

Gender Pay Gap Report 2019

Contents

1. Introduction	1
2. Results for Mandatory Gender Pay Gap Reporting Requirements.....	2
3. Analysis of Durham County Council's data.....	6
4. Wider comparative analysis of 2018 published data.....	8
5. Durham's approach towards pay	11
6. Recruitment and People Management Policies	11
7. Continuing Challenges	12
8. Plans for Long Term Improvement.....	12

1. Introduction

Since April 2017 employers in Britain with more than 250 employees are required by law to publish their gender pay gap (GPG) 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 data, analysis and plans for long term improvements. This report will be accompanied by an action plan which sets out our proposals to help narrow the gender pay gap.

2. 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 8,475 full-pay relevant employees as at 31 March 2019. Data from 31 March 2018 is also included for comparative analysis.

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 2019, women's **mean** hourly rate of pay is **3.58% 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;

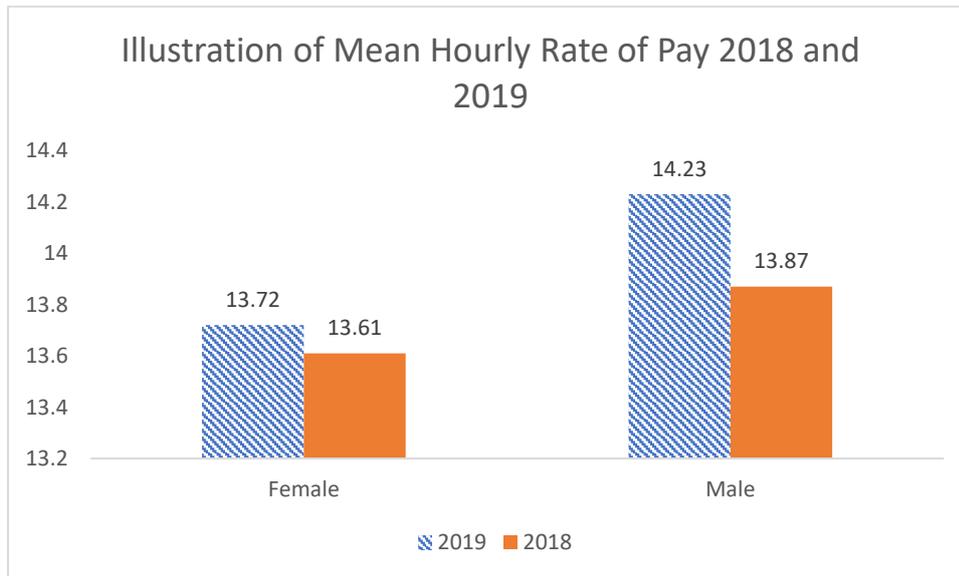
- **£0.51 (Female Mean £13.72 and Male Mean £14.23)**

This represents a deterioration (widening of the gap) on the position as at 31 March 2018 when the outcomes were as follows:

- 1.9% lower pay (using the mean)
- £0.26 (Female Mean £13.61 and Male Mean £13.87)

Chart 1 – Illustration of Mean Hourly Rate of Pay 2018 and 2019

The chart below shows that in 2019, female DCC employees pay was 3.58% less (£0.51) than their male colleagues based on the average (mean) hourly rate. The 2018 DCC mean gender pay gap was half the size of the equivalent gap for the local government sector, as a whole, whose gap was 6.1.



Median

As at 31 March 2019, women's **median** hourly rate of pay is **4.32% 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;

