

TITLE	Gender & Ethnicity Pay Gap Report
FOR CONSIDERATION BY	Personnel Board on 21 st June 2023
WARD	None Specific
LEAD OFFICER	Louise Livingston AD HR & OD

RECOMMENDATIONS

This report is for noting and has been published on the required website to ensure the Council meets legal obligations. The report for 2023 is being prepared and is on the forward plan for September 25th 2023.

EXECUTIVE SUMMARY

This report sets out the gender pay gap data for Wokingham Borough Council as at the snapshot date of 31 March 2022. The data set out in this report has been calculated in accordance with The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

REPORTING REQUIREMENTS

The government introduced mandatory gender pay gap reporting for all organisations with 250 or more employees in 2017. Organisations are required to take a snapshot of pay data as of 31 March annually and publish the following statistics:

- the difference in the mean and median hourly rates of pay between male and female employees
- the difference in the mean and median bonus payments between male and female employees
- the proportion of male and female employees who received bonus pay during the twelve-month period preceding the snapshot date
- the proportion of men and women in each quartile of the organisation's pay distribution.

A positive percentage figure shows that male employees are paid more, on average, than female employees. A negative percentage figure shows that female employees are paid more, on average, than male employees.

The mean, or arithmetic mean, is the average of a set of numbers, calculated by adding all the numbers together and then dividing by how many numbers there are. The median is another type of average and is the middle value of a list of numbers. The pay quartiles are calculated by listing all rates of pay in order of value and then dividing into four equal sections (quartiles), with each quartile containing the same number of individuals.

GENDER PAY GAP VERSUS EQUAL PAY

It is important to understand that 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 expressed as a percentage of men's earnings. The average is calculated across all roles

including for example, administrators, library assistants, estate workers, registrars, social workers, planning officers, management accountants, highways officers and senior management. A gender pay gap is indicative of occupational segregation and does not equate to an equal pay issue. Equal pay is the right for men and women to be paid the same when doing the same or equivalent work.

Wokingham Borough Council is committed to the principle of equal opportunities and equal treatment for all employees.

SUMMARY OF DATA ANALYSIS

The key points are:

- The mean gender pay gap is 14.07%, compared with 15.15% in 2021, a decrease of 1.08%.
- The gender pay gap figure includes all Wokingham Borough Council employees as well as casual workers who received pay during the reporting period (March 2022 payroll) and employees at our Pupil Referral Unit. Local authorities are not required to include school-based staff in their Gender Pay Gap reporting.
- The mean bonus pay gap is 30.5%. This figure takes into consideration payments made under both the Performance Related Pay scheme for the senior management team and the Recruitment and Retention bonus scheme for Children's Social Workers. The Children's Service Bonus scheme is paid as a lump sum and in line with government guidance needs to be included as an annual bonus payment. However, only a very small number of staff are eligible to receive payments under these schemes. Note: The PRP scheme for Senior Management has since been reviewed and has been removed.
- 26.40% of our workforce is male and 73.60% of our workforce is female. Where organisations are predominantly one gender or the other, gender pay gaps can easily arise and relatively small changes in the balance of genders can have a significant impact.
- The gender pay gap is reflective of occupational segregation. Local authorities have a wide range of services and professions, however many of the lower paid functions tend to be dominated by women e.g., administration, care, customer services etc. Women make up 82.50% of employees in the lower quartile, whereas men only make up 17.50%. Men are more highly represented in the upper two quartiles, and it is this distribution that causes the hourly rate to be higher for males.
- The size and shape of the Council's workforce is constantly changing as services may be outsourced or new services introduced to ensure the best value for money to deliver services to residents.
- As part of our commitment to the Race Charter, we have decided to publish not only our Gender Pay Gap, but also our Ethnicity Pay Gap. The mean ethnicity pay gap is 2.25%.
- The Council participates in the Joint Negotiating Committee for Local Government Staff pay bargaining process and pay awards are agreed at a national level.
- The Council has incremental pay scales, so that employees progress within the pay range for their job grade on an annual basis. This means that longer-serving employees will generally be on a higher salary point.
- In calculating the Council's gender pay gap data, we have applied the definitions and criteria set out in the regulations.

GENDER PAY GAP

The table below shows the mean and median gender pay gap based on hourly rates of pay as at the snapshot date of 31 March 2022. It also shows the mean and median difference between bonuses paid to men and women in the 12-month period up to 31 March 2022. The table compares the figures for 2022 with those for the previous 3 years.

