

NON EXEMPT

HAVANT BOROUGH COUNCIL

HR Committee

23rd March 2022

2021-22 Gender Pay Gap Report

FOR INFORMATION

Portfolio:

Cllr Narinder Bains Cabinet Lead (HBC)

Head of Service: Caroline Tickner

Key Decision: No

Report Number: HBC/037/2022

1.0 Purpose of Report

- 1.1. There is a legal requirement to publish the council's gender pay gap data by 30th March of each year. This report sets out the gender pay gap data that will be published for the council and the measures that have been and will be undertaken to reduce the gender pay gap for 2022-23 for Havant Borough Council.

2.0 Recommendation

- 2.1. HR Committee is asked to note the gender pay gap report as set out at Appendix A.

3.0 Executive Summary

- 3.1. The statutory requirement to publish the gender pay gap in public sector organisations of medium and large size was introduced in April 2018. The "gap" shows the data on a specific snapshot date each year. This is fixed as 31 March when the average (mean and median) data for all male and female pay rates are compared and any differences in pay can be seen.
- 3.2. It is also necessary to show the data for the hourly pay rates split into quartiles for men and women for both the mean and median rates. This tries to reduce how the data can be skewed by small numbers of very high and very low salaries.

- 3.3. Due to the pandemic, the statutory gender pay gap reporting requirement was suspended by government in 2020 and the 2020-21 reports were required for publication by 5th October 2021 which the The council' complied with. The Equality and Human Rights Commission have now brought gender pay gap reporting back in line with the financial year which means the next pay gap report needs to be published by 30th March 2022.
- 3.4. The report have been produced using data from the Zellis HR and Payroll system. Data from 2017 to date has been included for HR Committee's information and a RAG approach has been used to easily identify where the public sector benchmark is/is not being met.

2017-18 HBC	Male	Female	Difference	% Gap	Public Sector Benchmark
Median p/h	£16.34	£12.72	£3.62	22.15%	19%
Mean	£17.39	£14.36	£3.03	17.45%	17.5%

2018-19 HBC	Male	Female	Difference	% Gap	Public Sector Benchmark
Median p/h	£16.34	£14.46	£1.88	13%	15.4%
Mean	£17.53	£15.83	£1.70	10.78%	15.4%

2020-21 HBC	Male £	Female £	Difference £	% Gap	Public Sector Benchmark
Median p/h	19.61	15.36	4.25	21.67	19%
Mean p/h	23.05	18.72	4.33	18.78	17.5%

2021-22 HBC	Male £	Female £	Difference £	% Gap	Public Sector Benchmark
Median p/h	18.00	15.78	2.22	12.3	18% prov
Mean p/h	21.44	17.4	4.04	18.8	17.5% prov

	Below public sector benchmark
	Within 3% of public sector benchmark
	Over 3% above public sector benchmark

- 3.5. The data for 21/22 shows for HBC the gap is above the public sector benchmark. The number of employees at HBC on the snapshot date was 250 and so it is above the requirement for statutory reporting and as such, the data has to be submitted for this reporting year. (The small data set does mean that the data is more volatile and may not be a stable comparator with other organisations). It should also be noted that the outsourcing of some functions to Capita in 2017 and insourcing in 2020 will have impacted the data and comparisons across the years should be done with caution.
- 3.6. There has been a large amount of information made available by the government and other interested groups such as ACAS, the trades unions and the CIPD including national media coverage on the issue of the gender pay gap. It was thought that the steps in place since the introduction of the Equal Pay Act and the Sexual Equality Act in the 1970s would have addressed the imbalance between men and women's pay at work. This has not been completely successful and whilst huge improvements have been made in ensuring work of equal value is paid fairly, a residual problem persists in that women are underrepresented in the higher paid levels of the UK workforce.
- 3.7. It is very important for HR Committee to note that an identified gender pay gap does not indicate an equal pay issue. Job evaluation systems in place at the council are designed to ensure that work is rewarded equally and fairly. The gap is linked to how women are recruited and promoted at work and it can indicate how organisations accommodate the different needs of both genders. Typically, women continue to undertake the vast majority of caring for children and other family members whilst developing a career and this has been proven to impact their pay prospects.
- 3.8. Women continue to be disadvantaged in gaining roles at higher salary levels in organisations overall and so female pay is typically lower than male pay. This is true in the public sector as in the private and the national benchmark figures are provided for comparison purposes. There are gender pay gaps identified at both the council.
- 3.9. Each annual report has to be submitted on the government portal to be monitored by the Equalities Office. Each report is also published on the council's website for public scrutiny. A key part of the report format is the proposals which must be included to highlight how the council intends to address and reduce the gender pay gap in the following year.
- 3.10. The Equalities Office have outlined a plan to help organisation's construct their strategy to address gender pay gaps¹. For both the council the proposal is to review this plan and to consult with the diversity and wellbeing champions group to develop a strategy and action plan to chart progress. Further detailed analysis of data will be