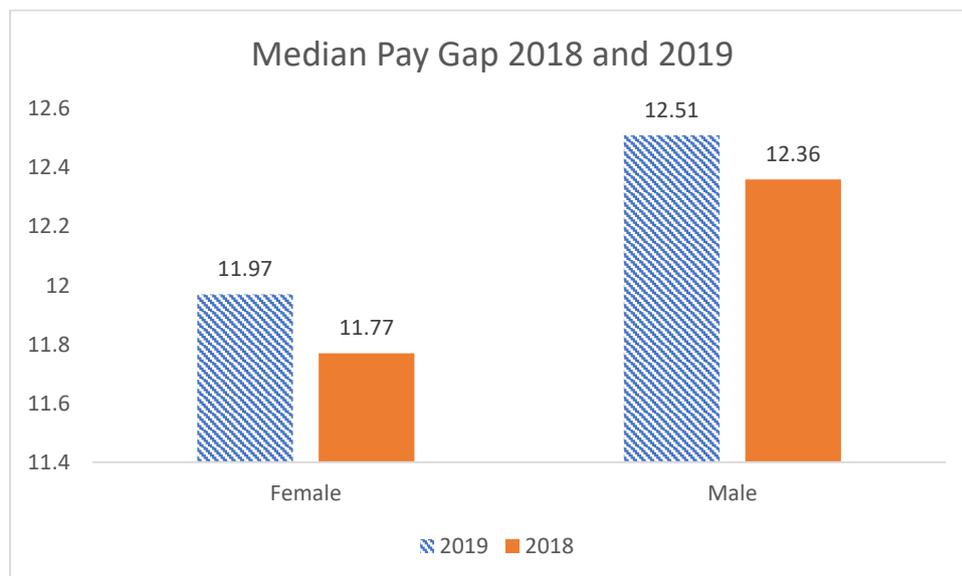
- **£0.54 (Female Median £11.97 and Male Median £12.51)**

This represents an improvement (narrowing of the gap) on the position as at 31 March 2018 when the outcomes were as follows:

- 4.77% lower pay (using the median)
- £0.59 (Female Median £11.77 and Male Median £12.36)

Chart 2 – Illustration of Median Pay Gap 2018 and 2019

The chart below shows that in 2019, female median pay was 4.3% less (£0.54) than their male colleagues based on the median hourly rate. This gap has narrowed from 4.8% in 2018 where the gap was £0.59.



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 quartiles as follows:

- Quartile 1 Apprentice Rate to £10.0717
- Quartile 2 £10.0717 to £11.9699
- Quartile 3 £11.9699 to £15.9294
- Quartile 4 £15.9294 to Chief Executive

Table 1 – Proportion of Male and Female Full-Pay Relevant Employees by Quartile (as at 31 March 2019)

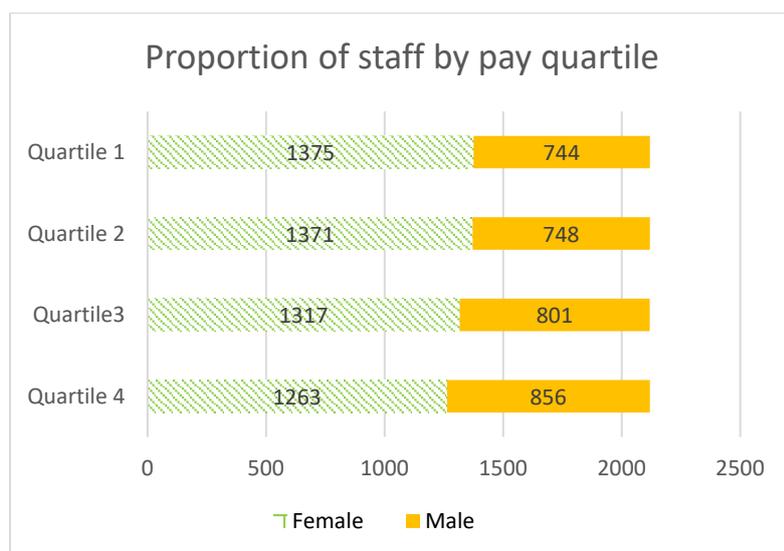
	Hourly Pay Rate - Range	Number in Quartile	Female		Male	
			Number	%	Number	%
Quartile 1	Up to £10.0717	2,119	1,375	64.89%	744	35.11%
Quartile 2	£10.0717-£11.9699	2,119	1,371	64.70%	748	35.30%
Quartile 3	£11.9699 - £15.9294	2,118	1,317	62.18%	801	37.82%
Quartile 4	£15.9294 - £99.7700	2,119	1,263	59.60%	856	40.40%
	Totals	8,475	5,326	62.84%	3,149	37.16%

Table 2 – 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%

Chart 3 – Illustration of Quartile data as at 31 March 2019

The chart below shows that Durham County Council has a majority female workforce, of a total 8475 employees, 62.84% (5,326) are female. The gender balance across the pay range shows that, proportionally, men are more likely to feature in higher pay quartiles.