	Difference between men and women							
	Mean				Median			
	2019	2020	2021	2022	2019	2020	2021	2022
Hourly Rate of Pay	15.23%	15.58%	15.15%	14.07%	25.84%	17.26%	14.23%	15.61%
Bonus	0%	1.58%	56.28%	30.50%	0%	1.57%	87.96%	91.90%

The national median gender pay gap is 15.4% (April 2021 Office for National Statistics Annual Survey of Hours and Earnings ASHE Gender Pay Gap Analysis). Further information published by the Office for National Statistics using data from the ASHE survey shows that the median gender gap for the public sector is 18.0%. The median gender pay gap for Wokingham Borough Council (15.61%) is lower than the public sector average.

The mean hourly rate of pay gap has decreased by 1.08% since the last data snapshot on 31 March 2021 and has decreased by 1.16% since 2019. Although the median hourly rate of pay gap has increased by 1.38% over the past 12 months from 14.23% to 15.61%, it has decreased by 10.23% since 2019. The median hourly rate for female employees is £15.90 and £18.84 for men.

Bonus Gap

The bonus pay gap has been calculated in line with the definition of bonus pay contained within the regulations and takes into consideration data from the two schemes operated by the Council:

1. Performance Related Pay (PRP) for senior management

The Performance Related Pay scheme is only applicable to members of the senior management team and reviews what colleagues have achieved both individually and collectively. Targets are set across key factors relating to corporate performance, financial management and individual performance targets. There is a maximum 10% payment under the scheme. Bonus payments were made to 4 people, 2 male and 2 female. Three people received the maximum payment of 10% of salary and one received a pro-rata payment as they left part-way through the year. Both the mean and median bonus pay gaps for this scheme are 12.83%. This is based on a very small number of employees who are eligible for the scheme. This scheme was reviewed in 2022 and has been removed as from 1st April 2022.

2. Retention bonus for children's social work to support recruitment and retention

The retention bonus for children’s social workers was paid to 5 employees, 3 females and 2 males. The retention bonus is paid in two parts, the first after completing 1 year of service and the second after completing 2 years’ service. The level of payment increases with grade. The mean bonus pay gap for this scheme is 45.01% and the median bonus pay gap is 37.74%. This is a significant gap and is due to one person changing grade and one payment being pro-rated for part-time working. However, with such a small group size, the gap can easily be distorted.

Under the Government’s guidance, where recruitment and retention payments are more in the nature of a bonus than an ongoing allowance, as is the case here, they should be treated as incentive payments falling within bonus pay, rather than as allowances falling within ordinary pay.

The mean bonus pay gap for the two schemes combined is 30.50% and the median bonus pay gap is 91.90%. This is because there is a significant difference in the values paid under these two schemes. The Performance Related Pay scheme for senior management pays up to 10% of salary, whereas the retention bonus for children’s social workers is a fixed amount of either £500 or £1,000 depending on grade. Only a small number of employees are eligible for these schemes.

