


East Herts Council - Gender Pay Gap Report


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Appendix A



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Introduction

In 2017 the government introduced legislation that made it statutory for organisations with 250 or more employees to report on their gender pay gap by 30 March 2018 and annually thereafter. East Herts Council published its first gender pay gap report in March 2018.

The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation. It is expressed as a percentage of men's earnings.

The data the council is required to provide includes mean and median pay gaps; mean and median bonus gaps; the proportion of male and female employees who received bonuses; and the proportion of male and female employees in each pay quartile.

The gender pay gap is different from equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

This is East Herts Council's report for the required snapshot date of 31 March 2019.

The figures set out in this report have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Review of action plan

In our last gender pay report published in January 2019 we prioritised three areas for action to reduce our gender pay gap. Here we report our progress for each area.

Recruitment

We said we would:

Explore introducing 'name-blind' recruitment (where names and genders are removed during the shortlisting process to avoid gender bias) in 2019. If introduced, impact will be measured in the 19/20 Annual Equalities Report where shortlisting data is analysed by sex and other protected characteristics.

Finalise the guidance document on avoiding unconscious bias to be included in all shortlisting packs in early 2019.

Conduct an audit of how gender diverse our interview panels are in early 2019 and take action if issues are identified.

Our progress:

- We have not been able to progress name-blind recruitment due to limitations of the current online recruitment system. This may be revisited if the recruitment module of the HR system is implemented. However, it must be noted that there is no evidence in 18/19 of gender bias or indeed discrimination based on gender. The percentages of male and female applicants are closely aligned in terms of applications through to shortlisting and then appointment which does not suggest any bias or discrimination. In 18/19 34% of applicants were male, 36% were shortlisted and 36% were appointed.
- A guidance document about avoiding unconscious bias is now included in all shortlisting packs and HR Officers are also providing recruitment panel briefings from January 2020.
- An audit was conducted of gender diversity of interview panels (to analyse where panels consisted of a mix of both genders) which found that 60% of interviews in 2018/19 did not have gender diverse interview panels. The fact that over 70% of the council's workforce is female does mean that all-female interview panels are more likely due to there being less male employees available to sit on interview panels. As panels have tended not to be mixed or balanced in terms of gender HR will remind recruiting managers to try to achieve more balanced panels going forward. The data was limited as recruitment is devolved to services, this has been tackled meaning that more data will be available next year as HR will insist on data being returned before conditional offers are made. However, as

noted above there is no evidence of gender bias or discrimination, the main factor is that the council attracts more women in part due to a number of services being contracted out which traditionally attract men (Waste, Grounds Maintenance and IT).

Flexible working

We said we would:

Complete the refurbishment of our building by mid-2019 to create a more agile and collaborative work environment enabling further flexible working across the council.

Our progress:

- The refurbishment of our building is now complete. The planned move to hot desking was not fully implemented but several breakout spaces have been created for informal meetings as well as a new staff hub. The formal meeting rooms have had TVs and webcams installed to allow video conferencing. The council already substantially supports flexible working through a flexi-time scheme, part-time working, home working and approving flexible working requests where possible.

Breaking down gender stereotypes

We said we would:

Continue to review and update our commitment to promote flexible working for men and to encourage the uptake of shared parental leave by working collaboratively with our Communications team.

Our progress:

- HR approached a number of male staff to consider if they were willing to provide case studies of their flexible working to help encourage more men to apply but unfortunately this did not lead to any case studies being produced. In terms of shared parental leave this has been widely

communicated however the uptake in the employment market has been low and this is same for the council, again as we are 73% female this will only have a limited impact internally and it is still (based on case law) more favourable for the women to take maternity leave. A review of the recruitment messages has however, been undertaken with revised content being used from January 2020 to promote the full range of benefits available (including flexible working and wellbeing programmes) and to further encourage a wider range of equality based applications in particular from Men, BAME and Disabled people.

Gender Pay Gap Analysis

Mean and Median Gender Pay Gap Figures

Table 1.0 shows that the council's mean gender pay gap is 15% and the median gender pay gap is 19%. Table 2.0 shows that there is no bonus pay gap as the council does not make bonus payments.

