

Gender

Pay
Gap





Durham County Council Gender Pay Gap

Introduction

Since April 2017 employers in Britain with more than 250 employees are required by law to publish their gender pay gap information every year, within twelve months of the relevant snapshot date, which is 31 March for local government. Data must be published on both Durham County Council's website (<https://www.durham.gov.uk/genderpaygap>) and through the government gender pay gap reporting website (<https://gender-pay-gap.service.gov.uk/>).

The gender pay gap shows the difference in average pay between men and women in the workforce. This data helps us to understand the size and potential causes of pay gaps and to identify any issues that need to be addressed. Gender pay gap is not the same as equal pay which is defined as pay differences between gender when carrying out jobs of equal value.

This document sets out Durham County Council's (DCC) gender pay gap (GPG) data, analysis and plans for long term improvements.

Results for Mandatory Gender Pay Gap Reporting Requirements

Durham County Council is required to publish the following four types of data annually to meet the government’s gender pay gap reporting requirements:

- Gender pay gap (mean and median averages)
- Proportion of men and women in each quartile of the organisational pay structure
- Gender bonus gap (mean and median averages)
- Proportion of men and women receiving bonuses

As a large public sector employer, our GPG calculations are based on a total of 8,496 full-pay relevant employees as at 31 March 2018. Data from 31 March 2017 is also included for comparative analysis. NB: Durham’s pay framework does not allow bonus payments, therefore, there is no data to report in relation to bonuses.

Gender Pay Gap (mean and median averages)

The mean hourly rate is the average hourly wage across the entire organisation so the mean gender pay gap is a measure of the difference between women’s mean hourly wage and men’s mean hourly wage. The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median gender pay gap is the difference between women’s median hourly wage (the middle paid woman) and men’s median hourly wage (the middle paid man).

Mean

As at 31 March 2018, women’s **mean** hourly rate of pay is **1.9% lower** than men. In terms of money the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees is;

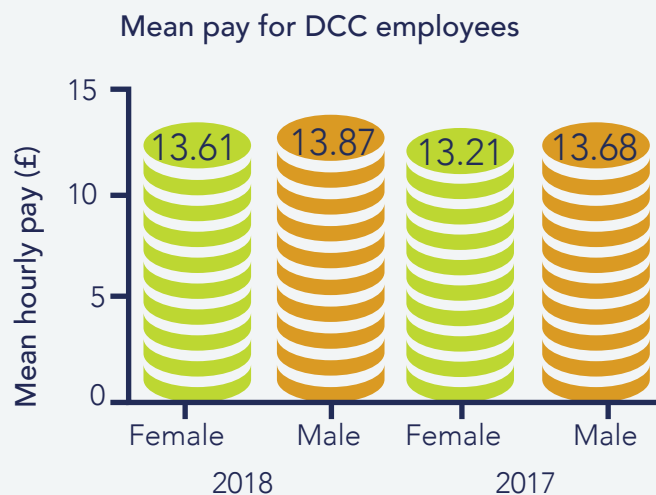
-£0.26 (Female Mean £13.61 and Male Mean £13.87)

This represents an improvement (narrowing of the gap) on the position as at 31 March 2017 when the outcomes were as follows:

-3.4% lower pay (using the mean)

-£0.47 (Female Mean £13.21 and Male Mean £13.68)

Chart 1 – Illustration of Mean Hourly Rate of Pay 2017 and 2018



In 2018, female DCC employees pay was 1.9% less (£0.26) than their male colleagues based on the average (mean) hourly rate.

This gap has narrowed from 3.4% in 2017 where the gap was £0.47 less.

The 2017 DCC mean gender pay gap was half the size of the equivalent gap for local government sector as a whole, whose gap was 6.8%.