Gender Bonus Gap

Durham's pay framework does not allow bonus payments to employees, therefore, there is no data to report in relation to bonuses.

3. Analysis of Durham County Council's data

Mean gender pay gap data, as at 31 March 2019, shows a deterioration (widening of the gap) on the previous year, where women's mean hourly rate of pay is 3.58% lower than men compared to 1.9% less in 2018. Potential causes of this could be due to the significant shift in the gender appointees of the apprenticeship programme. As at 31 March 2019, there are almost double the number of female apprentices compared to that as at 31 March 2018. This has resulted in higher number of females paid in the lower quartile and less males paid at the lower quartile.

However, there was an improvement of the median pay gap by around half a percent (0.45%). The median measure is more representative than the mean measure because it is not affected by a few individuals at the top or bottom of the pay range, so it is positive that this measure is showing improvement compared to 2018 data.

Table 3 -Annual comparison of mean and median data – Durham County Council

Year	Mean	Median
2019	3.58	4.32
2018	1.9	4.8
2017	3.4	4.3

Whilst the council currently employs more female (5,326) employees than male (3,149) employees (62.84% to 37.16% respectively), proportionately, there are more female employees paid at lower half of salary rate (quartiles 1 and 2) than male employees which could explain the median pay gap.

A review of the proportion of male and female employees by quartile demonstrates that there are less females paid in the higher quartile compared to 31 March 2018, but there has been an increase in the number of males paid at the higher quartile in the same period. Within the higher quartile there are 54 fewer females in 2019 than the previous year, whereas the number of males has increased by 49. Since the 2018 report the proportion of females in the higher quartile has decreased from 62.01% to 59.60% whereas the proportion of males has increased from 37.99% to 40.40%.

Comparisons with ONS (Office for National Statistics) published data¹ shows the mean average hourly rate for male employees in County Durham is £16.79, compared to £14.61 for female employees, whereas the median hourly rates are £13.40 for male employees, compared to £10.90 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 median is £0.89 higher than the ONS published data.

¹Source: Office for National Statistics, Annual Survey of Hours and Earnings 2017, available at

<http://www.nomisweb.co.uk/>

4. Wider comparative analysis of 2018 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 2018 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 – Variation of gender pay gap data regionally (North East Councils)

Chart 4 below, illustrates the variation of data across North East Councils as at 31 March 2018 and demonstrates that Durham had a lower than average gap regionally. Redcar and Cleveland Council had a 'positive' pay gap, where women are paid more than men.