Table 1.0 Gender pay gap

	Gender pay gap 2019	Gender pay gap 2018	+/- percentage points
Mean (Average)	15%	9%	+6%
Median (Middle)	19%	12%	+7%

Table 2.0 Gender bonus gap

	Gender bonus gap 2019	Gender bonus gap 2018
Mean (Average)	0%	0%
Median (Middle)	0%	0%

Table 3.0 Proportion of employees receiving a bonus

Proportion of employees receiving a bonus	
Men	0%
Women	0%

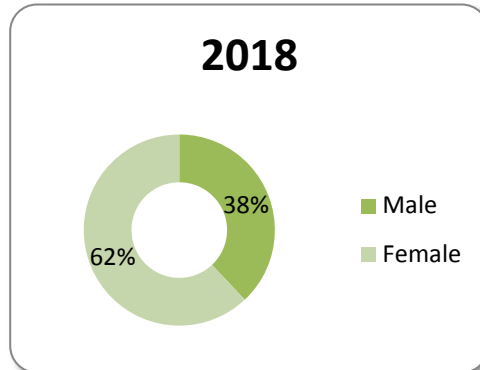
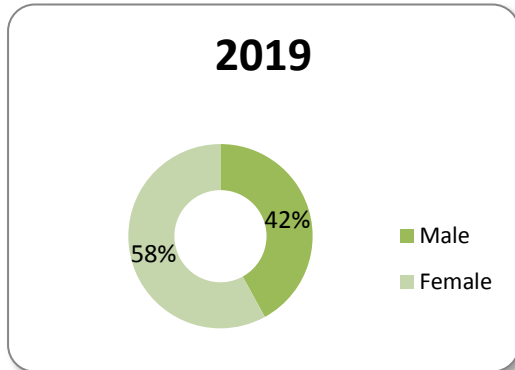
The council's mean gender pay gap is slightly less than median gender pay gap because there are more women than men employed in senior roles and the mean is more skewed by these extremes. The median figure represents the 'typical' man or woman (i.e. the man/woman in the middle of the male/female pay range) and is higher because of the greater proportion of men in the upper pay quartiles compared with lower pay quartiles, and a greater proportion of women in the lower pay quartiles compared with the upper pay quartiles.

The mean gender gap has increased by 6 percentage points and the median gender pay gap has increased by 7 percentage points from the 2018 figures. This is because the distribution of men across the pay grades has changed; the percentage of men in the upper two pay quartiles has increased and the percentage in the lower two pay quartiles has decreased. In addition, a Director post that was held by a female employee became vacant after the 2018 report and the post has been deleted. As one of the top 5 highest paid posts in the council this will have been a significant cause of the change to the mean gender pay gap figure since 2018. There is also an additional Head of Service post on the payroll that is male, this employee is currently seconded to another council but remains on the council's payroll and therefore included in the data but is surplus to the establishment as his role has been filled on a fixed term basis and that employee is also included in the data.

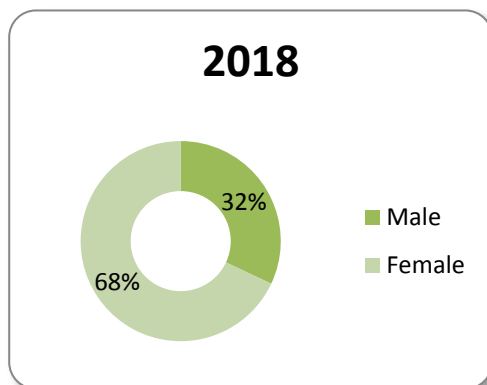
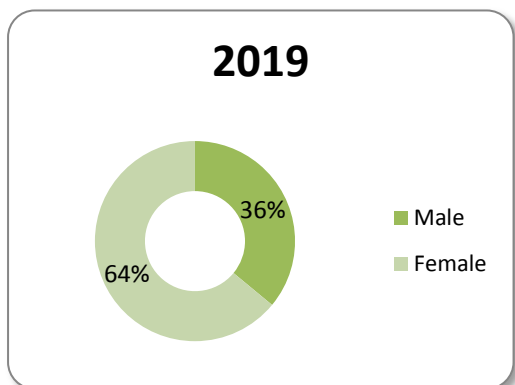
The council is committed to the principle of equal opportunities and equal treatment for all employees. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other protected characteristic). As such, we have a pay and grading structure agreed with Unison; have a published pay policy statement and evaluate all jobs using the HAY job evaluation method. The council is confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work.