Median

As at 31 March 2018, women's **median** hourly rate of pay is **4.8% lower** than men. In terms of money the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees is;

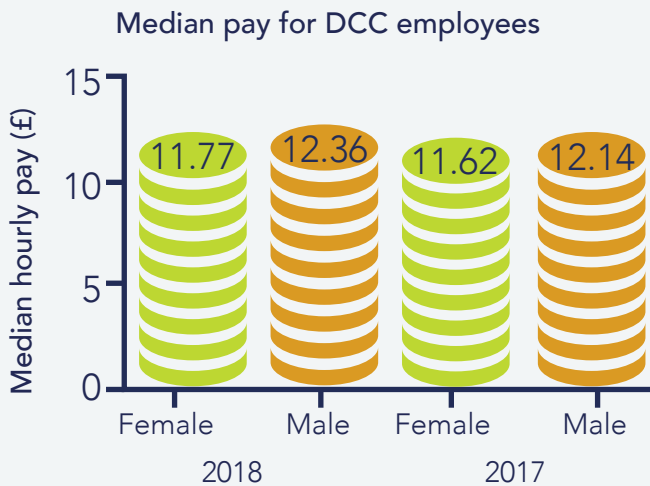
-£0.59 (Female Median £11.77 and Male Median £12.36)

This represents a slight deterioration (widening of the gap) on the position as at 31 March 2017 when the outcomes were as follows:

- 4.3% lower pay (using the median)

-£0.52 (Female Median £11.62 and Male Median £12.14)

Chart 2 – Illustration of Median Pay Gap 2017 and 2018



In 2018, female median pay was 4.8% less (£0.59) than their male colleagues based on the median hourly rate.

This gap has widened from 4.3% in 2017 where the gap was £0.52.

The 2017 DCC median gender pay gap was lower than the size of the equivalent gap for local government sector as a whole, whose gap was 5%.

Proportion of men and women in each pay quartile

Pay quartiles are calculated by splitting all employees into four even groups according to their level of pay. Looking at the proportion of women in each quartile gives an indication of women's representation at different levels of the organisation.

In terms of the calculations, the workforce was split into hourly pay rate quartiles as follows:

Quartile 1 Apprentice Rate to £9.8361

Quartile 2 £ 9.6128 to £12.0575

Quartile 3 £12.0662 to £15.6172

Quartile 4 £15.6172 to Chief Executive

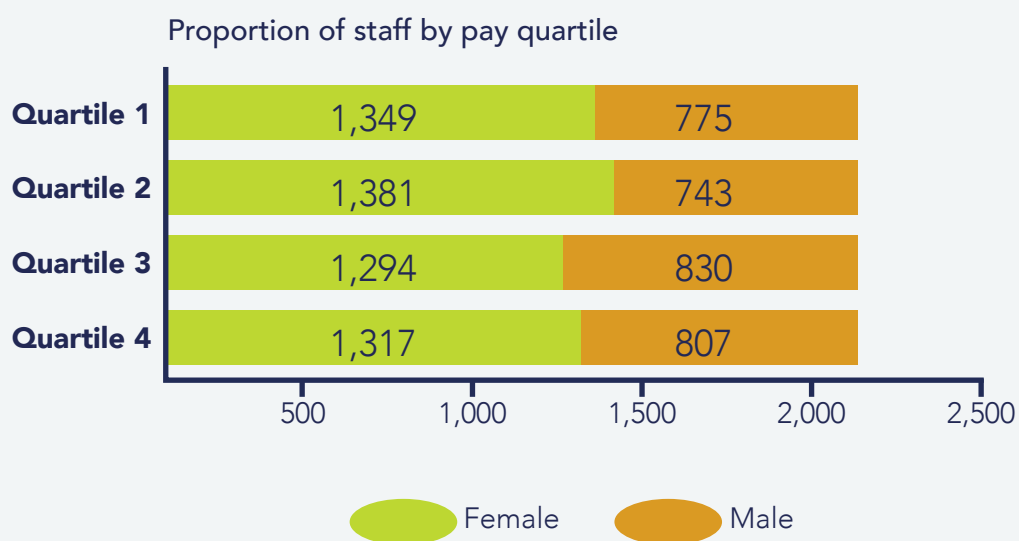
Table 1 – Proportion of Male and Female Full-Pay Relevant Employees by Quartile (as at 31 March 2018)