¹ <https://gender-pay-gap.service.gov.uk/actions-to-close-the-gap>

required to help develop the the council' strategies and draw up more detailed plans.

3.11. "Measures" to improve the gender pay gap have previously been detailed in the council's gender pay gap reports however progress against these measures has been impacted by the pandemic as HR and management resources have been diverted away from the planned work to the covid response over the last two years. Work on these measures will continue as we progress through 2022-23 but it is encouraging to see that the gap has narrowed.

The points already committed to in previous years' reports were to:

- Widen the availability of learning & development opportunities,
- Analyse exit interview data more thoroughly to understand any gender imbalance
- Promote flexible working and especially the availability of parental leave to men to allow their female partners access to opportunities at work,
- Ensure recruitment decisions are based on objective criteria and identify and remove barriers for women applying for senior roles,
- Develop and implement talent management and succession planning processes to enhance career development opportunities for women.

3.12. The following key points identified for potential inclusion in the plan focus on three main areas of the employment life cycle – i) recruitment, ii) engagement with existing staff and iii) reorganisations/restructures. Specific plans to be developed based on the findings of the research and with a robust evidence base will include:

- Highlighting the council's flexible approach to work and family friendly policies in all recruitment advertising
- Wider use of structured interview formats for all levels including training for managers undertaking recruitment
- Inclusion in the staff survey and stay/exit interviews on how staff feel the pay gap could be narrowed (e.g. more opportunities for flexible working arrangements at higher levels).
- Wider use of the Diversity and Wellbeing Champions group to generate ideas, obtain feedback and monitor progress
- Introduce greater transparency and opportunity in arrangements for "acting-up" and other career development pathways such as coaching and training
- Better use of Equality impact assessments when undertaking organisational changes and reviews, highlighting risk areas.

Whilst elements of the council's plans for gender pay gap reduction are taken from the Organisational Development strategy, there are also elements included from the generic proposals suggested by the government's Equalities Office in their guide², ACAS³ and the CIPD⁴.

4.0 Additional Budgetary Implications

- 4.1. Cost savings could be made both in the short and long term if women were able to advance their careers without having to compromise career advancement due to caring responsibilities. This could result in better attraction of talent from a wider pool, reduced turnover and loss of talent from the organisation.
- 4.2. Potential savings could also result from a reduced number of formal flexible working requests and appeals against decisions, managing workloads better through planned absence and avoiding unplanned absence e.g. sickness and unpaid leave to cover caring needs. It is also more likely that vacancies could be filled from internal talent which would avoid the expense and disruption of all recruitment being undertaken externally.
- 4.3. Higher levels of engagement in the workforce could be difficult to measure in budgetary terms. However improved outputs and productivity, reduced sickness and turnover and better satisfaction ratings on sites such as Glassdoor are all recognised indicators of better employee engagement. Staff who feel that an organisation's published values are integrated into its policies and who feel their contribution is valued whilst their personal circumstances and challenges are considered, are likely to be absent less and contribute more to that organisation when at work.⁵ Future working styles offer more options to work flexibly and/or from home will be attractive to some individuals who find 9-5 office based working more difficult due to their personal circumstances.