Pay quartiles

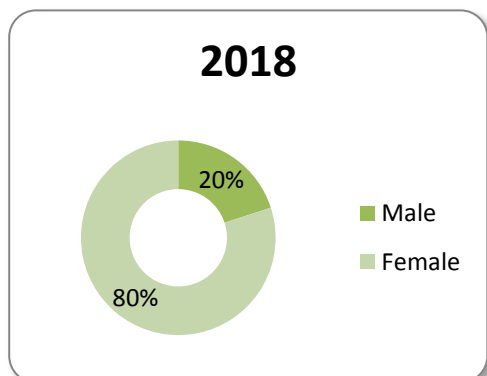
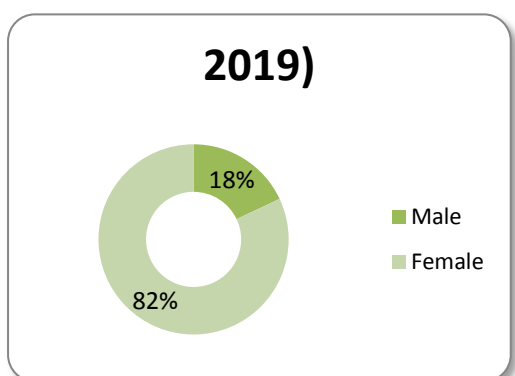
Quartile 1 (upper quartile)



Quartile 2 (upper middle quartile)



Quartile 3 (lower middle quartile)



Quartile 4 (lower quartile)

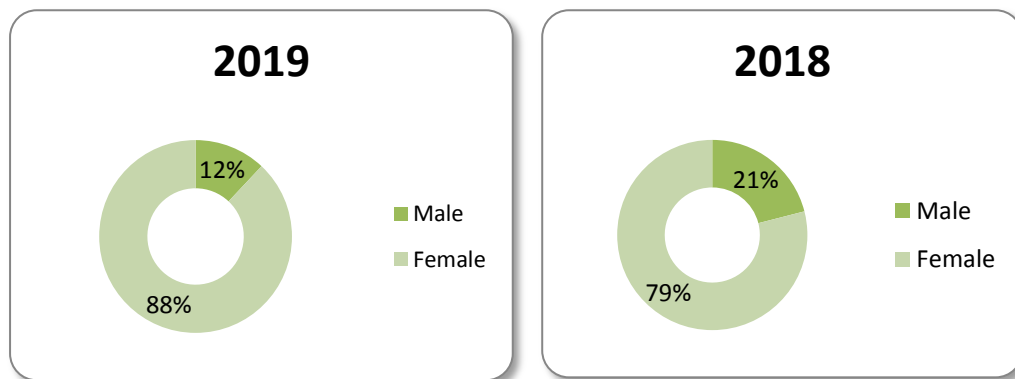


Figure 1.0 Pay quartiles by gender

Figure 1.0 above depicts pay quartiles by gender. This shows the council's workforce divided into four equal-sized groups based on hourly pay rates, with Q1 including the highest-paid 25% of employees (the upper quartile) and Q4 covering the lowest-paid 25% (the lower quartile). In order for there to be no gender pay gap, there would need to be an equal ratio of men to women in each quartile.