	Hourly Pay Rate - Range	Number in Quartile	Female		Male	
			Number	%	Number	%
Quartile 1	Up to £9.8361	2,124	1,349	63.5	775	36.5
Quartile 2	£9.6128 - £12.0575	2,124	1,381	65.0	743	35.0
Quartile 3	£12.0662 - £15.6172	2,124	1,294	60.9	830	39.1
Quartile 4	£15.6172 - £97.7431	2,124	1,317	62.0	807	38.0
	Totals	8,496	5,341	62.9	3,155	37.1

Table 2 – Comparator Data – Proportion of Male and Female Full-Pay Relevant Employees by Quartile (as at 31 March 2017)

	Hourly Pay Rate - Range	Number in Quartile	Female		Male	
			Number	%	Number	%
Quartile 1	Up to £9.6128	2,188	1,383	63.2	805	36.8
Quartile 2	£9.6128 – £11.6192	2,187	1,422	65.0	765	35.0
Quartile 3	£11.6192 – £15.4623	2,187	1,346	61.6	841	38.4
Quartile 4	£15.4623 – £96.7751	2,187	1,323	60.5	864	39.5
	Totals	8,749	5,474	62.6	3,275	37.4

Chart 3 – Illustration of Quartile data as at 31 March 2018



Durham County Council has a majority female workforce. Of 8,496 employees 62.9% are female.



The gender balance across the pay range shows that, proportionally, men are slightly more likely to feature in higher pay quartiles.

Analysis of Durham County Council's data

Mean gender pay gap data, as at 31 March 2018, shows an improvement (narrowing of the gap) on the previous year, where women's mean hourly rate of pay is 1.9% lower compared to 3.4% lower in 2017. Potential causes of this lowering could be the 2016/17 pay award. As part of the award, the first quartile salaries benefitted from greater increases to their hourly rates of pay than those on higher grades. As the council currently employs more female employees than male, this has a greater impact on female employees and helps to narrow the pay gap.

There was however a widening of the median pay gap by around half a per cent (0.5%). Whilst the council currently employs more female (5,341) employees than male (3,155) employees (62.9% to 37.1% respectively), proportionately, there are more female employees paid at the lower half of salary rates (quartiles 1 and 2) than male employees which could explain the median results.

Proportionately more of the council's higher paid positions (quartile 4) are male (38%), as shown in the upper pay quartile data for 2018, compared to the overall proportion of men employed (37.1%) although the difference is less than 1 per cent (0.9%). However, there is a narrowing of the gap within this upper quartile compared to 2017 data, where proportionally, 2.1% more men were within the top rates of pay, compared to the overall proportion of men employed within the organisation at that time.

Comparisons with ONS published data¹ shows the mean average hourly rate for male employees in County Durham is £15.38, compared to £13.62 for female employees, whereas the median hourly rates are £12.83 for male employees, compared to £10.19 for female employees. Against both comparators, the Councils mean and median rates are lower for male employees. However, for female employees in County Durham, the mean is almost the same (1p difference), but the median is £1.58 higher for DCC employed females than the ONS published data.

Wider comparative analysis of 2017 published data

The following section provides comparative analysis of Durham County Council's data regionally, within the context of local authority employment and by type of authority, using published 2017 data.

Although it is recognised that Durham has a negative gender pay gap for women, Durham's data compares favourably within the region, with other regions, private sector and type of authority where our gap is lower than most.

Chart 4 illustrates the variation of data across North East Councils as at 31 March 2017 and demonstrates that Durham had a lower than average gap regionally.

