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| To: | Cabinet |
| Date: | 11 March 2020 |
| Report of: | Head of Business Improvement |
| Title of Report:  | Gender Pay Gap report (reporting period 31 March 2019) |

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| Summary and recommendations |
| Purpose of report: | To report the Council’s Gender Pay Gap reporting data |
| Key decision: | No |
| Cabinet Member: | Councillor Nigel Chapman, Safer Communities and Customer Focused Services |
| Corporate Priority: | An efficient and effective Council: our ambition is for a customer –focused organisation, delivering efficient, high quality services that meet people’s needs.  |
| Policy Framework: | Corporate Plan 2016-2020 |
| Recommendations: That Cabinet resolves to: |
| 1. | Note the contents of the report and Gender Pay Gap table at Appendix 1; and  |
| 2. | **Delegates authority** to the Head of Business Improvement to publish |
|  | the table at Appendix 1 to this report before the deadline of 30 March 2020 |

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| Appendices |
| Appendix 1 | Gender Pay Gap data tables (31 March 2019) |
| Appendix 2 | Gender Pay Gap data tables (31 March 2018 & 31 March 2018) |
| Appendix 3 | Distribution of Council staff by grade & gender (31 March 2019) CONFIDENTIAL |
| Appendix 4AAppendix 4B | Distribution of Council staff by grade & gender (stacked diagram) Distribution of ODS staff by grade & gender (stacked diagram) CONFIDENTIAL |
| Appendix 5 | Comparison of Gender Pay Reports (as at 31 March 2019) |
| Appendix 6Appendix 7 | Risk Register (separate document supplied with this report)Distribution of ODS staff by grade and gender (31 March 2019) CONFIDENTIAL |

# Introduction

1. The Council is required under the Equality Act 2010 to publish an annual report that provides details of the Council’s gender pay gap using a number of key measures: basic pay; bonus; the proportion of male and females receiving a bonus; and, pay quartile data (basic pay) for male and female staff.
2. The two previous Gender Pay Gap reports published by the Council included pay data for the staff who were TUPE transferred to Oxford Direct Services (ODS) on 1 April 2018. However, the next report to be published in March 2020 will be the first to provide gender pay data for the Council’s workforce only. ODS will also be required to provide their own Gender Pay Gap report as an employer in their own right at the ‘snapshot’ date detailed in paragraph (3) below.
3. Due to the government’s gender pay reporting cycle, the pay data that the Council **must** publish by 30 March 2020 relates to Council pay data at the ‘snapshot date’ of 31 March 2019.

**Methodology**

1. Gender pay gap reporting is based on three calculation methodologies. The first uses the hourly rate paid to male and female staff to compile the following reporting indices: -
* Mean gender pay gap (basic pay);
* Median gender pay gap (basic pay); and
* Pay quartiles by gender.

The use of an hourly pay rate in the calculation of these reporting indices (as opposed to gross pay) is intended to negate the impact of part-time working within an organisation’s workforce, as in our case. However, in practical terms the use of an hourly rate as the basis for these calculations means that the *distribution* of female and male staff by grade can have a significant impact on the gender pay gap indices, especially where a workforce’s population is heavily skewed towards one gender and where the ‘dominant’ population is employed in lower graded roles when compared to the other gender.

The second calculation methodology is used to calculate the mean and median gender bonus pay gap and is based on the actual bonus payment received by staff. The Council’s Partnership Payment scheme is classified as a bonus payment for the purposes of gender pay gap reporting. The Partnership Payment is part of the 2018-21 pay agreement and is based on a fixed sum (£ 500) that is paid on a pro-rata basis, i.e. based on the hours worked by an employee. As this reporting measure is based on the value of the bonus payment received, it is directly impacted by the high proportion of female staff who work on a part-time basis (circa 33%) who receive a smaller bonus payment than male staff. In practical terms this reduces both the mean and median bonus pay figures for female staff when compared to those for males, i.e. a group who predominantly work on a full-time basis.

The third calculation methodology is used to calculate the proportion of female and male staff receiving a bonus. This data set is based on the headcount of female and male staff receiving a bonus payment and is not therefore affected by the *hours* worked by an employee.