Proportion of Men and Women who received Bonus Pay

Female	Male
0.50%	1.12%

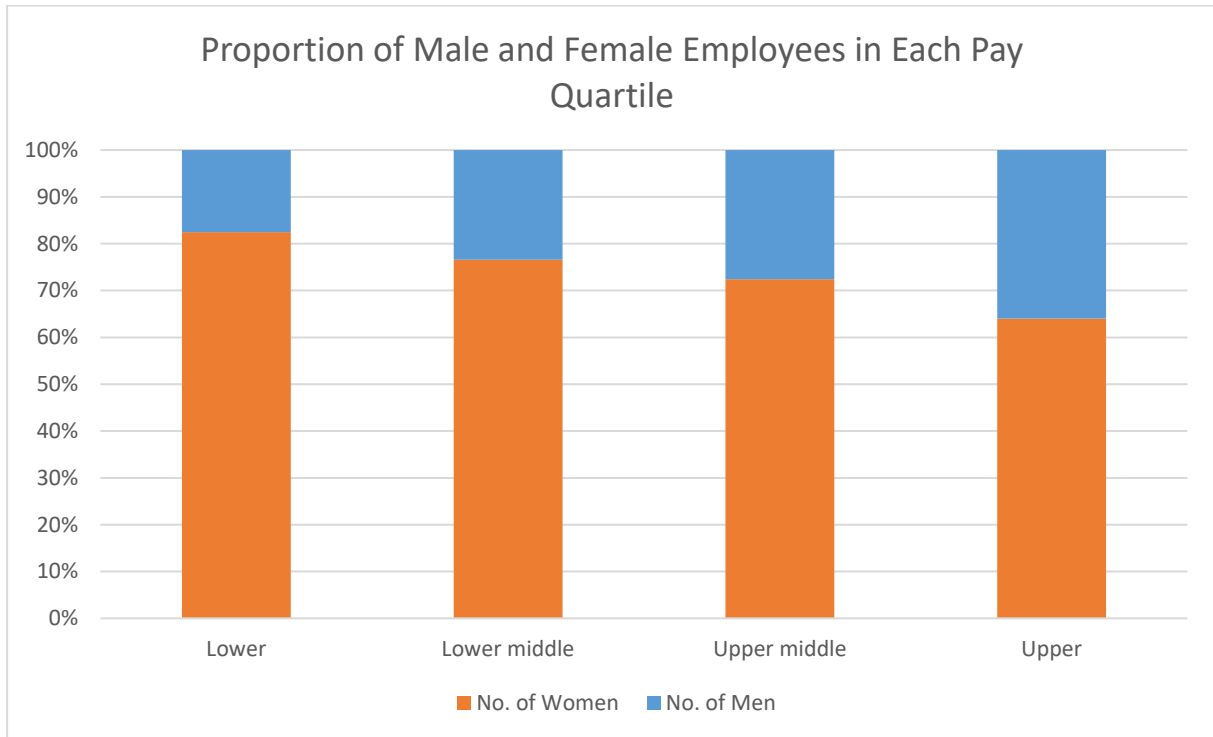
Pay Quartiles

The chart below illustrates the distribution of men and women across the quartiles of the Council’s pay range and shows that the pay gap is largely because of occupational segregation. Local authorities have a wide range of services and professions, however many of the lower paid roles tend to be dominated by women e.g., administration, care, customer services etc.

Roles within the lower quartile include Library Assistants, Receptionists, Administrative Assistants, estate workers. The lower middle quartile includes roles such as: Building Support Officers, Customer Delivery Officers, Technical Support, Supervisors/Team Leaders. The upper middle quartile includes roles such as: Social Workers, Planning Officers, and professional support roles such as: HR Specialists, Management Accountants.

Men represent 17.50% of the lower quartile and 36.01% of the upper quartile. The proportion of women in the upper quartile has increased from 62.18% in 2021 to 63.99% in 2021. The upper quartile includes roles such as: senior professional and managerial roles, Assistant Directors, Directors, and the Chief Executive.

Whilst female employees are strongly represented in the upper middle and upper quartiles, over half (53.79%) of female employees are in the lower middle and lower pay quartiles. Male employees represent a small proportion of the lower quartiles but are more highly represented in the upper two quartiles. The gender pay gap is significantly affected by occupational segregation and reflects the uneven distribution of men and women throughout the pay structure.



Ethnicity Pay Gap

As part of our commitment to the Race Charter we have decided to publish our ethnicity pay gap data. Without published guidance, we have worked to the same principles as the Gender Pay Gap and have calculated the mean and median ethnicity pay gaps for our workforce. We have included those on permanent, fixed term and apprenticeship contracts who have declared their ethnicity.

81.89% of employees have declared their ethnicity, of which, 14.57% are from an ethnic minority background and 85.43% are from a non-ethnic minority background.

	Difference between ethnic minority and non-ethnic minority employees			
	Mean		Median	
	2021	2022	2021	2022
Hourly rate of pay	3.48%	2.25%	-8.08%	-7.77%