¹ Source: Office for National Statistics, Annual Survey of Hours and Earnings 2017, available at <http://www.nomisweb.co.uk>

Chart 4 – Variation of gender pay gap data regionally (North East Councils)

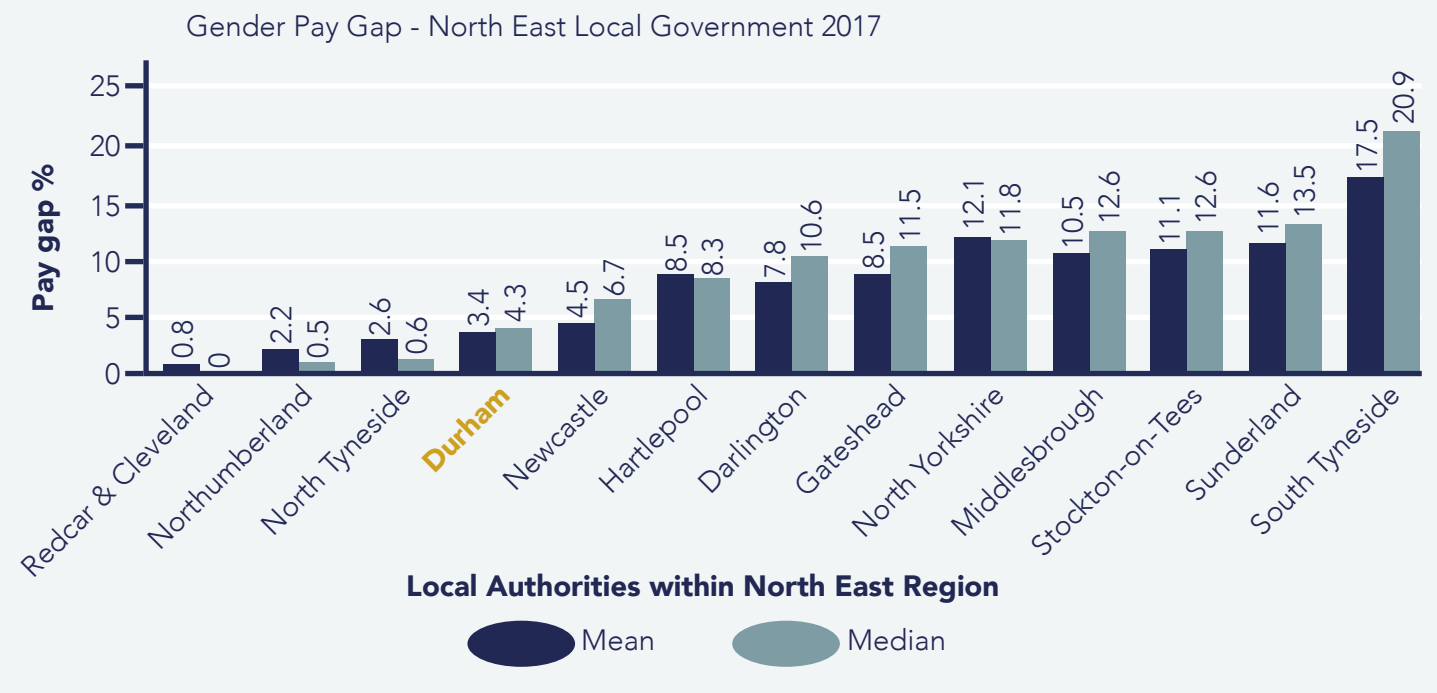
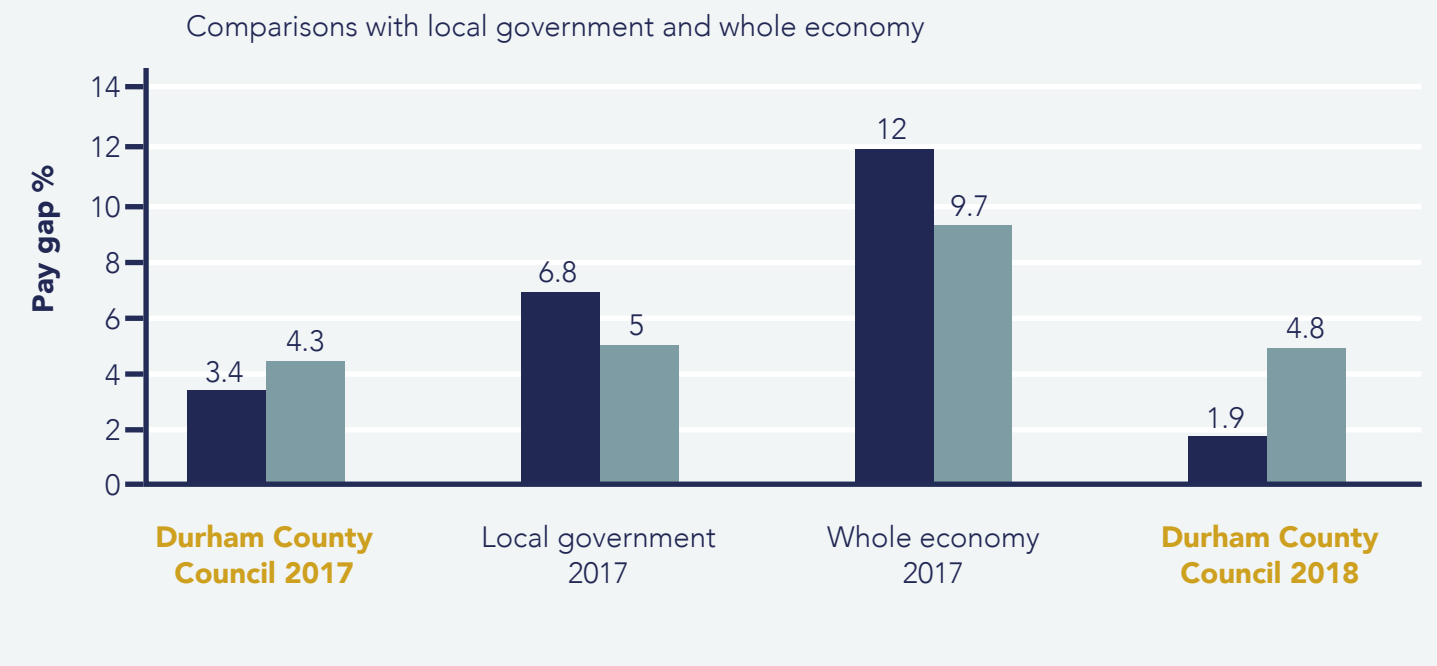