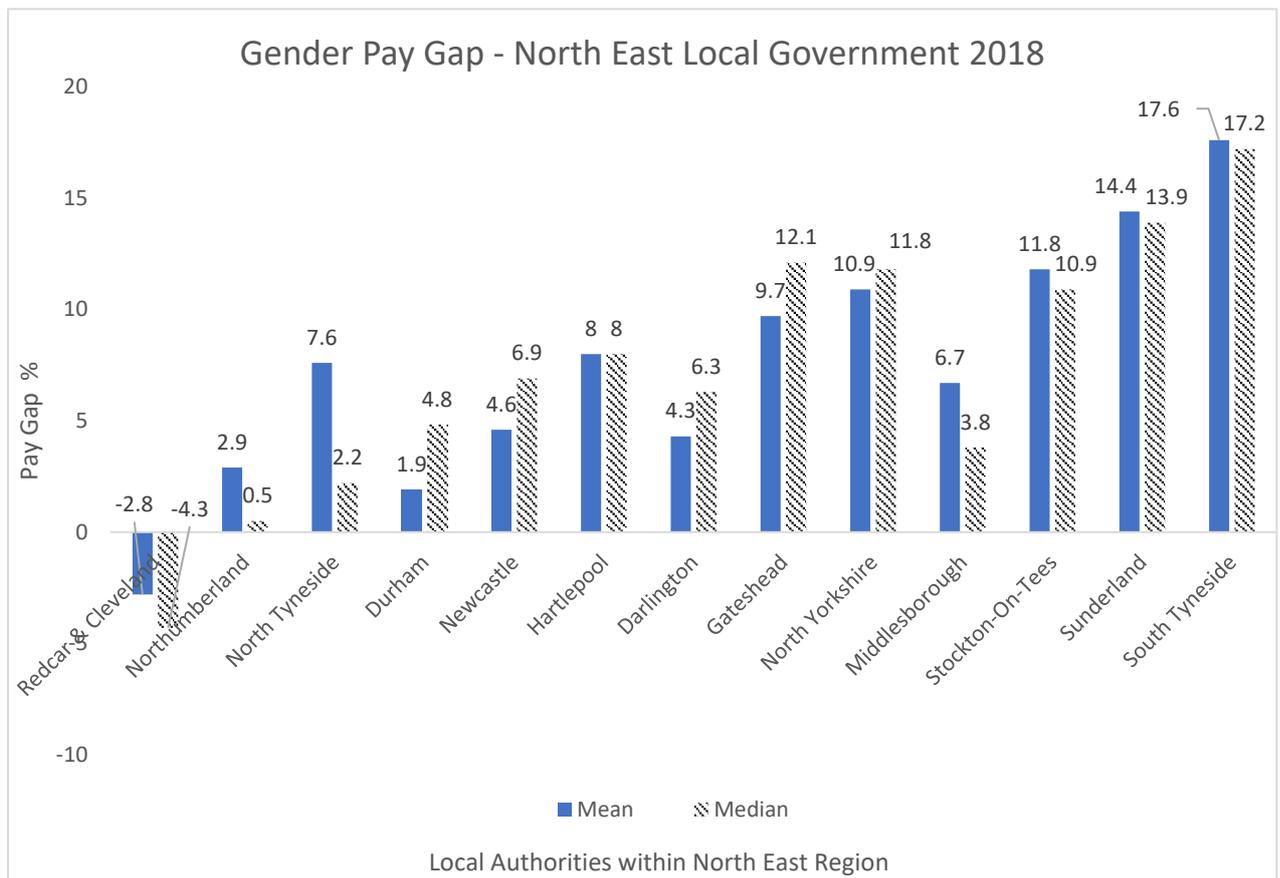


Chart 5 – Comparisons with local government and whole economy

Chart 5 below, demonstrates that across local government employment women were paid a mean average of 6.1 per cent less than men compared to 3.58 per cent less in Durham. The average median gender pay gap was 4 per cent compared to 4.32 per cent in Durham. Whole economy data demonstrates a more pronounced and increased variation compared to local government.

