

REMUNERATION COMMITTEE – 6 MARCH 2018

OXFORDSHIRE COUNTY COUNCIL GENDER PAY GAP REPORTING

Report by Director of Human Resources

Introduction

1. This report gives the details of Oxfordshire County Council's Gender Pay Gap which meet our requirements under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Gender Pay Gap

2. The gender pay gap shows the difference between the average (mean and median) earnings of *all* male employees and *all* female employees. This is expressed as a percentage of *all* male employee's earnings.
3. The aim of Gender Pay Gap reporting legislation is to help employers to identify the gaps in their organisations and to take action to close their gender pay gap. Equal Pay Since 1970, employers must give men and women equal treatment in the terms and conditions of their employment contract (including pay) if they are employed to do:
 - 'like work' - work that is the same or broadly similar
 - work rated as equivalent under a job evaluation study
 - work found to be of equal value in terms of effort, skill or decision making.
4. Employees can compare any terms in the contract of employment with the equivalent terms in the contract of an employee of the opposite sex, doing like work of equal value (the comparator). However, an employer may defend a claim if they show the reason for the difference is due to a genuine factor and not based on the sex of the employee.

Equal Pay and Job Evaluation

5. Oxfordshire County Council does not have any Equal Pay Concerns. This is because the Job Evaluation scheme that we have in place (which is nationally recognised) allows us to fairly assess the value/worth of council jobs, in relation to others in the organisation and set the grade and pay. We can therefore establish a fair and rational pay structure for the role – regardless of the incumbent - and meet our commitment to equal pay.

Gender Pay Gap vs Equal Pay

6. “The gender pay gap differs from equal pay as it is concerned with the differences in the average pay between men and women over a period of time no matter what their role is. Equal pay deals with the pay differences between men and women who carry out the same or similar jobs¹.”

Requirements

7. There are six calculations that must be made to meet our Gender Pay Gap reporting obligations. These are calculated based on data from the snapshot date of 31st March 2017. These calculations are:
1. **Mean gender pay gap:** the mean average involves adding up all the numbers and dividing the result by how many numbers were in the list. To calculate the mean gender pay gap, the mean hourly rate of pay for all female full-pay relevant employees is deducted from the mean hourly rate of pay for all male full-pay relevant employees, divided by the mean hourly rate of pay for all male full-pay relevant employees and multiplied by 100.
 2. **Median gender pay gap:** the median average involves listing all the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers. To calculate the median gender pay gap, the median hourly rate of pay for all female full-pay relevant employees is deducted from the median hourly rate of pay for all male full-pay relevant employees, divided by the median hourly rate of pay for all male full-pay relevant employees and multiplied by 100.
 3. **Mean bonus gender pay gap:** the mean average involves adding up all the numbers and dividing the result by how many numbers were in the list. To calculate the mean bonus gender pay gap, the same steps are taken as the calculation for the mean gender pay gap, but with the mean hourly rate changed to the mean bonus pay of the relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date.
 4. **Median bonus gender pay gap:** the median average involves listing all the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers. To calculate the median bonus gender pay gap, the same steps are taken as the calculation for the median gender pay gap, but with the median hourly rate changed to the median bonus pay of the relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date.
 5. For the results of the first four calculations, a positive percentage figure reveals that typically, or overall, female employees have lower pay or bonuses than male employees. A negative percentage figure reveals that

¹ <http://www.acas.org.uk/index.aspx?articleid=1811>

typically or overall, male employees have lower pay or bonuses than female employees.

6. **The proportion of males receiving a bonus payment and the proportion of females receiving a bonus payment** are calculated by the number of male/female relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date, divided by the number of male/female relevant employees and multiplied by 100.
7. **Proportion of males and females in each quartile pay band:** This is calculated by ranking all the male and female full-pay relevant employees from the lowest hourly rate of pay to the highest hourly rate of pay. This list is then divided into four sections (quartiles) and the proportion of male and females in each quartile is recorded. This is calculated by dividing the number of male full-pay relevant employees in the quartile by the total number of employees in the quartile multiplied by 100 and the number of female full-pay relevant employees in the quartile by the total number of employees in the quartile multiplied by 100.

Figures

8. Annex 1 to this report provides details of Oxfordshire County Council's Gender Pay Gap as required under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
9. Annex 2 to this report provides details of Oxfordshire County Council's comparators' Gender Pay Gaps.

Next Steps

10. The 7th March we will have an internal headline. This will cover:
 - The difference between Gender Pay Gap reporting and Equal Pay issues
 - The role Job Evaluation plays
 - It will give an overview of what our data shows with more information to follow
11. The 26th March we will again have an internal headline. This will include our narrative which will include:
 - Case Studies
 - Details of our current policies
 - Details of our forthcoming equalities plan
12. On the 26th March to coincide with the internal headline, we will publish our narrative and figures on our public website and upload our figures to the Government's Gender Pay Gap reporting portal.

Financial and Staff Implications & Equalities Implications

13. Implications are discussed as required.

RECOMMENDATION

14. **The Remuneration Committee are RECOMMENDED to note and agree the figures for publication.**

Steve Munn

Director of Human Resources

Background Papers: Nil

Contact Officer: Ruth O'Loughlin, HR Manager – Reward

March 2018

Figures

Figures	
Our mean gender pay gap	3.5%
Our median gender pay gap	0.1%
Our mean bonus gender pay gap	0%
Our median bonus gender pay gap	0%
Our proportion of males receiving a bonus payment	0%
Our proportion of females receiving a bonus payment	0%

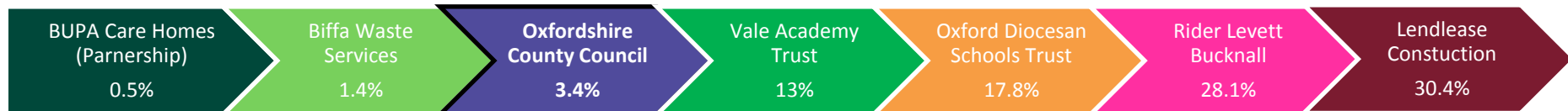
Our proportion of males and females in each quartile pay band	
Quartile 1	Male 29.6% Female 70.4%
Quartile 2	Male 41.5% Female 58.5%
Quartile 3	Male 36.7% Female 63.3%
Quartile 4	Male 34.4% Female 65.6%

Comparators

The CIPD reports that the Gender Pay Gaps that have already been reported show a broad spread of mean averages by pay – with most clustering between 0 and 25 per cent. Below is a snapshot of public sector employers.



For reference, I have also included a snapshot of private sector employers that are of interest because of the nature of the work:



Both show Oxfordshire County Council to be in a very positive position.