Chart 5 demonstrates that across local government employment women were paid a mean average of 6.8 per cent less than men compared to 3.4 per cent less in Durham.² The average median gender pay gap was 5 per cent compared to 4.3 per cent in Durham. Whole economy data demonstrates a more pronounced and increased variation compared to local government.

Chart 5 – Comparisons with local government and whole economy



² <https://www.local.gov.uk/sites/default/files/documents/Summary%20Data%20on%20Gender%20Pay%20Gap%20in%20Local%20Government%202018%20for%20publicationv3%20-%202018%20June%202018.pdf>

Chart 6 shows the variation in median pay gap by region where local government in the North East has the largest gender pay gap. Durham is well below the regional average and sits in the middle of the overall average for England.

Chart 6 – Variation between Regions

GPG % for North East Local Government 2017

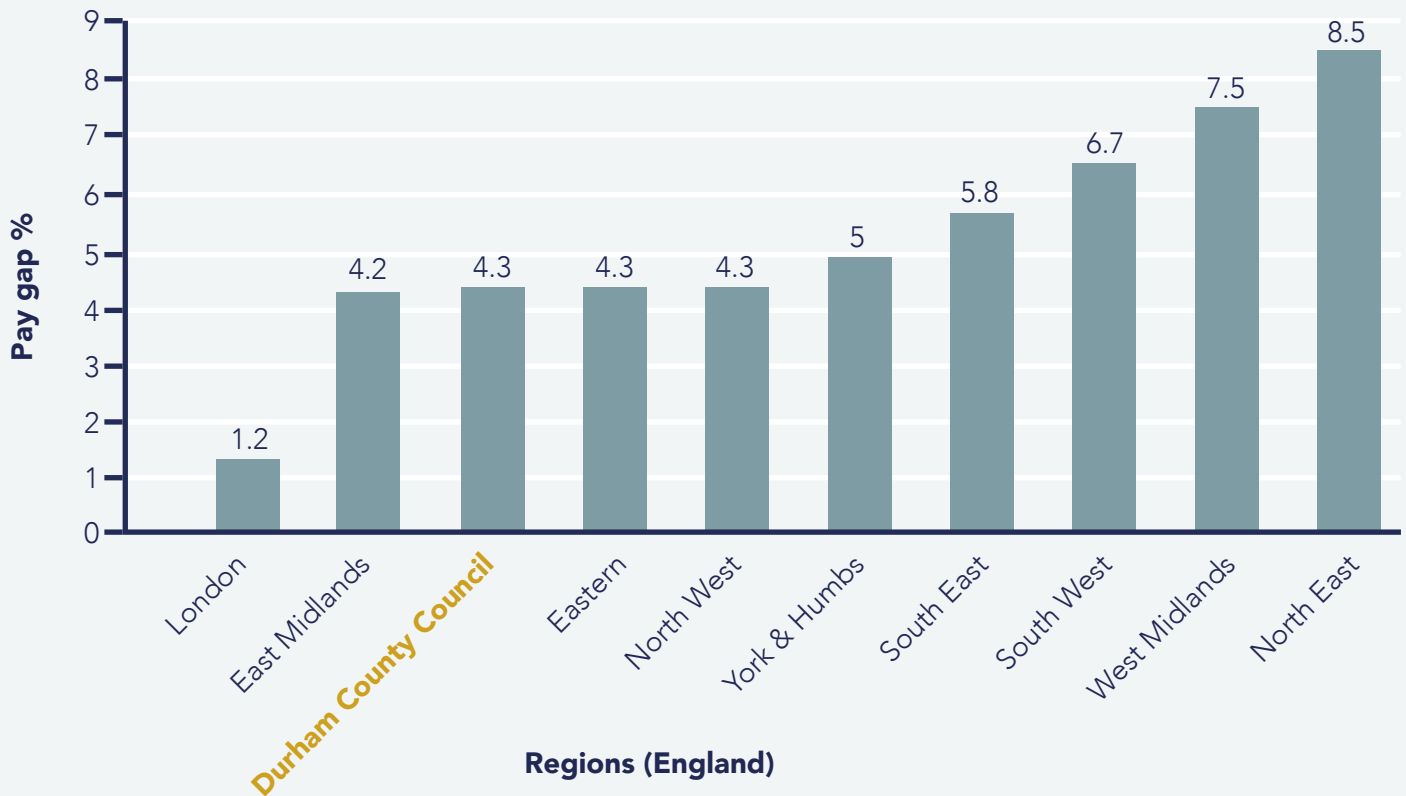
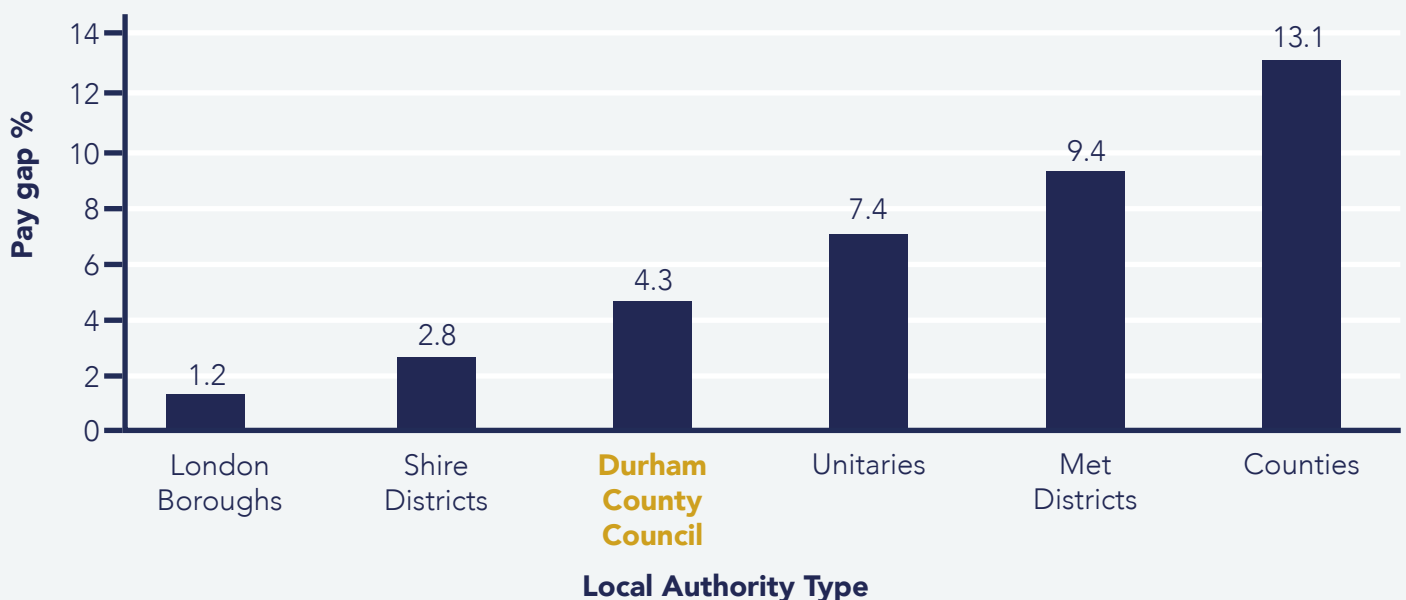