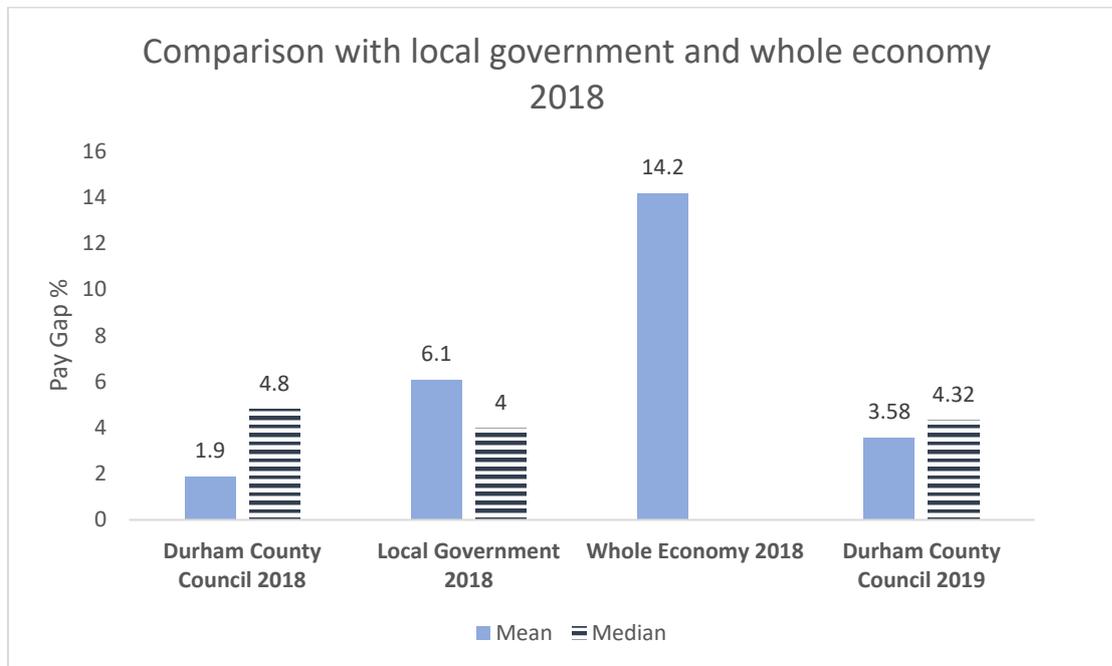


Chart 6 – Variation between Regions

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 (4.8 per cent) is still below the regional average but relatively high within the overall average for England. The lowest is London 0.5 percent, and highest the North East 7.2 percent.

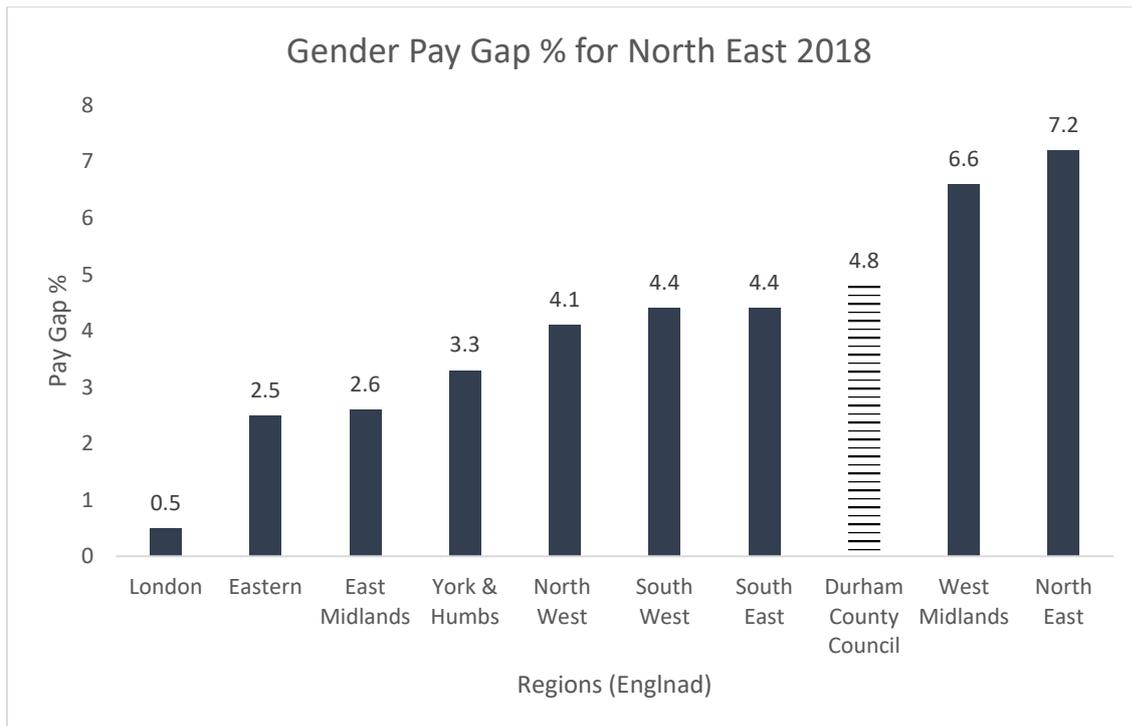
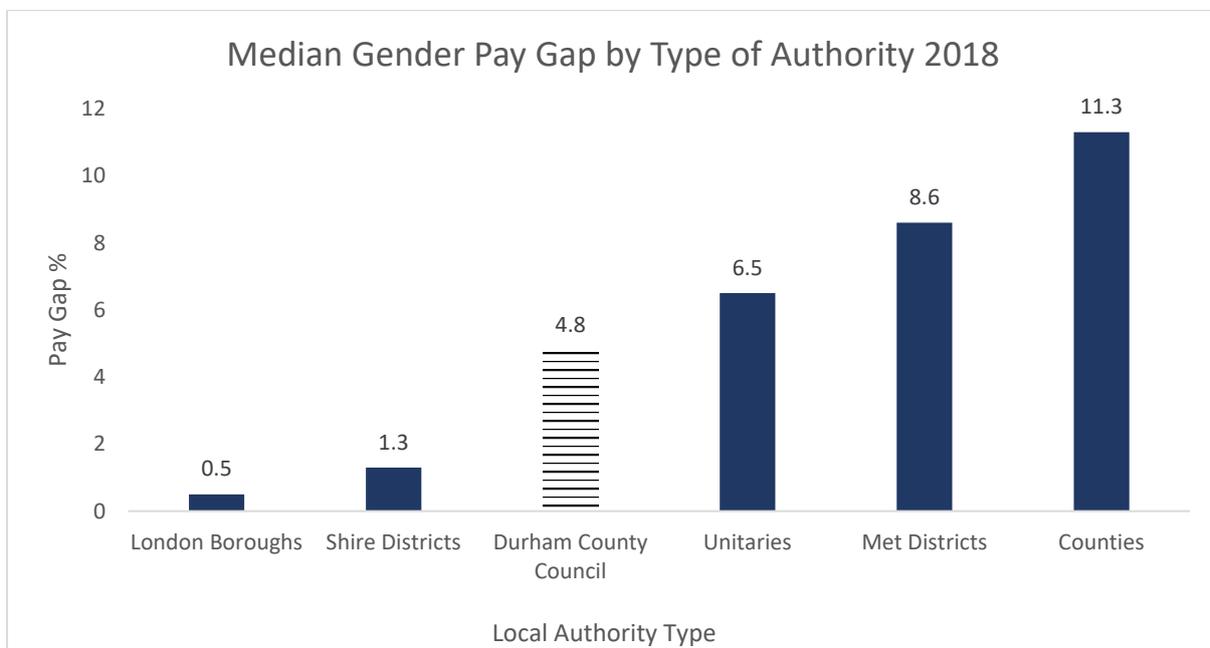


