

East Herts Council Report

Human Resources Committee

Date of Meeting: 12 February 2020

Report by: Head of HR and Organisational Development

Report title: Gender Pay Gap Report 2019

Ward(s) affected: N/A

Summary

RECOMMENDATIONS FOR (Human Resources Committee):

(a) To note the Gender Pay Gap Report 2019

1.0 Proposal

- 1.1 This report sets out the outcome of the Gender Pay Gap report 2019, reports progress on last year's action plan and outlines new actions for this year. The report and resulting action plan was agreed by Leadership Team on 20 January 2020.

2.0 Background

- 2.1 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. As well as publishing our gender pay gaps we follow the best practice in terms of sharing the full report by providing a link so that the public can view our analysis and the actions we are taking to address the gap.
- 2.2 East Herts Council published its first gender pay gap

report in March 2018 for the snapshot date of 31 March 2017. This is the council's third gender pay gap report for the snapshot date of **31 March 2019**.

- 2.3 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.
- 2.4 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.
- 2.5 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. All jobs at East Herts are put through a 'Hay' job evaluation scheme to ensure the right grade and pay is given to jobs.

3.0 Report

Review of action plan

- 3.1 In our last gender pay report published in January 2019 we prioritised areas for action to reduce our gender pay gap. Here we report our progress.
- 3.2 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.

- 3.3 A guidance document about avoiding unconscious bias is now included in all shortlisting packs and HR Officers are also providing recruitment panel briefings from February 2020.
- 3.4 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).
- 3.5 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.

- 3.6 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.

2019 figures

- 3.7 As can be seen in the report (Appendix A), the mean gender gap has increased by 6 percentage points from 9% to 15% and the median gender pay gap has increased by 7 percentage points from 12% to 19%. This is because the distribution of men across the pay grades has changed, although the change is slight (see below) it has had a significant impact to the gap; the percentage of men in the upper two pay quartiles has increased

slightly and the percentage in the lower two pay quartiles has decreased. 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 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.

- 3.8 We are confident that the gender pay gap does not stem from paying men and women differently for the same or equivalent work. All jobs are evaluated using the HAY job evaluation method and the council has a pay and grading structure agreed with Unison.
- 3.9 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 the 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. This is partly due to our organisational structure. The council has outsourced services such as refuse and grounds maintenance which are predominately male dominated areas of work. If these services remained in-house the proportion of male and female employees in the lower pay quartiles would be much more even. The types of roles typically found in the council in the lower quartiles tend to be customer facing or administrative in nature and currently are occupied predominately by women.

Action plan for 20-21

- 3.10 As outlined above this report has been to the Leadership Team who were asked to consider and agree to the proposed actions below:
- 3.11 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 where as if this leads to an increase in Men in the upper quartiles the gap will actually increase.
- 3.12 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 (which proved difficult last time) but we need role models to try to break down more traditional stereotypes and career norms.

- 3.13 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. It is also important to note again that there is no evidence of bias and the main issue is not at the interview stage but instead with the applications received which will not be influenced by the make up of the panel. Managers who have been recruitment trained will be put on a shared Recruitment Panel List available on the intranet to allow more flexible support across services and to provide support for greater balance on panels. The list will also allow any gaps to identified and actioned.
- 3.14 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/briefed to be part of a panel without where appropriate having to attend a full days training. 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 recognised and built upon.
- 3.15 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 and issues with East Herts self-hosting the software. 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.

- 3.16 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.

4.0 Options

N/A - publishing the Gender Pay Gap figures on an annual basis is a statutory requirement.

5.0 Risks

N/A

6.0 Implications/Consultations

Community Safety

No

Data Protection

No

Equalities

Yes – as described in the report

Environmental Sustainability

No

Financial

No

Health and Safety

No

Human Resources

Yes – as described in the report

Human Rights

No

Legal

No

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – Gender Pay Gap Report 2019

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