Chart 7 shows the variation in median pay gap by type of authority. As a unitary authority, Durham County Council is below average but still has a higher pay gap on average than London Boroughs and Shire District Councils.

Chart 7 – Variation by type of local authority

Median Gender Pay Gap by type of Authority 2017



Durham's approach towards pay

The Council implemented its single status agreement in 2012 after consultation with trade unions in order to harmonise pay and conditions of service across the majority of council employees. This exercise led to improved basic pay for some and had a greater positive impact for women compared to men. Improvements to annual leave entitlement as part of single status also benefited a higher proportion of women. Furthermore, we introduced the Durham Living Wage from 1 January 2015 for the council's lowest paid employees. This had a greater positive impact for low paid women as compared to men and also particularly benefited older, lower paid workers aged over 45 years.

Pay gaps experienced by women can arise from barriers faced getting into and progressing at work³. We currently employ 5,341 women, therefore we are an attractive employer for women. Our recruitment and selection procedures are designed to ensure that applicants are not discriminated against and that we recruit from as wide a pool as possible. We advertise jobs that are flexible and often open to part-time working or job share. This inclusive approach helps to ensure we receive as many applications as possible from women.

The council has a range of policies and working practices to promote and sustain work life balance including various flexible working patterns e.g. part-time, flexi-time, home working, maternity, paternity, adoption, dependent and shared parental leave. Policies are available to all employees however, analysis shows, that higher proportions of female staff take advantage of such policies as evidence suggests they continue to play a prominent role in caring for children, as well as sick or elderly relatives. Family friendly policies therefore assist the council in retaining a highly skilled female workforce. There are a number of case studies where it has been possible to retain women in employment as they have been able to balance their career and family life due to access to flexible working practices.

Since the initial gender pay gap data was calculated, a pay offer has been agreed to start from 1 April 2018 until 31 March 2020. The pay offer again includes higher increases to the lower pay points in order to continue to close the gap with the National Living Wage forecasts. This will result in a new bottom rate of £8.50 per hour. As there are proportionately more female employees employed by the council within the bottom rate grade points, this will positively impact more women than men and thus contribute to closing the current pay gap across the next two years.

