

Human Resources Committee

Date of Meeting: 15 February 2023

Report by: Head of HR & OD

Report title: Gender Pay Gap Report 2022

Ward(s) affected: None

Summary

RECOMMENDATIONS FOR (LT/Human Resources Committee):

- (a) To note the Gender Pay Gap Report 2022**
- (b) To consider the action plan 23/24, adding further suggestions where appropriate and agreeing the revised plan**

1.0 Proposal(s)

- 1.1 This report sets out the outcome of the Gender Pay Gap report 2022, reports progress on last year's action plan and outlines new actions for this year.

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 sixth gender pay gap report for the snapshot date of **31 March 2022**.

- 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 March 2021 we prioritised areas for action to reduce our gender pay gap. Here we report our progress.
- 3.2 85% of staff completed the equality and diversity module as part of the mandatory e-learning training programme. This training will be refreshed and rolled

out again in 2023 as part of the performance development review process.

- 3.3 The blended working arrangements that were introduced on a trial basis in November 2021 remain in place; the scheme is currently under review but is expected to continue and be extended. New starters are able to join the blended working scheme (subject to their role being eligible) and blended/hybrid working is stated in all relevant job adverts to attract candidates and compete with other employers. All employees are able to request flexible working in line with the Council's Flexible Working policy.
- 3.4 The HR team have been encouraging managers to try to ensure that interview panels are as diverse as possible and some 'meet the team' sessions have taken place virtually (due to the pandemic) as part of recruitment processes in the past year. Ultimately some teams are limited in terms of how diverse they are so it is not always possible to demonstrate a full range of diversity in every recruitment process however the case studies also demonstrate and welcome diversity for the council see below.
- 3.5 The employee case studies have been finalised and are on the council's careers site which is included with our package with the ATS provider. This is where all of the council's jobs are advertised. We will continue to refresh case studies aimed at attracting both genders but especially men into lower quartile roles where this is possible.
- 3.6 The ATS was implemented in August 2022, later than planned due to delays with IT and name blinding. Unfortunately, the system has had to be implemented without name blinding as the system was losing key

data from the CVs in the name blinding process. We are waiting for an alternative solution from the ATS providers.

- 3.7 The management development programme is due to be delivered in early 2023. This will upskill and support development of all managers including junior managers/team leaders where we have high numbers of women who we will therefore further support in terms of development and then hopefully progress into the upper pay quartiles.

2022 figures

- 3.8 As can be seen in the report (Appendix A), the mean gender gap (19%) has increased by 1 percentage point and the median gender pay gap (24%) has increased by 7 percentage points when compared to 2021.
- 3.9 The Council's overall headcount has reduced by 17 since 31 March 2021 (from 324 headcount last year to 307 this year). This equates to 8 less male and 9 less female employees. As there are far fewer men employed by the Council, the number of men employed by the Council have reduced proportionally more than the women. As the mean is an average calculation but it is averaged over a smaller number, this has brought the mean hourly pay rate for men up further than for women. In addition, the lowest male earner in 2021 has now left the council and the lowest earner in 2022 is on a higher pay point than the lowest male earner was in 2021 so this will have caused an increase in the mean as it is an average calculation.
- 3.10 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 due to 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 median gender pay gap has increased by 7 percentage points when compared to 2021. This is because there are less men in the lowest pay quartile (10% down from 17% in 2021). This means the middle value has moved up to be a higher pay point than it was last year.

- 3.11 The data shows that for each quartile other than Q3 the percentage of males has dropped. The biggest decrease is in Q4 where the percentage of males has dropped by 7 percentage points (to 10%), in Q1 and Q2 it has dropped by 1 percentage point. In Q3 the percentage of males has increased by 4 percentage points (to 18%) but due to the decrease at Q4 this has made no impact and the gap has widened.
- 3.12 There are more women in all four quartiles but this increases as you move down the quartiles meaning the medium pay gap increases. Men make up 27% of the workforce compared to 73% women meaning that men are just over a quarter of the workforce therefore a small change in the number of men makes a more significant difference compared to women.
- 3.13 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.
- 3.14 The council's mean gender pay gap is less than median gender pay gap because there are more women than

men employed in senior roles and the mean is more influenced 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 due to 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.