Chart 7- Variation by type of local authority

Chart 7 shows the variation in median pay gap by type of authority. As a unitary authority, Durham County Council is below average (4.8 percent) but still has a higher pay gap on average than London Boroughs (0.5 percent) and Shire District Councils (1.3 percent).



5. 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.

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 resulted in a new minimum rate for Council employees of £9.36 per hour from 1 April 2019. 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.

6. Recruitment and People Management Policies

Pay gaps experienced by women can arise from barriers faced getting into and progressing at work². We currently employ 5,326 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, operate a name-blind recruitment 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. Our recruitment and selection policy has recently been updated and the accompanying training for recruiting officers refreshed. The policy has undergone a full equality impact assessment which includes action for ongoing monitoring and analysis (see snapshot below) to ensure and reinforce fair practice.

For the period April 2018-2019, 1094 vacancies were advertised, the majority of posts were administrative and social care posts within Children Services and Adult Services. The type and level of posts advertised during this period can have an impact on the number of male/females entering the workforce and appointed pay grades. The data shows that from the total number of applications during this period, 64% were female, with 75% then appointed to posts. The high level of female appointments could be attributed to the types of jobs advertised.

² <https://www.equalityhumanrights.com/sites/default/files/pay-gaps-strategy-fair-opportunities-for-all.pdf>

Comparison between the grades shows that for Grades 1-2, a higher proportion of women applied for these grades, 35% male and 65% female. Whereas in contrast a similar proportion of male and female, 44% male and 56% female applied for Tier 4 – Head of Service posts. For those actually appointed female numbers are more successful for both grades, 75% for Grade 1-2 and 70% for Tier 4- Head of Service.

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. An analysis of the 2018/19 Gender Pay Gap data-set revealed 48.63% of female employees work a part-time working pattern, compared to 18.01% of male employees. Furthermore, 111 employees are classified as 'homeworkers', and of these 84.68% were female.

Policies are available to all employees however, analysis shows, that higher proportions of female staff take advantage of such policies. For example, between September 2018 and July 2019, 90.72% of requests to change working hours for the reason of 'Family Leave Policy' were submitted by female employees. Family friendly policies therefore assist the council in retaining a highly skilled female workforce.