Continuing Challenges

Certain council occupations have more of a gender bias and this can affect the gender pay gap. For example, historically, part-time low hours per week work (for example cleaners), which is lower paid work, has attracted more women than men. Roles such as front line health, social care, family and young people's services tend to be female dominated whereas more manual and technical roles such as refuse collection, ICT and engineering are male dominated. Although we ensure our recruitment procedures are fair and welcome applicants from diverse sections of the community, there are often female and male skill shortages within particular career sectors and this is a challenge for all employers.

The council's senior management team, which currently consists of the Chief Executive and five directors is gender balanced with three female and three male. The extended management team structure currently consists of nine female and thirteen male heads of service. Although this is not proportionate to the overall gender split within the organisation (62.9% female and 37.1% male), progress has steadily been made over recent years towards a more representative leadership team.

³ <https://www.equalityhumanrights.com/sites/default/files/pay-gaps-strategy-fair-opportunities-for-all.pdf>

Plans for Long Term Improvement

Durham County Council is an innovative council and is aware the future will look and feel very different. We are working to adopt a 'one Council' approach by working across traditional structures, from modern premises and increasing the use of mobile working and digital technology.

We therefore recognise the importance of flexible working practices to support employees in the workplace in terms of flexible time and flexible place options. As part of the council's transformation programme 'Inspire' we are implementing interventions including smarter working to create a working environment that promotes work life balance. Research shows that some of the elements of pay gaps result from the restrictions women face in balancing work with other aspects of their lives such as caring responsibilities.⁴ Progressing our Inspire programme will facilitate positive work life balance, further supporting women and helping to reduce our pay gap.

In order to move forward with the Inspire programme we recognise that, not only do we have to change our systems, services and processes but also our behaviours, values and ethos. This change of mind-set is needed throughout the council to make transformation happen in practice. Four core values; outcome focussed, people focussed, empowering and innovative, with each underpinned by a set of behaviours, define how we work in Durham. This approach will ensure that we value all staff, champion diversity, recognise the value of transparency and respond to the needs of different groups of people building upon our employee relations. This should help us to tackle the barriers, constrained choices and outmoded stereotypes that drive them and move us towards eliminating our pay gap.

We will also build upon the following specifically targeted initiatives in order to eliminate our gender pay gap:

Attracting future talent

The council is supportive of the apprenticeship agenda and is maximising access to available funding for both upskilling the existing workforce and new apprenticeship appointments. Meeting apprenticeship targets (2.3% of headcount year on year) is not being viewed in isolation, but is being considered as an intrinsic part of the review of organisation development within the wider transformation programme.

Initiatives such as work experience, traineeships and internships opportunities are in place to help attract women into the workplace and the council is taking part in the National Graduate Development Programme and Change100 Programme to attract new talent to the workplace.

Occupation and gender

To help tackle the low representation of women in ICT we have been involved in the Executive Women Leaders in ICT Programme which has been undertaken by two members of staff to date.

⁴ <https://www.equalityhumanrights.com/sites/default/files/pay-gaps-strategy-fair-opportunities-for-all.pdf>

Inclusion

As part of the transformation programme HR will conduct a policy review in order to streamline and update all HR policies including full equality impact assessment to ensure policies do not discriminate, meet our public sector equality duty and progress inclusion. Analysis, as part of this review, will ensure we fully understand policy impact, address any gaps and implement monitoring to ensure continuous improvement and analysis of impact. For example, a new resolution policy will be developed to replace the grievance policy as a means for staff to raise concerns, problems and complaints in the course of their employment. The refocus of the resolution policy aims to offer greater emphasis on addressing issues promptly and devising solutions in a fair and reasonable manner, rather than focussing on the complaint itself.

Our flexible working polices are evidenced to be attractive to women however we need to do more to encourage men to utilise these policies as improved sharing of home life responsibilities such as caring will facilitate women to advance their careers and help to close the gender pay gap. This will also encourage a more modern and inclusive workplace in line with our values and behaviours.



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