5.0 Background and relationship to the Corporate Strategy and Directorate Business Plan/s

- 5.1 The Organisational Development strategy is designed to support the corporate strategy in better enabling the council to attract and retain talent and engage staff to best effect. Clearly the removal of a significant pay gap would help to show that staff are being enabled to join and progress through the organisation and that talent is being

² <https://gender-pay-gap.service.gov.uk/public/assets/pdf/understand-your-gender-pay-gap.pdf>

³ https://www.acas.org.uk/media/4764/Managing-gender-pay-reporting/pdf/Managing_gender_pay_reporting_07.02.19.pdf

⁴ <https://www.cipd.co.uk/knowledge/fundamentals/relations/gender-pay-gap-reporting/factsheet#39600>

⁵ <https://www.ft.com/content/9225a656-21f4-11e8-9a70-08f715791301>

maximised. The obvious unfairness of a significant gap is a barrier to the the council being seen as employers of choice.

6.0 Options considered and reasons for the recommendation

- 6.1 There is a statutory requirement to produce the gender pay gap report. The measures included within the report are deemed to be a reasonable approach to reduce the gender pay gap with the resources available.

7.0 Resource Implications

- 7.1. Financial Implications
There are no direct financial implications, however, there may be a requirement to fund specific initiatives in terms of staff time to support future interventions to reduce the gender pay gap. This is factored into the HR budget.

Section 151 Officer comments

Date: 9th March 2022

No additional financial implications

Matthew Tiller, Head of Finance (Deputy Section 151 Officer)

- 7.2. Human Resources Implications
There will be a requirement for strategic HR time and potentially training required to support the development of detailed plans
- 7.3. Information Governance Implications
Data will be required and detailed analysis of trends to have a robust evidence base on which to move forward. This data will be used in accordance with GDPR requirements.
- 7.4 **Links to Shaping our Future Programme**
As part of organisational design for the SoF programme, consideration as to how the future structure of the council support the reduction in the gender pay gap will be considered and actioned as appropriate.

8.0 Legal Implications

- 8.1 Publication of a gender pay gap report is a legal requirement in the case of organisations with more than 250 employees and considered good practice in others. In approving and publishing the attached reports the council will comply with this obligation.

Deputy Monitoring Officer comments

Date: 10 March 2022

The gender pay gap is the difference between the average (mean or median) earnings of men and women across a workforce. This report discharges the legal obligation of an employer with a headcount of 250 or more on the snapshot date to publish the relevant data. Gender pay gap calculations are based on employer payroll data drawn from a specific date each year. The report's supporting narrative is compliant with guidance and helps explain why a gender pay gap may be present and what is being done to analyse and close it.

Alan Harrison

9.0 Risks

- 9.0 Legal (as above)
- 9.1 Reputational risks if the strategies do not operate well or seem unfair. The requirement to publish an annual report means that the gap figures and progress against a plan are easily measurable.
- 9.2 Damaged union relations could result if the implementation of any plan is not well handled
- 9.4 Damaged relationships with staff could also result if the implementation is not well handled and/or the scheme seems unwieldy or unfair.

10.0 Consultation

- 10.1 It is not envisaged at this point that formal consultation would be required. However informal consultation and communication with staff and possibly the wider community and networks would be vital to make this work successful.

11.0 Communication

- 11.1 Corporate Communications will be required for staff to support informal consultation and communication

12.0 Appendices:

Appendix A - Gender Pay Gap Report HBC 21/22

13.0 Background Papers:

As included in the footnotes 1-5

Agreed and signed off by:

Deputy Monitoring Officer: 10th March 2022

S151 Officer: 9th March 2022

Director: 9th March 2022

Portfolio Holders: Cllr. Narinder Bains – 14th March 2022

Contact Officer: Marthie Turner

Job Title: HR Business Partner

Telephone: 02392 446325 E-Mail: Marthie.turner@easthants.gov.uk