures and the data reported. Significantly, this is the first reporting year since the introduction of the council's Housing service. The amount of posts included in these calculations has increased by 20% in comparison to last year, a large scale change to headcount that has undoubtedly had an impact on our staffing demographic and this year's data.

We have 50 additional females included in the data this year compared to 24 additional males. How such changes have impacted on our pay quartiles has also been quite disproportionate. We have seen a slight increase in the proportion of males in our top two pay categories in comparison to last year. Conversely, we have seen a more significant increase in females amongst our lower pay quartiles.

### **3.3 The Reduction in the Median Average Gender Pay Gap**

Median averages are generally more useful in indicating the 'typical' situation and publications and news outlets tend to focus on this figure, which shows that the council has a negligible gender pay gap. While the changes to headcount discussed in paragraph 3.2 undoubtedly has an impact on our data, the council has taken numerous actions to reduce the gender pay gap and continues to take such actions to reduce it further. These actions are outlined in paragraph 3.4 below.

Paragraph 2.3.1 highlights the distribution of males and females across the pay quartiles. Around a third (32%) of all male employees have been counted in the lowest pay quartile. A significant proportion (32%) of the staff that appear in this lower pay quartile work in the council's Grounds Maintenance department or maintenance teams, the vast majority of which are male. The ratio of males to females is ordinarily higher in manual roles and attracting women into these positions is a noted national challenge. Strategies the council is implementing to increase diversity in this area include creating gender neutral job titles.

**3.4** The data continues to indicate a correlation between working hours, gender and the pay quartiles. Overall, 22% of the posts included in the calculations are part time, the majority of which (86%) are undertaken by female staff. A significant proportion (61%) of these part-time posts appear in the middle of the pay spectrum, where the majority (60%) of females have been counted. Indeed, the Office of National Statistics consistently reports that women fill more part-time jobs and that this is generally less well paid than full-time work.

With this correlation in mind, the councils has introduced and will continue to support initiatives to increase gender diversity within the upper pay quartile.

- The council's agile working culture encourages flexibility in working hours and location.
- Prior to recruiting externally or seeking candidates for promotion, the council carefully considers whether working hours and locations can be flexible and, if the post is full time, whether it could be undertaken on a part-time basis. This is then clearly stated on the advert in order to remove such barriers and increase diversity in recruitment and promotion activities. Job sharing options are also considered.
- It is recognised that working part-time can impact on the ability to attend training courses, which may then impact on career progression. The council therefore considers its training programmes carefully in order to reduce barriers to development. A range of flexible development opportunities are available, including coaching, mentoring, in house training and formal qualifications. When considering our training courses we put on shorter courses or split over different days to enable part-time staff to attend. Since the start of the pandemic learning and development activities have taken place remotely, which increases accessibility even further as sessions can be recorded and viewed at any time.
- The council also runs training courses and provides dedicated support aimed at helping managers understand the provisions of the Equality Act 2010 and ensure fair, non-discriminatory and consistent processes are followed in matters such as recruitment and promotion.
- In order to reduce the gender pay gap further, the council offers supportive options for those returning from maternity leave and encourages greater sharing of caring responsibilities through raising awareness of benefits and initiatives such as Flexible Working, Shared Parental Leave and Tax-Free Childcare.

#### **4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

- 4.1 Legal Comments (NM) – There are no legal implications arising directly out of this report other than those already clearly stated therein.
- 4.2 Finance Comments (LW) – There are no financial implications arising from this report.
- 4.3 Equalities Comments (GE) – This report demonstrates Folkestone & Hythe District Council's continued commitment to equality and diversity. There is no Equality Impact Assessment required.

#### **5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officers prior to the meeting

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The following background documents have been relied upon in the preparation of this report:

None