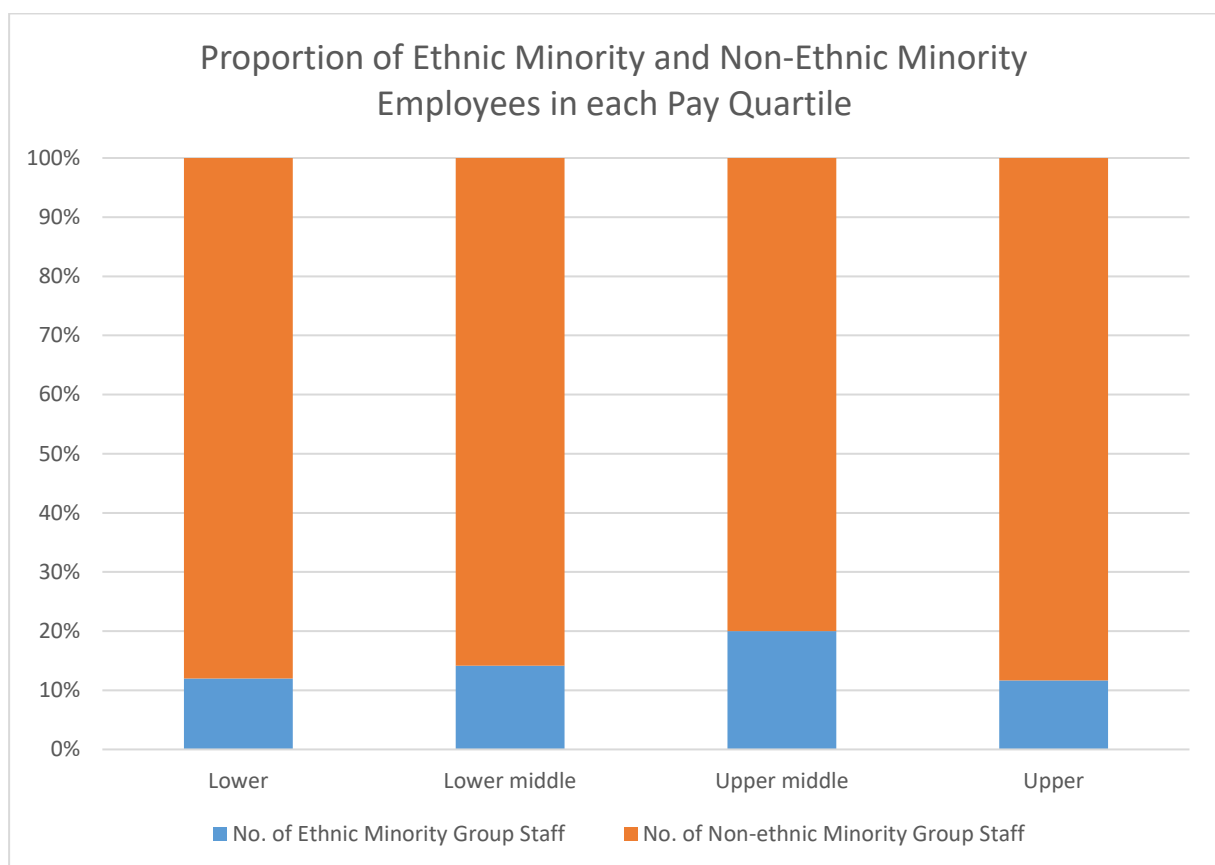
The median hourly rate pay gap shows that ethnic minority employees are paid more, on average, than non-ethnic minority employees. The median hourly rate for ethnic minority employees is £17.80 and £16.52 for non-ethnic minority employees. The median is the middle rate of pay and reflects that the majority of ethnic minority employees are paid within the upper middle and upper pay quartiles.

Ethnicity bonus pay gap

It was not appropriate to calculate an ethnicity bonus pay gap due to the small number of employees who were eligible to receive a payment and the low declaration rates amongst this group.

Pay Quartiles

The chart below illustrates the distribution of ethnic minority and non-ethnic minority employees across the quartiles of the Council’s pay range and shows that ethnic minority employees represent a very low proportion of the Council’s workforce across all pay quartiles. However, over half (54.72%) of ethnic minority employees are in the upper middle and upper quartiles combined, occupying more professional and managerial roles.



WORKING TO CLOSE THE GENDER PAY GAP

The Council promotes the fair treatment of all employees and is committed to understanding and addressing any significant factors contributing to the gender pay gap. We continue to challenge and engage in a process of continuous improvement. The Council will undertake the following actions:

- Conduct further data analyses to investigate and identify where pay issues may be occurring, understand the causes and develop an action plan to address them.
- Review our recruitment practices and policy on starting salaries for men and women.
- Review our job evaluation processes to ensure that they are robust and transparent.

We conducted an analysis of starting salaries for new employees joining the Council over the past 12 months to determine whether or not women were at a disadvantage from the start of their employment.

The key findings were:

- There is a significant difference in the number of men and women joining the Council with 235 female and 99 male new starters during this period.
- 13.19% of all female new starters were appointed to Grade 4, compared with just 5.05% of all male new starters.
- Proportionately, more male new starters were appointed to Grade 5 (29.29%) than female new starters (24.26%).
- Nearly a quarter (24.24%) of male new starters were appointed to the higher grades (Grades 9, 10, 11, SM1 and SM2 – SM1 and SM2 are senior management grades), compared to just 13.18% of female new starters.
- Whilst the same number of men and women were appointed to Grade SM2 (3), this represents 1.28% of all female new starters compared with 3.03% of all male new starters.
- The Council’s Pay Policy Statement says that “Appointments will normally be made to the minimum point of the grade. Managers may consider the previous experience and skills of the employee to offer appointment above the salary minimum for the post.” Whilst the majority of new employees (58.98%) were placed on the minimum salary point for their grade, 12.57% of new employees were placed on the maximum salary point for their grade.
- 56.17% of female new starters were appointed at the bottom of their grade and 13.19% were appointed at the top of their grade. 65.66% of male new starters were appointed at the bottom of their grade and 11.11% were appointed at the top of their grade. Although more men were appointed at the bottom spinal point for their grade than women, the data shows that more men were appointed to higher grades than women.

These findings support that the gender pay gap is as a result of occupational segregation as there are fewer men joining the Council than women and proportionately more men are appointed to higher graded roles than women.

The Council continues to tackle inequality by raising awareness through equality champions and networks such as the Ethnically Diverse Staff Network and the Neurodiversity Colleague Network.

DECLARATION

We confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

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