7. Continuing Challenges

Certain council occupations tend to 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.

As at 31 March 2019, the council's Corporate Management Team consisted of the Chief Executive and five directors and the structure was gender balanced. However, this has now changed and may impact on the reporting for 2020. In addition to this, at 31 March 2019 the extended management team structure consisted 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.

8. Plans for Long Term Improvement

Durham County Council is a progressive council with many ambitious plans in order to change and evolve. We will need to embrace new technology, as well as respond to national shortages in particular professions such as social work and plan ahead to address the impact of an ageing workforce. The digital agenda is becoming more

important and we will need to invest in our staff to ensure they have the necessary skills required for the future.

The emerging People and Talent Management Strategy aims to ensure that we are thinking about the most important aspects that affect the workforce and which of those need to change in order to modernise. It will provide the organisation with a structured approach to strategic workforce planning. The strategy identifies a number of priorities which will link to improvements to our gender pay gap. These actions will form part of our gender pay action plan.

Research shows that some elements of pay gaps result from the restrictions women face in balancing work with other aspects of their lives such as caring responsibilities.³ We recognise the importance of flexible working practices to support all employees (including men) in the workplace in terms of flexible time and flexible place options. Our data evidences that there is a steady increase in male employees working more flexibly, such as part time working, which for 2018/19 has seen a 1.31% point increase for male employees compared to 2017/18. This is encouraging in terms of tackling some of the underlying causes of the gender pay gap.

We are also continuing to implement interventions including smarter working to create a working environment that promotes work life balance. This can be evidenced in the number of 'homeworker' employees which has more than doubled in 2018/19 compared to 2017/18 (115 compared to 55). Such interventions have also contributed to the steady increase in male employees working flexibly – with a 7.51% point increase in the number of male 'homeworker' employees alone.

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

Attracting future talent

Our apprenticeship programme is an integral part of the council's approach to address current and future skills needs for new and existing staff. Apprenticeships help us to attract and retain the very best talent and to benefit from a skilled, motivated and flexible workforce.

We have in place an Apprenticeship Strategy which outlines what we want to achieve as an employer and the positive action we will take to increase the number and range of apprenticeships within the council as part of our wider People and Talent Management Strategy.

As at 31 March 2019, we employ 95 apprentices, 57% male and 43% female. This gender breakdown is an improvement on 2018, where we employed 73% male and

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

27% female apprentices (at 31 March 2018). Furthermore, in 2019 women were attracted into more male dominated roles through our apprenticeship programme including Civil Engineering and Countryside Warden.

Initiatives such as work experience and internship opportunities to do project work and gain work experience are in place to help support people into employment. The council has participated in the National Local Government Graduate Programme to help attract future leaders into Local Government. Our 2017-19 programme included two male and two female graduates. The council also supports the Change 100 Programme talent programme which supports paid summer work placements and mentoring for disabled undergraduate students and recent graduates. Three female graduates have undertaken this programme with two progressing into employment with the council following the placement.

Inclusion

All HR policies are subject to full equality impact assessment to ensure they do not discriminate, meet our public sector equality duty and progress inclusion. The emerging People and Talent Management Strategy will receive a high-level equality impact assessment in order to understand the evidence base driving the strategy to ensure our direction of travel is inclusive and responsive and able to adapt to changing staff needs and emerging issues longer term.

Our flexible working policies are evidenced to be attractive to women and we will continue to encourage all staff, male and female, to utilise these policies as improved sharing of home life responsibilities such as caring will facilitate women advancing in 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.

Occupation and gender

We have an inclusive approach to talent management and have in place a comprehensive Employee Learning and Development programme, access to over 300 digital and e-learning resources, together with a Leadership and Management Development Programme to support all employees to grow and develop in their roles. We are currently establishing a more robust approach to support employees to progress in their careers through bespoke support, development programmes, mentoring and career pathways.

We have in place a coaching framework where employees can access coaching delivered by professionally trained colleagues on a one to one basis or through an external coach. The coaching framework helps to support staff to reach their full potential and career goals. 47% of male and 53% of female employees have accessed our internal coaching offer.