Explaining the Gap

- 3.15 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. All quartiles are dominated by women, at Q1 it is 57% Women and 43% Men, at Q2 it is 64% women both have increased slightly (by 1 point) but because the percentage of men remains very low in Q3 (18% up from 14%) and Q4 (10% down from 17%) the gap has widened overall.
- 3.16 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 and overall split of women 73% to 27% men, as well as the difficulty

of trying to attract men into lower paid jobs to create more balance especially when these jobs are reducing. The transformation programme to make savings will seek to automate more of the lower skilled paid jobs so this will become more challenging.

Action plan for 23-24

3.17 Leadership Team are asked to review the actions below and suggest further actions they would like implemented, as stated name blind recruitment will be progressed when possible but the main challenge is how we attract more men into Q3 and Q4.

3.18 We have already taken forward several actions since the Council's first gender pay gap report in 2017 and will continue to build on these. Rather than create new actions, the actions below have been taken from the general equalities action plan (published in September 2022) which already considered gender based equality actions for the Council:

- Continue to ensure that all staff complete the equality and diversity module as part of the mandatory e-learning training programme. Offer further equalities based training as identified by annual training needs analysis undertaken by the HR and OD Manager.
- Each interview panel chair to continue to give consideration to the diversity of the interview panel and where possible try to ensure the panel is diverse. Where this is not possible try to ensure that other elements of the panel show staff diversity, for example 'meet the team' sessions to demonstrate the diversity at East Herts and to appear as welcoming as possible to applicants of all backgrounds.

- Continue to investigate with the ATS provider how to name blind CVs without losing key data

Additional supporting actions implemented:

- Continue to refresh case studies aimed at attracting both genders but especially men into lower quartile roles where this is possible.
- Investigate using Plotr which is a Government supported website that connects young people (aged 11-24) to the world of work. Employers can add information about apprenticeships, work experience and entry level roles in order to try and attract young people to work for them. It is hoped that by encouraging more younger people into entry level roles there might be a better mix of males and females.
- Once all managers have been trained in recruitment as part of the management development training in 2023, publish a list of all interview trained managers to encourage recruiting managers to select a mixed panel in terms of gender.
- The upcoming recruitment campaign for Planning where salaries and progression are both positive includes a video with four members of staff, three of which are women (providing role model case studies). The video sets out the flexibility offered and progression available. The Head of Service and both Service Managers are women, although East Herts needs to attract more men into lower paid jobs we also continue to ensure our senior roles are attractive to women and the video demonstrates this well.

- In addition to management training for current line managers, East Herts is also developing a 'First Steps' Introduction to Management Course, the first will be a cohort of 10 who apply with their managers support, and as well as training Mentors will be provided. This scheme is also hoped to attract both genders but with women dominating East Herts especially at Q3 and Q4 it is expected that a number of female employees will apply and that this should support progression in the future.
- As stated above the management development programme for current line managers should also support future female progression. As can be seen both Q1 and Q2 have increased in terms of the female split (now 57% in Q1 and 64% in Q2). East Herts does promote women and does attract women into management roles, the main factor continues to be that it is only Q1 where men represent more than 40% and in Q3 (18%) it is much lower and Q4 (10%) it is reducing. The Council is undertaking a Transformation Programme which aims to automate more tasks through better online services this may reduce the number of jobs in Q4.

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 2022

Contact Officer

Simon O'Hear, Head of HR and OD
simon.o'hear@eastherts.gov.uk

Report Author

Simon O'Hear, Head of HR and OD
simon.o'hear@eastherts.gov.uk