Given that 73% of the council's workforce is female, women outnumber men at every quartile. This year's data shows increases in the percentage of men in the Q1 and Q2 and a decrease in the percentage of men in Q3 and Q4. The most notable decrease is in Q4 where the percentage of men has decreased by 9 percentage points. This has caused both the mean and median pay gaps to increase. It is important to note that due to the small numbers, a change of just a few employees can noticeably impact on the percentages. For example, the increase in number of men at Q1 and Q2 is 4 employees and the decrease in Q3 and Q4 is 10 employees. The number of women in Q1 and Q2 has decreased by 9 employees and the increase in Q3 and Q4 is 5 employees.

In order to reduce the gender pay gap there would need to be an increase in the proportion of men in Q3 and Q4. The types of roles typically found in the council in these quartiles tend to be customer facing or administrative in nature and currently are occupied predominately by women. The council has outsourced services such as IT, Waste and Grounds Maintenance which are predominately male dominated areas of work but also more likely to be paid in Q3 and Q4. If these services remained in-house the proportion of male and female employees in the lower pay quartiles would be much more even.

The gender segregation in some occupation groups that we experience at the council is typical for many organisations. In the UK men have a high employment

share in skilled trade and high-skill occupation groups (chief executives and senior officials, and managers and directors). In contrast, women have the highest employment share in caring, leisure and other service occupations. Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children (ONS, 2018).

Closing the gap (actions for 20-21)

The council is in an unusual position in that the gender pay gap is not due to fewer women working in more senior roles than men but because at the lower grades there is a much higher percentage of women than men. The council remains committed to trying to reduce the gap but this is an ongoing challenge due to the gender dominance in certain occupation groups, as mentioned previously.

We have already taken forward several actions since the 2018 report and will continue to build on these as follows (a number of actions are also supported by the general equalities action plan):

(It should be noted that the first two actions relate to applications which is where the council needs to focus efforts to close the gap i.e. we need to attract more men into jobs in the lower quartiles, the other actions are predominately dealing with potential bias at the shortlisting or interview stage but it should be noted that there is no evidence of bias at these stages which is positive and the main issue is with attracting more men into the lower quartile roles.)

- The recruitment message has been reviewed to better sell the council's offer and in particular encourages applications from the three most underrepresented equality areas (males, disabled people and BAME). The success of this will be measured in the annual equalities report which provides equalities data for job applicants through to shortlisting and interview. In terms of the Gender Pay Gap encouraging more male applications would only be successful in reducing the gap if this leads to more male employees in the lower quartiles.
- We will explore using a range of case studies on the jobs and careers page on our website to encourage diversity. These will include men in roles in the lower quartiles (especially in Customer Services and Administration) and higher graded female employees. Willing employees would need to be identified to become case studies but we need role models to try to break down more traditional stereotypes and career norms.

- We will explore making it a requirement that selection panels always have both genders but it would be difficult to include BAME and Disabled in every panel based on current numbers. Managers who have been recruitment trained will put on a shared Recruitment Panel List available in the intranet to allow more flexible support across services and to provide greater balance on panels. The list will also allow any gaps to be identified and actioned.
- The unconscious bias guidance from HR will continue to be issued to each recruitment panel. HR Officers will also provide briefings to recruiting staff who are new to recruitment at East Herts to ensure they are clear on EHC processes and sufficiently trained to be part of a panel. This will be in addition to recruitment training which will only run when there are sufficient numbers to ensure all panel members are suitable before being on a panel and to allow training elsewhere to be recognised and built upon.
- Name blind recruitment is not likely to be progressed in 19/20 or 20/21 as the software is not scheduled to be implemented and there are concerns it is not suitable. Improvements are however going to be made to the shortlisting form and selection decision form to make it more user friendly and increase timely completions. This will help increase the data available for analysis.
- We will explore an increased range of apprentices from different service areas to try and attract males into the organisation at the lower pay grades and create progression routes/career paths for these apprentice roles where possible to retain the investment and skills within the organisation.

Statement

I, Richard Cassidy, Chief Executive of East Herts Council, confirm that the information in this statement is accurate.

Signed

Date

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(To be signed and dated once reviewed by HRC)

References

Office for National Statistics (ONS), 2018. *Understanding the pay gap in the UK* [online] Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/understandingthegenderpaygapintheuk/2018-01-17>