**Data Analysis and Findings**

1. The key findings of the snapshot run as at 31 March 2019 for Oxford City Council are as follows:

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| Mean gender pay gap (basic pay) is 10.2% |
| Median gender pay gap (basic pay) is 12.1% |
| Mean gender bonus gap for 11.6% |
| Median gender bonus gap is 9.26% |
| Proportion of male employees receiving a bonus is 83.7% |
| Proportion of female employees receiving a bonus is 84.2% |

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Pay quartiles by gender – Oxford City Council

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| **Quartile\*** | **Males %** | **Females %** |
| Top Quartile | 50.58 | 49.42 |
| Upper Middle Quartile | 44.19 | 55.81 |
| Lower Middle Quartile | 37.12 | 62.79 |
| Lower Quartile | 34.88 | 65.12 |

***Note to Tables***

*Where a gender pay gap reporting indices is in favour of females the figure is shown as a minus figure, i.e. -2.0%.*

1. In contrast to the previous reporting periods where the Council has reported gender pay gap figures in favour of female staff, the set of data to be published in March 2020 will report both a mean ***and*** median gender pay gap in favour of males. (Please refer to Appendix 2 for details of the previous Gender Pay Gap data reports).
2. The reason for this significant change in reported data for the Council (and ODS alike) is due to the creation of ODS as an employer in their own right ,which has had a significant impact on the calculation of the gender pay gap data tables for both organisations. In broad terms, ODS has a large number of lower paid male staff which reduced both the mean and median basic pay figures when included in the combined pay data for male staff within the City Council *and* ODS in the last two gender pay reports. This is explained in more detail in the paragraphs below.
3. The Council’s workforce is predominantly female, i.e. 401 staff or 58% of the workforce, as at 31 March 2019. 126 females (circa 33%) work on a part-time basis. Of the 287 male staff, only 30 (10%) work on a part-time basis. The majority of Council staff are employed in roles on Grade 5 (25% of females and 14% of males) or Grade 7 (19% of females and 27% of males). 23 staff (3%) are employed in senior roles, i.e. above Grade 11. Males occupy proportionately more highly paid roles than females across the Council’s grade structure.
4. The ODS workforce is overwhelmingly male, i.e. 570 staff or 88% of the workforce, as at 31 March 2019. Only 14 males (circa 3%) work on a part-time basis. Of the 75 female staff only 9 (or 11%) work on a part-time basis. A significant amount of the ODS workforce are employed in lower graded roles when compared to the Council’s workforce.
5. The distribution of males and females across the OCC and ODS grade structures (including the craft based grades), is summarised below: -

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|  | **OCC** | **ODS** |
|  | **% Females** | **% Males** | **% Females** | **% Males** |
| Staff employed in Grades 3 to 7 | 75% | 67% | 89% | 84% |
| Staff employed in Grades 8 to 11 | 22% | 28% | 11% | 15% |
| Staff employed in senior roles | 3% | 5% | 0% | 1% |

Appendix 3 provides more detailed information on the distribution of female and male staff by grade for both the Council and ODS.

1. The removal of the ODS workforce from the gender pay data has significantly altered the ‘shape’ of the Council’s reporting indices, as the greater proportion of males in ODS employed in lower paid roles helped to reduce the gender gap for both mean and median basic pay indices as detailed in the previous two reports. This impact is better illustrated in diagrammatic form, as shown at Appendix 4 for both the Council and ODS.
2. Disaggregating the gender pay data reported at the end of March 2019 (i.e. for the reporting date of 31 March 2018) indicates that the mean and median gender pay gap indices for both OCC and ODS are broadly comparable with other employers within local area, but do not compare as well with Cambridge City and Reading Borough Council data. (Appendix 5 provides a table of the gender pay report data from March 2019 for reference).
3. Addressing the challenge presented by the pay gap within the City Council in favour of males, as reported above, is **not** focused on equal pay consideration: staff on the same salary point within each grade receive the same hourly pay, irrespective of gender. Success in closing Council’s gender pay gap will be achieved through its employment policies and practices, including: recruitment approaches and methods that promote the Council as an employer of choice and place to build a great career, with access to a range of flexible working arrangements; employment policy and enabling technologies that facilitate greater flexibility in the time, place and manner by which work is performed to enable staff to achieve an effective balance between work and their home commitments; and training and organisational development initiatives to encourage and support greater levels of participation by female colleagues within higher graded roles in the Council. These issues form an integral part of the revised Equalities Action Plan recently approved by Cabinet.

**Conclusions**

1. The next set of gender pay gap data to be reported by 30 March 2020 (Appendix 1) represents a marked change when compared to the reports published in March 2018 and 2019. The Council’s gender pay gap data for 2019 was not out of step with that of other local employers, but was higher than those reported for both Cambridge and Reading Councils in 2019 (please refer to Appendix 5).
2. It is anticipated that the combination of flexible working approaches, the planned roll-out of enabling technologies and equipment and availability of training and career development opportunities will facilitate a reshaping of the Council’s workforce and, thereby, Gender Pay reporting statistics.

# Financial implications

1. There are no financial implications associated with this report.

**Level of Risk**

1. A Risk Register is supplied separately as Appendix 6 to this report.

**Legal Issues**

1. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 require the Council to publish information annually about how it complies with the Public Sector Equality Duty.
2. The Regulations also impose obligations on the Council to publish information relating to the gender pay gap in the organisation based on a ‘snapshot date’ of 31st March in any year.

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| Background Papers: None |
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